

Notice of Meeting

Cabinet

Date: Wednesday 22 June 2022

Time: 5.30 pm

Venue: The Annexe, Crosfield Hall, Broadwater Road, Romsey, Hampshire
SO51 8GL

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This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of this meeting may be held in private because the agenda and reports for the meeting may contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

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.

Membership of Cabinet

MEMBER	WARD
Councillor P North (Chairman)	Bourne Valley
Councillor N Adams-King (Vice-Chairman)	Blackwater
Councillor P Bundy	Chilworth, Nursling & Rownhams
Councillor D Drew	Harewood
Councillor M Flood	Anna
Councillor I Jeffrey	Mid Test
Councillor A Johnston	Mid Test
Councillor T Tasker	Andover Romans

Cabinet

Wednesday 22 June 2022

AGENDA

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

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Minutes of the meeting held on 11 May 2022**
- 6 Recommendations of the Overview and Scrutiny
Committee: None**
- 7 Revenue Outturn 2021/22 6 - 15**

Finance and Resources
To report the Council's revenue outturn position, explain reasons for variances between the original estimate and the outturn and recommend how the surplus in the year should be treated.
- 8 Project Enterprise Outturn Report 16 - 20**

Finance and Resources
To review the financial performance of Project Enterprise activities in the 2021/22 financial year.
- 9 Treasury Management Outturn 2021/22 21 - 26**

Finance and Resources
To review the performance of the Treasury Management function in 2021/22.

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|-----------|---|------------------|
| 10 | <u>Capital Outturn 2021/22</u> | 27 - 42 |
| | Finance and Resources
To summarise the actual expenditure on capital projects in 2021/22, providing explanations for variations between estimated and actual expenditure and to review the funding of the capital programme and present a revised programme for 2022/23 to 2023/24. | |
| 11 | <u>Asset Management Outturn 2021/22</u> | 43 - 58 |
| | Finance and Resources
To report the actual expenditure against budget for the Asset Management Plan in 2021/22 and to update the AMP requirement for 2022/23. | |
| 12 | <u>Valley Housing Ltd Outturn and Business Plan Update</u> | 59 - 63 |
| | Finance and Resources
To review the activity of Valley Housing Ltd in 2021/22 and receive an updated business plan for 2022/23 to 2024/25. | |
| 13 | <u>Romsey Future - A Vision for Romsey 2022-2042</u> | 64 - 88 |
| | Strategic Regeneration Partnerships (South)
To consider the updated Romsey Future Vision document. | |
| 14 | <u>Review of Waste and Recycling Service in light of the Environment Act 2021</u> | 89 - 102 |
| | Recycling, Environmental Services and Car Parking
To review changes to the Council's waste and recycling collection service. | |
| 15 | <u>Partnership working with Hampshire County Council</u> | 103 - 108 |
| | Leader
To amend the approved Partnership Board structure with Hampshire County Council. | |
| 16 | <u>Member Champions</u> | 109 - 115 |
| | Leader
To appoint Member Champions for 2022/23. | |

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|-----------|---|------------------|
| 17 | <u>Cabinet Appointments to Outside Bodies and Sub-Committees</u> | 116 - 120 |
| | Democracy and Governance
To appoint Members to various Outside Bodies and Sub-Committees. | |
| 18 | <u>Scheme of Delegations to Officers</u> | 121 |
| | Democracy and Governance
To approve the Council's Scheme of Delegations to Officers. | |
| 19 | <u>Exclusion of the Public</u> | 122 |
| | The following items are confidential. | |
| 20 | <u>Project Enterprise Outturn Annexes</u> | 123 - 126 |
| | Finance and Resources
Confidential annexes in relation to agenda item 8. | |
| 21 | <u>Valley Housing Outturn and Business Plan Update Annexes</u> | 127 - 141 |
| | Finance and Resources
Confidential annexes in relation to agenda item 12. | |

ITEM 7

Revenue Outturn 2021/22

Report of the Finance and Resources Portfolio Holder

Recommended:

1. That the Council's Revenue outturn for 2021/22, as shown in Annexes 1 and 2 to the report, be noted.
2. That the reasons for the budget variances, as shown in paragraph 3 of the report, be noted.
3. That the transfers to reserves of £3.373M detailed in paragraph 3.15 of the report be approved.
4. That the items shown in paragraph 3.18 of the report, totalling £23,100, be approved for carry forward into the 2022/23 revenue budget.
5. That the transfers to reserves as detailed in paragraph 4 of the report be approved.
6. That the Head of Finance and Revenues be authorised to make necessary adjustments through the Regeneration Reserve, should any additional variances be identified in finalising the Statement of Accounts for 2021/22.

Summary:

- The Council's Revenue outturn for the year ended 31 March 2022 shows net General Fund expenditure of £4.251M (Annex 2).
- Following the completion of the revenue outturn work there is a surplus on the general fund of £1.637M. Details of how this arose are discussed in more detail in paragraph 3. The utilisation of this variance is considered in paragraph 4.

1 Introduction

- 1.1 The General Fund covers all areas of the Council's revenue activities. This report summarises the total revenue expenditure for Services in 2021/22 which is summarised in Annex 1.
- 1.2 The summary in Annex 1 includes notional charges applied to the revenue account in respect of capital financing transactions and transfers to the pension reserve. Annex 2 shows the same information as Annex 1 with these charges stripped out. Throughout this report any comparisons between budget and actual expenditure will refer to the figures contained in Annex 2.
- 1.3 Where there have been significant variances from the original estimate to the final outturn figures, these are explained in paragraph 3.

- 1.4 The information in this report forms the basis of the Comprehensive Income and Expenditure Statement in the Council's Annual Statement of Accounts which is due to be audited in the coming months by Ernst & Young.

2 Background

- 2.1 The original revenue estimates for 2021/22 were approved by Council in February 2021. This report shows how the final figures compare to those approved in the original estimates and explains the reasons for significant variances.
- 2.2 The Council's Revenue outturn for 2021/22 shows a favourable variance of £1.637M compared with the original estimate. The details of the variance are explained in paragraph 3.
- 2.3 Annex 1 shows the full cost of Services which includes depreciation charges, charges to revenue for capital expenditure that does not generate new assets and notional adjustments in respect of the pension fund. Whilst it is important that these costs are known and included, they are also highly changeable and make comparisons with budgets very difficult.
- 2.4 Annex 2 strips out these charges to provide Councillors with a more understandable comparison of budget figures.

3 2021/22 Revenue Outturn

- 3.1 Annexes 1 and 2 show the revenue account outturn for 2021/22. They show a positive variance of £1.637M when compared with the original estimate.
- 3.2 The table below provides a summary of the main reasons for the variance with more detailed explanations in paragraphs 3.3 to 3.17:

	£'000
Net impact of Covid-19 (see para. 3.3)	(392)
Employee costs (see para 3.4)	(547)
Additional income from services (see para 3.5)	(665)
Various supplies & services savings (see para. 3.6)	(112)
Additional investment income (see para. 3.7)	(206)
Net additional income from the Chantry Centre (see para 3.8)	(270)
Government grants (see para 3.9)	(709)
Business rates (see paragraphs 3.10 – 3.14)	(2,544)

Transfers to Reserves (see para 3.15)	3,373
Other miscellaneous variances	43
Reduce budgeted draw from reserves (see para 3.17)	392
Total surplus	1,637

- 3.3 The budget for 2021/22 included a number of assumptions around the impact of the Covid-19 pandemic on income and expenditure. The actual impact was £391,500 lower than anticipated as shown in the table below.

	£'000
Lower than anticipated additional expenditure (bad debt provision, bed & breakfast, election fees etc.)	(123)
Lower than anticipated reduction in income (The Lights, outdoor sports facilities, licencing, land charges, building control etc.)	(219)
Higher than anticipated grant from the Sales, Fees & Charges compensation scheme	(50)
Net impact due to Covid-19	(392)

- 3.4 The employee costs budget for 2021/22 included a vacancy management provision set at 4.5% of the gross salary budget equating to £709,000. The actual outturn for employee costs has exceeded the provision by £547,000. £380,000 of this is due to ongoing recruitment challenges across the authority and the timing of vacancies being filled, with a further £167,000 from a pension fund credit and some furlough income.
- 3.5 Additional income of £665,000 has been generated by services. The most notable of these are:
- Net additional income of £318,000 from Environmental Service. This includes £168,000 from additional garden waste subscriptions, £76,000 from the sale of recyclables (dry mixed recyclables and glass), £33,000 from sale of bins and £28,000 from grounds maintenance contracts.
 - Net additional rental income of £273,000 in Property & Asset Management, where rent reviews have generated more income than expected. This does include some one-off backdated income.
 - A one-off refund of £53,000 from the Ministry of Justice in respect of over-charged court fees.
- 3.6 Supplies & services across all services show savings of £112,000. This includes savings on training, consultancy and office expenses.

- 3.7 Investment income is £206,200 greater than budgeted. This is due to higher than forecast rates being achieved on fixed investments, increases in the base rate from December to March and interest receivable on a loan.
- 3.8 Net additional income from the Chantry Centre is £269,600. This is due mainly to lower than anticipated void costs for both service charge and business rates. As per the report to Council on 13th March 2019, it is recommended to transfer this additional income to the Chantry Centre Planned Maintenance Reserve.
- 3.9 Net unbudgeted government grants of £709,000 have been received in the year. This includes:
- The amount received for the Council Tax Annex Discount grant was £26,700 higher than budgeted.
 - New burdens funding of £128,400 was received to alleviate some of the costs of administering various Covid business grant schemes across the year. Any costs associated with these, such as staff or software expenses, are shown within the relevant services.
 - A number of ringfenced Covid grants were received in the year which have not been fully utilised by the year end. These are the Covid Outbreak Management Fund grant of which £85,400 remains from a grant of £137,600, and the Covid Clinically Extremely Vulnerable grant of which £29,100 remains from a grant of £30,000. It is recommended to transfer these to the Covid grants reserve.
 - Various unbudgeted housing grants totalling £719,900 were received in the year. The most notable of these are the Flexible Homelessness Support Grant at £371,700, the Rough Sleeping Initiative Grant at £177,200 and the Vulnerable Renters Grant at £77,900. After expenditure, the net amount of £284,300 is recommended to be transferred to the Housing reserve.
 - Eight other small grants were received from Central Government across the services. The total net amount on these after taking into account expenditure is £154,800. These will be transferred to reserves for future use under the delegated authority of the Head of Finance and Revenues and the Finance and Resources portfolio holder.
- 3.10 Transactions through the General Fund in relation to business rates income are difficult to predict and extremely volatile. Since 2013/14, the Council has experienced business rate growth and is therefore required to pay an immediate NDR Surplus Levy to Government. In addition, the Council receives grants for small business rate and other reliefs, and is entitled to retain 100% of business rates relating to renewable energy schemes within the Borough. These transactions are managed through both the General Fund and the Collection Fund Equalisation Reserve.

- 3.11 Business rates income is extremely vulnerable to the level of appeals that may occur as a result of the 2017 revaluation exercise. In addition, the Government maintains the power to take away all of the accumulated growth in income generated since 2013 in a reset of the Business Rates Retention Scheme. It is still uncertain when this reset will occur. The Council maintains the Collection Fund Equalisation Reserve to smooth the impact of these unknowns.
- 3.12 In 2021/22, the Council has continued to experience business rate growth and is still required to pay a surplus levy to Government.
- 3.13 To offset the impact of the Covid-19 related business rates reliefs (Retail, Hospitality and Leisure discount) that have been given in the collection fund, the Government has given local authorities additional Section 31 grants in the year which are accounted for in the general fund. The Council has received an additional £3.122M in these grants. The resulting share of the deficit in the collection fund of £2.977M will not be accounted for in the general fund until 2022/23 and 2023/24.
- 3.14 The variances against budget are detailed in the table below and the balance of £2.544M is recommended to be transferred to the Collection Fund Equalisation reserve to offset the deficit that is required to be financed in 2022/23 and 2023/24.

	£'000
Additional section 31 grants received	(3,122)
Increase in provision for surplus levy	374
Reduction in NDR retained from renewable energy schemes	204
Net impact of business rates on General fund in 2021/22	(2,544)

- 3.15 The following transfers to reserves are recommended:

	£'000
Chantry Centre PMP reserve (see para 3.8)	270
Housing reserve (see para 3.9)	284
Covid grants reserve (see para 3.9)	115
Other net transfers to reserves (see para 3.16)	160
Collection Fund Equalisation Reserve (see paras 3.10 – 3.14)	2,544
Total recommended transfer to reserves	3,373

- 3.16 Other net transfers to reserves totalling £160,000 are to be made under the delegated authority of the Head of Finance and Revenues and the Finance and Resources Portfolio Holder. This includes the small government grants as per paragraph 3.9.
- 3.17 The budget for 2021/22 included a draw from the Budget Equalisation Reserve of £142,000 to offset budget pressures from Covid-19, and a draw from the Investment Equalisation Reserve of £250,000 to offset the impact of lower interest rates on investment income. As the impact of both of these was lower than forecast, it is no longer necessary to draw from these reserves.
- 3.18 Two items have been identified where a budget was included in the 2021/22 estimate but was not spent by the end of the year as per the table below. The total of £23,100 is recommended to be carried forward into 2022/23.

	£'000
Housing & Environmental Health – relocation expenses	5
Community & Leisure – various snagging works at Picket Twenty	18
Total to be carried forward to 2022/23	23

4 Transfer to / from Reserves

General Reserves

- 4.1 The recommended prudential minimum level for unallocated general reserves is £2.6M. This balance remains unchanged at 31st March 2022.

Earmarked Reserves

- 4.2 The surplus on the General Fund is £1.637M for 2021/22.
- 4.3 There are a number of ways in which the Council could utilise this sum. It is recommended that the most appropriate use is to split it as detailed in the table below.

	£'000
Budget Equalisation Reserve (see para 4.4)	500
Environment Act Reserve (see para 4.5)	300
Capacity Building Reserve (see para 4.6)	150
Asset Management Reserve (see para 4.6)	150
Regeneration Reserve (see para 4.7)	537
Total to be transferred to reserves	1,637

- 4.4 The Budget Equalisation Reserve is used to mitigate against additional budget pressures. A top up of £500,000 is recommended and will be used as a contingency against higher than forecast inflationary pressures.
- 4.5 A new Environment Act reserve will be established to help ensure that funds are available to successfully implement the changes to waste that will be required under the Environment Act. A transfer of £300,000 is recommended.
- 4.6 Recent work undertaken by the IT service has identified a number of additional areas of work that may be required to be added to the Asset Management Plan or service budgets over the next two / three years. Transfers of £150,000 to the Asset Management Plan and £150,000 to the Capacity Building Reserve are recommended to accommodate these.
- 4.7 The Regeneration Reserve is forecast to have a balance at March 2023 of approximately £2M. A top up of £537,000 is recommended in order to support the development and implementation of masterplan projects in Andover and Romsey.

5 Resource Implications

- 5.1 This report shows that the Council had a budget surplus in 2021/22 of £1.637M. This amount will be transferred to reserves to be used in future years.
- 5.2 Some of the variances that have been identified throughout this report have already been taken into account in setting the 2022/23 budget, others will be considered as part of the Medium Term Financial Strategy for 2023/24 to determine if there are any ongoing savings or additional income that could help reduce the Council's budget gap.

6 Risk Management

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

7 Equality Issues

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

8 Conclusion and reasons for recommendation

- 8.1 This report shows that actual net General Fund expenditure in 2021/22 was £1.637M less than the Original Estimate and explains the significant causes of this variance. The report recommends transfers to the budget equalisation reserve to offset inflationary pressures, the Environment Act reserve to help fund the implications of the Environment Act, the capacity building reserve and the asset management plan reserve for future IT projects, and the regeneration reserve to support the development and implementation of the Andover and Romsey masterplans.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	22 June 2022

GENERAL FUND REVENUE SUMMARY - 2021/22

	(1) Original Estimate 2021/22 £'000	(2) Actual 2021/22 £'000	(3) (Under) / Over Spend £'000
Service Requirements			
Chief Executive's Office	21.8	0.0	(21.8)
Community & Leisure	4,745.0	4,543.9	(201.1)
Environmental Service	5,863.7	6,592.5	728.8
Finance & Revenues	1,607.0	1,679.2	72.2
Housing & Environmental Health	4,123.1	3,277.5	(845.6)
I.T.	17.0	12.0	(5.0)
Legal & Democratic	92.9	0.0	(92.9)
Planning & Building	2,293.1	3,121.5	828.4
Planning Policy & Economic Development	1,625.3	1,827.6	202.3
Property & Asset Management	(5,099.2)	(5,282.7)	(183.5)
Strategy & Innovation	11.1	0.0	(11.1)
	15,300.8	15,771.5	470.7
Other Requirements			
Benefits	(200.0)	(36.0)	164.0
Corporate & Democratic Core	2,124.9	2,059.6	(65.3)
Net Cost of Services	17,225.7	17,795.1	569.4
Corporate Requirements			
Contingency Provision	27.9	0.0	(27.9)
Depreciation & Capital Charges	(5,057.5)	(4,238.9)	818.6
Investment Income	(242.2)	(448.4)	(206.2)
Borrowing Costs	156.5	155.0	(1.5)
Minimum Revenue Provision	195.5	195.5	0.0
New Homes' Bonus	(2,567.9)	(2,567.9)	0.0
Small Business Rate Relief & other S31 grants	(1,868.0)	(4,990.1)	(3,122.1)
Other Government grants	(1,700.3)	(1,681.8)	18.5
Provision for NDR surplus 'levy'	2,024.6	2,399.0	374.4
Retention of NDR re Renewable Energy Schemes	(397.5)	(193.4)	204.1
Write Offs / Year End Transfers	0.0	7.3	7.3
Net General Fund Expenditure	7,796.8	6,431.4	(1,365.4)
Transfer to / (from) Earmarked Reserves	(5,267.2)	(800.2)	4,467.0
Transfer to Asset Management Reserve	1,241.3	487.9	(753.4)
Contribution to Capital Balances	2,116.2	2,490.3	374.1
Transfer from Pension Reserve	0.0	(4,358.9)	(4,358.9)
GENERAL FUND REQUIREMENTS	5,887.1	4,250.5	(1,636.6)
Revenue Support Grant	0.0	0.0	0.0
Business Rates Retained	(5,041.5)	(5,041.5)	0.0
Parish Precepts	1,763.1	1,763.1	0.0
Surplus on Previous Years' Collection Fund - Ctax	(101.1)	(101.1)	0.0
Deficit on Previous Years' Collection Fund - NDR	7,081.4	7,081.4	0.0
Council Tax Requirement	9,589.0	7,952.4	(1,636.6)

GENERAL FUND VARIANCE**1,636.6**

GENERAL FUND REVENUE SUMMARY - 2021/22
excluding asset charges and pension transfers

	(1)	(2)	(3)
	Original		(Under) /
	Estimate	Actual	Over
	2021/22	2021/22	Spend
	£'000	£'000	£'000
Service Requirements			
Chief Executive's Office	21.8	(180.2)	(202.0)
Community & Leisure	3,438.1	3,440.8	2.7
Environmental Service	5,150.7	4,868.2	(282.5)
Finance & Revenues	1,607.0	1,076.2	(530.8)
Housing & Environmental Health	3,129.9	2,307.7	(822.2)
I.T.	(74.4)	(250.6)	(176.2)
Legal & Democratic	92.9	(265.3)	(358.2)
Planning & Building	2,293.1	2,502.5	209.4
Planning Policy & Economic Development	1,625.3	1,640.3	15.0
Property & Asset Management	(6,042.5)	(6,383.5)	(341.0)
Strategy & Innovation	11.1	(178.2)	(189.3)
	11,253.0	8,577.9	(2,675.1)
Other Requirements			
Benefits	(200.0)	(36.0)	164.0
Corporate & Democratic Core	2,115.2	2,030.9	(84.3)
Net Cost of Services	13,168.2	10,572.8	(2,595.4)
Corporate Requirements			
Contingency Provision	27.9	0.0	(27.9)
Investment Income	(242.2)	(448.4)	(206.2)
Borrowing Costs	156.5	155.0	(1.5)
Minimum Revenue Provision	195.5	195.5	0.0
New Homes' Bonus	(2,567.9)	(2,567.9)	0.0
Small Business Rate Relief & other S31 grants	(1,868.0)	(4,990.1)	(3,122.1)
Other Government grants	(1,700.3)	(1,681.8)	18.5
Provision for NDR surplus 'levy'	2,024.6	2,399.0	374.4
Retention of NDR re Renewable Energy Schemes	(397.5)	(193.4)	204.1
Write Offs / Year End Transfers	0.0	7.3	7.3
Net General Fund Expenditure	8,796.8	3,448.0	(5,348.8)
Transfer to / (from) Earmarked Reserves	(5,267.2)	(800.2)	4,467.0
Transfer to Asset Management Reserve	1,241.3	487.9	(753.4)
Contribution to Capital Balances	1,116.2	1,114.8	(1.4)
GENERAL FUND REQUIREMENTS	5,887.1	4,250.5	(1,636.6)
Revenue Support Grant	0.0	0.0	0.0
Business Rates Retained	(5,041.5)	(5,041.5)	0.0
Parish Precepts	1,763.1	1,763.1	0.0
Surplus on Previous Years' Collection Fund - Ctax	(101.1)	(101.1)	0.0
Deficit on Previous Years' Collection Fund - NDR	7,081.4	7,081.4	0.0
Council Tax Requirement	9,589.0	7,952.4	(1,636.6)
GENERAL FUND VARIANCE		1,636.6	

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

3 Corporate Objectives and Priorities

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

4 Project Enterprise Investments

- 4.1 The following table shows a summary of the total cost of properties purchased by the Council as part of PE up to 31st March 2022.
- 4.2 Overall rental income figures and returns on investment are included in the Resource Implications section below.

