

## Notice of Meeting

# Cabinet

**Date:** Wednesday 26 October 2022

**Time:** 5.30 pm

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

**For further information or enquiries please contact:**

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**Legal and Democratic Service**

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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 26 October 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 29 September 2022**
- 6 Recommendations of the Overview and Scrutiny Committee: None**
- 7 Energy Company Obligation (ECO4) Scheme - Publication of Statement of Intent 6 - 13**

**Housing and Environmental Health**  
To consider the publication of a Statement of Intent to enable residents to access funding for energy efficiency measures through the ECO4 scheme.
- 8 Motion to Council - Energy Efficiency 14 - 22**

**Housing and Environmental Health**  
To consider the motion referred to Cabinet from Council on 7 September 2022.
- 9 Draft Infrastructure and Developer Contributions Supplementary Planning Document 23 - 69**

**Planning**  
To consider the draft Infrastructure and Developer Contributions Supplementary Planning Document for public consultation.

- |           |  |                  |
|-----------|--|------------------|
| <b>10</b> | <b><u>Test Valley Local Development Scheme (2022)</u></b>  | <b>70 - 76</b>   |
|           | <b>Planning</b><br>To review the timetable for preparing the Local Plan 2040 and agree for consequential updates to the Local Development Scheme.          |                  |
| <b>11</b> | <b><u>Evaluation of New Neighbourhoods</u></b>   | <b>77 - 91</b>   |
|           | <b>Planning</b><br>To present a summary of the process and lessons learnt from the 'Evaluation of New Neighbourhoods' Corporate Action Plan project.       |                  |
| <b>12</b> | <b><u>Medium Term Financial Strategy 2023/24 - 2025/26</u></b>   | <b>92 - 118</b>  |
|           | <b>Finance and Resources</b><br>To present the financial framework within which the 2023/24 budget will be prepared.                                       |                  |
| <b>13</b> | <b><u>Corporate Financial Monitoring</u></b>   | <b>119 - 150</b> |
|           | <b>Finance and Resources</b><br>To compare actual revenue income and expenditure against profiled budget for the six months ended 30 September 2022.       |                  |
| <b>14</b> | <b><u>Vigo Road Recreation Ground Management Plan</u></b>  | <b>151 - 187</b> |
|           | <b>Community, Leisure and Tourism</b><br>To recommend approval of a management plan which will help guide improvement and development of this green space. |                  |
| <b>15</b> | <b><u>Rural England Prosperity Fund</u></b>  | <b>188 - 192</b> |
|           | <b>Climate Emergency and Countryside</b><br>To outline the requirements of the Rural England Prosperity Fund.  |                  |





## 1 Introduction

- 1.1 Energy prices have risen dramatically in recent months, and are projected to increase further over the coming months, with the likelihood that a greater number of residents in Test Valley will be in fuel poverty. Fuel poverty can cause low income and vulnerable households to have to make some difficult choices around heating their home, or living in cold conditions, and can impact on health, as well as pushing households into significant debt. In Test Valley, in 2020 there were an estimated 51,726 households in total, of which 3,753 were considered to be in fuel poverty. This is likely to increase significantly over the coming months.
- 1.2 The ECO4 scheme is an obligation on energy suppliers aimed at helping households to cut their energy bills and reduce carbon emissions by installing energy efficiency measures. Local authorities can only access this funding if a Statement of Intent has been published, detailing the eligibility criteria for qualifying households. The Statement must be published on the Council's website.
- 1.3 Under previous ECO schemes the Statement of Intent could be tailored individually by each local authority. Under the ECO4 scheme the Statement of Intent is a standardised template produced by Ofgem, who administer the scheme on behalf of BEIS, with the eligibility criteria already determined.
- 1.4 The Statement of Intent requires the local authority to make a declaration for each installation prior to the work being undertaken. This declaration demonstrates that the Council has been consulted on the proposed works, and considers that the customer is eligible in accordance with the criteria set out in the SOI. It is proposed that the Principal Environmental Health Officer (Housing), the Housing Development & Standards Manager, and the Head of Housing & Environmental Health will make these declarations on the Council's behalf.
- 1.5 The final decision on whether a household receives assistance under the ECO4 scheme is made by the obligated energy suppliers or their agents/contractors. The issuing of a declaration by the local authority to the supplier will not guarantee installation of measures, as the final decision will depend on:-
  - a) The survey carried out by the supplier's agent/contractor, and installation costs calculated;
  - b) The energy saving that can be achieved for a property;
  - c) Whether suppliers have achieved their targets or require further measures to meet their ECO4 targets.
- 1.6 Signed declarations under ECO4 will be valid for one year from the date of signature or until 31 March 2026, whichever is the earliest, providing there is a valid Statement of Intent in place.

## **2 Background**

- 2.1 Since the introduction of the ECO scheme in 2013 it has resulted in improvements to the energy efficiency of over 2 million homes in the UK. ECO4 is the fourth stage of the government's Energy Company Obligation scheme, which will run until March 2026. The scheme aims to assist around 450,000 households to improve the energy efficiency of their home, and reduce fuel poverty.
- 2.2 Any gas and electricity companies that have over 150,000 customers are obligated to fit ECO measures.
- 2.3 The scheme enables qualifying households to receive grants via their energy company towards the cost of improving the energy efficiency of their homes. The ECO4 scheme takes a 'fabric first' approach, which means it focuses initially on improving the building itself before installing new heating systems. This means that the first step would be to add or improve insulation to lofts and cavity walls before improving any existing heating systems.
- 2.4 ECO4 also focuses on replacing old and inefficient boilers with greener alternatives, such as heat pumps and biomass boilers.
- 2.5 ECO4 will operate in much the same way as ECO3, the main difference being that under ECO4 the government will be aiming for the funding to reach more households, as well as enabling smaller energy companies to participate in the scheme.

## **3 Corporate Objectives and Priorities**

- 3.1 The Council's Corporate Plan 2019-2023 includes four strategic aims for the Council. One of the four strategic priorities is "Growing the potential of people". Within that theme the Council sets out its priorities in addressing a range of housing needs.
- 3.2 The Council's Climate Emergency Action Plan includes a number of actions to improve housing conditions in the private sector, including actions to improve energy efficiency.

## **4 Consultations/Communications**

- 4.1 Ofgem are recommending the publication of the standardised Statement of Intent which has been produced following consultation by BEIS with a range of stakeholders including large energy suppliers, trade associations, and individuals with an interest in energy efficiency and fuel poverty.

## **5 Options**

- 5.1 The options available to the Council are:-
- 5.2 Option 1 – to make a declaration and publish a Statement of Intent as recommended by Ofgem to enable qualifying households to access funding through the ECO4 scheme to assist with improvements to the energy efficiency of their homes, with a view to reducing fuel poverty.

5.3 Option 2 – not to make a declaration or publish a Statement of Intent.

## **6 Option Appraisal**

6.1 Option 1 is the recommended option. This will enable qualifying households to apply for funding to improve the energy efficiency of their homes, which will assist with the reduction in energy bills, lower the risk of fuel poverty, and contribute towards the country's net zero 2050 target. There are no direct financial implications for the Council in publishing this Statement of Intent.

6.2 Option 2 would prevent local residents from being able to access assistance under the ECO4 scheme.

## **7 Risk Management**

7.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology. 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 Funding for ECO4 is provided directly to the energy suppliers to instal energy efficiency measures for qualifying households. There is no additional funding being provided by the Council.

8.2 Officer time will be required to sign declarations and participate in annual reporting to BEIS. This is manageable within existing resources.

## **9 Legal Implications**

9.1 The Statement of Intent has been provided as a standard template from Ofgem, in accordance with the requirements of BEIS.

9.2 There are no legal implications as the ECO4 funding is provided directly to the energy suppliers. In addition the energy suppliers are required to maintain records of all declarations received from the local authority to demonstrate eligibility under the scheme.

## **10 Equality Issues**

10.1 Energy efficiency measures will be available to all qualifying households as set out in the Statement of Intent at the Annex. Qualifying criteria mainly centres around lower household incomes, health vulnerabilities, and risk of fuel poverty, with some additional flexibility for those who may not meet all of the existing criteria. The scheme is designed to reduce inequalities in terms of living standards, health and wellbeing.

## **11 Other Issues**

11.1 Community Safety - None

- 11.2 Environmental Health Issues – improving the energy efficiency of homes in the borough will improve the overall condition of homes, and will increase the wellbeing of residents.
- 11.3 Sustainability and Addressing a Changing Climate – creating more energy efficient homes will reduce the demand for energy and contribute towards the net zero target for 2050.
- 11.4 Property Issues – the ECO4 scheme is predominantly aimed at private sector housing.
- 11.5 Wards/Communities Affected - All

**12 Conclusion and reasons for recommendation**

- 12.1 The publication of the Statement of Intent attached as an Annex enables the Council to support qualifying households to access funding for energy efficiency measures which will result in a reduction in energy bills and carbon emissions, and will improve the health and wellbeing of the occupants.
- 12.2 This approach poses no risk to the Council and has no significant resource implications other than officer time.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Housing and Environmental Health) Councillor T Tasker			
Officer:	Helen Taylor	Ext:	8620
Report to:	Cabinet	Date:	26 October 2022



## Statement of Intent for ECO4

### Test Valley Borough Council ECO4 Flexible Eligibility Statement of Intent

**Local Authority name: Test Valley Borough Council**

**Publication Date: tbc**

**Version number: V.1**

**Publication on web site: [www.testvalley.gov.uk](http://www.testvalley.gov.uk)**

This statement sets out Test Valley Borough Council's flexible eligibility criteria for the Energy Company Obligation (ECO4) scheme from April 2022 – March 2026.

The ECO4 scheme will focus on supporting low income and vulnerable households. The scheme will improve the least energy efficient homes helping to meet the Government's fuel poverty and net zero commitments.

The flexible approach for Local Authorities (LAs) to identifying fuel poor and vulnerable households who may benefit from heating and energy saving measures is referred to as "ECO4 Flex".

The Council welcomes the introduction of the ECO4 Flex eligibility routes as it helps the Council achieve its plans to improve the homes of those in fuel poverty or vulnerable to the cold.

The Council is publishing this Statement of Intent (SoI), on **(DATE)** to confirm that each of the households declared will adhere to at least one of the four available routes outlined below:

**Route 1:** SAP bands D-G households with an income less than £31,000. This cap applies irrespective of the property size, composition, or region.

**Route 2:** SAP bands E-G households that meet a combination of two of the following proxies:

## Guidance – ECO4 Flex Statement of Intent template

<b>Proxy 1)</b> Homes in England in Lower-layer Super Output Area 1-3 (LSOA) <sup>1</sup> , or homes in Welsh provision LSOA 1-3 on the Welsh Index of Multiple Deprivation 2019 <sup>2</sup> , or the Index of Multiple Deprivation for 2020, published by the Scottish Government <sup>3</sup>
<b>Proxy 2)</b> Householders receiving a Council Tax rebate (rebates based on low income only, excludes single person rebates).
<b>Proxy 3)</b> Householders vulnerable to living in a cold home as identified in the National Institute for Health and Care Excellence (NICE) Guidance. Only one from the list can be used, excludes the proxy 'low income'.
<b>Proxy 4)</b> A householder receiving free school meals due to low-income.
<b>Proxy 5)</b> A householder supported by a LA run scheme, that has been named and described by the LA as supporting low income and vulnerable households for the purposes of NICE Guideline.
<b>Proxy 6)</b> A household referred to the LA for support by their energy supplier or Citizen's Advice or Citizen's Advice Scotland, because they have been identified as struggling to pay their electricity and gas bills.

\* Note proxies 1 and 5 cannot be used together.

**Route 3:** SAP bands D-G households that have been identified by their doctor or GP as low-income and vulnerable, with an occupant whose health conditions may be impacted further by living in a cold home. These health conditions may be cardiovascular, respiratory, immunosuppressed, or limited mobility related.

This is because the Council has identified a positive correlation between households who suffer from long-term health conditions and living off a low-income, with living in poorly insulated homes.

<sup>1</sup> [The English Indices of Deprivation 2019 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

<sup>2</sup> [Welsh Index of Multiple Deprivation \(full Index update with ranks\): 2019 | GOV.WALES](https://gov.wales)

<sup>3</sup> [Scottish Index of Multiple Deprivation 2020 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

**Route 4:** SAP band D-G households that are referred under Route 4: Bespoke Targeting. Suppliers and LAs can submit an application to BEIS where they have identified a low income and vulnerable household, who are not already eligible under the existing routes.

**Declaration and evidence check confirmation**

All potentially eligible households should apply through Test Valley Borough Council or one of their approved ECO installers to ensure that they can either benefit from the scheme or be assessed for eligibility under any other relevant programme.

The officer below will be responsible for checking and verifying declarations and associated evidence submitted on behalf of the local authority:

**Name:** Deborah Vincent

**Job Title:** Principal Environmental Health Officer (Housing); or

**Name:** Helen Taylor

**Job Title:** Housing Development & Standards Manager; or

**Name:** Phil Turner

**Job Title:** Head of Housing & Environmental Health

**Telephone:** 01264 368000

**Email:** [phousing@testvalley.gov.uk](mailto:phousing@testvalley.gov.uk)

**CEO or dedicated responsible person mandatory signature**

Test Valley Borough Council will administer the scheme according to BEIS' ECO4 Order and will identify eligible households via Ofgem's application process. The CEO of the Council will oversee the process of identifying eligible households under ECO4 Flex.

The eligibility information will be stored securely in line with the Council's data protection policy, Information Commissioner's Office Data Sharing Code, and BEIS guidance.

**Signature:** XXXXXX

**Name:** Andrew Ferrier

**Job Title:** Chief Executive

**Date of signature:** XX/XX/XXXX

For any general enquires relating to this SoI, please contact [phousing@testvalley.gov.uk](mailto:phousing@testvalley.gov.uk).

## ITEM 8 **Motion to Council – Energy Efficiency**

Report of the Housing and Environmental Health Portfolio Holder

### **Recommended:**

**That delegated authority be given to the Head of Housing & Environmental Health, in consultation with the Portfolio Holder for Housing & Environmental Health to respond to the Call for Evidence, highlighting a range of challenges facing local government in achieving decarbonisation, including the challenges associated with the current funding schemes and resourcing the necessary work streams.**

#### SUMMARY:

- On 7<sup>th</sup> September 2022, Council considered a motion from Councillor G Cooper and seconded by Councillor Parker regarding the financial pressures faced by households in Test Valley as a result of the increasing energy bills, and calling for the government to do more to support low income households.
- There are a number of schemes aimed at low income households which can provide grants for energy efficiency improvement work for residents of Test Valley.
- The Council can also assist low income households to upgrade the energy efficiency of their property by offering Home Improvement Grants and Loans in some circumstances, in accordance with the Council's Private Sector Housing Renewal Policy.
- Councillor G Cooper's motion recommended that the Council write to the government to seek further investment in the Sustainable Warmth scheme, and to increase the income threshold to £50,000. Due to the issues affecting implementation of this scheme across a large part of the South East of England, and the short timescale that the scheme is open, it is likely that lobbying government on that topic will not alter the outcome for residents in Test Valley.
- It is, however, considered there is merit in the Council writing to government to highlight the challenges being faced by local government in achieving decarbonisation, including highlighting the challenges associated with resourcing work to support our communities to reduce their carbon emissions.
- Coincidentally, the BEIS Secretary of State has commissioned an independent review of the government's approach to delivering its net zero target and has launched a 'Call for Evidence' to provide a range of stakeholders with an opportunity to give their views on the transition to net zero, with some specific questions aimed at local authorities. The 'Call for Evidence' is open until 27<sup>th</sup> October 2022 and would give Test Valley Borough Council the opportunity to present its views through that official channel.

## **1 Introduction**

- 1.1 When it met on 7<sup>th</sup> September 2022, Council considered the following motion, which was moved by Councillor G Cooper and seconded by Councillor Parker:

*'In an attempt to both ease the cost pressures for our lowest income residents and in a step to helping our residents to lower their impact on the environment, Test Valley Borough Council will:-*

- a) Call upon the Government to do more to support low income households by dramatically improving the Local Authority Delivery Scheme, by doubling the funds available to the lowest income households and expanding the threshold of household income to £50,000 pa.*
- b) Urgently investigate the availability of other schemes which have already benefitted the residents of other councils in the Hampshire area.*
- c) Communicate with our residents as to what options and opportunities are available for improving their homes' heating and energy efficiencies.*
- d) Urgently and immediately seek to assist our lowest income families with financial support packages aimed at insulating their homes.'*

- 1.2 The matter stood referred to Cabinet.

## **2 Background**

- 2.1 The Council motion was set out in four specific elements.

- 2.2 a) *'Call upon the Government to do more to support low income households by dramatically improving the Local Authority Delivery Scheme, by doubling the funds available to the lowest income households and expanding the threshold of household income to £50,000 pa.'*

- 2.3 The Local Authority Delivery (LAD3) Scheme is part of a wider Sustainable Warmth programme (under the banner of Green Homes Grant), which includes the LAD3 scheme for 'on gas grid' properties, and the Home Upgrade Grant (HUG) for 'off gas grid' properties. The schemes are intended to provide grants to residents with a household income of less than £30,000 to enable them to have improvements carried out to increase the energy efficiency of their homes.

- 2.4 The government's intention of the scheme is clear in its aim to target households on lower incomes, who live in homes that have Energy Performance Certificate (EPC) ratings of E, F and G, (which makes them most at risk of fuel poverty).

- 2.5 The current financial threshold of £30,000 is designed to benefit a large number of households across the country. As some parts of Test Valley have an average household income which is above that threshold, it is likely that less households will benefit from the scheme in this area when compared to more deprived parts of the country.