	Total cost £'000
Investment properties held throughout the year	
Sopwith Park, Portway Business Park	912
Imperial Court, Walworth Business Park	696
Plot 88, Walworth Business Park	4,587
Shirley Road, Southampton	5,773
Bitterne Road, Southampton	4,952
Hambridge Lane, Newbury	1,670
Andover Trade Park	6,738
Solar panels at Portway depot	51
Housing purchases / development (14 houses)	2,630
Retail property in Andover	1,338
Sub-Total	29,347

Investment properties completed during the year	
Redevelopment of seven properties in Romsey	255
Total expenditure on investment property	29,602

- 4.3 Further information, including the rental income achieved from each investment and the asset valuations as at 31st March 2022 (which are commercially confidential information) and explanations of movement from the original business cases, are shown in the confidential annex.
- 4.4 In addition to the investments listed above that have been purchased and retained by the Council, two regeneration projects have been completed in previous years and then sold to generate a one-off capital receipt. The details of those transactions are commercially sensitive and are discussed in more detail in the confidential annex.
- 4.5 Net rental income from PE properties held by the Council throughout 2021/22 was £2.112M.
- 4.6 This was £25,000 more than the £2.087M that was forecast in the approved business cases, despite two of the more recent investments only returning a part-year income in 2021/22. The main reasons for the variance are discussed in the confidential annex.
- 4.7 The average return on investment achieved in the year was 7.0%.

5 Risk Management

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

6 Resource Implications

Capital Reserves

- 6.1 All completed PE property investments have been financed from the Capital Receipts Reserve.
- 6.2 The actual expenditure for PE property acquisitions is now in excess of £29.6M. To ensure the long-term sustainability of the Capital Receipts Reserve, some of the rental income earned each year is used to repay the reserve.
- 6.3 This is by way of a transfer equivalent to 2% of the capital expenditure, ensuring that the full capital cost is repaid over the life of the investments.
- 6.4 More information on the forecast balance of the Capital Receipts Reserve is included in the Capital Outturn report elsewhere on this agenda. This identifies £3M of approved funding for Project Enterprise projects for 2022/23.

Revenue Implications

- 6.5 The properties purchased above all form part of the corporate property portfolio that is managed by the Property & Asset Management Service.
- 6.6 PE properties generated £2.112M in income at an average return on investment of 7.0%. There were no arrears relating to the 2021/22 financial year at the time of writing this report.
- 6.7 By comparison, the Council's cash investment portfolio generated an average return of 0.42% in the year.
- 6.8 Overall, this equates to an additional income for the Council of £1.98M as a result of the PE investments held throughout the year.
- 6.9 The additional income of £1.98M identified above adds to the £8.38M of additional income that has been generated in previous years through Project Enterprise investments.
- 6.10 This means that Project Enterprise has now generated more than £10M in additional income for the Council than would have been earned had funds been retained as cash balances.

Forecast for 2022/23

- 6.11 There is not expected to be a significant movement in the rent levels over the next financial year and income in excess of £2M is again expected. Interest rates are increasing, so it is likely that the 2022/23 outturn will return a lower, but still significant, gain when compared to the cash portfolio.

7 Future Investment Opportunities

- 7.1 Project Enterprise has been a combination of developing / enhancing the Council's own property portfolio and making purchases of investment property for a purely commercial return.
- 7.2 Changes to the Prudential Code in December 2021 mean that there are new implications for access to Public Works Loan Board loan financing where a Council has approval in its capital programme for capital expenditure of a primarily investment nature.
- 7.3 This means that any future decisions to approve Project Enterprise investments will need to have regard to the wider capital expenditure plans and potential need for external borrowing. This may be particularly relevant as regeneration projects move towards implementation.
- 7.4 The implications of any decision will be explained more fully when future investments are identified and brought forward for consideration.

8 Conclusion and reasons for recommendation

- 8.1 This report reviews the performance of the investments made under the Project Enterprise programme in the 2021/22 financial year.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
Report - 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.			
Annex - It is considered that the annex to this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of both the Council and third parties.			
No of Annexes:	1 (confidential)	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	22 June 2022

ITEM 9 Treasury Management Outturn 2021/22

Report of the Finance and Resources Portfolio Holder

Recommended:

That the Annual Treasury Management Report for 2021/22 and the Prudential Indicators for the year, as shown in the Annex to the report, be noted.

Summary:

- This report reviews the performance of the Treasury Management function in 2021/22 compared with the forecasts and policies set out for the year.
- Investment income for the year was around £14,800 higher than the level of income included in the forecast in February 2022.

1 Introduction

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for each financial year. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 1.2 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

2 The Council's Capital Expenditure and Financing

- 2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- 2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£M	2020/21 Actual	2021/22 Forecast	2021/22 Actual
Capital expenditure	7.8	14.5	8.7
Financed in year	7.8	14.5	8.7
Unfinanced capital expenditure	0	0	0

3 The Council's Overall Borrowing Need

- 3.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).
- 3.2 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2021/22) plus the estimates of any additional capital financing requirement for the current (2022/23) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The table in Annex 1 highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

4 Treasury Performance in 2021/22

- 4.1 The Council managed all investments in-house in 2021/22.
- 4.2 Most investments during the year were placed in call-accounts or fixed-term deposits for durations of up to one year, with the exception of investments to three Local Authorities totalling £15M, for periods of up to five years.
- 4.3 The average return on investments for the year was 0.42% compared to the average benchmark rate of 0.17%. an out-performance of 0.25%.
- 4.4 The Council's investment position at the end of the year is detailed below.

	Principal at 31/03/22 £M	Principal at 31/03/21 £M	Rate of Return 2021/22 %	Benchmark Return %	Variance %
Internally Managed Investments	90.4	71.5	0.42	0.17	0.25

- 4.5 Of the principal invested on 31st March 2022, £75M was invested in fixed rate, fixed term deposits. The remainder was invested in call and notice accounts with access ranging from immediate to 95 days' notice.

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

	Original Budget 2021/22 £000	Forecast 2021/22 £000	Actual 2021/22 £000	Variance to Original £000
Interest on Investments	235.3	391.1	405.9	170.6

- 4.7 Income received on the Council's cash balances exceeded the income expected within the budget forecast, which was prepared in February 2022, by £14,800. Overall, there was a positive variance of £170,600 compared to original budget. These variances are due to rates obtained on investments being higher than forecasted plus multiple increases in Interest Rates from December onwards.

5 The strategy for 2021/22

- 5.1 Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates and one feature of the year was the continued growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.
- 5.2 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 5.3 Investment balances in 2021/22 have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

6 Prudential Indicators and Treasury Limits

Prudential Indicators

- 6.1 The prudential indicators and borrowing limits are shown in Annex 1 and are relevant for setting an integrated treasury management statement.

- 6.2 The first indicator is the ratio of financing costs to net revenue stream. This compares the Council's net investment income and borrowing expenditure as a ratio of the budget requirement. A negative figure shows that investment income is greater than borrowing costs.
- 6.3 The second indicator is the Capital Financing Requirement (CFR). This is the total amount by which the funding of capital expenditure is reliant on external borrowing.

7 Consultations/ Communications

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

8 Equality Issues

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

9 Conclusion and reasons for recommendation

- 9.1 The Council achieved an average investment income rate of 0.42% in the year compared with an average benchmark figure of 0.17%.
- 9.2 Actual income for the year was above the original estimate by £170,600 and was also £14,800 above the forecast set in February 2022.
- 9.3 The report summarises performance during 2021/22. It does not propose any changes in respect of Treasury Management in the future and therefore the recommendation is that the report be noted.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Simon Skeates	Ext:	8817
Report to:	Cabinet	Date:	22 June 2022

ANNEX

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25
EXTRACT FROM BUDGET	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Forecast	Actual	Estimate	Estimate	Estimate
Capital Expenditure	7,795	14,468	8,698	29,731	5,227	6,500
Ratio of financing costs to net revenue stream	-2.1%	-4.2%	-5.0%	-4.3%	-3.3%	-3.2%
Capital Financing Requirement (CFR) b/f	6585	6,394	6,394	6,198	5,998	5,794
Minimum Revenue Provision	(191)	-196	(196)	(200)	(204)	(209)
Internal Debt in year		1,000				
External Debt in year						
Capital Financing Requirement (CFR) c/f	6,394	7,198	6,198	5,998	5,794	5,585
Gross debt <= CFR actuals + 3 years						
Gross debt		6,783	6,783	6,543	6,298	6,046
CFR + 3 years movement		7,394	6,394	6,198	5,998	5,794
Difference		611	(391)	(345)	(300)	(252)

PRUDENTIAL INDICATORS

ANNEX

PRUDENTIAL INDICATOR	2020/21	2021/22	2022/23	2023/24	2024/25
TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000	£'000
	Actual	Actual	Estimate	Estimate	Estimate
Authorised Limit for external debt	20,000	20,000	20,000	20,000	20,000
Operational Boundary for external debt	20,000	20,000	20,000	20,000	20,000
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments	100 %	100 %	100 %	100 %	100 %
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	50 %	50 %	50 %	50 %	50 %
Upper limit for total principal sums invested for over 364 days (amount shown subject to being not more than 50% of the portfolio size at the time the investment is placed)	£35,000	£35,000	£35,000	£35,000	£35,000
Maturity structure of fixed rate borrowing during 2021/22	Upper limit		Lower limit		
Less than 1 year	100 %		0 %		
1 year to less than 2 years	100 %		0 %		
2 years to less than 5 years	100 %		0 %		
5 years to less than 10 years	100%		0 %		
10 years or longer	100%		0 %		

ITEM 10

Capital Outturn 2021/22

Report of the Finance and Resources Portfolio Holder

Recommended:

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

Summary:

- This report summarises expenditure on the Capital Programme in 2021/22 and explains the reasons for variances from the forecast, including a summary of the total budget slippage within the Capital Programme.
- The report makes recommendations for the carry forward of certain unspent capital budgets into 2022/23 as detailed throughout the report and provides an updated capital programme for 2021/22 to 2023/24.

1 Introduction

- 1.1 The progress of the Capital Programme is reported to Cabinet regularly throughout the year. The most recent update was presented on 23rd February 2022.
- 1.2 The purpose of this report is to present the final 2021/22 expenditure for the Capital Programme and explain significant variances compared to the estimated expenditure for the year. The report also updates the expected budget for 2022/23 and 2023/24.
- 1.3 Any slippage from 2021/22 and other changes in the programme have been considered in updating the cost and phasing of schemes within the updated programme presented for approval.

2 Background

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

3 Capital outturn 2021/22

- 3.1 Annex 1 provides details of the revised estimate for individual schemes in 2021/22 and the actual amount that was spent in the year. It also shows an updated estimate of the remaining costs and timescale of all projects in the Capital Programme.

3.2 Overall, the Capital Programme has spent £8.7M against an estimate of £14.5M during the 2021/22 financial year.

3.3 The following table shows how the overall variance (with removal of unidentified projects budget for 2021/22) of £5.8M in 2021/22 is broken down between Services:-

Service	Estimate £'000	Actual £'000	Variance £'000
Asset Management Projects	2,070.5	886.0	(1,184.5)
Community & Leisure	3,063.6	621.5	(2,442.1)
Property & Asset Management	1,490.3	1,371.9	(118.4)
Project Enterprise	6,354.6	4,047.7	(2,306.9)
Housing & Environmental Health	679.0	961.2	278.6
Affordable Housing	810.0	810.0	
Total	14,468.0	8698.3	(5,769.7)

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

3.5 Asset Management Projects

3.5.1 The Asset Management Plan was last reported to Cabinet on 8th December 2021. This identified the Council's requirement for maintaining its asset base over three categories; land & property; vehicles & plant and IT equipment.

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

3.5.3 Overall, capital expenditure in the year was £1.2M less than budgeted. Detailed explanations of variances within the Asset Management Plan for 2021/22 are included in the Asset Management Plan Outturn report elsewhere on this agenda.

3.6 Community & Leisure

3.6.1 The Community and Leisure capital programme has a variance of £2,442,000 against the forecast of £3,063,600.

The main reasons for this are:

- 3.6.2 The Community Asset Fund (CAF) is showing a variance for 2021/22 due to the timing of grant applications - applicants have a total of two years in which to claim approved grants. A lower application rate together with adjusted timing resulted in a total of £145,200 being carried forward into 2022/23.
- 3.6.3 Andover War Memorial project has slipped by £29,700 due to additional time being required to seek necessary consents from local Diocese and wayleaves for the electricity supply from local networks.
- 3.6.4 Budget has been carried forward into 2022/23 for the main Leisure Contract, with the project to be completed for Charlton Lakes.
- 3.6.5 Fishlake Meadows – there has been slippage of £76,300 as capital work to paths, fencing and trees at the site were delayed due to contractor availability.
- 3.6.6 Ganger Farm slippage – the majority of work to the sports pavilion and field is complete and discussions are underway to finalise the remaining payment for works.
- 3.6.7 The budget for the project at Sherfield English has slipped by £25,000 as the construction of a boardwalk was delayed due to the ground being waterlogged. This is expected to be completed in Summer 2022.
- 3.6.8 Four public art projects have a total slippage of 70,000
 - Picket Piece Public Art £20,000 – the pandemic caused delays in the community consultation and the design process. Planning approval is now awaited.
 - Abbotswood Public Art £26,000 – again the pandemic has caused delays in both the community consultation and availability at the galvanising factory.
 - Picket Twenty Public Art £20,000 – the decision to have a joint planning pre-application with the sports team due to the close proximity to the proposed MUGA site, has caused a delay in the project.
 - Andover Town Centre Public Art £4,000 – securing permissions and agreements with third parties has caused delay.

Community Infrastructure Levy (CIL) Projects

- The majority of CIL funded projects are controlled by the local Parish Councils, so TVBC have no control over timings etc. There is a large amount of slippage amounting to £1,336,100 and therefore these projects should be completed in financial year (22/23).
- Ampfield Recreation Ground project has achieved a small saving of £1,800.

3.7 Property and Asset Management

- 3.7.1 Footpath Link, Smannell to Augusta – the main contract has been completed by Hampshire County Council and improvements to areas are now being considered, resulting in slippage of £58,000 to 2022/23.
- 3.7.2 Southampton Rd, Pedestrian & Cycle Route – this project was completed with a saving of £19,000. As this was funded from Community Infrastructure Levy savings will be returned to the reserve.
- 3.7.3 Chantry House Works project - elements of this project were not able to be completed before year end resulting in a small delay in payment of funding from the Local Enterprise Partnership.
- 3.7.4 The initial land purchase completed in 2021/22 but improvements to the land will be finalised in 2022/23 resulting in slippage of £13,800.

3.8 Project Enterprise

- 3.8.1 Information on projects relating to Project Enterprise is included in the Project Enterprise Outturn report elsewhere on this agenda.

3.9 Housing & Environmental Health

- 3.9.1 The annual budgets for Renovation & Minor Works Grants and Disabled Facilities Grants are a limit on the amount that the Service can commit to individual grants plus any outstanding grant commitments from previous years.
- 3.9.2 Disabled Facilities Grants are a statutory requirement and require a referral from an Occupational Therapist, therefore, it is difficult to predict the amount of referrals in one year. Some works require planning permission for other major works to be completed before the adaptations can be completed. For 2021/22 there is a total spend of £847,000 against a budget of £650,000. As these grants are funded by the Better Care Fund there has been no impact on the Capital Receipts Reserve. In relation to the Renovation and Minor Works grants, there has been a small expenditure of £6,000 against a reduced zero budget - it is difficult to predict demand for these types of works.

3.10 Slippage

- 3.11 Slippage from one year to the next is regularly monitored as part of the Capital Programme update reports.
- 3.12 Some slippage within a Capital Programme is entirely normal. Expenditure can be delayed for many reasons and is frequently outside the Council's control.
- 3.13 Projects included in the Capital Programme will improve the delivery of services directly to the public or improve the service that the Council provides. Slippage in the Capital Programme delays the implementation of these projects and therefore also delays any benefit seen by the public.

4 Capital Programme Update

- 4.1 A comparison of the latest phasing of the capital programme compared with the budget approved in February (less 2021/22 unidentified projects) is shown in the following table:-

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
February Programme	14,468.0	23,771.3	0.0	38,239.3
Current Programme	8,698.3	29,731.4	0.0	38,429.7
Increase / (Decrease)	(5,769.7)	5,960.1	0.0	190.4

- 4.2 The increase of £186,800 is broken down in the table below.

	February Programme £'000	Current Programme £'000	Increase / (Decrease) £'000
Asset Management Projects	3,851.0	3,863.2	12.2
Community & Leisure	5,512.2	5,430.8	(81.4)
Property & Asset Management	2,230.5	2,207.9	(22.6)
Housing & Env. Health	1,929.0	2,211.2	282.2
Total	13,522.7	13,713.1	190.4

- 4.3 The overall AMP budget requirement has increased by £12,200 and is discussed in a separate report on this agenda.
- 4.4 The total budget for Community and Leisure has decreased by £81,400 mainly due to lower applications for community grants resulting in a decrease of drawings by £79,000.
- 4.5 Property and Asset Management service savings have been detailed in paragraphs 3.7.2.
- 4.6 Disabled Facilities Grants/Loans (DFG) – we have received more applications than expected in 2021/22. As they are funded by the Better Care Fund, there is no impact to the Capital Receipts Reserve.

5 Resource Implications

- 5.1 The level of capital spending is entirely dependent on the resources that are available to finance the programme. The ability to add new schemes to the programme is influenced by forecasts of future resources. However, once a scheme is in the programme it is assumed that it will be completed and financed irrespective of whether resource forecasts are entirely accurate.
- 5.2 This means that any shortfalls in resources are either made good initially through use of balances or by taking into account future capital receipts that would otherwise have been used for new capital expenditure. As a result, the financing of the programme will always be equal to the estimated costs.
- 5.3 The level of capital resources per the February programme is compared to those for the current programme in the following table:-

	February 2022	Outturn 2022/23
Capital Programme	£'000	£'000
Balance Capital Receipts Reserve (CRR) as at 1 April 2021	10,817.1	10,817.1
Total Capital Expenditure 2021/22 – 2023/24	(25,687.3)	(25,877.7)
Total Capital Financing 2021/22 – 2023/24	23,207.0	23,835.4
Forecast CRR as at 31 March 2023	8,336.8	8,774.8

- 5.4 The table above does not include the £18.8M Project Enterprise investment (para 4.) as this will initially be financed through internal borrowing rather than the Capital Receipts Reserve.

6 Conclusion and reasons for recommendation

- 6.1 The variance between budgeted and actual expenditure was £5.8M in 2021/22. Reasons for this variance are explained in paragraph 3 of the report.
- 6.2 The ongoing budget requirements for all outstanding projects have been reviewed in the preparation of this report and the updated Capital Programme as shown in Annex 1 is recommended for approval.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Laura Berntsen	Ext:	8204
Report to:	Cabinet	Date:	22 June 2022

CAPITAL PROGRAMME AND FINANCING**Approved Projects**

	February 2022				Outturn 2022			
	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
CAPITAL EXPENDITURE								
Asset Management Projects	2,070.5	1,780.5	0.0	3,851.0	886.0	2,977.2	0.0	3,863.2
Community & Leisure	3,063.6	2,198.6	0.0	5,262.2	621.5	4,559.3	0.0	5,180.8
Property & Asset Management	1,490.3	740.2	0.0	2,230.5	1,371.9	836.0	0.0	2,207.9
Project Enterprise	6,354.6	17,802.0	0.0	24,156.6	4,047.7	20,108.9	0.0	24,156.6
Housing & Environmental Health	679.0	1,250.0	0.0	1,929.0	961.2	1,250.0	0.0	2,211.2
Affordable Housing	810.0	0.0	0.0	810.0	810.0	0.0	0.0	810.0
Total	14,468.0	23,771.3	0.0	38,239.3	8,698.3	29,731.4	0.0	38,429.7
CAPITAL FINANCING								
Capital Grants	679.0	1,150.0	0.0	1,829.0	960.8	1,150.0	0.0	2,110.8
Capital Receipts	6,656.2	1,206.0	50.0	7,912.2	1,174.2	7,198.2	50.0	8,422.4
Internal Borrowing	1,000.0	17,802.0	0.0	18,802.0	0.0	18,802.0	0.0	18,802.0
Capital Contributions	6,860.2	5,508.8	846.8	13,215.8	3,682.6	8,522.8	846.8	13,052.2
Total	15,195.4	25,666.8	896.8	41,759.0	5,817.6	35,673.0	896.8	42,387.4
Contribution (to) / from balances	(727.4)	(1,895.5)	(896.8)	(3,519.7)	2,880.7	(5,941.6)	(896.8)	(3,957.7)
Total Financing	14,468.0	23,771.3	0.0	38,239.3	8,698.3	29,731.4	0.0	38,429.7

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

	February 2022				Outturn 2022			
	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
CAPITAL EXPENDITURE								
Community & Leisure		250.0		250.0		250.0		250.0
Project Enterprise	3,000.0	3,000.0	0.0	6,000.0		3,000.0	3,000.0	6,000.0
Total	3,000.0	3,250.0	0.0	6,250.0	0.0	3,250.0	3,000.0	6,250.0
CAPITAL FINANCING								
Capital Contributions		250.0		250.0		250.0	0.0	250.0
Total	0.0	250.0	0.0	250.0	0.0	250.0	0.0	250.0
Contribution (to) / from balances	3,000.0	3,000.0		6,000.0		3,000.0	3,000.0	6,000.0
Total Financing	3,000.0	3,250.0	0.0	6,250.0	0.0	3,250.0	3,000.0	6,250.0

ASSET MANAGEMENT PROJECTS
CAPITAL PROGRAMME

Ref	Scheme	February 2022				Outturn 2022			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000
1	Land and Property Projects	541.6	775.0		1,316.6	387.7	975.2		1,362.9
2	Vehicle and Plant Projects	1,355.7	739.0		2,094.7	498.3	1,604.0		2,102.3
3	IT Equipment Projects	173.2	266.5		439.7		398.0		398.0
Total AMP Capital Programme		2,070.5	1,780.5	0.0	3,851.0	886.0	2,977.2	0.0	3,863.2

COMMUNITY & LEISURE
CAPITAL PROGRAMME

Ref	Scheme	February 2022				Outturn 2022			Total
		2021/22	2022/23	2023/24	Total	2021/22	2022/23	2023/24	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
1	Community Asset Fund - New projects 2021/22	250.0			250.0	124.1	46.9		171.0
1A	Community Asset Fund - O/s projects	145.0			145.0	46.7	98.3		145.0
2	Andover War Memorial	38.0			38.0	8.3	29.7		38.0
3	East Anton Public Art		2.5		2.5		2.5		2.5
4	Leisure Contract	700.0			700.0	118.7	581.3		700.0
5	Fishlake Meadows	88.8			88.8	12.5	76.3		88.8
6	Ganger Farm - Sports & Recreation	231.9			231.9	106.9	125.0		231.9
8	Boundary fencing & hedging - land purchase	2.5	2.5		5.0	2.5	2.5		5.0
9	Picket Twenty - Pavilion/pitch changes		1,400.0		1,400.0	1.1	1,398.9		1,400.0
10	Picket Twenty - Phase 4 play area	69.0	77.3		146.3	69.0	77.3		146.3
11	SANG - Sherfield English	30.0			30.0	5.0	25.0		30.0
12	Ampfield Recreation Ground	1.8			1.8				0.0
13	Plaza Theatre Stage House Rebuild		200.0		200.0		200.0		200.0
14	Valley Park Community Centre	3.9			3.9		3.9		3.9
15	Stockbridge Travel to School	95.0			95.0		95.0		95.0
continued on next page								

COMMUNITY & LEISURE
CAPITAL PROGRAMME

Ref	Scheme	February 2022				Outturn 2022			
		2021/22	2022/23	2023/24	Total	2021/22	2022/23	2023/24	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
continued from previous page								
16	King John's House and Signage	36.5			36.5		36.5		36.5
17	Trojan Sports Club	350.0			350.0		350.0		350.0
18	Monxton Village Hall	345.0			345.0		345.0		345.0
19	Broughton Sports Pavilion	200.0			200.0		200.0		200.0
20	Abbots Ann Clubhouse	250.0			250.0		250.0		250.0
21	N. Baddesley Fitness Equipment	40.0			40.0		40.0		40.0
22	Kings Somborne Traffic Calming	17.8			17.8	2.1	15.7		17.8
23	Charlton Leisure Centre Car Park upgrade	1.7	190.3		192.0	3.7	188.3		192.0
24	Abbotswood Public Art	46.0			46.0	20.0	26.0		46.0
25	Picket Piece Public Art	25.0	2.0		27.0	5.0	22.0		27.0
26	Picket Twenty Public Art	60.0	9.0		69.0	40.0	29.0		69.0
27	Public Art Andover Town Centre	10.0	40.0		50.0	6.0	44.0		50.0
28	Wheelchair Swing Picket 20	25.7			25.7	25.7			25.7
29	Queen's Platinum Jubilee Public Art		200.0		200.0		200.0		200.0
30	Andover BMX floodlights		75.0		75.0	24.8	50.2		75.0
	Retention adj - Knightwood					(0.6)			(0.6)
	Total Approved Projects	3,063.6	2,198.6	0.0	5,262.2	621.5	4,559.3	0.0	5,180.8
	Community Asset Fund Projects - yet to be identified		250.0		250.0		250.0		250.0
	Total C&L Capital Programme	3,063.6	2,448.6	0.0	5,512.2	621.5	4,809.3	0.0	5,430.8

PROPERTY AND ASSET MANAGEMENT SERVICE
CAPITAL PROGRAMME

Ref	Scheme	February 2022				Outturn 2022			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000
1	Hampshire Community Bank		125.0		125.0		125.0		125.0
2	Pocket Park, Town Mill Access & Environmental Enhancement	209.1			209.1	209.1			209.1
3	Romsey Flood Alleviation Scheme		235.0		235.0		235.0		235.0
4	Footpath link - Smannell to Augusta	164.0			164.0	106.0	58.0		164.0
5	Strategic purchase	65.6			65.6	62.0			62.0
6	Multi Storey Car Park Lighting Refurbishment		20.6		20.6		20.6		20.6
7	Chantry Centre Roof(area 20)	30.2			30.2	30.2			30.2
8	Southampton Rd, Pedestrian & Cycle Route	247.3			247.3	228.3			228.3
10	Chantry House Works 4/5 floors	218.7			218.7	194.7	24.0		218.7
11	Land at Bury Hill	555.4	359.6		915.0	541.6	373.4		915.0
Total P & AM Capital Programme		1,490.3	740.2	0.0	2,230.5	1,371.9	836.0	0.0	2,207.9

**PROJECT ENTERPRISE
CAPITAL PROGRAMME**

Ref	Scheme	February 2022				Outturn 2022			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000
1	Portersbridge Properties	77.6			77.6	77.6			77.6
2	Walworth Business Park Investment	5,277.0			5,277.0	3,970.1	1,306.9		5,277.0
3	Property Investment	1,000.0	17,802.0		18,802.0		18,802.0		18,802.0
Total Approved Projects		6,354.6	17,802.0	0.0	24,156.6	4,047.7	20,108.9	0.0	24,156.6
	Purchase of Investment properties - yet to be identified	3,000.0	3,000.0		6,000.0		3,000.0	3,000.0	6,000.0
Total PE Capital Programme		9,354.6	20,802.0	0.0	30,156.6	4,047.7	23,108.9	3,000.0	30,156.6

HOUSING & ENVIRONMENTAL HEALTH SERVICE
CAPITAL PROGRAMME

Ref	Scheme	February 2022				Outturn 2022			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000
1	Renovations and Minor Works Grants		100.0		100.0	6.0	100.0		106.0
2	Disabled Facilities Grants/Loans	650.0	750.0		1,400.0	846.6	750.0		1,596.6
3	Discretionary Grants/Loans	29.0	400.0		429.0	108.6	400.0		508.6
Total H & EH Capital Programme		679.0	1,250.0	0.0	1,929.0	961.2	1,250.0	0.0	2,211.2

**AFFORDABLE HOUSING
CAPITAL PROGRAMME**

Ref	Scheme	February 2022				Outturn 2022			
		2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £000
	<u>Testway Covenant</u>								
1	Nightingale Lodge	810.0			810.0	810.0			810.0
	Total A H Capital Programme	810.0	0.0	0.0	810.0	810.0	0.0	0.0	810.0

ITEM 11

Asset Management Outturn 2021/22

Report of the Finance and Resources Portfolio Holder

Recommended:

1. That the expenditure for the year on Asset Management projects, as shown in Annex 1 to the report, be noted.
2. That the updated budget for Asset Management projects in 2022/23, as shown in Annex 2 to the report, be approved.

Summary:

- This report compares the actual expenditure on Asset Management Plan (AMP) projects with the approved budget for 2021/22.
- The total revised AMP budget in 2021/22 was £3.750M. Actual expenditure in the year was £2.102M, leaving an overall positive variance of £1.648M. The main reasons for the budget variance are explained below in section 5.
- After reviewing the outturn position for 2021/22, the AMP requirement for 2022/23 has been updated and is presented for approval.

1 Introduction

- 1.1 The Council's Asset Management Strategy details the Council's approach to identifying the assets it is responsible for maintaining and the methods used in prioritising necessary works to ensure assets remain operationally effective.
- 1.2 An update on the progress of the Asset Management Plan (AMP) for 2021/22 was presented to Cabinet in December 2021. As part of that report the AMP budget for the year was revised.
- 1.3 This report compares the actual expenditure in 2021/22 with the budget approved in December and explains the reasons for any significant variances.

2 Background

- 2.1 The Council has divided asset management into three separate areas which all form part of the AMP. These are; Property; Vehicles & Plant; and IT equipment.
- 2.2 The Property & Asset Management Service (PAM) carried out a condition survey on all land and buildings in the development of the Asset Management Strategy. The results of the survey were used to allocate each building into a priority category for works to be undertaken. This, combined with a review of how long the Council expects to retain individual properties, has informed the development of the land and buildings' element of the AMP.

- 2.3 This survey continues to be maintained by PAM and is updated on an ongoing basis.
- 2.4 All vehicles and plant are regularly serviced by the Council's internal vehicle workshop. The effectiveness of all vehicles is monitored as part of the servicing programme. Among other things, this includes identifying where vehicles' workloads are different to that expected which may alter the timing of their replacement and identifying vehicles with higher / lower than expected servicing costs. Service users also keep the number of vehicles / items of plant required to deliver services under regular review.
- 2.5 The IT Service has a register of all hardware and major software systems used by the Council with profiles of their expected useful lives. From this it is possible to plan when IT infrastructure will need to be replaced. For hardware this tends to be between once every three to five years whereas software packages tend to last longer.
- 2.6 The Council has entered into a shared IT infrastructure partnership with Winchester City Council, which includes the sharing of IT infrastructure assets. This means that all IT infrastructure costs are shared between both councils reducing the net impact on the AMP.

3 Corporate Objectives and Priorities

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

4 Consultations/Communications

- 4.1 Relevant Heads of Service have been consulted with regard to the investment required to maintain those assets for which they are responsible.

5 2021/22 AMP review

Land and Buildings

- 5.1 The revised budget for land and buildings' projects was £1.890M. A total of £1.333M was spent in the year. A summary of the expenditure, by property, can be found in Annex 1a.
- 5.2 The variance of £556,300 is made up of budget carry forwards of £395,500 and net savings on completed projects of £160,800.

5.3 The main reasons for the budget carry forwards are:

- The redecoration at Andover Bus Station has been completed but the budget for the high level clean is required to be carried forward.
- An upgrade to the showers at Charlton Sports Centre with a budget of £30,000 and £15,000 for the replacement roof at Churchill Bungalow are required to be carried forward. This is due in part to the Head of Property & Asset Management post being vacant for a number of months which reduced available resources to design and prepare work packages to tender the projects (due to providing cover), and in part to the internal maintenance team having been fully utilised over the year in reactive works, planned maintenance works and Covid support works.
- £144,000 for building alterations due to health and safety compliance issues at Portway depot. The project was started before the Covid-19 pandemic, but was made more complicated by the building being occupied with Covid restrictions and distancing in place. Once the internal works are finalised, the exterior of the building will be reviewed and works started. In addition, £4,000 for car park / yard line marking at Portway depot has been delayed as it is weather dependent work.
- The re-inscription of names on the Andover War Memorial will require formal faculty permission from the Diocese. Final approval for these works is expected soon so the remaining budget of £8,600 is required to be carried forward.
- Target hardening works (£50,800) have been ordered or are out to tender and will be delivered in the first half of 2022/23.
- Volume of work and contractor capacity and availability has impacted the delivery of ash dieback works and landscape management proposals at Valley Park resulting in a total carry forward of £65,000.
- New bridges have been installed at Rooksbury Mill, but some repairs to a raised boardwalk are still outstanding and require £3,400 to be carried forward.
- £20,000 for refurbishment to the BMX track has been delayed until the flood lighting works have been completed.

5.4 There are also a number of projects that are either no longer required or where savings totalling £160,800 have been made. This includes:

- £31,000 for the boiler replacement at Beech Hurst where reduced numbers of staff in the building due to Covid restrictions allowed the contractors greater access to the building and reduced the requirement for weekend working.
- £34,800 for wall repairs to St Mary's Churchyard is no longer required.

- £12,100 for car park lighting at Beech Hurst where minimal works for safety have been required.
- Savings on completed projects within the green spaces budgets of £28,900.
- Savings within the sports facilities budgets of £14,600.

Vehicles and Plant

- 5.5 The revised budget approved in December 2021 for replacement vehicles and plant was £1.499M.
- 5.6 Total expenditure on replacement vehicles and plant amounted to £622,100. The details of this are shown in Annex 1b.
- 5.7 The variance is made up of £867,900 to be carried forward, of which orders had been placed but not delivered of £238,900, and savings of £8,500.
- 5.8 In addition, the part exchange and sale of vehicles and plant through the year has generated income of £120,000 which will be transferred into the Asset Management Plan reserve to use against future purchases.
- 5.9 The purchase of two electric vehicles attracted plug-in grants of £9,000.
- 5.10 Throughout the year some operational requirements and estimated costs have changed and there has been some movement and reallocation within the approved budget. Flexibility within the programme to react to these changes is essential in order to meet operational requirements and is permitted using existing officer delegations. One example of this is the cost of refuse vehicles which have come in £8,000 higher than budgeted. As a result, the carry forward includes an additional £16,000 to meet the cost of a further two refuse vehicles that are planned for 2022/23 in addition to the three to be carried forward from 2021/22 (which have now been ordered).
- 5.11 IT Infrastructure
- 5.12 The approved budget for IT AMP projects was £360,800. Actual costs were £145,600 which is £215,200 less than the budget. The variance is made up of carry forward requests of £189,400 and savings of £25,800. The details are shown in Annex 1c.
- 5.13 The 3 VM host servers and the network refresh projects have been delayed due to unique resource constraints and the need to focus on priority projects. Tenders have now been published with awards planned in May. These are both joint procurements with Winchester to help generate efficiencies and value for money.
- 5.14 The Richmond upgrade and the finance management system upgrade have both been delayed due to supplier availability.

- 5.15 The savings on completed projects of £25,800 has been earmarked to be used in 2022/23 for the Microsoft 365 project which has not previously been budgeted.

6 Updated 2022/23 AMP requirement

Land and Buildings

- 6.1 The recommended budget for land and buildings in 2022/23 is £1.846M and includes £395,500 of projects carried forward from 2021/22.
- 6.2 A summary of the items included in the AMP for 2022/23 is shown in Annex 2a.

Vehicles and Plant

- 6.3 The recommended budget for replacement of vehicles and plant in 2022/23 is £1.656M.
- 6.4 A summary of the items included in the AMP for 2022/23 is shown in Annex 2b and includes the items carried forward from 2021/22.

IT Infrastructure

- 6.5 The recommended budget for IT infrastructure in 2022/23 is £664,100.
- 6.6 A new project to bring in Microsoft 365 has been added to the requirement for 2022/23. This will be financed from the savings to the IT infrastructure from 2021/22.
- 6.7 A summary of the items included in the AMP for 2022/23 is shown in Annex 2c and includes the items carried forward from 2021/22.

7 Options

- 7.1 There are many possible ways of prioritising the individual assets that require maintenance and the extent to which work is carried out.
- 7.2 The amounts included in the annexes and recommended for inclusion in the AMP are based on the professional advice of officers from the Services concerned in the operation and management of the Council's assets.
- 7.3 The AMP is updated by Services on an ongoing basis. Given the wide portfolio of assets the Council manages, it is inevitable that there will need to be changes made to the plan before a further report is presented to Cabinet.

8 Risk Management

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

- 8.2 There is a risk that the projects included in the AMP will not be delivered as scheduled leading to assets falling into disrepair. This will be monitored by regular progress reviews of the AMP by responsible officers and update reports to Cabinet.
- 8.3 There is a risk that there will be insufficient funds available to meet AMP requirements. The current level of the AMP reserve is just sufficient to fund the programme included in this report; however, there continues to be the need to seek sustainable funding for the AMP.
- 8.4 There is a risk of claims resulting from loss or injury caused by / contributed to as a result of poorly maintained Council owned property. This will be monitored by regular progress reviews of the AMP by responsible officers and update reports to Cabinet.