- 2.6 There have been some challenges in delivering the Sustainable Warmth scheme in Test Valley and these have been beyond the council's control. TVBC is part of a consortium led by the Greater South East Energy Hub which aims to deliver the programme through a managing agent. The council originally signed up to the Hub for the delivery of the previous LAD2 scheme, and for the purposes of continuity, remained with that Hub for the new Sustainable Warmth scheme.
- 2.7 There have been significant delays experienced by the Greater South East Energy Hub in procuring a managing agent to co-ordinate and progress the referrals that will be made, and as a result we are now 6 months into the scheme with the managing agent having only just been procured, and agreements signed. The scheme ends on 31<sup>st</sup> March 2023, and referrals will need to be made by 31<sup>st</sup> December 2022, to enable time for properties to be surveyed, and work to be undertaken.
- 2.8 Test Valley had been nominally allocated £1.1M funding for improvements to homes in the borough. Due to the delays in implementing the scheme we have been advised that realistically only up to 50% of that allocation will be available/spent, resulting in less households being able to benefit from the scheme.
- 2.9 As mentioned, the scheme parameters are very clear, with the requirement to target funding specifically at those earning less than £30K per annum. At this stage, it is unlikely the Council will be able to influence the national scheme criteria. Indeed, the Council's officers have previously written to the government Department for Business, Energy and Industrial Strategy, highlighting concerns with the LAD schemes more generally, and were advised that no changes would be made.
- 2.10 *b) 'Urgently investigate the availability of other schemes which have already benefitted the residents of other councils in the Hampshire area.'*
- 2.11 This is already happening with officers actively speaking to colleagues across Hampshire to share experiences and identify opportunities, however, it has not resulted in immediate benefits or a route into a more rapidly mobilising Sustainable Warmth Scheme. In the context of LAD3, TVBC are effectively 'locked in' with our funding at this relatively late stage, to a consortium, as one of 65 local authorities.
- 2.12 It is worth noting that all 65 partner councils have also been affected by the delays experienced with the Greater South East Energy Hub. This provides a clear indication of the scale of the issue affecting the delivery of the scheme in the region.
- 2.13 The Council has access to the same schemes that other Hampshire local authorities have access to, and officers are in dialogue with colleagues across the county as a matter of course. Five other Hampshire local authorities fell under the Greater South East Energy Hub for the previous LAD2 scheme,

alongside Test Valley. TVBC remained with the GSEEH for LAD3 to support transitioning people who had sought to engage with the LAD2 scheme across to LAD3, and anticipating that previous issues would be resolved and the scheme would deliver (only for further unforeseen issues to arise that have caused subsequent delay). Some of the Hampshire districts who worked with GSEEH under LAD2 were in a position to join a separate consortium under LAD3, and that consortium, led by Portsmouth City Council, did not suffer the same delay under LAD3. Test Valley and our 64 partner authorities continue to work with GSEEH to try and deliver as much benefit as we can out of the LAD3 scheme, which is now moving ahead with a managing agent now in place.

- 2.14 Within current resources, officers continue to look for opportunities that may benefit residents of Test Valley. In this sense, this aspect of the motion has already been happening and remains on ongoing work in progress.
- 2.15 *c) 'Communicate with our residents as to what options and opportunities are available for improving their homes' heating and energy efficiencies.'*
- 2.16 The Council's website includes a range of information around energy efficiency measures, which has recently been linked to the new Cost of Living Support webpage to make it easily accessible.
- 2.17 As part of the work on the Sustainable Warmth programme, and now that a managing agent has been procured, the Council will be identifying households who are likely to qualify for assistance under the Sustainable Warmth scheme, and writing to them to invite them to apply for assistance.
- 2.18 The scheme will also be publicised on social media, as well as leaflets and posters being made available in public areas. The next edition of Test Valley News will also promote energy efficiency schemes as part of our cost of living response.
- 2.19 This aspect of the Council motion is already happening and will continue, working closely with the communications team.
- 2.20 *d) 'Urgently and immediately seek to assist our lowest income families with financial support packages aimed at insulation their homes.'*
- 2.21 In addition to the above, at its meeting on 29<sup>th</sup> September 2022, Cabinet approved a grants scheme designed to support local agencies to assist our communities, where residents are identified who are struggling with cost of living related issues. Further, a group of key partner agencies, including the CAB and Food Banks, are now regularly coming together with TVBC officers to review pressures and emerging priorities locally.
- 2.22 Whilst the recently approved grants scheme, and the partnership group mentioned, are not specific to energy efficiency and fuel poverty, they are part of a wider Test Valley Partnership commitment to trying to mitigate the most significant local impacts of the cost of living crisis on our communities.

- 2.23 In the context of energy efficiency and fuel poverty, in addition to the Sustainable Warmth programme (which is based around household income), there are also other schemes which are available nationally, to a wider range of households, and which are not income based. Those schemes include the Boiler Upgrade Scheme, Solar Together, and Green Deal Loans. There is information available on the Council's website relating to all of those schemes.
- 2.24 TVBC is also able to offer Home Improvement Grants and Home Improvement Loans in some circumstances as set out in the Council's Private Sector Housing Renewal Policy, which can be used to assist with improving the energy efficiency of a property. Those initiatives are aimed at those on low incomes only.
- 2.25 It is possible that some schemes can be combined in order to deliver necessary measures for low income households. For example, a qualifying household may be able to benefit from energy efficiency upgrades through the Sustainable Warmth Programme, and also apply for a top up of funding through a Home Improvement grant or loan from TVBC.
- 2.26 The Council's Private Sector Housing team is currently analysing data to identify households to target under the Sustainable Warmth scheme and will be writing to residents shortly, as well as working with the communications team to publicise the scheme across the borough. The website has been updated to include up to date information on all available schemes.
- 2.27 The Call for Evidence is seeking views from a range of stakeholders, including members of the public, businesses, local authorities, communities, and other organisations delivering net zero. Amongst the questions for local authorities, there is a broad question relevant to the motion:
- "How can the design of net zero policies, programmes and funding streams be improved to make it easier to deliver in your area?"*
- 2.28 It would be appropriate for the Council to contribute to the Call for Evidence in order to express the challenges associated with energy efficiency schemes such as LAD3; including that the current criteria may be restrictive on who can access the support in less deprived areas and the extent of the support available.

### **3 Corporate Objectives and Priorities**

- 3.1 The Council's Corporate Plan 2019-2023 includes four strategic aims for the Council. One of the four strategic priorities is "Growing the potential of people". Within that theme the Council sets out its priorities in addressing a range of housing needs.
- 3.2 The Council's Climate Emergency Action Plan includes a number of actions to improve housing conditions in the private sector, including actions to improve energy efficiency. Ongoing work to review and revise the Climate Emergency Action Plan will be important in the context of carefully targeting any additional, available resources to assist Test Valley to decarbonise in future.

## **4 Consultations/Communications**

- 4.1 Operational staff have been engaged in the local approach to promoting and delivering energy efficiency measures, and the council's communications team are actively engaged in supporting the promotion of these measures including through the forthcoming edition of Test Valley News.
- 4.2 Council has discussed the motion and it has been duly referred to Cabinet for further consideration.

## **5 Options**

- 5.1 The motion set out 4 key elements. In the context of "urgently investigate the availability of other schemes which have already benefitted the residents of other councils in the Hampshire area", the housing team have reached out to colleagues in other parts of the county, however, we remain in the current consortium and this represents our best chance of achieving any delivery under the LAD3 scheme. Officers are always mindful of opportunities in other areas, not only within Hampshire, and so this is something that happens as a matter of course in the course of our day to day work.
- 5.2 Communication with residents is already happening with more planned, and there are direct links to the cost of living work that is happening including across partnerships. This aspect of the motion is in hand.
- 5.3 The motion also addresses "urgently and immediately seek to assist our lowest income families with financial support packages aimed at insulating their homes" and this is a constant work in progress. There are national schemes and local measures available as described in this report. To do more at a local level would require additional resources and there is presently no budget available to increase the number of grants or loans the Council can provide. The motion itself does not suggest how the Council might go about funding new local initiatives.
- 5.4 In the above context, the key aspect of the motion for Cabinet to consider is set out in the options appraisal below.
- 5.5 **Option 1** – to participate in the national Call for Evidence which will enable TVBC to provide feedback on the policies, programmes and funding schemes in relation to delivering net zero, and to highlight the challenges encountered by local authorities.
- 5.6 **Option 2** – to lobby government to increase the funds available under the LAD3 (Sustainable Warmth) scheme, and to increase the household income threshold.

## **6 Option Appraisal**

- 6.1 Option 1 is the recommended option. This will highlight the challenges being faced by local authorities in implementing schemes that are highly complex, resource intensive, and often managed by external stakeholders over which the Council has no control. This is likely to coincide with a letter recently sent by the Chair of the Climate Change Committee to the Department of Business and Industrial Strategy (BEIS) calling upon government to:

- Develop a long term strategy to provide clarity to households around energy efficiency targets and to compel action;
- increase public awareness;
- provide access to trusted energy advice, delivering further incentives to encourage homeowners to upgrade the energy efficiency of their homes;
- ensure there is a supply of well trained and reliable installers.

6.2 Option 2 would not improve the current situation with the LAD3 (Sustainable Warmth) scheme as it would not resolve the issues already experienced regarding the delay to implementation of the scheme, which will be the most significant factor in the number of homes which will benefit from the scheme before it ends in March 2023. Officers have written to BEIS colleagues previously regarding concerns affecting the LAD schemes, but in response, BEIS have simply reiterated the criteria for scheme delivery without suggestion there may be any consideration to adjusting how those schemes may be delivered in future.

## **7 Risk Management**

7.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology. 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 recommendation to participate in the Call for Evidence can be managed within existing resources.

8.2 The current initiatives to assist with energy efficiency measures are resource intensive. These initiatives are taking up an increased amount of staff time which is primarily allocated for dealing with the council's statutory obligations around the provision of adaptation works through Disabled Facilities Grants, and enforcement work associated with poor housing conditions in the rented sector.

8.3 Introducing additional or revised energy efficiency initiatives would have financial implications and there is no current budgetary provision to support that. The motion itself did not identify how the council should resource the suggestions it included. This report has therefore focused on the current work that is happening, including reflecting on the cost of living crisis work that is being undertaken, and on those aspects of the motion that can be delivered within existing resources.

## **9 Legal Implications**

9.1 There are no legal implications of the recommended option.

## **10 Equality Issues**

- 10.1 It is likely that the recommendation and the wider scope of the proposed contribution to the Call for Evidence would, if implemented and resulted in a successful outcome, benefit more residents with lower incomes. It may also be that a greater proportion of those with certain protected characteristics may fall into that category.

## **11 Other Issues**

- 11.1 Community Safety - None
- 11.2 Environmental Health Issues – any action that can be taken to improve the energy efficiency of homes in the borough will improve the overall condition of homes, and will increase the wellbeing of residents.
- 11.3 Sustainability and Addressing a Changing Climate – in line with the Council’s Climate Emergency Action Plan, the Council aims to promote and deliver schemes which can improve the energy efficiency of homes to contribute towards the net zero target for 2050.
- 11.4 Property Issues - None
- 11.5 Wards/Communities Affected - All

## **12 Conclusion and reasons for recommendation**

- 12.1 The motion sets out four key elements. Against those four elements, a range of work is already happening, and we should be mindful of the Council’s ongoing work in partnership with a range of agencies, including with the Test Valley Partnership.
- 12.2 It is apparent that time and resources are already being put towards supporting residents to access available assistance. In the context of LAD3, it is unfortunate that the delivery through the consortium has been fraught with delays. Officers have already written to BEIS and the GSEEH to express concerns, and it is unlikely that government will consider making a significant upward financial adjustment to a budgeted national scheme at this stage.
- 12.3 In terms of providing financial support packages, there is already work happening and the Council has made resources available for which budgetary provision has been made. The motion did not identify any new or additional sources of funding or capacity.
- 12.4 The Council is committed to achieving net zero carbon and to assisting residents to access funding to improve the energy efficiency of their homes, and to improve their wellbeing. There is an opportunity to highlight to government the challenges the council and its communities face in delivering net zero through participation in the national Call for Evidence.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Sustainable Warmth Inter-Authority Agreement			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Housing and Environmental Health) Councillor T Tasker			
Officer:	Helen Taylor	Ext:	8620
Report to:	Cabinet	Date:	26 October 2022

## **ITEM 9                    Draft Infrastructure and Developer Contributions                                  Supplementary Planning Document**

Report of the Planning Portfolio Holder

### **Recommended:**

- 1.     That the Draft Infrastructure and Developer Contributions Supplementary Planning Document, as shown in the annex to the report, be published for public consultation.**
- 2.     That the Head of Planning Policy and Economic Development be given delegated authority in consultation with the Planning Portfolio Holder, to make changes of a minor nature.**

### **SUMMARY:**

- A draft Infrastructure and Developer Contributions Supplementary Planning Document (SPD) is recommended to be published for public consultation. The SPD provides a basis for securing infrastructure and developer contributions for new development.
- The draft SPD has been prepared to replace the existing SPD (adopted in 2009) taking account of relevant legislation and evidence on securing infrastructure and developer contributions.
- The options under consideration are whether or not to prepare the draft SPD and be subject to public consultation.

## **1     Introduction**

- 1.1    This report is proposing that the appended draft Infrastructure and Developer Contributions Supplementary Planning Document (SPD) is published for public consultation. When adopted, the SPD will provide an updated framework for securing infrastructure and developer contributions to mitigate the impact of development.

## **2     Background**

- 2.1    The Infrastructure and Developer Contributions Supplementary Planning Document (SPD) sets out detailed requirements for securing infrastructure and developer contributions based on policies and requirements in the Adopted Local Plan 2016 (RLP 2016) in particular Policy COM15: Infrastructure which requires infrastructure to be secured as part of new developments. Other RLP 2016 policies are also relevant as each topic in the SPD correlates with a policy.

- 2.2 An SPD is defined in the NPPF (2021) as “*Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.*” Therefore Supplementary Planning Documents must be in accordance with the Adopted Local Plan which forms part of the development plan.
- 2.3 The draft SPD sets out the type of infrastructure and developer contributions which are generally secured through legal agreements as part of the planning process. This includes new residential and commercial development. The SPD is split into the topics covering the various types of infrastructure including public open space, education, healthcare, community facilities, biodiversity enhancements and economic skills plans. The Council’s approach to securing these is set out, along with an explanation for the justification and evidence behind that contribution.
- 2.4 The document will be especially relevant to new developments in the borough which are nil-rated for the Community Infrastructure Levy (CIL). Infrastructure and developer contributions will be secured through legal agreements in these cases (such as the strategic allocation of Whitenap in Romsey). The SPD has been updated to reflect the Council’s current requirements and expectations. It takes into account the relevant evidence base, Council processes and legislation.
- 2.5 The nature of Infrastructure delivery has evolved since the adoption of the existing SPD in 2009. The Council adopted a CIL Charging Schedule in 2016 which levies CIL for certain developments and the SPD addresses the addition of CIL along with specific requirements for developer contributions (Regulation 122 of the Community Infrastructure Regulations, 2010 which set out the requirements for securing developer contributions). The Council has also been undertaking a review of the New Neighbourhoods which have been provided in the Borough. The findings from this work have informed the content of the document, for example the inclusion of a section detailing the role of Community Development Workers.
- 2.6 Infrastructure is delivered by a range of providers which the Council works in partnership with. For example Hampshire County Council has a responsibility as the Highways Authority for highway infrastructure and the Hampshire and Isle of Wight Integrated Care Board has a responsibility for healthcare facilities. Engagement with these providers is important in ensuring the delivery of infrastructure which is needed in the Borough. The Council supports these providers in the delivery of necessary infrastructure as much as possible, however is reliant on these providers to deliver the appropriate infrastructure, which can be out of the Council’s control. A collaborative approach has been therefore taken with engagement with other services within the Council and organisations to draft the SPD. This has involved reviewing the adopted SPD’s requirements and our existing processes.

- 2.7 The draft SPD is different to the existing document as new items of infrastructure have been included to reflect additional evidence of need. This has included a new section on healthcare facilities and reference to national requirements related to the protection of sensitive habitats and species (such as nutrient neutrality). We have streamlined the document and ensured there is a clear link to the relevant Local Plan policy. Changes from the adopted SPD include:
- (a) Change in how we calculate public art from 'Percent for Art' to a calculation based on amount secured on other developments
  - (b) Removal of Archaeology section
  - (c) Addition of requirements related to the protection of habitats and species (such as nutrient neutrality requirements)
  - (d) Requirements related to Community Development Workers
  - (e) Requirements related to commercial and non-commercial facilities
  - (f) Requirements related to healthcare facilities
  - (g) Requirements related to Economic Skills Plans
- 2.8 The Council is currently in the process of drafting the Local Plan 2040. The production of the new Local Plan (2040) provides an opportunity to review viability and the range of infrastructure/ mitigation required. There is potential for the draft SPD to be updated following the adoption of the Local Plan 2040, to reflect its policies.

### **3 Corporate Objectives and Priorities**

- 3.1 The Council's Corporate Plan 2019-2023 sets out four strategic priorities, relating to growing the potential of town centres, communities, people and the local environment. This matter relates to all four priorities as it provides a mechanism for securing developer contributions and infrastructure on a range of topics including environmental enhancements, community facilities and recreational spaces. The SPD can support the overarching intentions of the Corporate Plan in ensuring the provision of Infrastructure to improve the lives of residents, enhance and protect the environment and support communities by meeting their needs.