9 Resource Implications

- 9.1 The costs of the AMP in 2021/22 and 2022/23 are shown in paragraphs 5 and 6 above and in annexes 1 and 2. All these costs will be met from a specific reserve created to fund asset management costs.

Financing the AMP

- 9.2 The AMP is mainly funded in three ways:
- Firstly, there is a contribution from the revenue budget. This is currently £1.600M for 2021/22 and £1.956M for 2022/23.
 - Secondly, where the Council has a revenue surplus at the end of the year an element of this can be used to top-up the reserve.
 - Finally, there may be earmarked reserves or sources of income to finance specific projects. For example, the playgrounds in 2021/22 and 2022/23 are to be funded by New Homes' Bonus receipts in the year.
- 9.3 At 31 March 2021 the Council's AMP reserve balances stood at £3.222M. It is expected that the reserve balance at 31 March 2023 will be £894,000. The movement in the reserve balance is shown in the table below.

	£'000
Asset Management Reserves at 31st March 2021	3,222
Budgeted transfer – 2021/22	1,600
New Homes Bonus contribution to AMP	45
Sale of vehicles and plug in grants	129
Additional contribution to reserve from revenue budget in respect of the financial management system upgrade	26
Land and Property Requirement 2021/22	(1,334)

Vehicle and Plant Requirement 2021/22	(622)
IT Infrastructure Requirement 2021/22	(146)
Actual balance at 31st March 2022	2,920
Transfers in to reserve 2022/23	1,956
Additional contribution to reserve from revenue budget in respect of the financial management system upgrade	26
New Homes Bonus contribution to AMP	321
Land and Property Requirement 2022/23	(1,846)
Vehicle and Plant Requirement 2022/23	(1,656)
IT Infrastructure Requirement 2022/23	(664)
Forecast Asset Management Reserves at 31st March 2023	1,057

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

10 Legal Implications

- 10.1 Those tenants occupying Council owned properties for which the Council is responsible for maintenance could, in the event of their property falling into disrepair, take action against the Council as their landlord. This is covered in the risk assessment (paragraph 8.4).

11 Equality Issues

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

12 Conclusion and reasons for recommendation

- 12.1 All AMP activities in the year have been reviewed and performance against budget noted throughout the report. In light of this review, all items covered by the Council's AMP have been considered and those most in need of repair or replacement included in the AMP for 2022/23.
- 12.2 For this reason it is recommended that the updated AMP items in Annex 2 are included in the AMP for 2022/23.

- 12.3 Asset management needs to have flexibility due to the difficulty of knowing exactly when an item will need repair or replacement. In order to ensure that operational efficiency is not impaired, the Head of Finance & Revenues has delegated authority to ensure that unforeseen works can be undertaken without undue delay.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	22 June 2022

LAND & BUILDINGS
ASSET MANAGEMENT REQUIREMENT 2021/22

<u>Property Name</u>	<u>2021/22</u> <u>Updated</u> <u>Budget</u> £	<u>Budget</u> <u>changes</u> £	<u>Actual spend</u> <u>to date</u> £	<u>Carry forward</u> <u>to 2022/23</u> £	<u>Budget</u> <u>remaining</u> £
<u>Property & Asset Management</u>					
18 Market Place	0		0		0
Abbottswold Sports Pavilion	7,000		2,620		4,380
Andover Bus Station	9,000		833	(8,167)	0
Beech Hurst	74,875	(18,147)	12,530		44,198
Bourne House	3,000		0		3,000
Broadwater Road Public Convenience	200	6,579	6,779		0
Bus Shelters	10,000		9,772		228
Charlton Cemetery Mess Room	175		0	(175)	0
Charlton Sports Centre	30,000		0	(30,000)	0
Churchill Bungalow	20,000	2,736	7,736	(15,000)	0
Crosfield Hall	0		0		0
Guildhall	245,471	26,572	261,162	(10,880)	1
The Lights	0		0		0
London Road Sports Pavilion	78,730		72,685	(6,045)	0
Portway Depot	204,237		50,381	(148,330)	5,526
St Mary's Churchyard	38,983		4,154		34,829
Stockbridge Public Conveniences	130		0	(130)	0
Union House	0		0		0
Various car parks	5,000	952	5,952		0
Various - Management Information System	0		0		0
Various - site surveys	8,874		7,785	(1,089)	0
Various sites - EPC outcome works	0		0		0
Walworth Enterprise Centre	52,326	(18,692)	20,818	(1,346)	11,470
Total Property & Asset Management	788,001	0	463,207	(221,162)	103,632
<u>Community & Leisure</u>					
Cemeteries / Memorials	15,608			(8,606)	7,002
Green Spaces	640,597		477,087	(134,575)	28,935
The Lights	12,114		5,444		6,670
Playgrounds	50,000		44,813	(5,311)	(124)
Sports Facilities	384,194		343,647	(25,870)	14,677
Total Community & Leisure	1,102,513	0	870,991	(174,362)	57,160
Total Land & Buildings Requirement for 2021/22	1,890,514	0	1,334,198	(395,524)	160,792
<u>Reserve list - Scheduling to be agreed:</u>					
<u>Property & Asset Management</u>					
Beech Hurst	15,000				15,000
Former Magistrates Court, Romsey	35,000				35,000
Picket Twenty Sports Pavilion	10,000				10,000
Various sites - condition survey outcomes	150,000				150,000
Total Property & Asset Management Reserve List	210,000	0	0	0	210,000

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2021/22

<u>Unit</u>	<u>Type of Asset</u>	<u>2021/22 Updated Budget</u>	<u>Budget changes</u>	<u>Actual spend to date</u>	<u>Carry forward to 2022/23</u>	<u>Budget remaining</u>
		£	£	£	£	£
Grounds Maintenance	Van	22,000			(22,000)	0
Grounds Maintenance	Cultivator/chain harrow	3,000		1,995		1,005
Grounds Maintenance	Roller	2,000		1,690		310
Grounds Maintenance	Trailer	-				0
Grounds Maintenance	Tractor	95,000	(17,547)		(76,226)	1,227
Grounds Maintenance	Cylinder mower	3,700	(3,700)			0
Grounds Maintenance	Chain harrow	2,500	2,465	4,965		0
Grounds Maintenance	Trailer	3,000			(3,000)	0
Grounds Maintenance	Cylinder mower	20,000	(4,900)		(15,100)	0
Waste Collection	Refuse vehicle	180,000	8,000		(188,000)	0
Waste Collection	Refuse vehicle	180,000	8,000		(188,000)	0
Waste Collection	Refuse vehicle	180,000	8,000		(188,000)	0
Grounds Maintenance	Specialist equipment	-				0
Grounds Maintenance	Flail mower	-				0
Grounds Maintenance	Flail mower	-				0
Vehicle Workshop	Charging stations x 2	14,000			(14,000)	0
Balancing amounts		16,318	(16,318)			0
Vehicle Workshop	Depot Equipment	35,000			(35,000)	0
Grounds Maintenance	Trailer	-				0
Grounds Maintenance	Cut & collect unit	7,700		6,450		1,250
Grounds Maintenance	Rotary mower	25,000			(24,140)	860
Grounds Maintenance	Rotary mower	25,000			(24,140)	860
Grounds Maintenance	Flail mower	25,000			(24,140)	860
Vehicle Workshop	Vehicle Maintenance	100,000		100,000		0
Grounds Maintenance	Rotary Mower	18,100		18,100		0
Grounds Maintenance	Rotary Mower	18,100		18,100		0
Grounds Maintenance	Rotary Mower	18,100		18,100		0
Grounds Maintenance	Rotary Mower	23,750		23,750		0
Street Cleansing	Tipper	39,250		39,030		220
Street Cleansing	Tipper	39,250		39,030		220
Street Cleansing	Tipper	39,250		39,030		220
Waste Collection	Tipper	50,936		50,176		760
Waste Collection	Tipper	50,936			(50,176)	760
Grounds Maintenance	Trailer	1,383		1,383		0
Grounds Maintenance	Trailer	3,675		3,675		0
Grounds Maintenance	Trailer	3,675		3,675		0
Grounds Maintenance	Van	22,077		22,077		0
Grounds Maintenance	Van	22,077		22,077		0
Street Cleansing	Tipper	31,642		31,642		0
Street Cleansing	Tipper	31,642		31,642		0
Street Cleansing	Tipper	31,642		31,642		0
Street Cleansing	Tipper	31,642		31,642		0
Street Cleansing	Tipper	31,642		31,642		0
Street Cleansing	Tipper	31,642		31,642		0
Vehicle Workshop	Fleet Management System	19,000		19,000		0
Waste Collection	Refuse vehicles in 22/23	-	16,000		(16,000)	0
Total Vehicles & Plant Requirement 2021/22		1,498,630	0	622,155	(867,922)	8,553

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2021/22

<u>Unit</u>	<u>Type of Asset</u>	<u>2021/22 Updated Budget</u>	<u>Budget changes</u>	<u>Actual spend to date</u>	<u>Carry forward to 2022/23</u>	<u>Budget remaining</u>
		£	£	£	£	£

Reserve list - Scheduling to be agreed:

Grounds Maintenance	Tractor	65,000				65,000
Grounds Maintenance	Tractor	65,000				65,000
Total Vehicles & Plant Reserve List		130,000	0	0	0	130,000

IT INFRASTRUCTURE - ASSET MANAGEMENT REQUIREMENT 2021/22

<u>Description</u>	<u>2021/22 Updated Budget</u>	<u>Budget changes</u>	<u>Actual spend to date</u>	<u>Carry forward to 2022/23</u>	<u>Budget Remaining</u>
	£	£	£	£	£
Desktop Refresh	111,019	4,358	115,377		0
Servers - 3 VM Hosts	79,200			(79,200)	0
Network Refresh	65,911	(2,664)	9,334	(52,188)	1,725
Citrix upgrade	5,000		5,000		0
IDOX upgrade	10,000		2,800		7,200
Asset Explorer	13,121	(2,544)	8,724		1,853
CCTV	0				0
Info @ work	0				0
Apps - other migrations	0	850	850		0
Remote working investments	15,000				15,000
Telephone system project	0				0
ArcServe Backup	5,000			(5,000)	0
Ipads (Members & HoS)	0				0
Meeting Room Comms Equipment	3,091		3,091		0
Richmond upgrade	2,500		475	(2,025)	0
Door system	0				0
Financial Management System upgrade	51,000			(51,000)	0
Total IT Infrastructure requirement 2021/22	360,842	0	145,651	(189,413)	25,778

LAND & BUILDINGS
ASSET MANAGEMENT REQUIREMENT 2022/23

<u>Property Name</u>	<u>2022/23</u> <u>Budget</u> £	<u>Brought</u> <u>forward from</u> <u>2021/22</u> £	<u>2022/23</u> <u>Updated</u> <u>Budget</u> £
<u>Property & Asset Management</u>			
18 Market Place	36,259		36,259
Abbottswood Sports Pavilion	5,000		5,000
Andover Bus Station		8,167	8,167
Beech Hurst	35,000		35,000
Bus Shelters	10,000		10,000
Charlton Cemetery Mess Room		175	175
Charlton Sports Centre		30,000	30,000
Churchill Bungalow		15,000	15,000
FMC	200,000		200,000
Guildhall		10,880	10,880
Italianate Chapel, Romsey	50,000		50,000
London Road Sports Pavilion		6,045	6,045
Portway Depot	100,000	148,330	248,330
Romsey Rapids	10,000		10,000
Stockbridge Public Conveniences		130	130
Various car parks	5,000		5,000
Various - site surveys		1,089	1,089
Various sites - EPC outcome works	150,000		150,000
Walworth Enterprise Centre	12,500	1,346	13,846
Total Property & Asset Management	613,759	221,162	834,921
<u>Community & Leisure</u>			
Cemeteries / Memorials		8,606	8,606
Green Spaces	404,500	134,575	539,075
The Lights	30,000		30,000
Playgrounds	316,000	5,311	321,311
Sports Facilities	86,500	25,870	112,370
Total Community & Leisure	837,000	174,362	1,011,362
Total Land & Buildings Requirement for 2022/23	1,450,759	395,524	1,846,283

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2022/23

<u>Unit</u>	<u>Type of Asset</u>	<u>2022/23</u> <u>Budget</u>	<u>Brought</u> <u>forward</u> <u>from</u> <u>2021/22</u>	<u>2022/23</u> <u>Updated</u> <u>Budget</u>
		£	£	£
Grounds Maintenance	Cylinder mower	4,500		4,500
Grounds Maintenance	Rotary mower	4,500		4,500
Grounds Maintenance	Rotary mower	5,000		5,000
Grounds Maintenance	Cylinder mower	5,000		5,000
Vehicle Workshop	Depot equipment	5,003		5,003
Vehicle Workshop	Depot equipment	5,500		5,500
Street Cleansing	Washers / cleaners	5,800		5,800
Grounds Maintenance	Flail mower	6,500		6,500
Vehicle Workshop	Depot equipment	7,000		7,000
Street Cleansing	Gritter	10,000		10,000
Street Cleansing	Gritter	10,000		10,000
Building maintenance	Van	25,000		25,000
Street Cleansing	Sweeper	15,000		15,000
Street Cleansing	Sweeper	15,000		15,000
Street Cleansing	Sweeper	15,000		15,000
Waste Collection	Van	22,000		22,000
Street Cleansing	Van	22,000		22,000
Vehicle Workshop	Van	22,000		22,000
Grounds Maintenance	Washers / cleaners	25,000		25,000
Car Parks	Van	22,000		22,000
Car Parks	Van	22,000		22,000
Street Cleansing	Van	18,000		18,000
Street Cleansing	Van	18,000		18,000
Street Cleansing	Van	18,000		18,000
Street Cleansing	Van	18,000		18,000
Grounds Maintenance	Van	19,000		19,000
Grounds Maintenance	Van	19,000		19,000
Parks & Open Spaces	Van	19,000		19,000
Vehicle Workshop	Depot equipment	25,000		25,000
Waste Collection	Refuse vehicle	180,000	8,000	188,000
Waste Collection	Refuse vehicle	180,000	8,000	188,000
Grounds Maintenance	Van	-	22,000	22,000
Grounds Maintenance	Trailer	-	3,000	3,000
Grounds Maintenance	Tractor	-	76,226	76,226
Grounds Maintenance	Cylinder mower	-	15,100	15,100
Waste Collection	Refuse vehicle	-	188,000	188,000
Waste Collection	Refuse vehicle	-	188,000	188,000
Waste Collection	Refuse vehicle	-	188,000	188,000
Vehicle Workshop	Charging stations x 2	-	14,000	14,000
Vehicle Workshop	Depot Equipment	-	35,000	35,000

VEHICLES & PLANT - ASSET MANAGEMENT REQUIREMENT 2022/23

<u>Unit</u>	<u>Type of Asset</u>	<u>2022/23 Budget</u>	<u>Brought forward from 2021/22</u>	<u>2022/23 Updated Budget</u>
		£	£	£
Grounds Maintenance	Rotary mower	-	24,140	24,140
Grounds Maintenance	Rotary mower	-	24,140	24,140
Grounds Maintenance	Flail mower	-	24,140	24,140
Waste Collection	Tipper	-	50,176	50,176
Total Vehicles & Plant Requirement 2022/23		787,803	867,922	1,655,725

IT INFRASTRUCTURE - ASSET MANAGEMENT REQUIREMENT 2022/23

<u>Description</u>	<u>2022/23 Budget</u>	<u>Budget changes</u>	<u>Brought forward from 2021/22</u>	<u>2022/23 Updated Budget</u>
	£	£	£	£
Desktop Refresh	101,400			101,400
Network (WiFi, LAN) refresh	50,000			50,000
UPS Upgrade/replacement	20,000			20,000
ArcServe Backup/replacement	48,000			48,000
Richmond service desk exploration	2,500			2,500
Meeting Rooms Hybrid set up	26,909			26,909
EFIN server upgrade/replacement	10,000			10,000
Exchange / 2012 upgrade	5,000			5,000
Citrix / 2012 upgrade	15,000			15,000
Website upgrade - Redesign/accessibility	60,000			60,000
Northgate upgrade - Revs & Bens	10,000			10,000
Iken upgrade - Legal	6,000			6,000
Public Access upgrade	4,000			4,000
Info@work upgrade	16,600			16,600
Room booking upgrade	2,000			2,000
Mod.gov upgrade	7,000			7,000
CCTV	16,500			16,500
Door system	15,000			15,000
Idox upgrade	10,000			10,000
SharePointOnline exploration	5,000			5,000
Apps - other migrations	15,000			15,000
Capita system updates/change requests	3,000			3,000
Financial Management System upgrade	0		51,000	51,000
Servers - 3 VM Hosts	0		79,200	79,200
Network Refresh	0		52,188	52,188
ArcServe Backup	0		5,000	5,000
Richmond upgrade	0		2,025	2,025
Microsoft 365	0	25,778		25,778
Total IT Infrastructure requirement 2022/23	448,909	25,778	189,413	664,100

Known projects without budget allocation

New telephony system

ITEM 12 Valley Housing Ltd Outturn and Business Plan Update

Report of the Finance & Resources Portfolio Holder

Recommended:

- 1. That the Directors' annual report, as shown in Annex 1 to the report, be noted.**
- 2. That the updated Business Plan for 2022/23 to 2024/25, as shown in Annex 2 to the report, be approved.**
- 3. That the Head of Property and Asset Management be appointed as a director of Valley Housing Ltd.**

Summary:

- Valley Housing Ltd, a company wholly owned by the Council, was established in April 2016.
- There is an Operational Agreement between the Council and VHL that requires the company to present regular financial reports and business plan updates to the Council.
- This report presents the directors' report on the activity of the company in the 2021/22 financial year and updates its business plan for 2022/23 to 2024/25.
- It is recommended that a third director, the Head of Property and Asset Management, be appointed to the company board.

1 Introduction

- 1.1 Valley Housing Ltd (VHL) was established in April 2016. Test Valley Borough Council is the 100% shareholder.
- 1.2 The arrangements put in place to ensure control of VHL by the Council include an Operational Agreement. A requirement of this agreement is that the company shall deliver regular financial reports and business plan updates to the Council.
- 1.3 The operational Agreement also requires that Cabinet (as the "Council Representative" in accordance with the Operational Agreement) approval is obtained before any new directors are appointed.

2 Background

- 2.1 Since the incorporation of VHL, the Council has purchased a number of houses and developed one of its own sites to deliver market-rent housing within the borough.

2.2 This report updates Cabinet on the company's activity in the 2021/22 financial year and includes an update to the business plan that was approved by Cabinet in December 2021.

2.3 The company's property portfolio has increased to twenty-three properties during the year.

3 VHL reports to be considered

2021/22 directors' report

3.1 The company directors have prepared a report on the activities of the company in the 2021/22 financial year. This report is shown in Annex 1. It acknowledges the addition of eight properties to the portfolio, being the properties at Portersbridge Street and Alma Road.

3.2 The report is based on figures in the company's draft accounts that are currently being audited. The audit will be completed to allow for the consideration of whether consolidation with the Council's main accounts is appropriate. The main accounts must be approved by the end of November.

Updated Business Plan 2022/23 to 2024/25

3.3 The Finance & Resources Portfolio Holder presented the VHL business plan for 2021/22 to 2024/25 to Cabinet in December 2021.

3.4 Annex two shows an update to this business plan in light of the actual income and expenditure in 2021/22 and the experience gained over the past few months.

4 Corporate Objectives and Priorities

4.1 The activities of VHL will continue to contribute to the Corporate Plan 2019 – 2023, particularly in the context of the objective to *Grow the potential of people to be able to live well and fulfil their aspirations*.

5 Options

5.1 Cabinet can either approve the business plan or ask the directors to re-work it and bring it back at a later date.

6 Option Appraisal

6.1 The business plan is an essential document for setting the company's direction over the medium term. The updated business plan has been prepared by professional officers and presents an appropriate and realistic proposal for operation of the company for financial years 2022/23 to 2024/25; approval of the business plan as presented is therefore the recommended option.

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.
- 7.2 The main risk to the Council is the financial risk arising from its investment in the company. This risk will continue whilst the company has outstanding borrowing from the Council.
- 7.3 The Council has entered into long leases with VHL for the properties that it manages. However, the long-term impact of changes to the capital value of the properties (either up or down) rests with the Council. There is therefore a risk that the Council's long-term valuation of the properties may be less than was paid for them.
- 7.4 The directors maintain a risk register for VHL. This is reviewed and updated on a monthly basis. There were no red risks identified at the time of his report.

8 Resource Implications

Operational Financing

- 8.1 There is an operational loan facility approved whereby the Council can loan up to £250,000 to VHL for day-to-day cashflow management, particularly in the early years where the company is expected to make losses.
- 8.2 At 31st March 2022, £40,000 had been lent to VHL. Interest on the loan is charged at a commercial rate in accordance with the loan agreement between VHL and the Council.

Transactions between VHL and the Council

- 8.3 Although the VHL draft accounts have reported cumulative losses to 31st March 2022, a significant proportion of VHL's expenditure relates to transactions between the company and the Council.
- 8.4 The biggest of these charges are property lease rentals; recharges of time spent by Council staff in carrying out duties for the company; and interest on loan financing.
- 8.5 In May 2021 it was agreed that the charging structure would be amended to ease the level of financial pressure on VHL. After taking account the changes to the charging structure it is estimated that, after allowing for the financing costs associated with purchasing / developing the properties let to VHL, the Council will generate over £123,000 of additional income in 2022/23, with this figure set to grow further as the company continues to expand. In addition to this, the company will pay the Council for management recharges and interest on the loan provided to it. This is estimated to be in the region of £14,500.

Control and Liability

- 8.6 The Council maintains a large amount of control over the activities of the company. This includes; a requirement that the directors must seek approval before adding any new properties to the portfolio; and prohibition of loan finance from any organisation other than the Council. As the 100% shareholder in VHL, the Council is ultimately the beneficiary of any profits made by the company. The Council's liability is limited to its share capital investment (£100) and any loan and trade creditor amounts outstanding.

9 Company Governance

- 9.1 Three directors were appointed at the time the company was incorporated. All directors are officers of the Council with a substantive Head of Service role.
- 9.2 One director resigned on leaving the Council in 2021 and the company has been operating with two directors since then.
- 9.3 It is recommended that the Head of Property and Asset Management be appointed as a third director of the company. The postholder has a wealth of property knowledge and expertise and will be of great benefit to delivering the objectives of the Business Plan.

10 Legal Implications

- 10.1 The performance report and updated Business Plan are presented to Cabinet in accordance with the Operational Agreement in place between the Council and VHL.

11 Equality Issues

- 11.1 No equality issues have been identified in this report.

12 Conclusion and reasons for recommendation

- 12.1 The report presents the activities of VHL in 2021/22 and an update to the company's business plan for the medium term.
- 12.2 The report presents the recommendation that the Head of Property and Asset Management be appointed to the board of directors of the company.
- 12.3 The forecasts in the business plan are based on experience gained to date as well as the amended lease structure.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
<p>Report - 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.</p> <p>Annex - It is considered that the annex to the report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of both the Council and third parties.</p>			
No of Annexes:	2 (confidential)	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Simon Skeates	Ext:	8817
Report to:	Cabinet	Date:	22 June 2022

ITEM 13 Romsey Future – A Vision for Romsey 2022-2042

Report of the Strategic Regeneration Partnerships (South) Portfolio Holder

Recommended:

That the Romsey Future Vision 2022-2042 document attached as the Annex to the report be endorsed.

Recommendation to Council

Summary:

- Romsey Future is a community partnership that brings together the town's key stakeholders from the voluntary, business and statutory sectors. Since its inception in 2013, the Council has supported the work of Romsey Future and had endorsed the aspirations it set out in its 2015 Vision document.
- Following extensive consultation with the local community, Romsey Future has now refreshed this Vision document and has requested that its stakeholders actively endorse it as a demonstration of their commitment to bringing this vision to fruition.
- This report provides a summary of the work Romsey Future has undertaken since its inception, as well as the way in which it has refreshed its vision. On this basis, Cabinet is requested to formally endorse the Partnership's refreshed Vision document.

1 Introduction

- 1.1 Romsey Future began in 2013 as an active partnership that brings together the town's key stakeholders to deliver on their shared ambitions and aspirations. Since its inception, the Council has actively supported the work of Romsey Future and it continues to be a key corporate priority for the Council, as articulated in the Corporate Action Plan project *Work with partners to take forward projects agreed as part of the Romsey Future Delivery Plan*.
- 1.2 Guiding the Partnership's work until this point has been its Vision document; this was launched in December 2015 and set out Romsey Future's key ambitions for the town over the next twenty years.
- 1.3 Over the past eighteen-months, Romsey Future has consulted extensively with the local community as it refreshed its strategic vision. This refreshed Vision document, attached as an Annex to this report, sets out the partnership's priorities for the next twenty years and stakeholders of Romsey Future, including the Borough Council, have been asked to endorse the vision it has for the town.

2 Background

- 2.1 When drafting its initial Vision document, Romsey Future consulted extensively with its stakeholders and the local community to create a shared vision that would articulate the ambitions of its stakeholders and guide its ongoing work. This was published in December 2015. Following its launch, stakeholders were invited to endorse this vision, this was something Cabinet did in February 2016.
- 2.2 Since then, this vision has provided a framework through which partners have worked collaboratively to deliver a number of successful projects for the town. This allows the Borough Council to work with partners to gain agreement and make progress on delivering projects in areas that lie beyond the Council's authority.
- 2.3 Successful projects that Romsey Future has delivered include: new cycling infrastructure (such as a cycle hub and cycle parking in War Memorial Park); development of coach parking at the Rapids and new outdoor gym equipment. One of the most notable and prominent outcomes of the initial consultation was the aspiration of local residents for the area south of the town centre to be revitalised. This led to Romsey Future working in partnership with the Council to deliver the South of Romsey Town Centre Masterplan which was adopted by Council in September 2020.
- 2.4 Whilst the Vision document set out a strategic vision for the next twenty years, it was always Romsey Future's intention to refresh this Vision document every five years. Accordingly, in December 2020, the partnership began the process of consulting with stakeholders and the local community to understand their priorities and aspirations for their lives and the town.
- 2.5 The consultation ran from December 2020 through to July 2021, it consisted of a number of different activities including:
- An online survey that received 424 responses.
 - A pop-up stall in the Marketplace in the spring and summer of 2021 that promoted the online consultation and handed out paper copies of the survey.
 - Workshops with key stakeholders such as businesses, community groups and sports groups.
 - Focus groups with those that were underrepresented in the survey consultation such as older residents, those with disabilities and young people.
- 2.6 Following this consultation exercise, several months of drafting was undertaken by Romsey Future. From the feedback received in the consultation, the key ambitions identified for the partnership to pursue are for Romsey to be:

- Well connected
- Environmentally responsible
- A strong community
- Place focused
- People centred
- Economically thriving

2.7 These ambitions are set out in more detail in the partnership's Vision document, attached as an annex to this report. The new vision was launched by Romsey Future at its stakeholder event on 28 March 2022 with all stakeholders asked to endorse the vision it sets out for the town.

3 Corporate Objectives and Priorities

3.1 One of the key ambitions set out in the Council's Corporate Plan 2019-2023 *Growing our Potential* is to grow the potential of the Borough's communities. This priority includes a commitment to work with Romsey Future in helping to deliver the local community's shared ambitions for the town.

3.2 This is set out in more detail in the Corporate Action Plan 2019-2023 (year four), approved by Cabinet in March 2022, which includes the project *Work with partners to take forward projects agreed as part of the Romsey Future Delivery Plan*.

4 Consultations/Communications

4.1 As set out above, Romsey Future's new Vision document was formulated following extensive consultation with stakeholders and the local community. As a community partnership, engagement with local residents and businesses will continue to be key to Romsey Future's operation in the years ahead as it seeks to progress projects that emerge linked to its key ambitions.

5 Options

5.1 The options facing cabinet are to endorse Romsey Future's Vision document or to decide not to endorse it.

6 Option Appraisal

Endorse the Vision document

6.1 Supporting the work of Romsey Future is a key corporate priority for the Council. The Council has led on the implementation of the Romsey Future process and has invested much effort in facilitating the refreshed Vision document, in partnership with other organisations.

6.2 Romsey Borough Councillors, as well as Cllr Adams-King as Chair of Romsey Future, have also been fully involved and engaged in the development of the Vision document.

6.3 This is the recommended option

Not endorsing the Vision document:

6.4 Romsey Future has asked all its stakeholders to endorse its Vision document to demonstrate their commitment to the ambitions it sets out. As a stakeholder that is key to delivering many of these ambitions, not endorsing it would be contradictory to the aspirations set out in the Council's Corporate Plan.

6.5 If the Vision document is not recommended for endorsement, clear reasons should be given that can be fed back to the Romsey Future Programme Board.

6.6 This option is not recommended.

7 Risk Management

7.1 An evaluation of the risks associated with the matters in this report indicate that a further risk assessment is not needed to endorse the refreshed Vision document.

7.2 Consideration of the risks associated with individual projects that Romsey Future requests that the Council supports will form part of the decision making process and project management arrangements for each project and reported to Cabinet and Council as appropriate.

8 Resource Implications

8.1 A number of relevant partners are being asked to sign up to the Vision document. The basis of the sign up will be that the ideas are supported as aspirations and that the funding and project development will require further work. It is envisaged that as Romsey Future's work progresses, a number of projects will come forward that will require financial support and staff resource from a number of organisations.

8.2 Any costs recommended to be incurred by the Council will be approved in accordance with Financial Procedure Rules. This may necessitate further reports at the appropriate time.

9 Legal Implications

9.1 There are no legal implications arising from this report.

10 Equality Issues

10.1 No equality issues have been identified in the Council signing-up to the Romsey Future Vision document. As a result, a full Equality Impact Assessment has not been completed in accordance with the Council's EQIA methodology as a result.

11 Other Issues

- 11.1 Community Safety - none
- 11.2 Environmental Health Issues - none
- 11.3 Sustainability and Addressing a Changing Climate - none
- 11.4 Property Issues – none
- 11.5 Wards/Communities Affected – Romsey Abbey, Romsey Cupernham and Romsey Tadburn

12 Conclusion and reasons for recommendation

- 12.1 Supporting the work of Romsey Future is a key corporate priority for the Council. Romsey Future’s refreshed Vision document has emerged from a comprehensive consultation process that has been supported throughout by the Borough Council. It is therefore proposed that the Council, along with other partners which work in the town, formally endorse the document.

Background Papers (Local Government Act 1972 Section 100D)

[Report recommending Cabinet endorsement of first Vision document](#) – 10 February 2016

[Report recommending adoption of the South of Town Centre masterplan](#) – 2 September 2020

[Report recommending Cabinet approve the amended Corporate Action Plan](#) – 30 March 2022

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: Strategic Regeneration Partnerships (South) Councillor N Adams-King			
Officer:	James Hill	Ext:	8133
Report to:	Cabinet	Date:	22 June 2022

A Vision

for Romsey

2022 to 2042



Romsey 
Future
Our town, our future

Romsey

*Our town, our
future – a vision
for the next 20
years*

Over the next 20 years, Romsey will become the place of choice for the residents of the towns and villages in southern Test Valley to come together.

Romsey will thrive and grow, new communities will emerge and more people will visit both the town centre and the surrounding area.

Retaining its character as a compact historic market town, Romsey will continue to be closely related to the countryside around it.



Welcome

Everyone involved in Romsey Future knows how special and strong Romsey’s community spirit truly is. We are proud of its past and positive about its future as we look ahead to the next few years and the part that we all have to play for the town, local countryside and wider environment. This is about our Romsey, for our future.

Just like other towns, Romsey is changing, and will continue to do so over the next 20 years. That’s why, as a community, we have been working together to develop a plan of action to help Romsey manage this change and ensure its heart as a vibrant, thriving market town, remains strong.

Over the past five years, Romsey Future has worked to deliver our shared ambitions. We have now revisited what those ambitions are and how we can continue to respond and adapt to the progression that Romsey needs. The opportunity for change makes this an exciting time, but this can also bring challenges, which means it is vital that we all have a shared vision and a shared ambition.

Our journey so far has been about involving as many of you as possible to help mould this vision. As a result, a number of ambitions have been developed alongside our community.

These are for Romsey to be:



Well connected



Environmentally responsible



A strong community



Place focused



People centred



Economically thriving

As we take this opportunity to revisit the ambitions and priorities for Romsey Future we will continue to ensure that the partnership is designed in a way which will mean that we continue to come together. We will work hard to encourage those who make decisions to sign up to our ambitions through our action plan, and play an active part in taking forward projects that will enhance Romsey, for everyone.



Romsey Future

more than just a plan

Romsey Future is an active partnership of many groups and organisations working together to build consensus and deliver on shared ambitions. We will work together to deliver projects, to attract funding, and to guide future policies and strategies at a service and spatial level.

As a result, this document is just the starting point. Taking forward the vision and the strategic ambitions will be an ongoing process that brings people together to help influence and shape Romsey for many years to come.

Romsey Future sets out a long-term vision for Romsey. The intention is to have a plan of action in place to help Romsey deal with the changes it will face over the next 20 years.

Romsey Future is looking at the whole of Romsey, and by this we mean the town itself and its surrounding neighbourhoods.



Our principles for Romsey Future are to:

“ Be **ambitious** when thinking about current and future opportunities for Romsey ”

“ Be **inclusive** by bringing together all of our communities within Romsey ”

“ Be **committed** to working in partnership to deliver our shared ambitions ”

“ Be **proud** of our town and what we achieve for it ”

“ Be **sustainable** when developing our ideas ”



Romsey now and in the future

In developing the plan, we have considered the key factors that will need to be addressed when managing the impact of a changing Romsey:



A changing population

More people will live in Romsey over the next 20 years. Currently 21,518 people live in Romsey and by 2027 this figure is predicted to rise to 23,640, an increase of ten per cent.

People are living longer and by 2027 it is anticipated that around 29 per cent of the population in Romsey will be aged 65 and over. As a result, this is likely to mean that the needs of the population and the infrastructure and services people will need access to will begin to change.



At its heart an historic market town steeped in character

The historic, natural and built environment of Romsey sets the town apart from other local town centres and is seen as an important factor in how the town develops over the next 20 years.

Preserving the historical character will continue to be at the heart of future plans, but it will also be important to explore creative ways in which enhancements can be made that add something while being compatible with the historic character.

The town is also made up of several established housing developments which have been built over a number of years. Maintaining these areas is going to be important to ensure that they continue to be attractive places to live, while Romsey's distinctive sense of place remains strong.



A growing town with new development and infrastructure

The projected growth in population also sits alongside the expected increase in the number of new homes to be built within southern Test Valley as set out in Test Valley Borough Council's Local Plan. With new homes will come new facilities and infrastructure.

These will provide real opportunities for the town, but a clear plan must be in place which will help Romsey deal with this growth in a way that responds to the emerging needs of the town.



A town with a strong sense of community

Romsey is a vibrant and thriving area. Like most market towns, its principal offer is to be a place where people come to 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.

Enabling the community to work alongside organisations to develop joint approaches will be at the heart of Romsey Future.



A town responding to global change

Romsey will benefit from advances in technology and the way communities have adapted to more hybrid ways of working and socialising. However, as this develops, it is necessary to adapt to any future changes and ensure our communities are supported to engage with them.

The impact of climate change is an increasing priority for our communities and responding proactively will help to ensure that Romsey is able to thrive and grow in a way that supports current and future generations.



Ambition 1: Well connected



Our ambition is to deliver improved access to, from and within Romsey.

Being able to move around Romsey safely, efficiently and reliably all form a key part of the town's quality of life offer to residents, its quality of visit offer to tourists and its quality of economic development offer to businesses.

The town is served by both a bus and railway station. By road, the town is connected to key destinations such as London, the south coast and the west country. Over the years, as the town has grown, a number of important walking and cycling routes have been established to encourage easier access to and across the town.

In developing our plan for the next 20 years the following factors have been considered:

- As the town continues to grow through new development and more people visit the town as a destination, and as habits change, issues such as congestion, car parking capacity and highway improvements will need to be addressed.
- As a significant proportion of the population of Romsey grows older, there is likely to be a greater demand for public and community transport as people start to use their cars less.
- As part of the global response to the climate emergency, further infrastructure to support sustainable transport such as walking and cycling, as well as utilising new technology, will form a part of our approach

To make our ambitions a reality we will work together to:

- Ensure that the transport and accessibility needs of the community are communicated and actively advocated for, making sure Romsey is well connected and an easy place for all to move around.
- Contribute to the enhancement of Romsey's walking and cycling infrastructure.
- Work with partners to understand Romsey's car parking needs and share relevant information.
- Support improved access to and information about public and community transport and provide a platform to engage with partners around transport and accessibility needs for everyone.



Romsey Future Consultation



Ambition 2:

Environmentally responsible



Romsey has its own part to play in responding to the global Climate Emergency, at a local level. It is increasingly important that any ambitions and decisions made for the town consider their environmental impact and seek to be environmentally friendly and sustainable.

This is important for the communities of Romsey now and in the future.

In developing our plan for the next 20 years the following factors have been considered:

- A changing climate is likely to bring new challenges in the future. Developing Romsey's resilience to managing the extremes of weather and using its resources carefully will need to form part of our onward approach.
- Communities, businesses, and other groups in Romsey are responding to the climate emergency in ways appropriate to them. Romsey Future will need to be in a position to support these changes and adaptations so that we can best support all communities in our town.
- There is continued development planned for Romsey which is likely to call for a greater demonstration of environmentally-friendly decisions that are sustainable.

To make our ambitions a reality we will work together to:

- Take a lead in promoting and encouraging any future changes to the town to be environmentally-friendly and sustainable.
- Find opportunities to introduce schemes and ideas to improve our environment.
- Address potential environmental risks such as flooding, as well as ensuring sensitive and proper management of our waterways, wildlife and heritage across Romsey.
- Continue to support delivery of environmental enhancements to established housing developments across all of the town and surrounding areas.
- Contribute to any planning consultation processes to ensure Romsey's voice on environmental matters is heard.



Fishlake Meadows



Ambition 3: A strong community



Our ambition is to develop homes and communities that meet the future needs of the town.

As the town continues to grow it is important that there is a good mix of homes in terms of type, size and cost that addresses the aspirations of all parts of Romsey's population. Alongside this, there will be a need to continue to invest in the community of Romsey so that social action is nurtured and community spirit is further developed.

In developing our plan for the next 20 years the following factors have been considered:

- There are some new developments in progress, such as in the south of Romsey's town centre and Whitenap.
- The gap between house prices and income is a key issue that affects Romsey. Based on income, many people in Romsey cannot afford to buy a home in the town. This represented over 40 per cent of residents in 2013 and continues to increase.
- The population in Romsey is changing, with the biggest change being an increase in age. As people grow older their needs will change and it's important that community facilities, access to services and access to a range of homes are in place to ensure these needs are met.
- It is likely that there will be a change in the way people choose to work in Romsey, with a potential increase to

home working among both current and new residents. This could mean more people living in Romsey but working for organisations based outside of the town.