### **4 Consultations**

- 4.1 It is a legal requirement to undertake public consultation on an SPD for a minimum period of 4 weeks (The Town and Country Planning (Local Planning) (England) Regulations 2012, Part 5 Regulation 12(b)). This would be undertaken in accordance with the Council's adopted Statement of Community Involvement. The Council is currently consulting on an update to the Statement of Community Involvement and the consultation on the SPD would be carried out in accordance with this document.

### **5 Options**

- 5.1 There are three options for consideration
- (a) The preparation of an updated SPD and undertake public consultation on the draft SPD

- (b) To make amendments to the SPD before undertaking public consultation on the draft SPD
- (c) To not prepare an updated SPD and continue with the current Adopted SPD (2009)

#### Option 1

To prepare and undertake public consultation on the draft Infrastructure and Developer Contributions Supplementary Planning Document. This is the first stage in the process towards adopting an updated SPD. Once adopted, the Council will use the document in the negotiation of planning applications and associated developer contributions. It will provide up to date guidance to developers and the public on the infrastructure and developer contributions likely to be sought on applications.

#### Option 2

To make amendments to the draft Infrastructure and Developer Contributions Supplementary Planning Document before publishing the document for public consultation.

#### Option 3

If an SPD is not prepared, the Council would rely on the Adopted SPD from 2009. Continuing with the current SPD would lead to guidance being used to secure infrastructure and developer contributions that is out dated. This could lead to the Council not securing the required infrastructure and developer contributions to mitigate the impact of new development. It will also be unclear to developers and members of the public the Council's approach to securing infrastructure and developer contributions as the Council would need to deviate from the requirements in the adopted SPD.

- 5.2 The preferred is Option 1 as the SPD has been produced in collaboration with services within the Council and other infrastructure providers to ensure it provides an up-to-date indication of the Council's requirements. This document is the recommended version which has been prepared based on professional officer advice along with the Council's evidence and procedures. If the draft SPD proceeds to adoption we would seek formal withdrawal of the current SPD.

## **6 Resource Implications**

- 6.1 Undertaking the public consultation exercise can be met within existing resources.

## **7 Legal Implications**

- 7.1 Once adopted as an SPD, the document will form part of the Council's suite of planning documents and would be a material consideration in the determination of planning applications. In order to achieve the status the relevant Regulations have to be complied with.

## 8 Equality Issues

- 8.1 An EQIA screening has not identified any potential for unlawful discrimination or adverse impact.

## 9 Other Issues

- 9.1 Community Safety - none
- 9.2 Environmental Health Issues - none
- 9.3 Sustainability and Addressing a Changing Climate – none. The SPD would contribute towards the negotiation and securing of infrastructure and developer contributions to mitigate the impact of new development. This will contribute towards the provision of sustainable new development in the Borough as the infrastructure and developer contributions improves the sustainability of new development.
- 9.4 Property Issues - none
- 9.5 Wards/Communities Affected: All wards

## 10 Conclusion

- 10.1 It is considered that the Draft SPD (Annex) should be published for public consultation.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<a href="#">Revised Local Plan (DPD)   Test Valley Borough Council</a>			
<a href="#">Statement of Community Involvement (SCI)   Test Valley Borough Council</a>			
<a href="#">Draft Statement of Community Involvement in Planning (SCI) 2022   Test Valley Borough Council</a>			
<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: Planning) Councillor P Bundy			
Officer:	Katie Dowle	Ext:	8082
Report to:	Cabinet	Date:	26 October 2022

# **Test Valley Borough Council**

## **Infrastructure and Developer Contributions Supplementary Planning Document**

**Consultation Draft**

**October 2022**

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Section 180 (5) (d) Planning Act (2008) removed the compulsory requirement for a Sustainability Appraisal for a Supplementary Planning Document (SPD). It is not considered that this SPD would have a significant social, environmental or economic effect, therefore this document has not been subject to assessment under The Environmental Assessment of Plans and Programmes Regulations 2004 (as amended).

## 1. Introduction

- 1.1. This Supplementary Planning Document (SPD) has been prepared by Test Valley Borough Council as part of its planning policy framework. It supplements the policies of the Test Valley Revised Local Plan 2011-2029 (referred to as the Local Plan) which was adopted on 26th January 2016.
- 1.2. Infrastructure is key to the delivery of the objectives and strategy of the Local Plan and the priorities of the Council's Corporate Plan. This document supports the delivery of infrastructure and helps to guide the Council's approach to the delivery of infrastructure requirements associated with new development.
- 1.3. Section 216 of the Planning Act 2008 describes the types of infrastructure that can be supported. This description can be used as a basis for the definition of infrastructure generally and includes roads and other transport facilities, flood defences, school and other educational facilities, medical facilities, sporting and recreational facilities and open spaces.
- 1.4. For the ease of reference, the term 'infrastructure' in this SPD is used (unless stated otherwise) to include all matters for which contributions may be sought.

## 2. Purpose of the Document

- 2.1. This document provides detailed guidance on the application of the Adopted Local Plan policies in respect of developer contributions secured through planning applications. It sets out the Council's expectations regarding the approach to negotiation and specifies the standard required for the implementation and delivery of some items of infrastructure such as built facilities and public open space. The Council expects new development to contribute to site related and other infrastructure needs. On adoption, this document will replace the existing Infrastructure and Developer Contributions SPD (2009).
- 2.2. The purpose of this SPD is to:
  - Explain the Council's approach to using planning obligations to local residents, developers and the wider community;
  - Explain the circumstances under which the Council will collect Section 106 contributions to mitigate the impacts of a development on infrastructure;
  - Provide applicants with greater certainty on when planning obligations will be sought.
- 2.3. This guidance does not cover every possible circumstance and/or obligation that may need to be taken into account, but it provides a clear indication of the Council's essential requirements from new development in respect of the provision of infrastructure. It will inform applicants of planning obligations and costs which are likely to be required at an early stage in the development process and to assist in their costs formulation and undertaking financial appraisals.

### 3. Policy Context

- 3.1. All development proposals should be determined in accordance with national planning policy and guidance and the Council's development plan unless material planning considerations indicate otherwise.
- 3.2. Test Valley's Development Plan includes the Adopted Revised Test Valley Borough Local Plan 2011- 2029, made (adopted) Neighbourhood Plans and the Hampshire Minerals and Waste Plan (2013)<sup>1</sup>. A five year review of the Adopted Revised Local Plan was undertaken in January 2021 and concluded that the spatial strategy remains sound and plan policies remain up to date and continue to provide a robust basis for decision making in the determination of planning applications. This SPD supports the delivery of the Adopted Revised Local Plan 2011 - 2029 and will be an important material consideration. The main relevant policy is COM15 which sets out specific infrastructure requirements to support the strategic allocations identified within the individual site allocation policies. Infrastructure requirements for all other proposals are assessed on a site-by-site basis in accordance with relevant Local Plan Policies.
- 3.3. The Council is currently in the process of preparing the next Local Plan and is at Stage 1, Regulation 18 stage. Following the Adoption of the next Local Plan, this SPD will be updated.
- 3.4. Alongside the Development Plan there are a number of other relevant documents and strategies which development proposals will need to consider<sup>2</sup>. This includes the Council's Village Design Statements<sup>3</sup>, Masterplans for Andover and the South of Romsey Town Centre<sup>4</sup>, along with Hampshire County Council's plans and strategies. Hampshire County Council also have an Infrastructure and Planning Policy document setting out its approach to seeking planning contributions and how it will engage with the planning process reflecting the services they provide<sup>5</sup>.

### 4. Developer Contributions

- 4.1. Developer contributions seek to mitigate the negative impacts of development, address infrastructure needs and meet Local Plan policy requirements. This may either be delivered directly by the developer or through a financial or other contribution towards their provision or enhancement. The Council encourages early engagement as part of the pre-application advice service offered to discuss infrastructure requirements.
- 4.2. The main mechanisms used to secure infrastructure funding and provision are the Community Infrastructure Levy (CIL), planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended) and under Section 278 of the Highways Act 1980. In some circumstances conditions

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<sup>1</sup> [Hampshire Minerals and Waste Plan | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/)

<sup>2</sup> [Strategies and Policy Statement | Test Valley Borough Council](#)

<sup>3</sup> [Village Design Statements | Test Valley Borough Council](#)

<sup>4</sup> [Town centre redevelopment | Test Valley Borough Council](#)

attached to planning permissions may also be used to secure non-financial mitigation, to define timings or apply standards.

## 5. Section 106 Planning Obligations

- 5.1. Planning obligations under Section 106 (S106) of the Town and Country Planning Act 1990 are entered into as legal agreements between local planning authorities, landowners, developers and any others with an interest in the land. In certain circumstances an applicant/developer may submit a unilateral undertaking by way of a planning obligation.
- 5.2. Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms, in accordance with national policy. Planning obligations may impose financial and/ or non-financial obligations on those with an interest in the land to which they relate.
- 5.3. Planning Obligations will be negotiated on a site-by-site basis in accordance with Regulation 122 of the Community and Infrastructure Regulations 2010<sup>6</sup>. They may:
  - Be unconditional or subject to conditions;
  - Impose any restriction or requirement for an indefinite or specified period; and
  - Provide for payments of money to be made, either of a specific amount or by reference to a formula, and require periodical payments to be paid indefinitely or for a specified period.
- 5.4. Contributions may be sought to fund a single item of infrastructure or to fund part of an infrastructure item or service and for the initial provision and/or ongoing running and maintenance costs of services and facilities.
- 5.5. Local Planning Authorities have the discretion to secure contributions towards the monitoring of obligations secured through s106 agreements. Planning policies seeking planning obligations should be grounded in an understanding of development viability through the plan making process<sup>7</sup>.

## 6. Section 278 and Section 38 Agreements

- 6.1. Where development requires work to be carried out on the existing adopted highway, an agreement under Section 278 of the Highways Act 1980 will need to be completed between the developer and either the Secretary of State for Transport (for the strategic road network) or Hampshire County Council as the Local Highway Authority (for the local road network).
- 6.2. Amendments to the CIL Regulations in 2014 restrict the way Section 278 (S278) Agreements can be used. The purpose of the restriction is to ensure that S278 Agreements cannot be required for works that are intended to be funded through the Community Infrastructure Levy.
- 6.3. An agreement under Section 38 of the Highways Act 1980 can be used when a developer proposes to construct a new estate road for residential, industrial

<sup>6</sup> <https://www.legislation.gov.uk/ukdsi/2010/9780111492390/regulation/122>

<sup>7</sup> <https://www.gov.uk/guidance/viability>

or general purpose traffic that may be offered to the Highway Authority for adoption as a public highway.

## 7. Community Infrastructure Levy

- 7.1. The Community Infrastructure Levy (CIL) is a fixed, non-negotiable and enforceable locally set tariff which is levied upon commencement of development. The Council has an Adopted CIL Charging Schedule setting out the charges for CIL -liable development.
- 7.2. The Council's Spending Protocol and Infrastructure Funding Statement set out further details of how the Council's CIL is distributed and spent.
- 7.3. Where a development is liable for CIL but site specific mitigation are required to make the development acceptable in planning terms, the Council will seek to secure mitigation measures through the use of a S106 agreement.

## 8. Summary of Developer Contributions

- 8.1. Table 1 summarises the relationship between the mechanisms for securing developer contributions.

Mechanism	Purpose
Community Infrastructure Levy	Can be used for any infrastructure needed to support the development of the Borough
Section 106 Obligations	Planning obligations are frequently secured through Section 106 Agreement but may also be secured through a Section 106 Unilateral Undertaking. They can be used to secure on-site infrastructure and contributions towards off-site infrastructure required to make the development acceptable in planning terms.
Section 278 Agreements	Allows developers to fund alterations and improvements to the public highway in the public interest.
Planning Condition	To mitigate the potential adverse effects of the proposed development and ensure compliance with development plan policy. To enable development proposals to proceed where it would be otherwise necessary to refuse planning permission. To make the development acceptable (where the requirement does not involve the payment of money or the transfer of land ownership).

## 9. Planning Obligations for Infrastructure

- 9.1. This Section looks in further detail at the different types of planning obligations the Council will seek to secure via a legal agreement on a theme basis.

## 10. Affordable Housing and Community Led Development

- 10.1. The Council's policy on affordable housing is contained within Local Plan Policy COM7 and supplemented by the Affordable Housing SPD (2020) which sets out how Policy COM7 will be applied in light of national guidance<sup>8</sup>.

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<sup>8</sup> NPPF 2021.

- 10.2. Policy COM7 takes account of the economics of provision in both providing affordable housing on site and a financial contribution for off-site provision in lieu. Where circumstances arise, the Council will take into consideration financial viability in negotiating the tenure and mix of affordable housing, the percentage of affordable housing on site or a financial contribution for off-site provision. For further information on the Council's approach to securing affordable housing, please refer to the Council's Affordable Housing SPD.

Type of development	Residential development
Contribution Sought	A legal agreement will be used to secure affordable housing in the form of physical provision or a financial contribution towards off-site provision. The precise mix and tenure for provision on site will be specified in the legal agreement. Further details of this are set out in the Affordable Housing SPD (2020).
Relevant Adopted Local Plan Policies	COM7

## 11. Sports, Recreation and Open Space

- 11.1. The Adopted Local Plan Policy LHW1 sets out the public open space requirements for new housing development where there is a net increase in population, along with definitions of public open space for Outdoor Sports Facilities, Parks and Gardens, Informal Recreation Areas, Provision for Children and Teenagers and Allotments.

Type of development	Major residential development
Contribution Sought	Public open space will be required on major residential development in accordance with Policy LHW1. The scale and nature of the public open space requirements will be considered on a site by site basis. This may be in the form of on-site open space or financial contributions towards existing facilities and will be secured through a legal agreement.  Provision will be required for the long term maintenance of public open space, either by transferring the land to the Council along with a commuted sum, or by a maintenance schedule implemented by a management company.
Relevant Adopted Local Plan policies	Policies LHW1 and COM15

- 11.2. The Playing Pitch Strategy (2020) and Sports Facilities Strategy (2020) provide a full assessment of facilities in the Borough providing an evidence base for the requirements of these types of facilities which is used to inform the contributions to be secured<sup>9</sup>.

### General Public Open Space Requirements

- 11.3. Where public open space is provided on site, a legal agreement will be used to secure the delivery of the open space in line with the phasing of the development. The public open space should be provided as early in the development of a site as possible so that new occupants are able to access the open space when they move in.
- 11.4. Areas of public open space should be clean and un-contaminated and storage yards should not be located on areas of public open space (due to the risk of contamination). They should be located to provide maintenance access points in locations which have a minimal impact on local residents. Open Space should be secure, with features to ensure that only maintenance vehicles are able to access the site.
- 11.5. The Council's preferred approach is to adopt public open space or for it to be passed to the relevant town or parish council along with a commuted sum (as explained in paragraph 11.26 – 11.28). Where an area of open space is to be transferred to the Council, inspections of the open space will be required prior to adoption. There are fees associated with this service, further details of which are available online<sup>10</sup>.

### Outdoor Sports Facilities

- 11.6. Outdoor sports facilities are areas that are used for formal recreational activities and require pitches or specialised areas. They can include but are not limited to football or cricket pitches, tennis courts, wheeled sports (BMX or skate) or bowling greens.
- 11.7. Outdoor sport facilities are expected to meet relevant requirements from Sport England and/ or National Governing Bodies that also enables the efficient management of the site and provides flexibility to respond to changes in recreational demand. This is to be specified and agreed by the Council and relevant sporting bodies. The Council will apply the Green flag assessment criteria to all green spaces, specifically those 0.2ha or larger (equivalent to 3x tennis courts)<sup>11</sup>. This will be in addition to relevant guidance from organisations such as Fields in Trust, Sport England, UK Active, National Governing bodies which may be relevant to an application.
- 11.8. The Council will require external verification of the construction of formal surfaces at stages during their construction along with sign off on completion

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<sup>9</sup> <https://www.testvalley.gov.uk/planning-and-building/planningpolicy/evidence-base/evidence-base-leisure>

<sup>10</sup> [Planning & Building - General Fees and Charges | Test Valley Borough Council](#)

<sup>11</sup> [Green Flag Award](#)

where new facilities are provided as part of a development. A legal agreement will be used to secure financial contributions towards this.

- 11.9. Where ancillary facilities are required to be provided on site, such as sports pavilions, they will need to be constructed in accordance with relevant standards at time of construction. This will include compliance with Sport England requirements. Details of the following will be required as a minimum:
- Showers
  - Toilets
  - Changing rooms
  - Kitchens
  - Layout
  - Accessibility
  - Environmental sustainability
  - Local suitability/justification
  - Sporting requirements (facilities required for the sports to be provided at the facility)
  - Accessibility and parking

### Parks and Public Gardens

- 11.10. Parks and public gardens are high quality multifunctional spaces which are often used for walking and other forms of recreation. They usually serve wide areas and a contribution will be sought where there is a deficit in the local area.
- 11.11. Parks and public gardens may have a number of footpaths and cycle routes through the area to enable a number of different uses. These pathways should be well lit, accessible and designed to have a minimal number of junctions and crossovers to provide easy access for users. On larger areas of parkland, car-parking may be required along with associated features such as benches and formal planting.
- 11.12. Provision of parks and public gardens will not be sought in rural areas.

### Informal Recreation Areas

- 11.13. Informal recreation areas are predominantly grassed areas which can accommodate recreation and play activities of people of all ages. They should be at least 0.2 hectares in size and preferably larger, so they can be used for a variety of activities.
- 11.14. Areas of informal recreation may include equipment to meet the needs of a range of ages and users such as goal posts and trim trails. Informal recreation should be integrated into the design of a development and be located adjacent to children's play space. The Council will expect areas of informal recreation to be provided on site but where site constraints prevent this, the council will seek financial contributions towards improvements to nearby areas of informal recreation.