To make our ambitions a reality we will work together to:

- Build upon the strong sense of community action in Romsey so that local people and local community organisations can work together to meet the future needs of the community.
- Support the integration and linking of communities within Romsey as the town develops.
- Use Romsey Future as a platform to communicate with and connect our communities, supporting partners to promote news, events and activities within the town.
- Work with infrastructure providers to help meet future need identified through any planning processes.
- Deliver new recreational spaces.
- Update and deliver new community facilities and services that meet the future needs of the town.
- Ensure the community voice is heard in consultations around the future provision of homes.



Romsey Lantern Parade



Ambition 4:

People centred



Our ambition is for people to be at the centre of decision making for Romsey.

Improving the number, offer availability and awareness of a range of facilities and activities for residents is vitally important to the wellbeing and ambitions of Romsey's communities.

Ensuring that the people in Romsey have their voices heard and are able to contribute to decision making for the town is vital in ensuring that decision making for Romsey is informed by the needs and ambitions of the people who live, work and play here.

In developing our plan for the next 20 years the following factors have been considered:

- Romsey's population is changing. Over the next 20 years it will continue to grow and there will also be a significant proportion of people who are aged 65 and over. This means that people will need different things from the town, and facilities and services will need to evolve as the town grows and changes.
- New development will bring opportunities to develop new facilities that meet the needs of residents. Planning for this, and designing what's needed and why, is going to be an important area of work so that the right facilities are provided

- People's working habits are changing; a large number of people work outside of the town, however, with the shift to more home working the town is starting to see more people using Romsey and its facilities throughout the week. As the town grows it will be important to cater for the opportunities and face the challenges that a changing workforce will bring.

To make our ambitions a reality we will work together to:

- Increase wellbeing within the community to enable people to live well for as long as possible by ensuring there is good access to the right support and services within the community.
- Develop and sensitively manage open spaces for the benefit of people and the environment, including access to open space to support health and wellbeing.
- Understand, promote and respond to the needs of all generations in Romsey to develop and support their resilience.
- Support and promote the way people use public spaces and engage in activities in Romsey.



Market Place



Ambition 5: Place focused



Our ambition is to enhance and maintain all areas of Romsey so that it retains its character and is evermore attractive to residents and visitors.

The historic nature of the town centre, coupled with the attractive environment that surrounds Romsey, is what sets the town apart from other areas. With the Abbey at the heart of the town, an award-winning Memorial Park and the River Test, one of the world's most important and famous chalk streams, Romsey's natural and built environment is one of its most important assets.

In developing our plan for the next 20 years the following factors have been considered:

- Market towns are traditionally places where local people want to spend time, both to meet up with friends and family and to undertake more day-to-day activities such as shopping. We will look to achieve this through the South of Romsey Town Centre Masterplan.
- New development has and will continue to bring growth to the town. Therefore, appropriate infrastructure and facilities will need to be developed to manage the impact of this.
- For the town to continue to be a vibrant area it must ensure it is accessible and able to meet the expectations of future residents and visitors.

- As the existing residential areas of Romsey start to age, it is important to make sure that they don't decline while other areas benefit from new development; we must ensure that Romsey's sense of place is strengthened as a result.

To make our ambitions a reality we will work together to:

- Work collaboratively to make Romsey a great place to live, work and socialise, founded on and around our community.
- Deliver improvements to areas of the town centre which are compatible with the historic character to make the town more accessible and attractive and give space for people to enjoy.
- Ensure that any other enhancements to the town preserve the unique identity of Romsey.
- Continue to contribute to the strategic vision for the redevelopment of the south side of the town centre by representing the views and priorities of people in and around Romsey.



Romsey South of Town Centre Masterplan



Ambition 6: Economically thriving



Our ambition is to develop Romsey's offer as a sustainable and vibrant place where footfall increases and employment and business opportunities thrive, as well as being a renowned place to visit and spend time in.

Further developing the economy of Romsey is important both for the town's ongoing vitality and the contribution it will make to the wider sub-regional economy.

In developing our plan for the next 20 years the following factors have been considered:

- Romsey is a successful market town. The town centre economy is buoyant with very few vacant units and a high number of independent retailers which draw people into the town. Looking forward, it will be important to further understand the role that Romsey can play as a place for niche businesses. Retaining a good retail and service mix, coupled with parking that keeps up with need, will be essential for profitable levels of footfall to be maintained.
- Tourism is an increasingly important part of Romsey's economic development, and this emerging opportunity is one that needs to be developed further and fully embraced. Romsey's historic nature, coupled with its location at the gateway to the New Forest, means it is a place that people want to visit.

- Tourism is an increasingly valuable part of the local economy, and as a result can bring new jobs and help existing businesses thrive. With continued visits to popular local attractions such as the Rapids and nearby Mottisfont, Romsey's tourism offer needs to be developed, and future infrastructure requirements to support this identified.

To make our ambitions a reality we will work together to:

- Continue to support Romsey's adapting town centre and thriving independent sector.
- Seek and lobby for support and funding from external sources such as the 'EM3 Local Enterprise Partnership' to highlight the benefits of a greater focus on Romsey.
- Work and engage with existing and emerging businesses to shape our approach.
- Have a role in any planning processes to shape and influence the changing look of retail and social activities in the town to ensure it supports Romsey's sustainability as a unique market town.
- Continue to promote Romsey as an attractive tourist destination through seeking opportunities for the town and working in partnership to deliver them.
- Continue to support and promote Market Place events within the town.



Corn Market



What happens *next?*

Romsey Future is driven by the enthusiasm and commitment of local people and local organisations working together to ensure a bright future for our town. The vision and ambitions will provide the focus for what we do next.

We will review the vision and ambitions every five years to make sure our focus is clear and that we can respond to an ever-changing environment. However, we will continue to engage with communities throughout each year to ensure that Romsey Future is responding and adapting to the needs and ambitions of Romsey communities.

An initial reporting structure has been drawn up based on the suggestions for actions and projects that have been made in recent years. This will enable us to begin to take forward and work with partners to deliver against our ambitions.

The priorities for Romsey Future will be managed by a programme board, which is made up of representatives of the community. This group will be supported by local advisory and working groups to ensure all communities are represented and have a voice in how Romsey Future continues to deliver its priorities.

A number of project groups will be formed to deliver target areas of work for the partnership. These groups will be made up of representatives of the community as well as partners who can help to deliver the Romsey Future ambitions. Communities are encouraged to propose new projects and seek support from Romsey Future in setting up, securing funding, running and delivering their project ideas.

Each year we will reflect on the progress made at our annual conference to renew our focus and agree the new and ongoing projects to deliver on our ambitions.

To find out more please visit:
romseyfuture.org.uk

ITEM 14 Review of Waste and Recycling Services in Light of the Environment Act 2021

Report of the Recycling, Environmental Services and Car Parking Portfolio Holder

Recommended:

- 1. That, in order to respond to the Environment Act 2021 and the recently approved Joint Municipal Waste Management Strategy, the Council makes the necessary changes and subsequent investment in its waste and recycling collection service.**
- 2. That the future of waste and recycling collections will take the direction as introduced in section 5.4 – Option B and described in section 6 of the report, but specifically the introduction of a weekly collection of food waste and an alternating collection of ‘fibres’ (paper, magazines and cardboard), ‘containers’ (glass bottles and jars, plastic bottles, plastic pots, tubs and trays, cans and tins, aerosols, cartons) and ‘non-recyclable household waste’ from as early as 2024.**

Summary:

- The report sets out the numerous challenges that have emerged as a result of the Environment Act 2021.
- The report describes how local authorities in Hampshire have translated the law into local action by the development and adoption of a Joint Municipal Waste Management Strategy.
- The report details two options (referred to as Option A and B) for the Council to consider in order to respond to both the Act itself, and the direction being taken by Hampshire partners, particularly Hampshire County Council in their capacity as the Waste Disposal Authority (WDA).
- The report recommends Option B as the most appropriate direction for the reasons set out in section 6 and in the summary in section 12.

1 Introduction

- 1.1 In November 2021, the Environment Act became law. Its priority areas are air quality; water; biodiversity; and resource efficiency and waste reduction. With regards to waste and recycling, the Act will help transition to a more circular economy, incentivising people to recycle more, encouraging businesses to create sustainable packaging, making household recycling easier and stopping the export of polluting plastic waste to developing countries. These changes will be driven by new, legally binding environmental targets and enforced by a new, independent Office for Environmental Protection.

- 1.2 Within Hampshire, the Project Integra partners have been working through the implications of what the Act requires in terms of service change for both the waste collection and disposal authorities. The Joint Municipal Waste Management Strategy (JMWMS) has been revised and by February 2022, was approved by all authorities. The JMWMS sets the strategic direction for service change.
- 1.3 As a Waste Collection Authority, we have been reviewing what opportunities we have to improve our household waste and recycling collection service. The Act itself will require us to collect a wider range of recyclable materials and the County Council, as Waste Disposal Authority, will need to make arrangements to deal with these.

2 Background

- 2.1 Project Integra is a unique partnership. Created in 1995, it consists of Hampshire County Council (the Waste Disposal Authority), the two Unitary Authorities of Southampton and Portsmouth, the 11 District Councils (the Waste Collection Authorities) and Veolia UK (the waste disposal contractor). Project Integra is effectively an integrated approach to the collection, treatment and disposal of municipal waste in Hampshire. The work of Project Integra is guided by three objectives: customer focus; value for money; and sustainability.
- 2.2 Project Integra was awarded Beacon Council status in 1999, as an example of best practice for dealing with waste in accordance with sustainable development principles. It was also cited as an example of good practice for its partnership approach to waste management in the 2002 Government strategy report 'Waste Not Want Not'.
- 2.3 Hampshire has previously been widely acknowledged for its partnership working on waste, its impressive integrated waste management facilities, relatively high performance and contribution to shifting fundamental thinking from waste to resource management. However, in recent years, performance levels have failed to keep up with those of the best performing authorities in England. In 2019/20, Hampshire's recycling rate was 41.7% (across all recycling services, including HWRCs). The highest performing partner had a recycling rate of 41.3%, with the lowest performing partner having a recycling rate of 24.8%. Overall, the county sat within the lower half of the English local authority recycling performance league table, with the majority of partners sitting in the lower quartile. This is a situation that the Partnership has been determined to change.
- 2.4 The Environment Act 2021 is key to delivering the commitments made in the Government's 25 Year Plan to Improve the Environment (January 2018). Amongst other actions, the 25 Year Plan aims to minimise waste and in particular, plastic waste. For instance, it has an ambition to achieve zero avoidable waste by 2050, and a target to eliminate avoidable plastic waste by the end of 2042. It also aims to meet all existing waste targets – including those on landfill, reuse and recycling, and to develop ambitious new future targets and milestones.

- 2.5 The Environment Act 2021 will set long-term, legally binding, environmental targets, plans and policies for protecting and improving the natural environment in the UK. With regards to waste and recycling, the Act will allow the Government to:
- (a) Deliver consistent and frequent recycling collections across England.
 - (b) Ensure councils operate weekly separate food waste collections, preventing food waste from going to landfill or being incinerated.
 - (c) Introduce clearer labelling on certain products so consumers can easily identify whether products are recyclable or not.
 - (d) Expand the use of charges on single use plastics, following the successful introduction of the carrier bag charge and introduce a deposit return scheme (DRS) on plastic drinks containers.
 - (e) Introduce new extended producer responsibility (EPR) schemes to make producers responsible for the full net costs of managing their products when they are ready to be thrown away.
- 2.6 In anticipation of these significant waste policy changes, the Hampshire Waste Partnership was created in 2018, to work alongside Project Integra. The Hampshire Waste Partnership commissioned work setting out options for the management of waste in Hampshire including agreeing an optimal collection and disposal system.
- 2.7 In 2006, Project Integra introduced its Joint Municipal Waste Management Strategy (JMWMS). It was refreshed in 2012, and then again in 2021 as it was recognised that the legislative and budgetary environment had significantly changed since the 2012 refresh. It needed to take into account the competing pressures on all of Hampshire's partnership authorities, and to consolidate an agreed path for service consistency and best value in the waste service delivery for the county as a whole, based on agreed priorities. The JMWMS will be reviewed by the partnership every three years and the vision for Hampshire is: *"The Project Integra partners will work together to deliver high performing, forward looking recycling and waste management services which provide value for money for Hampshire taxpayers meeting local needs and recognising the climate emergency and need for a reduction in carbon emissions."*
- 2.8 One of the most important key objectives in the 2021 JMWMS is Recyclable Material Management and in particular the introduction of twin stream collections. The twin stream approach would increase the recycling rate by collecting fibres (paper, magazines and cardboard) in one receptacle, and containers (glass bottles and jars, plastic bottles, plastic pots, tubs and trays, cans and tins, aerosols and cartons) in another. This service change would require the redevelopment of the waste transfer station infrastructure and the Material Recovery Facilities (MRFs) in order to handle glass. The twin stream approach has the lowest whole system costs (collection and treatment) and lowest carbon impact when compared to other types of collection systems.
- 2.9 Test Valley Borough Council approved the refreshed JMWMS in October 2021, following an OSCOM Round Table discussion. The JMWMS was approved by all partners by February 2022.

- 2.10 Test Valley Borough Council currently has a 37.6% recycling rate (2020/21). This has the Council ranked in position 222, out of 338 English local authorities. However, within Hampshire, we are ranked in 4th position. Local Authorities that achieve higher recycling rates are currently able to collect a much wider range of materials through their systems. By 2025, the national target for the preparing and re-use and recycling of municipal waste is 55%, with the ultimate target of achieving 65% by 2035.
- 2.11 Both the Environment Act 2021, and JMWMS, will require Test Valley Borough Council to improve its waste and recycling collection service. The Government is expected to publish the full results of its consultations (linked to the Act) in the next couple of months, and secondary legislation will follow later in the year. The Act itself will be effective from 2023. Locally, Hampshire County Council has applied for planning permission to build a brand new MRF at Chickenhall Lane in Eastleigh. The MRF will be able to sort all the materials required to be collected at the kerbside in the future, both by the Act and the JMWMS. Once approved, it is expected the MRF will be constructed and operational from mid- 2024.
- 2.12 In making these positive changes, we will be meeting our resident's desires and expectations that we should be doing more, such as collecting glass bottles and jars, cartons and plastic pots, tubs and trays at the kerbside. We will improve the borough's recycling rate and ultimately, we will be making a difference at a time when the green agenda and climate emergency is a concern for all.
- 2.13 It is important to note that although we will be required to make improvements to our waste and recycling service in line with the JMWMS, how we achieve it will be determined by ourselves.

3 Corporate Objectives and Priorities

- 3.1 In creating Test Valley Borough Council's Corporate Plan 2019-2023, 'Growing Our Potential', residents were consulted. They said they care about their local environment and they wanted to do more. They would like to have more opportunities to recycle and have more, clearer information about what they can recycle and how they can play their part. The Corporate Plan incorporated these views and in 'The Local Environment' priority, the Council committed to develop opportunities, through the Hampshire Waste Partnership, to increase the range of materials that can be recycled. We also committed to encourage people to recycle more through education and making recycling easier.
- 3.2 Test Valley Borough Council is currently planning ahead to 2027, through its next Corporate Plan and residents are being consulted about our future priorities. Again, an emerging theme is the green agenda.
- 3.3 Test Valley Borough Council's Climate Emergency Action Plan was published in June 2020, and although the action plan mainly focusses on what the Council can do itself to make a difference, it notes we cannot face this challenge in isolation. In the theme 'Supporting Communities and Businesses',

the Council commits to improving recycling behaviours. Through raising awareness and understanding of recycling opportunities within the Borough, and reducing contamination, a positive impact will be felt locally and nationally.

- 3.4 In addition to these corporate documents, it should be noted that the Council will be mandated to change. Food waste collections and consistent collections must be provided. Additionally, there is a possibility that the Government may also mandate free garden waste collections although the industry does not expect this to come to fruition. In addition, national waste and recycling targets will be set and monitored by the Office for Environmental Protection.

4 Consultations/Communications

- 4.1 The Act and the JMWMS have been extensively discussed – through Hampshire County Council meetings, Project Integra meetings and Hampshire Waste Partnership meetings.
- 4.2 Within Test Valley Borough Council, the JMWMS was discussed at the OSCOM Round Table (October 2021) and extensive discussions have been held with the Portfolio Holder and Leader of the Council.
- 4.3 At the time of writing, an OSCOM sponsored meeting is planned for 15 June to share and discuss with all members, the Council's planned response to the Environment Act.
- 4.4 Moving forwards, Test Valley Borough Council is working in partnership with Solent University in order to better understand how people are influenced, behave and respond to information and change around recycling and wider waste management messages. Focus groups are planned for July 2022 in order to enquire how residents feel about recycling currently, and to reflect on what currently works in terms of the Council's communications. Research will also be conducted so we can understand how other local authorities communicate with their residents. This deliberative democracy approach will help the Council better understand how residents will need support with the future waste changes.

5 Options

- 5.1 With consideration to the changes required by the Environment Act, and the JMWMS, and the modelling that was carried out by Wood plc on behalf of all Hampshire local authorities, the Council has two clear options for modifying its waste and recycling collection service.
- 5.2 Both options have the same bin allocation: Each household will have:
- (a) 1 x black bin for household waste (non-recyclables)
 - (b) 1 x brown bin for fibres (paper, magazines, cardboard)
 - (c) 1 x blue bin for containers (glass bottles and jars, plastic bottles, plastic pots, tubs and trays, cans and tins, aerosols, cartons)
 - (d) 2 x caddies for food waste (kitchen caddy/collection caddy)
 - (e) Garden waste wheeled bin(s) or reusable sack(s) (paid subscription)

- 5.3 Twin Stream Alternating - Option A.** With this option, residents will have their black bin emptied on week 1, and their brown and blue bins emptied on week 2. The food waste bin is emptied weekly.
- 5.4 Twin Stream Alternating - Option B.** With this option, residents will have their black bin emptied on week 1, their brown bin emptied on week 2, and their blue bin emptied on week 3. The food waste bin is emptied weekly.

6 Option Appraisal

Option A

- 6.1 Whilst this option retains current collection frequencies, it means that the Council loses its opportunity to maximise recycling with an anticipated recycling rate of 47.4% (based on the modelling carried out on behalf of all Hampshire LAs).
- 6.2 It is anticipated that round sizes will change. They will become complicated to design and operate and collection days may differ for different materials. This will also impact the Council's communications as they will become non-universal.
- 6.3 In broad terms, the current frontline waste and recycling collection system is undertaken by 12 rounds, of different size, based on property density. Some rounds are very rural in nature and travel more distance than those located in town centres. Staffing resource on each round is geared to match the area within which they operate. All waste is collected in a typical single bodied waste collection vehicle that has a gross vehicle weight of 26 tonnes. A move to Option A would require a significant change to our current fleet of vehicles.
- 6.4 Option A is ultimately more expensive than the current system of waste collection that has been in place within the borough since 2006. Moreover, in addition to the extra costs associated with developing and running this system, it is inherently more complicated to operate given the need for changing half of the fleet for a different type of collection vehicle.
- 6.5 The Council will need to dispose of some of its existing single bodied vehicle fleet and purchase more expensive twin bodied vehicles in their place. However, there is an additional issue with twin bodied vehicles in that they will need to be a 50:50 split to collect both material types, but this configuration will not be able to empty the 1100 litre communal bins we have around the borough. It is likely an additional round of single bodied vehicles will be needed to service these bins, which is not efficient.
- 6.6 Early indicative work on round size and vehicle type would suggest that 6 rounds would be deployed for the collection of household (non-recyclable) waste (using existing vehicles) and 8 rounds would be deployed, using twin bodied vehicles, for the collection of twin stream material. This an increase in the number of vehicles and rounds required. The current cost of one twin bodied vehicle is circa £225,000 compared to a single body vehicle that is much less at £187,500. In addition to frontline vehicles, there would be a need to have spare vehicles on the fleet. Therefore, 10 twin bodied vehicles (8 frontline and 2 spare) would attract a capital cost of circa £2,225,000.