11.15. Pedestrian or cycle paths located within informal recreation areas should not limit the use of these spaces. Where paths are provided they will not be counted in the overall 0.2 hectare requirement.

### Children and Teenagers Play Space

11.16. Residential development will be required to make provision for children and teenagers play space. These play areas will need to be easily accessible by active modes of transport. The Council's preferred approach is for sites of a suitable scale to make provision on site for children and teenagers public open space unless they are of a type of development unlikely to generate demand for such facilities. This will be considered on a site by site basis, taking into account the site characteristics.

11.17. The layout and design of children and teenagers public open space should be carefully considered to reduce the risk of conflict between the needs of different age groups or the misuse of provisions. The play space should be provided in locations which is easily accessible by walking or cycling as guided by Fields in Trust. Play areas are expected to meet the current technical and quality standards (including BSEN 1176/1177), be appropriately landscaped, easily accessible by footpath and with good surveillance.

### Allotments

11.18. Allotments are a valuable facility for the local population in terms of exercise and providing space to grow food. Where provided on site, these will be transferred to the town or parish council. The local town and parish council will manage the allotments including their allocation to local residents.

11.19. Allotment sites should be located on land which:

- Is free from contamination
- Is flat
- Has basic services including a water supply and fence
- Is easily accessible for residents using active modes of transport
- Provides parking spaces (in accordance with the parking standards in the Adopted Local Plan at Annex G) close to the allotments

### Maintenance of Public Open Space

11.20. The long term maintenance of open space, sport and recreation and play facilities is critical to ensure that they achieve and maintain their maximum potential benefit and value. A legal agreement will be used to secure the ongoing maintenance of the public open space on the site. The developer will have a choice whether to appoint a management company to maintain the open space or to transfer the land to the Council along with a commuted sum towards its maintenance. It is the Council's preference that the land is transferred to the Council.

11.21. If a developer decides that a management company will maintain the public open space going forward, the Council will require a site-specific detailed management plan and details of the governance and long-term financial

arrangements of the management company. This will need to be approved by the Council and the open space will be required to be managed in accordance with this management plan for a minimum of 20 years.

- 11.22. A maintenance schedule may also be required which will need to be produced and implemented in accordance with the relevant standards. The Council will calculate the maintenance costs for on-site public open space based on the landscape plans submitted. These will be secured through a S106 agreement. The commuted sum will be reserved to be used towards the ongoing maintenance and management of the sites covering a twenty year period. The commuted sum will include inspection, ongoing maintenance and reasonable capital replacement which would be expected within this timescale.

### Biodiversity

- 11.23. Adopted Local Plan Policy E5 sets out the parameters through which development needs to have regard to biodiversity considerations. Policy E5 also sets out the habitats and species of importance and sites of geological interest considerations.
- 11.24. Many of the potential impacts of development on biodiversity can be addressed through scheme design and by conditions attached to a planning permission. Contributions may be sought towards the avoidance, mitigation against or, as a last resort, compensation for adverse effects which are likely to result from development through a legal agreement.
- 11.25. The Environment Act 2021 is introducing a system of mandatory biodiversity net gain in relation to certain planning applications. This is over and above the consideration of potential effects on habitats and species of importance. Details on the application of the mandatory biodiversity net gain provisions are still to be refined. There will be a transition period before the requirements come into effect from autumn 2023. It will be essential that biodiversity net gain is considered from a very early stage, including consideration of opportunities to meet this requirement on-site where this is appropriate to do so. The Biodiversity metric provides a calculation of how a development, or a change in land management, will change the biodiversity value of a site<sup>12</sup>.

### International Nature Conservation Designations

- 11.26. The Conservation of Habitats and Species Regulations 2017 (as amended) includes the requirement for the Council to consider the potential impact of development on certain nature conservation designations, as set out in Policy E5.
- 11.27. Development that is likely to result in a significant effect, on an International or European Nature conservation designation, or a site proposed for such designation, will need to satisfy the requirements of the Habitat Regulations.

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<sup>12</sup> [Biodiversity metric: calculate the biodiversity net gain of a project or development - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/biodiversity-metric-calculate-the-biodiversity-net-gain-of-a-project-or-development)

Any features or management required as a result of this legislation will be secured through planning conditions or a legal agreement.

### The Solent Recreation Mitigation Strategy

- 11.28. It has been identified that certain new developments within 5.6km of the Solent Special Protection Area (SPA) including the Solent and Southampton Water SPA, are likely to have a significant effect when considered in combination, as a result of recreational activity.
- 11.29. The Solent Recreation Mitigation Strategy sets out the approach to providing mitigation in relation to this matter. Unless evidence can be provided to demonstrate that relevant proposals would not lead to a likely significant effect, mitigation would need to be provided on applications for residential development. This could either be through a financial contribution, or a bespoke mitigation package, as set out within the Solent Recreation Mitigation Strategy. Additional information is available on the Bird Aware Solent website<sup>13</sup>.

Type of development	Residential development within 5.6km of the Solent SPA <sup>14</sup>
Contribution Sought	<p>A developer contribution needs to be paid for every net additional dwelling. The Bird Aware Solent Strategy introduced a sliding scale of developer contributions based upon bedroom size<sup>15</sup>. The contributions are updated each year in line with the Retail Price Index</p> <p>Some housing schemes, particularly those located close to a SPA boundary, may need to provide additional mitigation measures. The Council, with advice from Natural England, will consider the mitigation requirements for such development proposals on a case-by-case basis</p>
Relevant Adopted Local Plan policies	Policy E5

<sup>13</sup> <https://www.birdaware.org/home>

<sup>14</sup> Please see Appendix 1 for details of the locations to which this relates. For more information on the types of development that this is relevant to, please see the Solent Recreation Mitigation Strategy, which is available on the Test Valley website.

<sup>15</sup> [Developer contributions - Bird Aware Solent](#)

## New Forest Recreation Mitigation Strategy

- 11.39 Parts of the New Forest are designated as a Special Area of Conservation (SAC), an SPA, and a Ramsar site. Evidence has identified that recreational activity has the potential to impact on these areas and to address this the Council developed an interim mitigation framework<sup>16</sup>.
- 11.40 Following research by Footprint Ecology on the impact of recreational use on the New Forest international nature conservation designations the Council has produced a draft New Forest International Nature Conservation Designations: Recreational Disturbance Mitigation Framework Supplementary Planning Document (New Forest SPD)<sup>17</sup>. The draft New Forest SPD sets out the recreational disturbance mitigation zone and details of requirements for mitigation and will replace the current interim mitigation framework on adoption.

Type of development	Residential accommodation including tourism and overnight accommodation within the recreational disturbance mitigation zone for the New Forest SPA <sup>18</sup>
Contribution Sought	A financial contribution or bespoke mitigation package will be secured through a legal agreement in accordance with the Interim Mitigation Framework until the draft New Forest International Nature Conservation Designations: Recreational Disturbance Mitigation Framework Supplementary Planning Document is approved.
Relevant Adopted Local Plan policies	Policy E5

## Impact of Nutrients on Internationally Designated Water Bodies

- 11.41 There has been a growing awareness of the impact of excessive nutrients on water bodies in recent years, and the potential detrimental impact of new development on designated sites. Where this is identified, mitigation may be required to address the impact of new development in these locations.
- 11.42 It has been identified that there are high levels of certain nutrients entering the water environment of the Solent, in particular nitrogen which is having an adverse effect on the status of designated SACs and SPAs. The River Itchen and River Avon (Hampshire) SACs are similarly affected by excessive phosphorus. Due to uncertainty as to whether new development will cause further impact, Natural England advise that certain residential and overnight development will need to achieve nutrient neutrality.

<sup>16</sup> [Approach to certain International Nature Conservation Designations | Test Valley Borough Council](#)

<sup>17</sup> [Evidence Base - Environment | Test Valley Borough Council](#)

<sup>18</sup> <sup>18</sup> Please see Appendix 2 for details of the locations to which this relates

11.43 The Council will comply with the latest Natural England guidance. The latest advice is available on the Council's website<sup>19</sup>. This includes details of the location and type of development that will need to demonstrate nutrient neutrality along with a methodology and budget calculator tool to calculate a development's nutrient budget.

### Flood Risk

11.44 Adopted Local Plan Policy E7 requires all development to comply with national policy and guidance in relation to flood risk. This guidance may include a site specific flood risk assessment or drainage strategy in accordance with the Environment Agency's standing advice. Details of when to follow the standing advice is available online<sup>20</sup>.

11.45 Hampshire County Council is the Lead Local Flood Authority (LLFA) in Test Valley and it has a responsibility to work with other Risk Management Authorities to mitigate flood risk. More detail is provided on Hampshire County Council's website<sup>21</sup>.

Type of development	Residential and commercial development
Contribution Sought	Provision and maintenance of flood protection and water management measures (such as SuDs) will be secured through S106 agreements and planning conditions.
Relevant Adopted Local Plan policies	Policy E7

### Sustainable Drainage Systems (SuDS)

11.46 Policy E7 also relates to SuDS. Potential flooding and pollution risks from surface water can be decreased by reducing the volume and rate of water entering the sewerage system and watercourses. SuDS seek to manage surface water as close to its source as possible and mimic surface water flows arising from a site prior to its development.

11.47 SuDS are required to be included in new development where appropriate, and should be carefully designed as a structural feature of the development. SuDS are often integral to a development and cannot easily be accommodated within a site once a layout has been planned. Developers should liaise with the County Council (as lead local flood defence authority) and the Borough Council at an early stage to discuss options for an appropriate and sustainable approach to site drainage.

<sup>19</sup> <https://testvalley.gov.uk/planning-and-building/guidance/solent-southampton-water-special-protection-area>

<sup>20</sup> [Flood risk assessments if you're applying for planning permission - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/flood-risk-assessments-if-youre-applying-for-planning-permission)

<sup>21</sup> <https://www.hants.gov.uk/landplanningandenvironment/environment/flooding/planning>

- 11.48 Where SuDS are to be provided the Council will seek to ensure ongoing management and maintenance for their whole life through a planning obligation, including financial contributions where the Council will be adopting facilities.
- 11.49 There is the potential for areas of public open space to be located adjacent to SuDS. Where this is the case, SuDS should be carefully designed to minimise the impact on usable public open space in the vicinity, and demonstrate that the land will be available for use as public open space for the majority of the year. The Lead Local Flood Authority will approve SuDS once constructed, which will be at the expense of the developer.

### Green Infrastructure

- 11.50 Green Infrastructure (GI) is defined in national policy as a network of multi-functional green and blue spaces and other natural features. It comprises of parks, playing fields, other areas of open space, woodland, allotments, private gardens, sustainable drainage features, green roofs and walls, street trees, streams, ponds, canals and other water bodies<sup>22</sup>.
- 11.51 Test Valley's GI and its importance in the borough is referenced throughout the Local Plan and delivered through several Local Plan policies (such as Policies LHW1, E1 and E2). The GI Strategy (2014) sets out an approach to enhance it supported by the Council's Green Space Strategy 2021 – 2031<sup>23</sup> including four key aims (creation, protection, enhancement and management). It provides a framework for supporting the existing GI assets and assisting in co-ordinating the work of partner strategies.
- 11.52 Early consideration should be given to the existing network and assets as well as potential opportunities to enhance the network of GI, including through connections to areas beyond the boundary of an application site.
- 11.53 There are a number of resources available that provide advice and guidance on GI. This includes guidance within the planning practice guidance on the Natural Environment<sup>24</sup> and the National Design Guide<sup>25</sup>. The Council encourages developers to consider the Building with Nature standards framework<sup>26</sup>, which provides a basis for ensuring high quality GI is at the heart of place making.

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<sup>22</sup><https://www.gov.uk/guidance/natural-environment#green-infrastructure>

<sup>23</sup><https://testvalley.gov.uk/communityandleisure/parksandgreenspaces/green-space-strategy>

<sup>24</sup><https://www.gov.uk/guidance/natural-environment#green-infrastructure>

<sup>25</sup><https://www.gov.uk/government/publications/national-design-guide>

<sup>26</sup><https://www.buildingwithnature.org.uk/>

Type of development	Residential development
Contribution Sought	The provision of Green Infrastructure will be secured through Local Plan requirements such as public open space secured under Policy LHW1 in accordance with the Green Infrastructure Strategy 2014 (or successor documents). A legal agreement will be used to secure the long term provision and management of the Green Infrastructure.
Relevant Adopted Local Plan policies	Policies E1, E2, E5, E6, LHW1 and COM15

## 12 Facilities within New Communities

### Commercial Facilities

- 12.39 Some facilities on new developments are commercial entities, such as convenience stores, hot-food takeaways or public houses. These facilities provide services for the day to day needs of local residents and are important in ensuring the long term sustainability of new communities. Where commercial facilities are to be provided, the Council will work with developers to secure a mix of uses that will meet the needs of the new community.
- 12.40 The Council expects the land set aside for commercial facilities to be in a sustainable location which is accessible for residents to walk or cycle. Careful consideration should be given to how the uses will integrate with existing development to attract trade from outside of the development and help financially support commercial uses.
- 12.41 Developers and site promoters should seek to engage the market to assess market conditions and the likelihood of potential commercial uses occupying the proposed site or building. The Council anticipates that local centres will be delivered in a comprehensive way, preferably through the engagement of a specialist local centre developer who will have expertise in how uses will interact with regard to the commercial viability of the local centre.
- 12.42 To support the delivery process of local centres the Council will require a marketing strategy to be agreed with the Council and this will be monitored throughout the delivery phase. The monitoring framework will be agreed and secured through the legal agreement. This provides flexibility in the delivery of local centre uses to take account of market conditions over time.

Type of development	Residential development
Contribution Sought	Allocated Local Plan sites will provide commercial facilities where identified in the Local Plan. The provision of commercial facilities and a marketing strategy will be secured through a legal agreement.
Relevant Adopted Local Plan policies	Includes policies COM3, COM4, COM5, COM6, COM6A and COM15



*Image 1: Commercial facilities within the Local Centre in East Anton, Andover*

## Community Centres

- 12.43 Community centres will need to be adaptable and suited to a range of community uses which might include community meetings, play-groups, exercise classes, private functions and drop-in surgeries. They should be designed to be suited to all members of the community, meeting the needs of young children, the disabled and the elderly. Community facilities are for the benefit of the whole community and are not run for commercial gain. They take a variety of forms but are likely to consist of a hall or meeting room and kitchen and bathroom facilities.
- 12.44 Community centres will need to have amenities such as suitable broadband and telephone connectivity, hard-wearing furnishing, a commercial kitchen, accessible toilet facilities, acoustic panelling, office facilities, refuse storage and general storage as a minimum requirement. The Council will seek a detailed specification of the building and, where appropriate, will seek to

- engage community groups in its design. This should be factored into the developer’s timescales and resources. The Council encourages the inclusion of features relating to reducing the impact of new facilities on climate emissions, such as renewable energy and opportunities to embed carbon
- 12.45 Where a new community facility is to be provided, the trigger for its delivery will be negotiated by the Council and will be proportionate to the number of occupations and phasing of the development. Timescales for separate planning permission (if required), tendering, commencement, completion and legal transfer to the Council should be taken into account to ensure the triggers in the S106 are met. A detailed set of requirements is detailed in the TVBC Engineering Standard Specifications & Construction NBS (National Building Specification) and online guidance which sets out the expectations of the Council for community facilities that are to be transferred to the Council. This can be viewed on the Council’s website (link tbc).
- 12.46 A temporary community facility will be required to be provided on site during the construction process to enable communities to have a space to start to come together. This should be provided at nil cost to the Council with all relevant planning permissions in place until the permanent facility is ready to be occupied. It should have adequate heating/cooling systems, a broadband connection and accessible toilet facilities and be provided alongside a financial contribution for set up costs (e.g. furniture and carpet).

Type of development	Residential development
Contribution Sought	<p>Allocated Local Plan sites will provide a community centre where identified in the Local Plan. This will be secured through a legal agreement.</p> <p>Where new facilities are required to support new development they will be secured through planning obligations. Where new residential developments do not meet the trigger to provide a community centre on site, financial contributions will be sought towards improvements to existing/ off-site community facilities.</p> <p>These contributions will be calculated based on the size of the development, the average size of community facilities and average build costs and will be confirmed during the planning process.</p> <p>The Council has developed a specification which sets out the standards to which the Council expects buildings to be implemented. This is updated periodically.</p>
Relevant Adopted Local Plan policies	Includes policies COM3, COM4, COM5, COM6, COM6A and COM15

## Community Development Workers

- 12.47 Community development workers (CDW) work with new communities to bring local residents together and to integrate new residents within the wider community. They will provide opportunities for residents to get involved in their community, help to build community cohesion and promote a sustainable neighbourhood by establishing networks, groups and activities enabling connections to develop within the community.
- 12.48 CDWs are particularly important where community facilities are provided or enhanced as they can build and support the development of a community association whose role is to manage the community building and continue to deliver community activities once the CDW role ends.
- 12.49 The CDW will remain in post for an agreed number of years aligned to the duration of the build for the site to liaise with and help develop the community as residents move into the new development. The role may be a part-time role with the potential for the CDW's weekly hours to increase as the occupations on a development grow.

Type of development	Residential development
Contribution Sought	<p>Allocated Local Plan sites that are required to provide a community centre on-site will also be required to provide financial contributions towards the employment of a Community Development Worker.</p> <p>Details of the job description for the CDW will be secured through a legal agreement<sup>27</sup>.</p> <p>CDWs will be employed by the Council and a legal agreement will be used to secure financial contributions towards the cost of their employment. Triggers for the payment of financial contributions will be secured early in the construction of the development so that a CDW may be recruited and in post to support residents as they move onto the development.</p>
Relevant Adopted Local Plan policies	Includes policies COM3, COM4, COM5, COM6, COM6A and COM15

<sup>27</sup> Please see Appendix 3 for an example CDW job description

## Other Non-commercial facilities

- 12.50 Other community facilities provide for the social, health, welfare, learning and cultural needs of residents and help to create and maintain sustainable communities. These include new or extended education facilities, indoor sports facilities or purpose built facilities such as youth centres.
- 12.51 Policy COM15 seeks to ensure that new development is supported by appropriate community facilities and to protect existing communities from the loss of essential services and community, leisure and cultural facilities.

## Education

- 12.52 Hampshire County Council is the Local Education Authority (LEA) responsible for primary and secondary education provision in the Borough.
- 12.53 The Council will work closely with the Education Authority and other providers to ensure that the Borough has the appropriate education infrastructure in accordance with Local Plan Policies COM15 and ST1.

Type of development	Residential development
Contribution Sought	<p>Contributions will be secured on behalf of the County Council to be used towards the provision of children's school places through a legal agreement.</p> <p>The County Council's guidance explains the developer contribution requirements, as part of their approach to the School Places Plan<sup>28</sup>.</p> <p>Detailed information regarding the calculations involved and contributions which are likely to be required are available through the HCC Developer Contributions Plan<sup>29</sup>.</p>
Relevant Adopted Local Plan policies	Policies COM3, COM4, COM5, COM6, COM6A, COM15 and ST1

## Indoor Sports Facilities

- 12.54 Where there is a deficit of indoor sports facilities in a local area (identified in the Sports Facilities' Strategy) contributions may be sought towards enhancing existing facilities or to provide new facilities. Any contributions which are sought towards indoor sports facilities will go towards projects which have been identified in the Sports Facilities Strategy (or subsequent documents).

<sup>28</sup> <https://www.hants.gov.uk/educationandlearning/schoolplacesplan>

<sup>29</sup> <https://www.hants.gov.uk/educationandlearning/schoolplacesplan>

Contributions from several sites may be pooled towards a specific facility. The Council has standard specifications relating to facilities which will need to be adhered to. The facility will be transferred to the Council's ownership on completion.

Type of development	Residential development
Contribution Sought	Indoor sports facilities may be required to meet the needs of a new development in accordance with the Sports Facilities' Strategy. In this case a legal agreement will secure either the provision of a new facility on site or financial contributions towards an off-site facility.
Relevant Adopted Local Plan policies	Policy COM15

### 13 Health Infrastructure

- 13.39 NHS Hampshire, Southampton and Isle of Wight Integrated Care Board (ICB) are responsible for ensuring the right healthcare services are provided for the benefit of the Borough's residents. The ICB do this by planning and buying healthcare services from local hospitals, GPs and other providers. It also supports these providers to continually improve services to meet the healthcare needs of the demographic, which can vary in different locations. The physical healthcare infrastructure needs to be adaptable to these needs and the way in which health services are delivered.
- 13.40 The ICB works in collaboration with other providers, including Primary Care Networks<sup>30</sup>.
- 13.41 New housing development in an area can result in additional pressure on a range of healthcare facilities, such as GP practices, community services and hospital services, all of which make up the network of healthcare provision. This pressure can be mitigated through improvements to existing facilities, such as extensions to GP practices to provide additional consultation rooms.
- 13.42 As part of a multi-faceted approach to healthcare provision, healthcare is provided in different settings to meet a variety of needs. For example, social prescribing, which is designed to enable people to take control of their health and wellbeing and connect people to community groups and statutory services for practical and emotional support, can take place outside of a clinical GP setting, such as in a community centre<sup>31</sup>. Local Pharmacies also help people manage chronic conditions.
- 13.43 This has resulted in additional space, both clinically within GP surgeries and local hospitals, and non-clinical space in the community being required to deliver services efficiently as local populations have grown significantly in the last 10 years.

<sup>30</sup> [Primary Care Networks \(hampshiresouthamptonandisleofwightccg.nhs.uk\)](http://hampshiresouthamptonandisleofwightccg.nhs.uk)

<sup>31</sup> [Social Prescribing Link Workers Handbook \(hampshiresouthamptonandisleofwightccg.nhs.uk\)](http://hampshiresouthamptonandisleofwightccg.nhs.uk)

- 13.44 Contributions towards healthcare provision will be sought on residential development which results in a net increase in population to mitigate the impact of the development. The ICB currently uses a national formulaic method to calculate the contribution required which is based on the number and type of housing units within a development. The use of the formulaic method is a starting point to calculate a financial contribution and will be used to mitigate the demand upon local health facilities generated by development. On major development where a financial contribution is requested by the ICB, the Council will work with the ICB on the scale of the contribution. Contributions from several sites may be pooled together.
- 13.45 The ICB undertakes statistical capacity modelling taking into account future demographic changes and population growth in order to assess the future demand on health facilities. From this the ICB are able to assess the impact of the proposed development on their existing facilities and to identify the future infrastructure needs in order to be able to respond to the additional pressure placed on its existing services. This includes independent reviews of the Primary Care and Community Health Estate as the Hampshire and Isle of Wight Local Care Strategy develops.
- 13.46 For further information on design and development of primary care premises, including the calculations for contributions, please refer to the Primary and Community Care Health Building Note 11-01: Facilities for Primary and Community Care Services (and successor documents)<sup>32</sup>.

Type of development	Residential development
Contribution Sought	<p>Financial contributions will be sought from new residential development to mitigate the impact on existing healthcare facilities.</p> <p>The Council will work with the ICB on the amount to be secured, taking into account relevant guidance along with the impact of a proposed development on healthcare provision.</p> <p>These contributions will be secured through a legal agreement and will be spent on projects identified by the Integrated Care Board.</p>
Relevant Adopted Local Plan policies	Policy COM15

<sup>32</sup> [health-build-pc.pdf \(england.nhs.uk\)](https://www.england.nhs.uk/health-build-pc/pdf/)

## 14 Employment and Skills

- 14.39 The Adopted Local Plan sets out a clear economic strategy which positively encourages sustainable economic growth and recognises the need to support programmes of skills development to assist the local workforce. The Economic Strategy for Test Valley (2017 – 2019 and beyond) and Interim Economic Development Strategy (January 2021), and strategies such as the Partnership for Urban South Hampshire (PUSH) skills strategy provide the evidence to support the implementation of Policy ST1 which encourages the enhancement of skills training and apprenticeship provision within the community.
- 14.40 The Council's approach to enabling a strong and competitive economy reflects the approach envisaged in national policy which seeks to build on its strengths, counter any weaknesses and address the challenges of the future. As the borough lies across various functional economic areas the Council takes a geographically targeted approach in enabling the right skills in the right places. To take this forward, the Council has adopted a dual approach of seeking employment skills plans in the construction sector and where appropriate securing financial contributions to enable businesses to access workforce development funding support.
- 14.41 The Council has declared a Climate Emergency and through this work is keen to support the Green Economy through a focus on skills associated with this sector.

### Employment Skills Plan (ESP)

- 14.42 The Council uses the Construction Industry Training Board (CITB) Client Based Approach (CBA) to secure Employment Skills Plans (ESP) along with the triggers. An application to the CITB for the National Skills Academy for Construction was approved in February 2019.
- 14.43 The ESP lists a number of interventions based on a standard formula as set out by the CITB, relating to the financial scale of the scheme to cover both the construction phase of the development.
- 14.44 An ESP covers the following key performance indicators:
- Work placements
  - Jobs created
  - Construction careers, information, advice and guidance
  - Training weeks on site
  - Qualifications gained by workforce
  - Industry certificates gained
  - Training plans
  - Case studies
- 14.45 These performance indicators are monitored by the Council to ensure the ESP is achieving the agreed outcomes. The ESP will also be required to include a mechanism for reporting the key performance indicators to the Council and ongoing monitoring.

14.46 Where the principle of a financial contribution is agreed, the principal developer is required to work with the Council and its partners to develop a site specific ESP. The Council will require the details of an ESP and how it will be implemented to be submitted and approved by the Council. Funding to deliver the outcomes of the approved ESP is the responsibility of the developer working in consultation with the Council. The Council will also work with relevant skills and employment delivery partners such as Hampshire County Council to assist with evaluation and monitoring of ESP. Where a financial contribution is secured the appropriate amount will be considered on a case by case basis, taking into account the value of the measures that would generally be sought.

Type of development	Residential and commercial development
Contribution Sought	<p>An Employment Skills Plan will be secured through a S106 Agreement or a planning condition detailing construction training and construction placements for developments of:</p> <ul style="list-style-type: none"> <li>• 50 dwellings or more for residential development; or</li> <li>• 1000 square metres for commercial development<sup>33</sup>.</li> </ul> <p>The Employment Skills Plan will be required to be provided prior to commencement of development, under the Construction Industry Training Board's Client Based Approach. This will be secured through legal agreement. In exceptional circumstances, the Council will consider the scope for a financial contribution to the value of the measures that would be expected in an Employment Skills Plan in lieu of this document.</p> <p>A financial contribution towards training schemes to grow the local workforce and offset the impact on a tight labour market will be secured on major non-residential development which will generate a significant impact on the labour market. This contribution will be calculated based on £200 per job created multiplied by the employment density (calculated by the floorspace in square metres per full time equivalent employee in accordance with the Employment Density Guide<sup>34</sup>).</p>
Relevant Adopted Local Plan policies	Policy ST1

<sup>33</sup> TVBC Cabinet report 5th October 2016

<sup>34</sup> 3<sup>rd</sup> edition 2015 published by the Homes and Communities Agency, and successor documents

## 15 Highways, Transport and Travel

- 15.39 The provision of viable transport infrastructure, necessary to support sustainable development in the Borough, makes an important contribution towards wider sustainability and health objectives.
- 15.40 The highway network includes cycling, walking and vehicle routes and the Borough and County Councils work together to encourage greater levels of active travel in the borough. One of the main aims of transport-related obligations is to promote sustainable and active travel including walking, cycling and public transport. Hampshire County Council are working on Local Cycling and Walking Investment Plans within the Borough<sup>35</sup> and have consulted on a new draft Transport Plan (LTP4)<sup>36</sup>
- 15.41 Government guidance in recent years encourages ambitious approaches to active travel, including Cycle infrastructure design (LTN 1/20) and Gear Change<sup>37</sup>. Towards the end of 2022 a new organisation, Active Travel England, will be the government's executive agency responsible for improving the standards of cycling and walking infrastructure in England<sup>38</sup>.
- 15.42 New development in the Borough will place additional pressure on local transport and highway networks, including public transport infrastructure, bus services and pedestrian and cycle routes.
- 15.43 New development proposals will be required to provide for appropriate specific works and improvements, both on-site and off-site, to mitigate the direct impact of the development scheme on the transport network. This will be informed by the Adopted Local Plan, Local Transport Plan 2011-2031 (and successor documents)<sup>39</sup>, the Romsey Town, Andover Town and Test Valley Access Plans Supplementary Planning Documents, and will also have regard to the County Council's own non-statutory Infrastructure and Planning document. Discussions with Network Rail and bus operators in the area may also be necessary.
- 15.44 Site related transport works required as direct mitigation will have been identified in a Transport Assessment and may include: works to footways/cycle ways including public rights-of-way; raised kerbs; new junctions; access roads to and within the site; link roads; Traffic Regulation Orders; traffic lights; pedestrian crossings; signage; public transport on or adjacent to the site; lighting and street furniture.
- 15.45 The obligations can be secured either through a financial contribution, paid to the County Council to carry out the identified works, or through developer provision of the identified works. A Section 278 Agreement may also be

<sup>35</sup> Southern Test Valley LCWIP has been consulted on. There may be other LCWIPS covering other areas of the Borough to follow. TVBC may consider adopting these as SPDs.

<sup>36</sup> [Local Transport Plan | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/transport/strategies/transportstrategies)

<sup>37</sup> [Cycling and walking - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/cycling-and-walking)

<sup>38</sup> [New executive agency Active Travel England launches - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-executive-agency-active-travel-england-launches)

<sup>39</sup> <https://www.hants.gov.uk/transport/strategies/transportstrategies>

required to be entered into and further guidance on this is available by contacting the County Council's Highways Team.

- 15.46 In addition to the provision of infrastructure improvements, Travel Plans can form an important part of a planning application proposal with the aim of reducing car usage and increasing the use of public transport, walking and cycling, in support of the Council's transport objective in the Adopted Local Plan. Travel Plans will normally be sought via a planning condition, with contributions towards monitoring of the Travel Plan secured through S106. Travel plans will be monitored by the local highway authority and developers may be required to collect and submit relevant data.
- 15.47 The County Council offers technical advice and guidance to developers through a pre-application service prior to a planning application being submitted. They provide highways advice on a number of aspects including whether a contribution towards highways or transport improvements is likely to be required.<sup>40</sup>

Type of development	All development
Contribution Sought	<p>Direct mitigation of individual site transport impacts (including roads, cycle ways, footpaths, public rights of way, public transport and the monitoring of travel plans) will be secured through S106. Infrastructure may be delivered through the developer entering into a S278 agreement with the County Council.</p> <p>Contributions towards strategic transport infrastructure projects will be secured where necessary to mitigate the impact of new development.</p> <p>Developments which will generate a significant amount of movements will require a Transport Statement or Transport Assessment and a Travel Plan.</p>
Relevant Adopted Local Plan policies	Includes policies COM15, T1, T2

<sup>40</sup> <https://www.hants.gov.uk/transport/developers/preapplication>

## 16 Public art

- 16.39 Public art has an important role in contributing to the visual interest of a site and character of an area, particularly within new developments. Public art will relate to the characteristics of the site, inspired by the historical context, geography or significant features within the site. The artwork will be site specific and contribute towards the public realm and community identity. This links to Adopted Local Plan Policy E1 which requires new development to be of a high quality design and local distinctiveness.
- 16.40 Public Art can take a variety of forms, permanent or temporary and may be located in a variety of contexts, such as within areas of public open space or on community buildings. The artwork can take the form of a focal point, way marker, gateway feature or a temporary installation. For example, at East Anton in Andover, developer contributions have funded public art including a sculpture which reflects the area's agricultural history.



*Image 2: Public Art in East Anton, Andover*

- 16.41 The Council has a Public Art Strategy which sets out the expectations and process involved in providing public art, from commissioning an artist to installing the artwork.
- 16.42 The Council will seek to secure public art on new residential and commercial developments. This will be secured by planning conditions or planning obligations.

Type of development	Residential and commercial development
Contribution Sought	<p>Financial contributions towards public art will be sought on commercial developments which have a floor space of above 1,000sqm and on residential developments of 300 dwellings or more. Public art will need to be delivered in accordance with the Council's Public Art Strategy (or successor documents).</p> <p>The financial contribution will be derived from the cost of commissioning and implementing public art of sufficient quality. This will be at least £3.07 per square metre of the proposed development on commercial development and £144.93 per dwelling towards the provision of public art (based on August 2022 RPI).</p> <p>Where the contribution for public art is paid to the Council the process will be managed by the Arts Officer in line with the Council's Public Art Strategy (or subsequent documents).</p> <p>If a developer chooses to provide public art on site, an Art and Design Statement will be secured which will explain their approach to commissioning, budget, community engagement (including a creation of a stakeholder group) and maintenance. This will be secured through a legal agreement.</p>
Relevant Adopted Local Plan policies	Policy E1

## Public Art Process

- 16.43 Public art projects will involve community engagement and consultation, be used to initiate discussion about a place or commissioned directly from an artist who identifies key themes inspired by a site. It will always include the employment of professional artists or makers and the involvement of the Arts Officer.
- 16.44 Where it is agreed that the Council will commission the public art, the Arts Officer will undertake site research, establish a stakeholder group, select appropriate sites and locations for artwork and create the artist's brief. They will manage recruitment and selection of artists or arts organisation, agree timescales, oversee the community engagement plans and agree contracts. They will support artists where required with the process of design, fabrication and installation with regards to promotion, securing permissions and licences and will agree maintenance schedules.

16.45 Where public art is to be provided by a developer, an Art and Design statement will be required to be submitted and approved by the Council. The Art and Design Statement should explain their approach to commissioning and details the budget for artwork, community engagement and maintenance. All public art must be in accordance with the Council's Public Art Strategy and a the creation of a stakeholder group that will include the Arts Officer will be required.

## 17 Other Contributions

### Site specific Public Services

17.39 Adopted Local Plan Policy CS1 requires proposals for new development to take into account the need to promote public safety and deter crime and disorder through careful layout, design and the use of Secured by Design principles and standards<sup>41</sup>. These can include measures to improve public safety or crime reduction such as provision of fire hydrants or CCTV. They will be negotiated on a site by site basis.

Type of development	All development
Contribution Sought	Development will be required to promote public safety and deter crime and disorder through its layout and design.
Relevant Adopted Local Plan policies	Includes policy CS1

### Utilities, telecommunications and broadband

17.40 Adopted Local Plan Policy COM15 requires appropriate investment is secured in the form of works and/ or financial contributions to mitigate the impact of new development on existing infrastructure. It identifies telecommunication, including broadband, as a form of infrastructure which is often necessary for development.

17.41 The type, scale and location and impact of the development will determine the necessary contribution.

17.42 Developers will be expected to provide information on the infrastructure necessary to make the proposal acceptable. This will include the timing of provision which should be phased to minimise the impact on existing resources.

17.43 Where relevant and necessary, planning conditions or a legal agreement may be used to secure the provision of infrastructure.