- 6.7 In addition to the capital cost required to change the fleet, there are a range of other ongoing financial implications. There are some costs that we cannot accurately calculate regarding the operation of twin bodied vehicles, but based on experience, we can estimate that fuel costs will increase by approximately £30,000 per year, with ongoing maintenance slightly less per year, at approximately £20,000.
- 6.8 In addition to the upfront capital cost and the ongoing vehicle related cost, there would be a requirement for additional staff. The annual cost for staff would be approximately £170,000 pa, meaning that Option A would require additional ongoing revenue of approximately £220,000 pa.
- 6.9 By their very nature, twin bodied vehicles have inherent inefficiencies. The payload is low compared to a single bodied vehicle and due to their relatively high un-laden weight, fuel efficiency is low. One constraint with operating this type of vehicle is the balance of material. Once one side is completely full, the vehicle has to be emptied regardless of how full the other side is. These vehicles will require more parking spaces at both depots and additional staff will be required to operate them.
- 6.10 This option could negatively affect the street scene too, as both brown and blue bins will be put out at the kerbside on the same day. It should be noted that there may be locations where garden or food waste may be presented for collection on the same day too.

Option B (recommended option)

- 6.11 This option gives the Council the opportunity to maximise its recycling with an anticipated recycling rate of 54.71% (based on the modelling carried out on behalf of all Hampshire LAs).
- 6.12 This option means that the Council's waste collection rounds remain the same, the vehicle fleet remains the same (and every size of bin can be emptied) and no additional staff are required (apart from recruiting for food waste collections). It is a clean system with one bin type presented each week. As a result, the communications will be universal and easy to share.
- 6.13 Option B will have capital (provision of bins) but no ongoing revenue implications. It should also be noted that both Option A and Option B will mean residents will all receive an additional blue bin – as required by the new twin stream approach.
- 6.14 It should be noted that both Option A and Option B will be supported by weekly food waste collections, and residents will continue to be able to subscribe to the Garden Waste Collection Service (assuming there will be no mandated changes).
- 6.15 Option A's estimated recycling rate of 47.4% will mean the Council will not meet the 2025 55% target recycling rate, but Option B is likely to meet it, with an estimated rate of 54.71%.

- 6.16 Where local authorities have already introduced a waste collection system similar to that described as Option B, they have achieved a higher recycling rate than has been projected by the consultants, which would suggest that their figure is on the conservative side. For example, Powys County Council achieve a recycling rate of 66.1% and East Devon District Council achieve a recycling rate of 60%.
- 6.17 Both options will require the Council to review its operational waste and recycling policies.
- 6.18 A change of this magnitude will introduce challenges and opportunities, regardless of which option is chosen. The Council will engage with all those affected by the change. In the meantime, a series of initial FAQs have been developed that are reflective at this point in time and are annexed to this report.
- 6.19 The introduction of a weekly collection of food waste is mandatory. The table below only compares the principle differences between both Option A and Option B:

	Option A	Option B
Increased range of materials	Yes	Yes
Additional bin	Yes	Yes
Projected Recycling Rate	47.4%	54.71%
Meets 2025 recycling target of 55%	Does not meet	Likely to meet
Capital implications	- Changes to fleet - Provision of blue wheeled bins	- No changes to fleet - Provision of blue wheeled bins
Revenue implications	- Additional staff - More fuel - Increase in vehicle maintenance	- Same staff - No increase in fuel - No increase in vehicle maintenance
Changes to existing rounds and collection day	Yes – significant	No changes
Impact on street scene	Yes – multiple bins on recycling week and the possibility of food and garden waste collections on the same day	No change except for the possibility of food and garden waste collections on the same day
Carbon Impact	Increase in vehicles / fuel consumption for twin stream and food waste collections	Increase in vehicles / fuel consumption for food waste collections only

7 Risk Management

- 7.1 An initial assessment of the risks has been carried out. It is fair to say that the risks will change as time progresses. However, in summary, the risks centre around the following:
 - 7.1.1 Availability of New Burdens Funding.
 - 7.1.2 Increased revenue costs – fuel, staff, vehicle maintenance etc.
 - 7.1.3 Delays in the release of national consultation responses and subsequent secondary legalisation.
 - 7.1.4 Income streams lower than anticipated – EPR and DRS etc.
 - 7.1.5 Reliance on Hampshire County Council to deliver the infrastructure needed to deal with changes in collection methods, and other Hampshire authorities making the change to twin stream.
 - 7.1.6 National capacity to produce and provide vehicles and receptacles in good time during a period of national supply congestion.
 - 7.1.7 Recruitment during a time of exceptionally low unemployment.
 - 7.1.8 Inability to meet the national recycling target of 55% by 2025 and future targets beyond.

8 Resource Implications

- 8.1 The change to the waste collection system will have capital and revenue implications. However, at this stage it is too early to determine how much of that will fall to the Council.
- 8.2 Any mandated changes should attract New Burdens Funding, but the Government has yet to publish how this will be delivered in practice. It is likely that they will cover some, or all, of the capital cost for food waste collections. They have so far said that they will provide a £295 million capital funding pot to cover the costs of setting up food waste collection services (from 2023/24) but no further details have been released.
- 8.3 EPR funding is also expected for 'efficient and effective' schemes (likely 2024/25) and we can anticipate an income from DRS too. Again, details on what this will look like remain unclear at this stage.
- 8.4 Once the details on capital and revenue funding are clear, more detail will feature in future reports.
- 8.5 The purpose of this report is to develop a statement of intent as to the future of waste and recycling services, given the national legislative changes and the development of a local response across Hampshire in the form of the JMWMS.

9 Legal Implications

9.1 None at this stage

10 Equality Issues

10.1 The EQIA has been carried out and has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

11 Other Issues

11.1 Community Safety - None

11.2 Environmental Health Issues - None

11.3 Sustainability and Addressing a Changing Climate – referred to in the main body of the report.

11.4 Property Issues - None

11.5 Wards/Communities Affected - All

12 Conclusion and reasons for recommendation

12.1 Due to the changes in legislation, the Council has no choice but to make significant changes to its waste and recycling collection service.

12.2 It is recommended that a weekly food waste collection service is introduced from as early as 2024, to align with the availability of the treatment infrastructure being developed and delivered by Hampshire County Council, in their capacity as the Waste Disposal Authority.

12.3 It is also recommended that Option B is chosen and introduced within the same timeframe as a weekly food waste collection service. The primary reasons for recommending Option B are:

- (a) It will increase and maximise our performance e.g. recycling rate
- (b) It will be least disruptive for residents e.g. their collection days will remain the same
- (c) Communications are easier e.g. bin/online calendars, flyers, stickers
- (d) It will be least disruptive for staff e.g. the vehicles, crews, rounds remain the same
- (e) The costs do not increase e.g. no need to purchase new vehicles, recruit additional staff.

<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: Recycling, Environmental Services and Car Parking) Councillor N Adams-King			
Officer:	Paul Wykes	Ext:	8351
Report to:	Cabinet	Date:	22 June 2022

Web page intro text:

ANNEX

Future changes to your bin collections

We will soon be making some changes to your bin collections. These changes will increase our recycling rate and help keep our carbon footprint as low as possible whilst providing a cost-effective service.

Thanks to your fantastic efforts so far, we have a 37.6% recycling rate. We know that you want to recycle more at the kerbside and these changes will make our collection service one of the best in the country.

In addition, the Government has a target to recycle 55% by 2025, 60% by 2030 and 65% by 2035 and these changes will go some way to help us to meet these targets.

At the moment, we provide weekly collections – collecting recycling from your brown bin on one week, and household waste from your black bin on the following week. Residents can also subscribe to the Garden Waste Collection Service, which collects garden waste on a fortnightly basis.

In 2024, we will start collecting:

- ✓ **Fibres** from your brown bin – e.g. paper, cardboard, magazines etc.
- ✓ **Containers** from your new blue bin – e.g. plastic bottles, cans, tins, aerosols, glass bottles and jars, cartons, plastic pots, tubs and trays.
- ✓ **Food waste** from your new caddy
- ✓ **Non-recyclables** from your black bin – e.g. vacuum bag contents, nappies, pet waste etc.
- ✓ Your weekly collections will continue as we will collect your brown bin on week 1, your blue bin on week 2, and your black bin on week 3.
- ✓ Your food waste will be collected weekly.
- ✓ The Garden Waste Collection Service will remain unchanged.

FAQs

We have put together this section to provide further information on the changes. We will continue to update this section based on your feedback and questions, and as the project develops.

Why are you changing the waste collections?

We want to make it as easy as possible for people to recycle, which in turn will help tackle climate change. It's a major ambition in our Corporate Plan and something we've been keen to do for some time now. The new Environment Act is key too. The Government is looking to standardise recycling collections across the country, ensuring everyone can recycle the same materials at the kerbside regardless of where they live. The Government has also set a 55% recycling rate target by 2025 which we hope to exceed with our new collection service.

By how much will our recycling rate increase?

We estimate that our recycling rate will exceed 55% once the changes have been made. This means an increase of approximately 17% on our current performance.

Why do we have to wait until 2024?

We're planning to introduce our new collection service as soon as possible after Hampshire County Council builds and opens its new Materials Recovery Facility (MRF). The new MRF will have improved facilities to recycle a far greater range of materials than we can collect currently. More information on the new MRF will be shared soon.

In the meantime, we have a lot of work to do in order to be ready to implement the changes. Over the next 18 months, we will be buying new collection vehicles, purchasing new bins and caddies and recruiting new staff. As the Environment Act will affect recycling collections across the country, lots of local authorities will also be ordering new bins and vehicles and we want to get our orders in as soon as possible, to avoid any future delays.

How will the changes affect me?

We will be collecting more materials at the kerbside, and they will need to be sorted into either the brown 'fibres' bin or the blue 'containers' bin. This means that everyone will have an additional, blue recycling bin at their home.

We will also provide everyone with two food waste caddies – a smaller one for the kitchen and a larger one for the collection day. The caddy can contain all kinds of food waste including kitchen scraps, leftovers, food that has gone mouldy, fruit and vegetable peelings etc. Your caddy will be emptied weekly.

Your brown, blue and black bin collection days will remain the same. You will receive a new collection day for your food waste caddy. Garden waste collection days will remain unchanged for those who subscribe.

I may not have room for additional bins, what can I do?

We will be working with residents over the next 18 months to support them through the change to the new collection service and we will help those who have specific issues or concerns such as space at home.

Will I have to pay for my new bins? When will they be delivered?

As part of the introduction of our new collection service, the new blue bins and food waste caddies will be delivered free of charge. New bins and caddies will be delivered in readiness for when the new collection system starts.

ANNEX

How will it work for me, I live in a flat and share bins?

We understand that there can be difficulties with shared or communal bins so we will be working with each managing agent/landlord etc. to agree the best solution for each one. We will also be working with residents to support them through the change to the new collection service. Our aim is to provide our new service to as many residents as possible.

Will these changes mean fewer collections?

We currently offer a weekly collection service, with waste sorted between the black and brown bin. The new collection service will remain weekly, but the waste will be sorted to a greater extent, now we will be able to recycle more materials. You will also get additional collections for food waste.

Why aren't you collecting other materials at the kerbside too?

We are looking to collect as many materials at the kerbside as possible. We will update these pages when we can confirm we can collect new, additional materials.

Will these changes lead to fly tipping?

Items most commonly fly tipped are bulky items or trade waste, neither of which are collected as part of our collection service. It is not anticipated that fly tipping will increase, and this is not the experience of other local authorities who already operate similar collection services.

Won't my black bin attract pests or be smelly?

Food waste will be collected weekly which limits the likelihood of pests or odours. If you are concerned about odours, other items such as pet waste, nappies or hygiene products can be double bagged and tightly tied. Always keep your black bin lid closed too.

Will my Local Recycling Centre close?

We currently have a network of over 100 local recycling centres (LRCs). We will continue to operate these as the new collection service is launched, and we will monitor their use. No decision has yet been taken on the future of our LRC network.

If your questions have not been answered

Please [click here to contact us](#)

ITEM 15 Partnership working with Hampshire County Council

Report of the Leader / Strategic Regeneration and Partnership (North) and Deputy Leader/ Strategic Regeneration and Partnership (South)

Recommended:

To amend the previously approved Partnership Board structure and parameters as outlined in section 6 with Hampshire County Council and other key stakeholders as appropriate in order to facilitate the delivery of the Andover and Romsey masterplans and other appropriate strategic proposals within the Borough.

Summary:

- The delivery of the Andover and Romsey masterplans are a key priority of the Council. In order to help secure the delivery of the masterplans it requires a close working relationship with partners, including Hampshire County Council. Following the introduction of a new partnership model by Hampshire County Council it is proposed to amend the current structure.

1 Introduction

- 1.1 In December 2021 Cabinet agreed to establish a partnership board to help guide the delivery of the Andover masterplan. This partnership board would formalise the existing working relationship at an advisory and consultative level with key partners.
- 1.2 Since that decision Hampshire County Council has adopted a new model for engagement and partnership working at a Borough scale. To reflect this new approach the Council needs to broaden its partnership board structure and parameters.

2 Background

- 2.1 The regeneration of Andover is one of the leading priorities for the Council. The core elements of the masterplan look to adapt the town centre to reflect the changing ways we use our towns. This includes creating a mixture of uses including a significant number of new homes.
- 2.2 Whilst of different scale the delivery of the South of Romsey Town Centre masterplan is equally important in supporting the long term vitality of the town centre.

- 2.3 Such aspirations complement the Government's drive for growth and their 'Levelling Up' agenda and the principles of supporting and providing the required infrastructure necessary to improve our communities, economy and environment. This includes the Government's ambition for housing growth in particular on brownfield sites
- 2.4 To secure the combination of the Government's aspiration and the successful delivery of the Andover masterplan, Cabinet recognised that the existing working relationships and partnerships with stakeholders, including in particular Hampshire County Council, needed to be formalised. Cabinet agreed to establish a partnership board structure in December 2021.
- 2.5 Since that time Hampshire County Council has introduced a strategic partnership model for working across district authorities rather than specific town regeneration schemes. This intends to allow for a more proactive and collaborative approach to engagement with the aim to maximise resources and capacity and to reduce the existing less co-ordinated working arrangements with the multi-disciplinary working of the County Council. Given this new model it is necessary to amend the Council's partnership board structure.

3 Corporate Objectives and Priorities

- 3.1 Town Centres are one of the four priority areas of the Council's Corporate Plan (2019-2023). Establishing a joint board would help deliver the objective of adapting the town centres and making them attractive, vibrant and prosperous places to be achieved.
- 3.2 The principles contained within the two masterplans also complement the recommendations contained within the Hampshire Vision 2050 document relating to both the changing economy and changing environment agenda, specifically "To maintain, regenerate and develop vibrant settlements across Hampshire to offer attractive, stimulating and thriving business, and cultural and residential environment and communities".

4 Consultations/Communications

- 4.1 The principle of the proposed approach has been discussed with senior officers and Councillors of both Councils. Wider engagement with other key stakeholders would occur in due course.
- 4.2 Both masterplans have been completed following thorough and comprehensive public and stakeholder engagement and each had either Andover Vision or Romsey Future at its foundation. The partnership board proposes that this should continue through a dedicated engagement group but broadened to encompass those economic and growth opportunities across the Borough.

5 Options

- 5.1 The options for consideration are whether to amend the partnership board model with Hampshire County Council and others (option 1) or not (option 2).

6 Option Appraisal

Option 1

- 6.1 The success of any regeneration programme is in part down to the strength of its partnership and the working arrangements between the various decision makers, delivery bodies and key landowners. Whilst both Councils have a strong history of working together this has been on a less co-ordinated basis and meant making the most of opportunities when they arise across the Borough. By adapting the board structure to complement the County Council model it allows progress to continue in a structured way across the Borough and afford this Council the earliest possible insight into potential opportunities (funding or otherwise) for co-operation and co-ordination on issues likely to influence the masterplan projects and wider shared strategic issues particularly those linked to economic development, infrastructure, regeneration and growth.
- 6.2 To reflect the County Council's model it is proposed to amend the structure to form a single overarching Partnership Board for the whole of the Test Valley Borough area. The board will provide a mechanism to consider and advise on strategic issues including, but not limited to, place making; phasing, infrastructure delivery; bids for external funding and engagement. Having a borough wide board would not only provide opportunity for progress with the two town centre masterplans but also the ability to cover other opportunities that may arise in other areas of the Borough beyond the scope of the masterplans.
- 6.3 It is proposed that at this stage the board would only comprise the Council and Hampshire County Council. Over time, it is likely the membership of the board will be updated to reflect the evolving nature of the partnership. For example in due course the membership could be widened to include other partners such as Enterprise M3 LEP and key landowners.
- 6.4 The composition of the Partnership Board is an important factor with the need to establish the correct balance and numbers to ensure that momentum can be maintained. Initially the group would comprise Councillors from both the County Council and Borough Council. It is proposed that this would include the County Council's Leader and Executive Member for Policy & Resources and Economic Development. It is also proposed that the Leader of the Council would be a member in his role as the Borough's Portfolio Holder for Strategic Regeneration and Partnership (North) and as chair of Andover Vision with the Deputy Leader also being a member in his role as Portfolio Holder for Strategic Regeneration and Partnership (South) and as chair of Romsey Future. The Housing and Environmental Health Portfolio Holder from the Council will also be a member in order to provide a Borough wide perspective.
- 6.5 The board will be advisory in nature only. Formal decision making will rest with the relevant party and will be made in accordance with its normal processes and procedures.

- 6.6 Reporting to the Partnership Board would be two Strategy Groups which would cover Andover and Romsey respectively. Other groups could be convened as necessary to deal with appropriate opportunities within the Borough. The main aim of each Strategy Group is to bring the strategic partners together to advise on the delivery of the masterplan and the regeneration of Andover and Romsey town centres. Initially the group would be made up of County Council and TVBC Councillor representatives. Eventually the membership could expand to include other organisations such as the EM3 LEP and other strategic partners who are either landowners, have a statutory function related to the implementation of the specific masterplans, or are potential funding bodies. The composition of the two Town Centre groups need to be distinct from each other to reflect the nature of the two towns.
- 6.7 It is proposed that there would be two groups reporting to each of the Strategy Group. These would be:-
- 1) A Delivery and Implementation Group – An officer based board made of representatives of HCC, TVBC and other agencies as required. The main focus of the group would be on the delivery and implementation aspects of the regeneration and masterplan work.
 - 2) A Stakeholder Engagement Group - This group would be formed from the existing community partnership of Andover Vision and Romsey Future and include Town Councillors from the respective town councils. The main purpose will be to ensure that the community led nature of engagement and communication on the masterplan is continued through into the delivery phase.
- 6.8 Option 1 is the recommended option. Should this option be agreed officers would undertake more detailed discussions on the working arrangements and membership, including the drafting of Terms of Reference, with officers from the County Council. The initial working arrangements including Terms of Reference will need to be confirmed by Cabinet.

Option 2

- 6.9 Without introducing the County Council's partnership model the partners would still continue to work together but would lose the potential for greater, more structured progress to be made and be at odds with more strategic collaborative working. There is also the risk of having to react in a less planned way with the potential consequence of missing opportunities. It is for this reason that this option is not recommended.