<sup>41</sup> [SBD Design Guides \(securedbydesign.com\)](https://www.securedbydesign.com/)

Type of development	All development
Contribution Sought	Development will be required to provide appropriate provision of utilities, telecommunications and broadband, in accordance with relevant guidance.
Relevant Adopted Local Plan policies	Includes Policy COM15

## 18 Development Viability

### How will contributions be determined and prioritised?

- 18.39 During the consideration of a planning application all contributions which are required to make the application acceptable in planning terms will be assessed. There may be instances where due to viability considerations, all contributions sought cannot be provided if plan-compliant development is to go ahead. For certain matters, the Local Plan specifically allows flexibility in its requirements to recognise viability challenges. In such cases, contributions may be prioritised and/or reduced where robustly demonstrated. However where an applicant is unwilling to agree to contributions which are considered entirely necessary to make the scheme acceptable in planning terms, viability will not be relevant and the application will be refused.
- 18.40 In certain circumstances, it may be considered that the viability of a scheme is jeopardised due to site constraints or other factors and that this would justify a reduction in the planning obligations. It is recommended in such cases that applicants seek pre-application advice from the Council prior to the formal submission of a planning application.
- 18.41 Viability assessments to be submitted as evidence in negotiations must be capable of independent expert verification carried out by a qualified surveyor/valuer. This will be at the cost of the developer. Any abnormal or exceptional development costs should be supported with robust and costed specialist reports and technical data. A viability assessment needs to be submitted with the planning application.

### Land value

- 18.42 A proportion of affordable housing on residential development sites should be considered as part of development costs embedded into the land values (as set out at COM7). This will make the viability process more consistent and transparent and ensure deliverability of appropriate levels of affordable housing to meet local needs.
- 18.43 The Council uses the Residual Land Value methodology (see Annex 1 of the Affordable Housing SPD 2020) to determine the underlying land value. This is

important as it forms the basis on which a developer should be able to agree a price for the land once the costs of the development, including the developer's profit, have been deducted from the gross development value.

### What Should a Viability Assessment Contain?

- 18.44 The Council will expect that the benchmark land value will be established on the basis of the Existing Use Value of the land plus a premium for the landowner as set out in the Planning Practice Guidance and the key principles in understanding viability should be followed. This method can work in two ways; either to determine the level of return on a scheme, where the costs of the site are known, or to establish the estimated value of the land by assuming a predetermined level of profit.
- 18.45 As set out in the National Planning Policy Framework all viability assessments should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available unless there is clear justification for it to remain confidential.

### The Council's approach to negotiating proposals which are not viable

- 18.46 Where a scheme is demonstrated to be unviable with the policy-compliant level of contributions, the Council will negotiate with applicants to secure the maximum level of contributions.
- 18.47 Where permission is granted for a scheme that departs from the policies in the Local Plan, a review will be applied to the scheme to ensure that any uplift in values are captured to enable the delivery of the maximum amount of infrastructure in the development process. The review will assess the changes to the gross development value and build costs. If surplus profit is generated over and above the returns necessary for the scheme to be deemed viable, a review will apply.

### Spending and Monitoring

#### Fees

- 18.48 The Council's legal costs of preparing the Legal Agreement and/or approving a unilateral undertaking are expected to be borne by the developer. These costs will be based on an hourly rate and will depend upon the complexity of the agreement and the length of time taken to settle the draft and proceed to completion. Developers will be required to provide a cost undertaking to pay for the Council's reasonable fees, prior to it being able to instruct its acting solicitors.
- 18.49 The Council's legal fees will need to be met even if the planning obligation is not completed.
- 18.50 Standard unilateral undertakings will be subject to a standard charge covering legal costs and if necessary the transfer of money to third parties.

## Monitoring

- 18.51 The Council monitors planning obligations and will work with developers to ensure that financial contributions and non-financial obligations are delivered on-time. Regulation 10 of the updated CIL Regulations (2019) allows a sum to be paid to the Council for monitoring the delivery of s106 planning obligations. Monitoring fees may be charged by the Council in order to undertake such work in the future.
- 18.52 The Council will secure measures to ensure that information regarding occupations is regularly provided. This will be secured through a legal agreement and the developer will be required to provide data on a quarterly basis as a minimum.
- 18.53 Test Valley Borough Council and Hampshire County Council are required to produce their annual Infrastructure Funding Statement which sets out in a prescribed form information on contributions. The Council is able to use Section 106 contributions to monitor and report on the planning obligations contained within those agreements.

## Indexing

- 18.54 Financial contributions are based upon the costs of infrastructure. Financial contributions will therefore be indexed (i.e. index-linked to inflation) to ensure that they retain their original 'real value'. The base date and appropriate index to be applied will be set out in the legal agreement.
- 18.55 Where a formula has been set for the calculation of contribution levels, any cost figures used will be updated regularly to take account of inflation and are the sums required at the time of negotiation.
- 18.56 All payment levels will be subject to an inflation factor (often Retail Price Index or Consumer Price Index) adjusted according to the fluctuations between the date of the obligation and the quarter period in which payment is due to the Borough Council. The County Council will also adjust payments to it but these might be subject to different measures of inflation.

## Invoicing

- 18.57 The Council will calculate the total financial contribution payable including any interest and/or indexation due and will provide a copy of this calculation to the developer. This calculation will be valid for a period of 14 days from the date of issue unless otherwise agreed in writing. If the calculation has not been agreed within 14 days and is shown to be arithmetically correct following the resolution of any dispute, then late payment interest will be charged.
- 18.58 Once the developer has agreed the calculation, the Council will issue an invoice to the developer for the agreed sum. The invoice issued will be subject to the Council's standard payment terms.
- 18.59 The Council will raise invoices when the relevant trigger has been reached which will be monitored by the Council. The Council will notify the County Council where necessary who will raise invoices relevant to them separately.

- 18.60 If payment of an invoice is not raised promptly (within 21 days) the calculations involved in the sums in the invoice will be redone which may result in the payment due increasing.

### Enforcement

- 18.61 The Council will monitor S106 agreements and take appropriate action against breaches to the legal agreement. It will also enforce against breaches to planning conditions in a way which is proportionate to the breach and where it is expedient to do so. There are different approaches to enforcement depending on the mechanism used to secure a contribution or other matter.
- 18.62 Where there is evidence of non-compliance with a planning obligation (such as the non-payment of financial contributions, failure to comply with an obligation to provide an item of infrastructure), the Council will seek to recover all legal and administration costs incurred. This could include, for example, site visits, the recovery of any unpaid monies and/or correspondence.

### Payment of Monies

- 18.63 Upon receipt, financial contributions will be held by the Council before being transferred to the relevant internal departments or third parties responsible for spending the contribution (such as another public sector body or a parish council).
- 18.64 Financial contributions payable to Hampshire County Council should be sent directly to the County Council but if contributions are paid to the Borough Council, they will be transferred on to the County Council.
- 18.65 Parish Councils may spend the money collected by the Borough Council on projects within their area, provided that they are spent in a way which matches the reason for which they were sought. They will be required to apply for funds through an application process, further details of which are available on the Borough Council's website<sup>42</sup>.
- 18.66 Local planning authorities are expected to use all of the funding received by way of planning obligation within a reasonable time frame. Agreements will normally include clauses stating when and how the funds will be used by and allow for their return, after an agreed period of time, where they are not. This period is usually five years but may be longer if deemed appropriate. If the money is not spent within the agreed period, the developer will be reimbursed with the outstanding amount, together with any interest accrued; unless the agreement is varied or if the amount is secured in perpetuity.
- 18.67 As unilateral undertakings generally do not have the Council as a party, there is not the same obligation on the Council to return any unspent monies.

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<sup>42</sup> [Use of Developer Contributions and Indexation | Test Valley Borough Council](#)

## 19 Glossary

Abnormal Development Cost	Costs that are associated with abnormal site conditions such as contamination, flood risk, substructure, listed buildings, etc <sup>43</sup> .
Community Infrastructure Levy	The Community Infrastructure Levy (the 'levy') is a charge which can be levied by local authorities on new development in their area <sup>44</sup> .
Green Infrastructure	A network of multi-functional green space, urban and rural, which is capable of delivering a wide range of environmental and quality of life benefits for local communities <sup>45</sup> .
Indexing	Financial contributions secured through legal agreements will be index-linked where specified in the agreement. This is where the amount secured is adjusted in line with the value of a retail price index
Local Plan	A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. A local plan can consist of either strategic or non-strategic policies, or a combination of the two <sup>46</sup> .
Neighbourhood Development Plan	A plan prepared by a parish council or neighbourhood forum for a designated neighbourhood area. In law this is described as a neighbourhood development plan in the Planning and Compulsory Purchase Act 2004 <sup>47</sup> .
Open Space	All open space of public value, including not just land, but also areas of water (such as rivers, canals, lakes and reservoirs) which offer important opportunities for sport and recreation and can act as a visual amenity <sup>48</sup>
Planning Obligation	A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal <sup>49</sup> .
Section 106 Agreement	A legal agreement made under Section 106 of the Town and Country Planning Act 1990. It provides that if planning permission is granted and implemented, then payment or provision must be made in the form of a planning contribution. This can include the provision of affordable housing on site or a financial contribution in lieu. The legal agreement is entered into

<sup>43</sup> [RICS guidance note on the National Planning Policy Framework](#)

<sup>44</sup> [Community Infrastructure Levy - GOV.UK \(www.gov.uk\)](#)

<sup>45</sup> [National Planning Policy Framework - GOV.UK \(www.gov.uk\)](#)

<sup>46</sup> [National Planning Policy Framework - GOV.UK \(www.gov.uk\)](#)

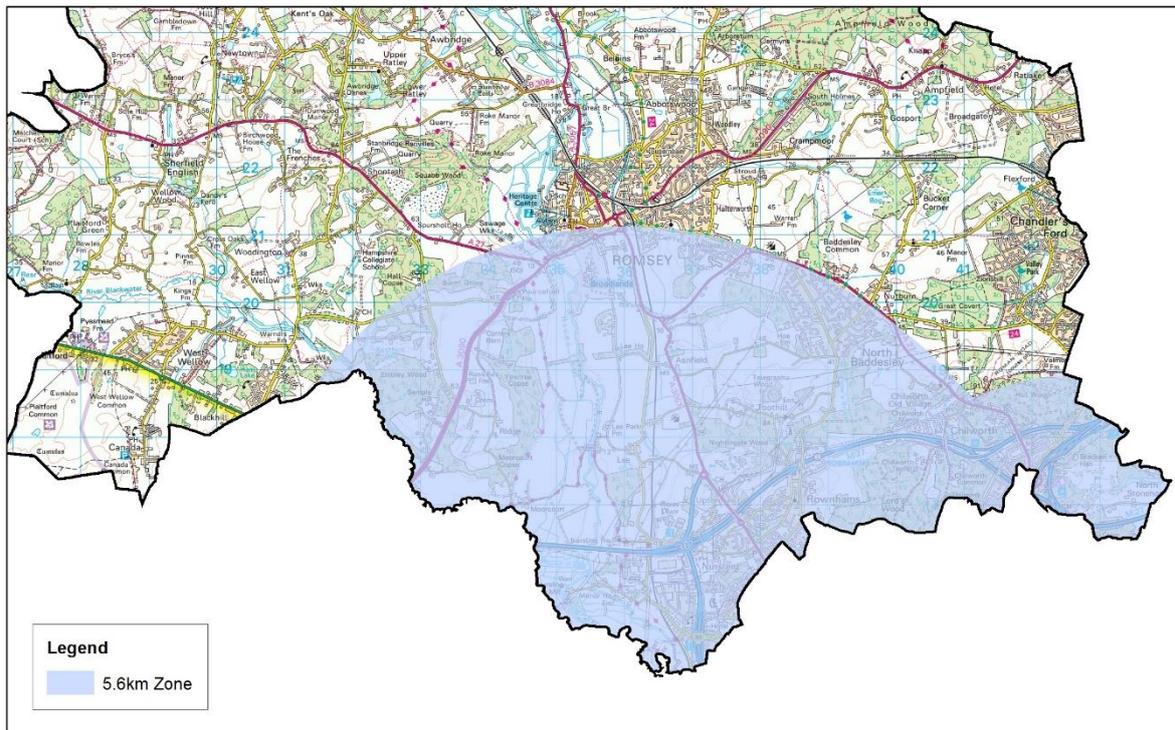
<sup>47</sup> [National Planning Policy Framework - GOV.UK \(www.gov.uk\)](#)

<sup>48</sup> [National Planning Policy Framework - GOV.UK \(www.gov.uk\)](#)

<sup>49</sup> [National Planning Policy Framework - GOV.UK \(www.gov.uk\)](#)

	by the applicant, the Council and anyone else who has an interest in the land forming the application site. A Section 106 agreement is normally a more complex type of planning agreement than a Unilateral Undertaking.
Section 278 Agreement	A section of the Highways Act 1980 that allows developers to enter into a legal agreement with the Highways Authority to make alterations or improvements to a public highway, as part of planning approval.
Supplementary Planning Document	They provide additional guidance on detailed issues linked to policies in the Local Plan. They do not form part of the Development Plan itself however, but where relevant will be used when considering applications and are a material consideration.
Unilateral Undertaking	A simplified version of a S106 agreement which is entered into by the landowner and any other party with a legal interest in the development site, but not the Council.

## 20 Appendix 1: A Map Showing the Residential Catchment Area for the Solent SPA

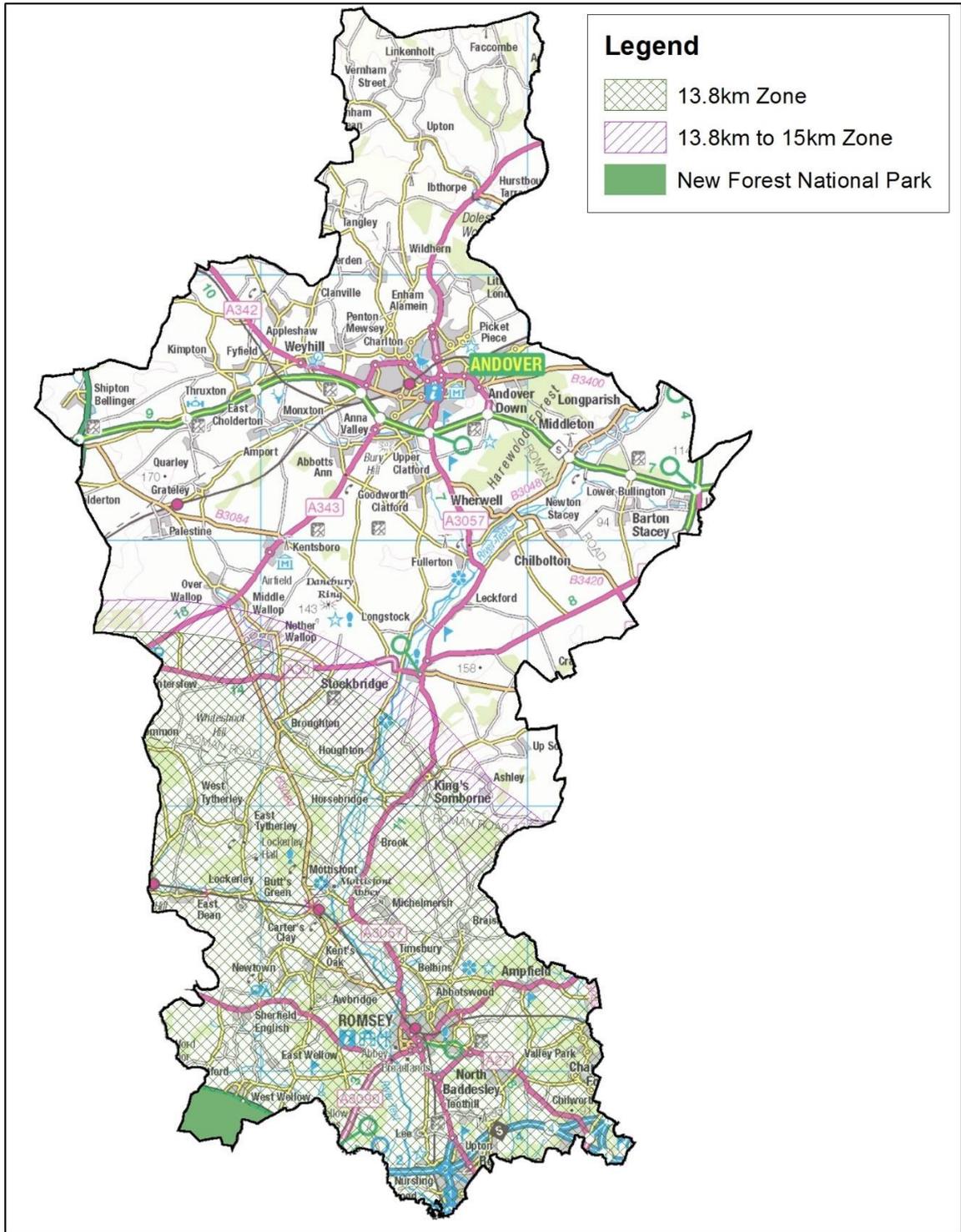


**Solent SPAs - Recreation Mitigation Impact Zone**

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21 Appendix 2: A map showing the Recreational Impact Mitigation Zone for the New Forest SAC, SPA and Ramsar



**New Forest SAC, SPA and Ramsar - Recreational Impact Mitigation Zone**

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## 22 Appendix 3: A Sample Community Development Worker Job Description and Person Specification

<b>Our Values: We expect all of our employees to live by and demonstrate the Council's five key values of:</b>		
<b>Accountability, Ambition, Empowerment, Integrity, Inclusiveness.</b>		
<b>Main job purpose</b>		
<p>To support the development of sustainable new neighbourhoods and the integration of these into both the existing residents of <i>location</i> and the wider town of <i>location</i>.</p> <p>To assist to deliver against the objectives of the TVBC Corporate Plan and resulting Corporate Action Plan priorities</p>		
<b>Main responsibilities and duties/ Principal Accountabilities</b>		
1. Work in close cooperation with local residents, statutory and voluntary organisations and other TVBC officers to support the local community.	15%	
2. Identify the needs of the local community and gaps in service provision using a range of consultation and engagement techniques.	15%	
3. Establish local community organisations and residents associations, including a community association (that will ultimately manage the community centre and develop activities), and provide ongoing advice and support	15%	
4. Based on the identified needs, support the development and build the capacity of the community, working alongside the relevant organisations to develop a programme of sustainable activities to engage the wider community	15%	
5. Provide opportunities for residents to get involved in their community and influence the decisions that affect their lives thereby building community cohesion and promoting a sustainable neighbourhood	15%	
6. Support local councillors in developing their role as community leaders and in doing so helping communities to take a greater role in resolving issues that are important to them.	10%	

7. Develop effective internal and external methods of communicating information to all stakeholders	5%	
8. Participate in existing networks and groups and provide feedback to stakeholders as relevant	5 %	
9. Support community organisations to recruit staff and volunteers and assist to provide relevant training and development opportunities.	5%	
<p><i>To ensure that service delivery complies with current regulations, accepted professional standards, the Council's policies and procedures and appropriate legislation. This includes legislation on equalities, health and safety and safeguarding children and vulnerable adults.</i></p>		
<p><b>Supervision and management</b></p>		
<p>No supervision or management function.</p>		
<p><b>Resources</b></p>		
<p>No allocated budget</p>		
<p><b>Contacts and relationships</b></p>		
<p>The post holder reports to the Community Engagement Manager and will work closely with Community Engagement Officers in the community team. There is also a requirement to work with Officers from a variety of teams across the Council on issues pertinent to the development.</p> <p>The post holder will support local councillors in developing their role as community leaders and in doing so helping communities to take a greater role in resolving issues that are important to them.</p> <p>The role has a high degree of contact with members of the public, representatives from the developers and other invested stakeholders. Therefore the post holder needs to be able to communicate effectively and respond accordingly to situations that they are presented with.</p>		

<b>Working environment</b>
The nature of this role will require the post holder to work from Beech Hurst and also on site at <i>location</i> delivering a range of community based activities alongside some desk based work.