7 Risk Management

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

8 Resource Implications

- 8.1 The recommendations contained within this report can be met from within existing resources and budgets.

9 Legal Implications

- 9.1 There are no legal implications arising from the recommendation. The proposed board will have no legal or decision making powers. Each constituent organisation will take any decision in accordance with its own legal obligations and procedures.

10 Equality Issues

- 10.1 There are no equality issues arising from this recommendation

11 Other Issues

- 11.1 Sustainability and Addressing a Changing Climate.

- 11.1.1 Through establishing the partnership structure it will help facilitate the delivery of many infrastructure improvements that assist in addressing climate change and completing a sustainable town centre redevelopment.

- 11.2 Property Issues

- 11.2.1 The Council is a main landowner for both areas included within the Andover masterplan.

- 11.3 Wards/Communities Affected

- 11.3.1 Whilst focus on the projects in Andover and Romsey the partnership board could have an influence on the whole Borough.

12 Conclusion and reasons for recommendation

- 12.1 The delivery of the two masterplans are a key priority of the Council. In order to help secure their delivery it requires a close working relationship with partners, including Hampshire County Council. It is proposed that this relationship is formalised through a joint partnership board structure for the Borough.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Andover Masterplan (2020)			
South of Romsey Town Centre masterplan (2020)			
HCC Cabinet Report 15/03/22 - “Local Regeneration and Growth Partnerships with District Local Authorities”			
<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: Leader and Deputy Leader) Councillor P North and Councillor N Adams-King			
Officer:	Graham Smith	Ext:	8141
Report to:	Cabinet	Date:	22 June 2022

ITEM 16

Member Champions

Report of the Leader

Recommended:

That the Councillors as set out below be appointed to the following Member Champions roles for 2022/23:-

Councillor Matthews	Armed Forces
Councillor Gwynne	Climate Emergency
Councillor P Lashbrook	Community Safety and Resilience
Councillor Baverstock	Culture and Heritage
Councillor Hamilton	Equality and Diversity
Councillor Donnelly	Member Development/Community Councillor Role
Councillor Andersen	Voluntary and Third Sector

Summary:

- This report provides details of the work undertaken by Member Champions during the year 2021/22.
- The report proposes the appointment of Member Champions for 2022/23.

1 Introduction

- 1.1 In 2017 Cabinet approved the introduction of a Member Champions scheme in order that it could benefit from the experience, knowledge and interests of non-Cabinet members, in particular thematic areas.
- 1.2 The role of a Member Champion is to act in an advisory capacity to Cabinet in respect of specific areas of responsibility and, in particular, in the development of ideas that will help deliver the aims of the Council's Corporate Plan and Corporate Action Plan.
- 1.3 It was agreed that Cabinet would commission Member Champions on an annual basis within their particular area of responsibility to:
 - Research good practice in other Councils and organisations
 - Liaise with external bodies such as the Local Government Association (LGA) to identify relevant research and ideas that could help further the Council's corporate aims.

- Consider what impact any proposed changes to Council policy and or, services might have on their specific area of responsibility. This might involve liaising with relevant groups within the Borough.
- 1.4 Cabinet members, in consultation with their Cabinet colleagues, have the ability to request that a Member Champion undertakes work, as described in paragraph 1.3 above, on behalf of Cabinet.
- 1.5 If a Member Champion wishes to instigate a piece of work, the matter will be first discussed with the Leader and the relevant Portfolio Holder. If they are in support of the proposal, the Portfolio Holder will discuss the merits of the proposal with the Head of Service and then present the idea to Cabinet members for consideration and discussion.
- 1.6 If endorsed by Cabinet Members the Member Champion, Portfolio Holder and relevant Head of Service will meet to discuss a way forward.
- 1.7 The Member Champions roles were established specifically to support Cabinet although the champions themselves need not necessarily come from the ruling group. The roles should not encroach on the independent scrutiny role of OSCOM or indeed into the role of Cabinet members. Member Champions do not have the authority to commit resources on behalf of the Council or to instruct officers to undertake work on their behalf.
- 1.8 The Member Champions are appointed by Cabinet on an annual basis. The role does not attract a Special Responsibility Allowance.

2 Background

2.1 In May 2021 the following Member Champions were appointed:

- | | |
|--------------------------|--|
| • Councillor Matthews | Armed Forces |
| • Councillor Gwynne | Climate Emergency |
| • Councillor P Lashbrook | Community Safety and Resilience |
| • Councillor Baverstock | Culture and Heritage |
| • Councillor Hamilton | Equality and Diversity |
| • Councillor Donnelly | Member Development/Community Councillor Role |
| • Councillor Andersen | Voluntary and Third Sector |

2.2 During the year 2021/22, Member Champions have actively participated in work in respect of their particular areas of responsibility to help in the development of ideas and to contribute to particular projects.

2.3 Armed Forces - Councillor Matthews

2.4 Councillor Matthews has chaired quarterly meetings of the Civilian Military Forum (CMF), bringing together individuals from across the military and local community to identify best practice, emerging issue and areas where support was needed.

- 2.5 He has successfully led TVBC through the application process for the Defence Employer Recognition Scheme achieving Bronze Award. Through the CMF Councillor Matthews has organised the creation of a single point of contact page on the website for Armed Forces support. The webpage signposts to support and information on health, education, housing, charities, funding, and employment, as well as support for veterans. It also advertises support events such as the “Brew, Banjo and Banter Club” which supports veterans to come together in an informal setting.
- 2.6 Councillor Matthews is also part of the health working group that sits under the CMF. Through this working group he has supported the new veteran group exercise classes at Andover Leisure Centre and is supporting conversations with health colleagues around encouraging GP services to become veteran-friendly. Councillor Matthews has also successfully set up a mental health hub and is actively providing support through this hub to the Armed Forces community.
- 2.7 Climate Emergency Member Champion - Councillor Gwynne
- 2.8 Councillor Gwynne has continued to actively engage in discussions with officers and the Portfolio Holder in seeking to ensure opportunities are taken to deliver on the Climate Emergency Action Plan and explore opportunities for further action on this and related matters.
- 2.9 A key contribution has been through leading an OSCOM Panel on the Climate Emergency Action Plan (CEAP) to help inform the review of the CEAP and feeding back on this to a Councillor briefing session in December 2021. Councillor Gwynne also participated in an additional OSCOM Panel that related to climate emergency matters through the consideration of the Climate and Ecology Bill.
- 2.10 Community Safety and Resilience – Councillor Phil Lashbrook
- 2.11 Councillor Lashbrook has continued to lead the Test Valley Resilience Forum. This year the forum has led, on behalf of the Hampshire LRF, a review of community resilience as part of a government initiative. This resulted in a Test Valley best practice case study being included in a national independent review of the Civil Contingencies Act. In addition the forum has reviewed the approach to resilience in Test Valley during the Covid pandemic. More recently and following Storm Eunice in February 2022 a workshop was held in May on funding opportunities available to help deal with power outages.
- 2.12 He has continued to engage as an active member of the Test Valley Community Safety Management Group. This partnership works to facilitate the sharing of intelligence amongst its strategic partners and to develop its co-ordinated local district approach to community safety planning. The group oversees and proposes the districts partnerships local priorities and action plans, and produces the statutory annual Strategic Assessment for approval by the Test Valley Partnership.

- 2.13 Councillor Lashbrook continues to represent the district on the Hampshire Police and Crime Panel which holds the Police and Crime Commissioner to account, and through which he is able to act as a reciprocal link for key concerns and issues between the partnership and the new Commissioner.
- 2.14 Culture and Heritage – Councillor Baverstock
- 2.1 The Test Valley Creative Events programme was curated and delivered for October 2021. The focus of the events was to create opportunities for the Test Valley arts sector in networking, learning and development and collaboration post pandemic.
- 2.2 8 events were held across the borough working with cultural partners such as TVAF, Hillier's, Mottisfont, The Arts Council, The Arts Marketing Association, Enterprise First and the Enterprise Growth Hub and numerous local artists. 124 people attended the various events both online and in person.
- 2.3 Councillor Baverstock has been supporting the Arts Officer to develop ideas and plans for local Test Valley based artists and creatives to work in their area post pandemic.
- 2.4 To follow the events programme a successful funding application was submitted to Arts Council of England and TVBC were awarded a grant of £15,000 towards new artist's commissions. The intention of this is to provide opportunities for local Test Valley based artists and creatives to work in their area post pandemic. All the commissions are based around collaboration whether directly with another artists or through a mentoring scheme.
- 2.5 The commissions have been designed with cultural partners including Mottisfont, CAS, Hampshire Arts Network and Hampshire Libraries. The final two will be mentee opportunities within TVBC managed public art projects.
- 2.6 Equality and Diversity – Councillor Hamilton
- 2.7 Councillor Hamilton has continued to build upon her work as a member champion in helping the council to develop new models of engagement that ensures the voices of groups from across the protected characteristics are heard as part of an inclusive and evidence-led approach to decision making.
- 2.8 Member Development/Community Councillor Role – Councillor Donnelly
- 2.9 Councillor Donnelly has continued to engage in discussions with officers throughout the year to consider various aspects of the role of the Councillor and what might be appropriate to develop in order to further support Councillors.
- 2.10 Councillor Donnelly is a member of the Member and Community Development Group and has provided feedback and contributed to discussions in developing areas of work contained within the action plan. The Member and Community Development Group has taken forward key projects including the

member/officer market place and the refresh of member communications. Ongoing work includes considering development and support of councillors in their community facilitator role, an updated member induction programme for 2023 as well as ongoing member development initiatives.

2.11 Voluntary and Third Sector – Councillor Andersen

2.12 Councillor Anderson has actively engaged with voluntary and third sector organisations throughout the year, seeking to understand their priorities and challenges and bringing these insights to officers, whether for specific resolution or to illustrate themes and trends which it is helpful for the Council to understand as it seeks to support the sector.

2.13 In particular this has helped add a qualitative narrative to the challenges organisations in the voluntary and third sector face in recovering from the pandemic and re-establishing their services. These challenges range from the financial, due to the impact on established funding models for example, to the practical, such as the need to redesign service delivery or recruit new volunteers due to previous volunteers stepping down. Understanding this narrative locally was an important element in the review of the Revenue Funding Programme which went before Cabinet in February and which has laid the foundations for a significant modernisation of how the Council provides revenue funding for the sector.

3 Corporate Objectives and Priorities

3.1 The role of a Member Champion is to act in an advisory capacity to Cabinet in respect of specific areas of responsibility and, in particular, in the development of ideas that will help deliver the aims of the Council's Corporate Plan and Corporate Action Plan.

4 Options

4.1 To not appointment Member Champions for the year 2022/23.

4.2 To appointment Member Champions for the year 2022/23. Following consultation with Cabinet Members, it is suggested that the following appointments be made for 2022/23:-

- Armed Forces Member Champion
- Climate Emergency Member Champion
- Community Safety and Resilience Member Champion
- Culture and Heritage Member Champion
- Equality and Diversity Member Champion
- Member Development/Community Councillor Role Member Champion
- Voluntary and Third Sector Member Champion

5 Option Appraisal

- 5.1 Member Champions provide valuable insight into their thematic areas providing advice and support to Cabinet Members in particular areas of work and helping to shape and develop projects.
- 5.2 Member Champions ensure that non-Cabinet Members who have specialist knowledge and experience are able to contribute to policy development.

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 There are no resourcing implications arising from this report.

8 Legal Implications

- 8.1 There are no legal implications arising from this report.

9 Equality Issues

- 9.1 No equality issues have been identified.

10 Other Issues

- 10.1 Community Safety -None
- 10.2 Environmental Health Issues - None
- 10.3 Sustainability and Addressing a Changing Climate – Wider issues being consider by the Climate Emergency Member Champion.
- 10.4 Property Issues - None
- 10.5 Wards/Communities Affected - All

11 Conclusion and reasons for recommendation

- 11.1 The introduction of Member Champions has involved more members in the process of policy development and at the same time has allowed Cabinet to benefit from the experience, knowledge and interests of non-Cabinet members.
- 11.2 It is proposed that Member Champions be reappointed for 2022/23 to allow the continued contribution of knowledge and experience from non-Cabinet Members.

<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: Leader) Councillor P North			
Officer:	Emma Horbury	Ext:	8001
Report to:	Cabinet	Date:	22 June 2022

DRAFT

ITEM 17 Cabinet Appointments to Outside Bodies and Sub-Committees

Report of the Democracy and Governance Portfolio Holder

Recommended:

- 1. That Councillors Bundy, A Dowden, Swain and Hatley be appointed to the Eastleigh Borough Council/Test Valley Borough Council Liaison Group.**
- 2. The Councillor Adams-King be appointed to PATROL.**
- 3. That the Deputy Leader be appointed to the Partnership for South Hampshire Committee.**
- 4. That Councillor Adams-King be appointed to South East Councils.**
- 5. That the membership of the Scrap Metal Dealers Hearing Sub-Committee consist of three members drawn by the Head of Legal and Democratic Services from the membership of the Cabinet.**

Summary:

- This report seeks to appoint members to a number of outside bodies that the Council works with in order to share information and knowledge on matters of mutual interest in order to better fulfil its obligations.
- The report also seeks to establish a Sub-Committee to deal with hearing representations regarding applications for Scrap Metal Dealers Licences.

1 Introduction

- 1.1** The Council has a number of agreements in place with other local authorities in order to fulfil its duties and share information and knowledge about a range of issues with partner organisations.
- 1.2** Legislation requires that the membership of the Scrap Metal Dealers Hearing Sub-Committee is appointed to by Cabinet.

2 Background

Eastleigh Borough Council/Test Valley Borough Council Liaison Group

- 2.1** The Borough Council has had a joint arrangement with Eastleigh Borough Council for many years to consider matters of mutual interest. It is necessary to appoint members to this Liaison Group.
- 2.2** Councillors Bundy, A Dowden, Hatley and Swain were appointed to serve on this Liaison Group in 2021/22.

- 2.3 Cabinet is asked to appointment members to serve on the Eastleigh Borough Council/Test Valley Borough Council Liaison Group for 2022/23.

PATROL

- 2.4 The Council has powers in respect of decriminalised parking enforcement. The PATROL Adjudication Joint Committee was established to enable councils in England undertaking civil parking enforcement to exercise their functions under Section 81 of the Traffic Management Act 2004 (TMA) and Regulations 16 and 17 of The Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022.
- 2.5 There is a statutory obligation for civil enforcement authorities to make provision for independent adjudication for appeals against civil traffic penalties. This requirement is fulfilled by joining the PATROL Joint Committee, which provides resources for the Traffic Penalty Tribunal. The PATROL Adjudication Joint Committee Agreement (to which Test Valley Borough Council is party) requires nomination of a Councillor to the Joint Committee.
- 2.6 Cabinet is asked to appoint a member to PATROL.

Partnership for South Hampshire

- 2.7 The Council has had a joint voluntary agreement with ten other local authorities across South Hampshire to deliver regeneration of the core areas in the south Hampshire sub-region. It is necessary to appoint a member to the Joint Committee on an annual basis.
- 2.8 The joint arrangements provide for the discharge of a Council function which contributes to the Council's Corporate Objectives.
- 2.9 Cabinet is asked to appoint a Member to the Partnership for South Hampshire.

South East Councils

- 2.10 South East Councils is an organisation established to represent the views of local authorities on the South East region which aims to promote and maintain the South East's position as a leading global economy, seek fair funding for the region and monitor and highlight the economic pulse of the South East.
- 2.11 Test Valley Borough Council has been a member of South East Council's since 2021. Cabinet is asked to appoint a Member to South East Councils.

Scrap Metal Dealers Hearing Sub-Committee

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

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

2.13 Legislation requires that the membership of the Scrap Metal Dealers Hearing Sub-Committee is appointed to by Cabinet.

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

3 Corporate Objectives and Priorities

3.1 The arrangements provide for the discharge of Council functions which contribute to the Council's Corporate Objectives.

4 Options and Option Appraisal

Option 1

4.1 To not appoint to the outside bodies and sub-committee as set out in the report.

4.2 Appointing to the outside bodies ensures that the Council is able to continue to work with partners to consider areas of mutual interest, maintain good working relationship and share knowledge and ideas. To not appoint to these position would mean the Council will no longer actively engaged with its partners in key areas.

4.3 The Council is required to make an appointment to both PATROL and PfSH in order to fulfil its agreements and legal obligations. By not appointing to these appointments the Council would be failing to meet with its partnership agreement and to fulfil its legal obligation.

4.4 Legislation requires that the membership of the Scrap Metal Dealers Hearing Sub-Committee is appointed to by Cabinet. By not appointing membership the Council would not be in a position to hold a Scrap Metal Dealers Hearing Sub-Committee if required.

Option 2

4.5 To appoint Members to the outside bodies and sub-committee as set out in the report. This is the recommended option.

4.6 This will allow the Council to consider matters of mutual interest and continue good working relationships with its partners, ensuring effective development of ideas and knowledge sharing.

4.7 The Council is required to make an appointment to both PATROL and PfSH in order to fulfil its partnership agreement and legal obligations.

4.8 Cabinet is required to appoint the membership of the Scrap Metal Dealers Hearing Sub-Committee.

5 Risk Management

5.1 A Risk Management questionnaire has been completed and indicates this report does not require a risk assessment because the changes/issues covered by this report are not significant in terms of risk or have previously been considered.

6 Resource Implications

6.1 No additional resource implications have been identified.

7 Legal Implications

7.1 The Council is required to appoint a Member to PfSH in order to provide for the discharge of a Council function and fulfil its partnership agreement.

7.2 The Council is required to make an appointment to PATROL in order to fulfil its legal obligations.

7.3 Cabinet is required to appoint the membership of the Scrap Metal Dealers Hearing Sub-Committee.

8 Equality Issues – None

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

10.1 That the member identified in the report be appointed to the Sub-Committee and Outside Bodies in order for the Council to continue to fulfil its obligations and strengthen partnerships.

<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: Democracy and Governance) Councillor I Jeffrey			
Officer:	Emma Horbury	Ext:	8001
Report to:	Cabinet	Date:	22 June 2022

DRAFT

ITEM 18 **Scheme of Delegations to Officers**

Report of the Head of Legal and Democratic Services

Recommended:

That the Scheme of Delegations to Officers as set out in Annex 1 to the report to Annual Council, in so far as it applies to the powers and duties of the Cabinet, be approved.

SUMMARY:

- The purpose of the report is to approve the Council's Scheme of Delegations to Officers in so far as it relates to Cabinet functions.

1 Background

- 1.1 The Scheme of Delegations is approved each year in accordance with the Constitution by Annual Council. Regular updated approval of the Scheme of Delegations ensures the Council's decision-making is as robust as possible and operates as effectively as possible in accordance with legal requirements. Council Procedure Rules require that the annual meeting will approve the Scheme of Officer delegations at Part 3 of the Constitution.

2 Resource Implications

- 2.1 None

3 Issues

- 3.1 During the course of the year since the last Annual Council changes have occurred to the Scheme of Delegations and new delegations have been made as the need has arisen over time. These changes have been approved or reported to Council as required.

Background Papers (Local Government Act 1972 Section 100D)

[Delegations to Officers \(testvalley.gov.uk\)](http://testvalley.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:	None	File Ref:	N/A
(Portfolio: Democracy and Governance) Councillor I Jeffrey			
Officer:	Karen Dunn	Extension:	8401
Report to:	Cabinet	Date:	22 June 2022

ITEM 19

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:

Project Enterprise Outturn Annexes

Paragraph 3

It is considered that this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information relates to the financial or business affairs of both the Council and third parties.

Valley Housing Outturn Annexes

Paragraph 3

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