<b>CRITERIA</b>	<b>ESSENTIAL/ DESIRABLE</b>
Everything included in this section needs to be able to be objectively measured in one of the following ways: application form, certificates, testing, interview or references.	
<b>Educational and professional qualifications</b>	
Community Development qualification	E
<b>Knowledge</b>	
<ul style="list-style-type: none"> <li>• Good understanding of community engagement techniques and how to deliver them in practice</li> <li>• Understanding of local environment and influencing factors</li> </ul>	E D
<b>Experience</b>	
<ul style="list-style-type: none"> <li>• Working with community and voluntary groups</li> <li>• Experience in setting up and supporting groups and activities</li> <li>• Experience of collaborative working with organisations to deliver outcomes for communities</li> </ul>	E E E
<b>Key skills</b>	
<ul style="list-style-type: none"> <li>• Organisational skills</li> <li>• Ability to communicate using a variety of media (e.g. verbal, written)</li> <li>• Ability to project manage events</li> <li>• Ability to undertake consultations</li> </ul>	E E D E
<b>Personal qualities and behaviours</b>	
<ul style="list-style-type: none"> <li>• Commitment to TVBC values</li> <li>• Good interpersonal skills</li> <li>• Commitment to achieving positive results</li> </ul>	E E E

<ul style="list-style-type: none"> <li>• Personal integrity</li> <li>• Committed to equality of opportunity</li> <li>• Self-motivated and ability to work on own initiative</li> </ul>	<p>E E E</p>
<p><b>Other Factors</b></p>	
<p>Politically restricted post Enhanced Disclosure and Baring Service check required Evening and weekend working required Elements of lone working Must be able to travel to Hampshire wide locations and occasionally to further locations some of which may not be easily accessible by public transport</p>	
<p><b>Corporate Responsibilities</b></p>	
<p>All employees are required to adhere to corporate policies, procedures and codes of conduct; full details can be found on the intranet or from your line manager. Particular aspects include:</p> <p><b>Health and Safety</b> - Every employee while at work has a duty to take reasonable care for the health and safety of himself/herself and of other persons who may be affected by his/her acts or omissions at work - Health and Safety at Work Act 1974.</p> <p>All employees are required to adhere to the Council's corporate policy, procedures associated with their duties and to undertake tasks/training in that context, as required.</p> <p><b>Safeguarding</b> - This Council is committed to safeguarding and promoting the welfare of children and young people and vulnerable adults and expects all employees and volunteers to share this commitment, and to adhere to the Council's Safeguarding Policy.</p> <p><b>Equalities</b> – This Council is committed to providing equal opportunities for all. We believe that employing people from different backgrounds with a range of perspectives and experiences helps us to deliver high quality services to all our residents. We employ people based on their abilities and potential, regardless of any protected characteristics.</p> <p><b>Social Media</b> - Employees are required to adhere to social media corporate policies and to undertake tasks/training in that context as required. Employees must not bring the Council into disrepute through their use of social media either personally or on behalf of the Council.</p> <p><b>Financial</b> – Employees are required to adhere to the Council’s financial regulations and to undertake tasks/training in that context, as required.</p>	

**Risk Management** - Employees are required to adhere to the Council's risk management strategy and to undertake tasks/training in that context, as required.

**Data Protection and Data Security** - We hold and process information about our customers and as such we are legally obliged to protect that information. Data protection is important for the Council, and employees are required to understand and adhere to relevant policies and procedures.

## **ITEM 10      Test Valley Local Development Scheme (2022)**

Report of the Planning Portfolio Holder

### **Recommended:**

- 1. That the Test Valley Local Development Scheme (2022) be updated in accordance with the timetable set out in the report.**
- 2. That the Head of Planning Policy and Economic Development, in consultation with the Planning Portfolio Holder, be authorised to make changes of a minor nature to the Test Valley Local Development Scheme prior to publication.**

### **SUMMARY:**

- The purpose of this report is to seek approval to amend the Local Development Scheme to reflect the amended timetable for the Local Plan.

## **1 Introduction**

- 1.1 The current Local Plan, adopted in January 2016 has a plan period which runs to 2029. The Council has commenced the process of preparing the next Local Plan 2040. The Council adopted its current Local Development Scheme in September 2021 which sets out the approach and timetable the Council will follow in the preparation and adoption of planning policy documents, including the Local Plan. The most recent stage in the Local Plan's preparation was a draft Regulation 18 Stage 1 consultation undertaken between 11 February and 8 April 2022.
- 1.2 The purpose of this report is to set out the reasons for reviewing the timetable of the Local Plan 2040 and thus to seek approval for a revised timetable. This will lead to the need to update the LDS.

## **2 Background**

- 2.1 It is a legal requirement for the Council to publish a Local Development Scheme setting out the approach and timetable for preparing future Development Plan Documents (DPD) which form part of the Development Plan, and to keep it up to date.
- 2.2 The current LDS states the next stage of the Local Plan, draft Regulation 18 Stage 2 consultation, is scheduled for Q4 2022 however since the current Local Development Scheme was adopted in 2021, there has been a change in a key factor relating to ensuring an iterative plan making process is undertaken, which leads to a need to review the timetable going forward.

- 2.3 Plan making needs to be an iterative process to ensure evidence and engagement outcomes inform the plan and ensure the plan's policies and sites contribute to the achievement of sustainable development. The National Planning Policy Framework states local plans should be positively prepared, shaped by engagement and underpinned by relevant and up to date evidence. Reflecting this, we are undertaking a series of technical evidence studies and engagement to inform the proposals in the Local Plan including evidencing our site allocations.

#### Planning Reforms and Regeneration and Levelling Up Bill

- 2.4 Since public consultation concluded on the draft Local Plan Regulation 18 Stage 1, the Government have published the Regeneration and Levelling Up Bill (May 2022). The Bill proposes changes to plan-making in the future which will be set out in regulations in due course for public consultation. The Government are still intending to progress with a 30 month timescale to produce a Local Plan through these regulations however the Government recognise that local planning authorities will require time to transition to the new system. No guidance has been issued as to when these transitional arrangements will be published including timescales for public consultation upon them.
- 2.5 The implications presented from changes to national policy and legislation are out of our control and not unique to Test Valley. We will need to keep the proposed changes under review and once further details are known, and depending on its implications for us, we may need to review and pause progress to consider whether these changes have an impact on the timetable or content of the draft Local Plan 2040.

#### Duty to Co-operate

- 2.6 We are working with our neighbouring authorities under the duty to cooperate on strategic across boundary matters. Of particular relevance is the work being undertaken through the Partnership for South Hampshire including on an updated Statement of Common Ground (SoCG). An updated timetable is expected to be considered by the PfSH Joint Committee in December 2022. This work will inform the proposals within the draft Local Plan including ongoing work on meeting housing needs across South Hampshire.

### **3 Corporate Objectives and Priorities**

- 3.1 The Local Plan is a key policy document for the Council in respect of delivering our corporate objectives set out within the Corporate Plan and has continually been identified within the Corporate Action Plan. It will set out the planning policy framework for protecting and enhancing the environment, and making provision for new housing, employment, community facilities and other land uses, to meet the needs of our communities. It will have a key role in delivering the Council's priorities through providing a planning policy framework to support the emerging proposals of the town centre masterplans and the actions needed to address the climate emergency.

## **4 Consultations/Communications**

- 4.1 The revised timetable would enable further time to be provided to undertake the necessary evidence base studies to ensure it can be demonstrated that the proposals in the Local Plan are contributing towards achieving sustainable development through an iterative plan making process. The proposed approach would also provide the opportunity to reinforce the Council's commitment to enable greater engagement with communities and organisations. It would also allow for the work progressing on the masterplans for both Andover town centre and south of town centre, Romsey to inform the draft Local Plan. The Local Plan will sit alongside current and future community-led Neighbourhood Plans, in providing the future Development Plan for the Borough.

## **5 Options**

- 5.1 The key options for the timetable for the Local Plan are as follows:

- Approve recommended revised timetable; or
- Continue with the current agreed LDS timetable; or
- Consider alternative timetables which provide a longer timetable

## **6 Option Appraisal**

- 6.1 The revised timetable of the Local Plan is considered necessary to ensure an iterative plan making process can be undertaken to ensure the Local Plan's proposals contribute towards achieving sustainable development. We have commenced a series of evidence-based studies, including, but not limited to, landscape sensitivity analysis, viability assessment, strategic flood risk assessment, and transport assessment. However the latter, the transport assessment, will not be completed in time to inform the proposals within the Regulation 18 Stage 1 draft in accordance with the current timetable. Without this evidence, it does not give the Council the ability to assess the likely highway impacts that may arise from preferred site allocations.
- 6.2 This also has knock on implications for other evidence studies due to dependency on this key piece of evidence; this is the air quality assessment and the Habitats Regulations Assessment. The air quality assessment requires likely traffic movements arising from the proposals in the draft Local Plan, to be able to assess impact on air quality. The Habitats Regulations Assessment (HRA) is dependent on the air quality assessment to be able to screen and assess air quality impacts on the integrity of European Designated Sites. The scope of assessing air quality impacts within the HRA will not be able to be undertaken to inform the Regulation 18 Stage 1 draft in accordance with the current timetable.

- 6.3 National policy and the Habitats Regulations require evidence to be undertaken and feed into the Regulation 19 stage of the Local Plan. Therefore not having this evidence to feed into the Regulation 18 Stage 2 document, is technically acceptable however it does pose a risk that we would not have all technical evidence to inform our preferred sites and their likely impact on highways and thus whether, on balance, they will be contributing to achieving sustainable development.
- 6.4 The revised timescale would also provide the opportunity to have further time to undertake further engagement with stakeholders and the community. By maximising the potential for an iterative plan making process to be undertaken through evidence and engagement, will increase the likelihood of overcoming outstanding matters and reduce likelihood of objections from statutory consultees.
- 6.5 In relation to national planning policy and potential changes, the Regeneration and Levelling Up Bill has scaled back the level of change compared to initial proposals set out in the Planning White Paper back in August 2020, however they will still have an impact on plan production. The timescale for progressing these changes through national legislation and identifying transitional arrangement for plans under progress, is unclear. Transitional arrangements set out the timescales for when the current planning system will apply to plan making and when the new planning system will apply to plan-making. This will have an impact on how the Local Plan is prepared. The revised timetable of preparing the Local Plan could increase the risk of not being within the transitional arrangements.
- 6.6 Alongside the preparation of the Local Plan, we will still need to monitor our five year housing land supply (HLS). The calculation of the latest HLS position (as at April 2021) is 5.72 years for Northern Test Valley and 7.18 years for Southern Test Valley and work is underway to update this position. The risk of not maintaining a 5YHLS can increase, the longer the Local Plan takes to adopt. If required, the Adopted Local Plan, at paragraph 5.103 includes a number of contingency measures which could be brought forward by the Council if considered needed to supplement our supply.
- 6.7 As explained above, the revised timetable does present increased risks because the Adoption date of the Plan is further away. This relates to potentially not being within the transitional arrangements for applying the current planning system for plan making and of maintaining a 5YHLS. The National Planning Policy Framework (NPPF) (para.11) sets out that where the most important policies for determining planning applications are out of date a 'presumption in favour of sustainable development' applies. As the local plan ages and fresh guidance/new case law is produced there may be increased challenge from applicants/developers that the policies are out of date. This risk will remain until the Local Plan is Adopted. To reduce this risk, the Council has undertaken a five year review of the adopted Local Plan to ensure that policies remain relevant. This review was undertaken using the PAS Toolkit and was approved on 10<sup>th</sup> March 2021 by Cabinet.

- 6.8 Continuing with the current approved timetable would provide less risk in terms of potentially not being within the transitional arrangements for applying the current planning system to local plan making, and of maintaining a 5YHLS, purely because the Adoption date of the Plan is sooner. However there is a risk posed by this option in relation to ensuring an iterative plan making process can be undertaken and having sufficient technical outputs to ensure proposals contribute towards achieving sustainable development. This does have a knock on risk of receiving objections from statutory consultees through public consultation on the Regulation 18 Stage 2 draft.
- 6.9 An alternative longer timetable could be considered. This would result in Regulation 18 Stage 2 taking place post Q3 2023. This timetable would provide the opportunity to enable an iterative plan making process and the benefits associated with this, as explained in paragraph 6.2 above. However the risks associated with the recommended option, would be increased.
- 6.10 The Government’s target remains for all local planning authorities to have an up to date local plan in place by end of 2023, identified in ‘Planning for the Future’ March 2020. The Government have stated they will prepare to intervene where local authorities fail to meet this deadline, in accordance with existing statutory powers which will be considered on a case by case basis. This deadline was further emphasised in Planning Update Written Ministerial Statement in January 2021 including the use of statutory powers where needed. However subsequent to the Regeneration and Levelling Up Bill, there has been no further guidance on the deadline for having an adopted plan although it still remains in place. None of the options for the timetable will meet this timescale, however the revised timetable is a little further away from this target than the current timescale.
- 6.11 The revised timetable provides a balance of still making positive progress on the Local Plan but provides further time to undertake an iterative plan making process to ensure the Council has the appropriate evidence to demonstrate proposals contribute towards achieving sustainable development. The options for the timescale are set out in table 1.

Table 1: Options for Local Plan Timetable

	Recommended Revised timetable	Current agreed timetable (LDS - September 2021)
2022 Q1	Public Consultation on Regulation 18 Stage 1	Public Consultation on Regulation 18 Stage 1
2022 Q2		
2022 Q3		
2022 Q4		Democratic Sign Off and Public Consultation on Regulation 18 Stage 2
2023 Q1		
2023 Q2		
2023 Q3	Democratic Sign Off and Public Consultation on Regulation 18 Stage 2*	
2023 Q4		Democratic Sign Off and Public Consultation on Regulation 19

	Recommended Revised timetable	Current agreed timetable (LDS - September 2021)
2024 Q1		
2024 Q2		
2024 Q3	Democratic Sign Off and Public Consultation on Regulation 19	Submission
2024 Q4		Examination
2025 Q1		
2025 Q2	Submission	
2025 Q3	Examination	Adoption
2025 Q4		
2026 Q1		
2026 Q2	Adoption	

*\*Public consultation will go into Q4*

## **7 Risk Management**

- 7.1 Failure to agree and implement up to date strategic and local planning documents is recorded as a risk in the Council's Corporate Risk Register. A factor affecting this risk is the time frame for consultation and undertaking the relevant evidence to ensure an iterative plan making process is undertaken to inform the production of the Local Plan. Approval of the proposed timetable and update of the Local Development Scheme would therefore contribute to the mitigation of this risk.

## **8 Resource Implications**

- 8.1 The principal resource in preparing the Local Plan is significant time required from officers within the Planning Policy team and the support required from other services. The cost of delivery, including the commissioning of specialist studies required to update the evidence base, will be met from existing resources.

## **9 Legal Implications**

- 9.1 A Local Development Scheme is required under Section 15, Planning and Compulsory Purchase Act 2004 (as amended by Localism Act 2011) and should be kept up to date.

## **10 Equality Issues**

- 10.1 An EQIA is not needed because the issues covered have previously been considered by Councillors at Cabinet.

## **11 Other Issues**

- 11.1 Community Safety – N/A
- 11.2 Environmental Health Issues – N/A

11.3 Sustainability and Addressing a Changing Climate - Sustainability is a fundamental element of the planning system and is incorporated within any future planning decision. In addition the Council is required to undertake a Sustainability Appraisal on the proposals within the Local Plan to ensure sustainability is embedded within the Local Plan. Both mitigation of the impact of development on climate change, and adaption to the impacts of climate change, will be issues which the Local Plan will seek to take into account, as well as responding to the declared climate emergency.

11.4 Property Issues – N/A

11.5 Wards/Communities Affected - All

**12 Conclusion and reasons for recommendation**

12.1 The report outlines the reasons for reviewing the timetable for the Local Plan. In light of these, it proposes a revised timetable to be reflected within an updated Local Development Scheme along with any other relevant updates required to the Local Development Scheme.

Background Papers (Local Government Act 1972 Section 100D)

[Revised Local Plan \(DPD\) | Test Valley Borough Council](#)

[Local Plan 2040 Regulation 18 Stage 1 \(13\).pdf](#)

[LDS Jan 2021 v3 \(3\).pdf](#)

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:	pp1
(Portfolio: Planning) Councillor P Bundy			
Officer:	Clare Roberts	Ext:	8110
Report to:	Cabinet	Date:	26 October 2022

## ITEM 11                      **Evaluation of New Neighbourhoods**

Report of the Planning Portfolio Holder

### **Recommended:**

**That the outcomes of the Corporate Action Plan project 'Evaluation of New Neighbourhoods' be noted and the actions contained within the Annex to the report be approved.**

#### SUMMARY:

- A Corporate Action Plan project, which evaluated significant allocations of residential development referred to as New Neighbourhoods, has been undertaken. This report summarises the process, the lessons learnt and the actions to take forward.

### **1 Introduction**

- 1.1 Through the Local Plan process the Council has brought forward significant allocations of residential development in the form of new neighbourhoods. These allocations look to provide more than housing numbers but establish new communities and infrastructure. The planning, delivery and implementation of a new residential areas takes a considerable amount of time, resource, experience and the advice of different professionals from both within the Council and external consultees.
- 1.2 As part of the Corporate Plan the Council has evaluated the new development areas in the borough as part of its commitment to ensuring that new residential developments will meet the highest quality standards in the homes they provide and the environment they create.
- 1.3 The purpose of this report is to outline the evaluation process and its outcomes and future actions.

### **2 Background**

- 2.1 The Corporate Action Plan project to evaluate the new development areas in the borough commenced as part of the previous Corporate Plan 2015 – 2019 (Enjoy theme). The Evaluation of New Neighbourhoods Project was carried forward into the current Corporate Plan 2019 – 2024 with the aim of completing the evaluation along with helping to inform the drafting of the next local plan and in the delivery of strategic sites.
- 2.2 The evaluation covered three broad areas. These were:-

- 1) Evaluation of the quality of the built environment of new neighbourhoods;
- 2) Creating communities through the evaluation of the Community Development Workers (CDW); and
- 3) To review the process of the implementation of new neighbourhoods.

2.3 The Local Government Association undertook a corporate peer challenge in October 2018. The report highlighted the Council's positive track record of housing and infrastructure delivery including the community development worker role; green infrastructure and community buildings.

### **3 Corporate Objectives and Priorities**

3.1 The Evaluation of New Neighbourhoods Project was carried forward into the current Corporate Plan 2019 – 2024 under the 'People' section where the objective is "Creating communities that have the infrastructure and accessibility to meet the needs of a changing and growing population. Establishing attractive, sustainable and vibrant communities for people to live, work and enjoy." The aim was to complete the evaluation along with helping to inform the drafting of the next local plan and in the delivery of strategic sites.

### **4 Consultations/Communications**

4.1 At the start of this project a cross service review board was established. This allowed officers to review the quality; review the Community Development Worker role and map the full implementation process. The last element helped to identify the stages that need to be undertaken and the experiences of officers in delivering sites. The outcomes of the board were supplemented by two public workshops and an OSCOM sponsored Councillor workshop (held in 2022) that helped officer to understand members experiences.

### **5 Options**

5.1 This report summarises the outcomes of the evaluation of the new neighbourhood project. The option to consider is whether to endorse the recommended actions as summarised in section 6 and detailed in the Annex.

### **6 Option Appraisal**

6.1 The evaluation of new neighbourhood's project represents an opportunity to learn from several developments which have been delivered over a long period of time. This section summarises the lessons learnt under three broad areas: Assessing the quality of the built environment; Creating communities; and Reviewing the process of implementation of new neighbourhoods.

#### Quality of the built environment

6.2 In assessing the physical form of the development and how developments work on the ground, Officers undertook a desk-top assessment of the Abbotswood new neighbourhood in Romsey using the Building for Life (BfL) guidance in December 2018. The criteria provides a mechanism to identify

and recognise good practice. It does this by promoting basic design principles under the categories of 'integration into neighbourhood; 'creating a place'; and 'street and home'. These have been selected as factors which contribute to the provision of quality new neighbourhoods.

- 6.3 Whilst recognising that each development is different, Abbotswood provided a good benchmark for comparison with East Anton (Augusta Park) and Picket Twenty because of the similar age of the developments. These were established against comparable planning policies and practices of that time and were all constructed by volume house builders.
- 6.4 In summary, Abbotswood performed well against each of the categories in the BfL guide. It afforded residents opportunities to be active and interact with one another in terms of the quantity and quality of public open space; ability to enjoy the natural environment; and the ease with which to travel through the site via the network of paths and cycleways.
- 6.5 Where Abbotswood did not perform as well as anticipated was against the 'creating a place' category. Making sense of the site and navigation is challenging due to the lack of character areas to help distinguish the transition through the site. For example street corners on the main route tended to look more like the kind of corners to be expected in a quieter street resulting in a confusing hierarchy of streets.
- 6.6 In March 2019, the Council hosted a workshop with Abbotswood residents to test some of the principles in the BfL guidance. The purpose of the workshop was for residents to identify what they liked about living on Abbotswood and what they thought could be done better if the area was being designed now. In general, residents enjoyed living on Abbotwood. They enjoyed the quantity and variety of public open spaces that have been provided including the Area of Nature Conservation, as well as the footpath and cycle linkages to and from the estate towards Romsey town centre. Residents also appreciated the provision of a local centre for everyday needs but were disappointed that a pub operator had not come forward. Residents also found the issue of parking, particularly the poor use of parking courts, and parking on pavements a key concern. Much of this they saw as linked to poor location and design of parking courts, insufficient parking for each property and how people chose to use their garages.
- 6.7 Comparable experiences were also raised during the East Anton public workshop in 2022 in that there was support for the number and scale of open space and recreation facilities on-site along with frustration that certain commercial facilities were not coming forward. Both sets of residents raised their frustration with the private maintenance companies responsible for those areas or infrastructure, such as roads, which had not been transferred to the Council.
- 6.8 The Council has success in bringing forward new communities with the BfL assessment and the practical experiences provide valuable insights. These can help inform both the negotiation and implementation stage of the planning process. Inevitably there will be legacy issues which are as a result of the

evidence and national planning guidance at that time of negotiation. These along with the change in requirements and design principles will likely alter over the course of delivering a new neighbourhood. However, lessons can still be learnt and changes made to Council practice and future local plan policies. These have been included within the actions in the Annex.

### Creating Communities

- 6.9 To successfully create a community more is needed than physical infrastructure. The Council introduced the Community Development Worker role to work with new communities to bring residents together and to integrate new residents within the wider community. It is unusual for Councils to have such a post and as part of this project officers evaluated their role in creating communities.
- 6.10 Community Development Workers (CDW) are a temporary role funded through developer contributions. The length of their contract is aligned with the duration of the construction of the development. They support the creation of the community association to take over the role of community activities and managing any community hall being delivered as part of the scheme. This helps enable local people to play a leading role in establishing a programme of community activities.
- 6.11 Developers also value CDWs. Often they are the first port of call for enquiries and liaise between residents, developers and other statutory bodies, saving them time and money. Over time, developers have seen how a CDW can add value in creating the community. This was demonstrated by Persimmon who as part of the Picket Twenty Extension offered to pay the contribution for the CDW up front.
- 6.12 The evaluation has helped to reinforce the justification for continuing to seek the provision of CDW. It is proposed that as part of the forthcoming Infrastructure and Developer Contributions Supplementary Planning Document that this post continues to be sought from future significant residential development.

### Review the process of implementation of new neighbourhoods

- 6.13 The delivery and implementation of a new neighbourhood takes a considerable amount of time, resource, experience and advice of different professionals from both within the Council and external consultees e.g. Hampshire County Council. Broadly the evaluation fell into three areas – process, monitoring and delivery.

#### *Involvement in the planning process*

- 6.14 The planning process is a complex one. There are milestones in bringing sites forward however the time taken, complexity and requirements vary from site to site. Mapping this process has identified the stages where relevant services around the Council ‘plug into’ that process. The purpose of this is to identify at what stage the relevant professional elements of the Council are

involved in negotiations with developers. Ideally this is at the earliest possible stages so that all parties, and particularly developers, understand the various requirements of the Council in delivering new development.

- 6.15 A clear evidence base and justification is required in order to secure infrastructure and other obligations. To seek contributions or works which go beyond making the development acceptable in planning terms would be contrary to legislation (see section 9). The Council's Infrastructure and Developer Contributions Supplementary Planning Document is being reviewed and this would form one of the tools in seeking such contributions/works.
- 6.16 There is a strong commitment to joint working across the Council to deliver successful new neighbourhoods through the project implementation groups which have been set up. The delivery of new neighbourhoods is an iterative process and continuous dialogue is required. However, as the delivery of developments of this scale take a long period there may inevitably be a change of officers involved. On occasion this can create a gap in understanding between what was expected versus what is being delivered especially given that circumstances and requirements may change. The benefit of individual services developing procedure notes and resource requirements will also help support the delivery of large developments.
- 6.17 An important element of the planning process is the completion of the necessary legal agreements particularly the S106 agreement. Whilst each agreement may differ in terms of content and requirements the review has recognised the merit in developing clauses and templates to be used in S106 agreements. This includes the specifications for infrastructure delivery that are annexed to the agreement.

*Monitoring of Section 106 agreements*

- 6.18 When drafting S106 agreements the number of dwellings completed is often used as a trigger to implement a particular obligation. Many legal agreements contain clauses which require the developers to provide monitoring updates on dwelling completion rates and significant milestones in delivery. This is used to not only ensure that infrastructure requirements are being delivered but also as a useful tool to help guide work programmes and supporting evidence for housing land supply calculations.
- 6.19 An issue that was highlighted through the review was the effectiveness of monitoring S106 agreements. This was in terms of the trigger point for payment and later use of contributions and ensuring compliance with the obligations contained within the S106.
- 6.20 The introduction of the Exacom computer monitoring system provides a clearer mechanism to monitor developer contributions and obligations for all Services. It is also a useful tool to help the Council produce the Infrastructure Funding Statement, a summary of all financial and non-financial developer contributions that have been secure over the course of a given financial year.

*Delivery of Infrastructure and Local Facilities*

- 6.21 Through the Council's work with developers, there has been successful delivery of local centres in Test Valley's new neighbourhoods. A range of facilities, both commercial and community, have been delivered that meet the needs of the new developments they are intended to serve as well as helping to support existing adjoining communities. Resident events held in Abbotswood in 2019 and East Anton in 2022 provide a picture of the successes and frustrations with the infrastructure and facilities. These exercises help with identifying where improvements can be made and lessons learnt.
- 6.22 The review recognised that on occasion there is delay with assets being transferred to the Council. This is as a result of the works (i.e. construction of facilities, planting etc) not being to an acceptable standard that complies with the S106 and other conditions. This results in additional workload pressure on officers from several services to resolve these issues. The Council's approach of co-operating with the developers and their contractors to resolve issues does have its benefits however the review has identified several areas of improvement.
- 6.23 There is the need to consider other courses of action to remedy any issues at an earlier stage. To help do this, and to complement the Exacom system, it is proposed to create a 'S106 compliance' post. This role will sit within the Planning Enforcement team within the Planning & Building Service and have the task of proactively monitoring, checking and helping to enforce legal agreements.
- 6.24 There is also the need to have clearer specifications of works within the S106. Given the time span between agreeing the S106 and delivering works it is important to have a degree of flexibility with the details of particular infrastructure because the requirements may change e.g. internal details of community halls. However, not having sufficient detail causes delay with delivery as the specifics are negotiated between the relevant parties. Therefore, it is proposed that processes are established to more effectively set out and confirm the requirements with developers at an earlier stage.
- 6.25 This issue is connected with the need to protect the Council's interests where ongoing liabilities are transferred to the Council upon adoption of assets. This is secured through appropriate checks prior to transfer and agreeing commuted sums to cover future maintenance costs.
- 6.26 Between allocating the site, negotiation of the S106 and detailed applications for the local centres there may be a significant lag time. In some cases this may be over 10 years. When listing the local centre requirements within policies and S106 it was based on the available evidence at the time of the grant of planning permission and from the Council's successful delivery of the local centre at Valley Park. During this period the requirements from statutory

consultees and the market may change to such an extent that what was originally sought is no longer required or deliverable and as such alternative uses are applied for. This is often frustrating to communities who may have purchased their property expecting (based on the sale particulars of the developer) that certain facilities to be delivered.

- 6.27 The S106 agreements set out the range of uses secured and the measures required to be satisfied to cascade down to an alternative residential use to be brought forward should evidence be demonstrated that the original uses are no longer required. This is completed via a marketing strategy the structure of which is agreed with the Council in advance. The marketing strategy is based on evidence of commercial demand and marketing. The review identified the desire to push for the delivery of the permitted uses and widen the scope of potential alternative uses. There has to be a degree of reasonableness for how long the uses are marketed before alternatives are considered. There are also limits on what restrictions the Council can include within the S106 to require developers to explore alternative options for that land which is safeguarded for a particular use. Legal agreements need to be reasonable and if they are too restrictive or flexible, developers are unlikely to be willing to enter into it. However, there is merit in investigating what measures can be incorporated into future S106.
- 6.28 The securing of a specified mix of uses with more detailed arrangements for marketing and a stepped approach for alternative uses is something that could be explored further to ensure that flexibility in the event of changes in the market. However this is likely to receive push back from developers because of restricting their ability to secure the best value from the site. Even with such arrangements in place given the time period between negotiation of the S106 and implementation and the change in requirements there still may be occasions where sites identified for community/commercial facilities are developed for alternative uses. There is also opportunity to explore the introduction of clauses in S106 agreement which allow for either a financial contribution to be triggered as an alternative to land being safeguarded for a particular use. This option would be attractive for those uses where some type of provision may be required however the providers are uncertain about the form that this should take, especially given the timeframe between agreeing the S106 agreement and implementation.
- 6.29 Sharing information with members through the early stages of the planning application process helps in gaining an understanding of the process, complexity and parameters in which the authority is working. Raising awareness via briefing sessions is vital for members to gain an understanding of this. Members were positive at the workshop about the willingness to have a greater level of involvement during the early stages of the planning process. For example the bi-monthly Whitenap members board also provides a good forum for officers to update local members on a without prejudice basis. This process aids with the communication and understanding and is proposed to be repeated for future strategic applications.

- 6.30 Throughout the evaluation it was recognised that it would be important to monitor and review the lessons learnt and to record any further action which would help secure even better new neighbourhoods for our communities.

## **7 Risk Management**

- 7.1 An evaluation of the risks indicate that the existing controls in place or those which are proposed to be introduced limit the risks that may arise when delivering a new neighbourhood.

## **8 Resource Implications**

- 8.1 The actions identified from the project are predominantly linked to improving our existing ways of working and can therefore be met from within existing budgets. There are existing internal implementation groups with representatives from various services. It is this group which will monitor progress against the actions in the Annex.
- 8.2 Further work is required on the budget implications for the creation of the S106 compliance officer post.

## **9 Legal Implications**

- 9.1 Planning obligations can be secured through Section 106 of the Town and Country Planning Act 1990. When seeking planning obligations it is necessary to be in compliance with the three tests contained within Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended). These tests are to ensure that obligations are only sought to make a development acceptable in planning terms; are directly related to the development; and are fair and reasonably related in scale and kind to the development.

## **10 Other Issues**

- 10.1 Sustainability and Addressing a Changing Climate – the outcome of the project will help to continue to secure sustainable new neighbourhoods within the borough.
- 10.2 Property Issues – part of the lessons learnt relate to where built assets (such as sports pavilions) are transferred over to the Council.
- 10.3 Wards/Communities Affected – the lessons arising from the project can help communities across the borough.

## **11 Conclusion and reasons for recommendation**

- 11.1 Through the Local Plan process the Council has brought forward significant allocations of residential development in the form of new neighbourhoods. As part of the Corporate Plan the Council has evaluated the new development areas in the borough as part of its commitment to ensuring that new residential developments will meet the highest quality standards in the homes they provide and the environment they create. The evaluation has identified a series of actions which will help improve the process of delivering the Borough's future new neighbourhoods.

<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: Planning) Councillor P Bundy			
Officer:	Graham Smith	Ext:	8141
Report to:	Cabinet	Date:	26 October 2022

## Evaluation of New Neighbourhoods

No	Action	Responsible Officer/s or lead Service	Implementation/ Timescale
1	To factor in the principles and outcomes of the Building for Life exercise within the drafting of local plan policy, possible design codes and site specific allocations.	Planning Policy and Economic Development and Planning & Building Service	Linked to Local Plan timetable and preparation and bespoke supplementary guidance as required
2	Infrastructure and Developer Contributions Supplementary Planning Document to be produced including A) justification for Community Development Worker post; B) Site inspections - Charge to be included in S106 for site visits or for consultant employed by TVBC.	Planning Policy and Economic Development Service and Community & Leisure Service	Draft completed and consulted upon by end of 2022. Adoption Q1 2023
3	Incorporate process lessons learnt into current working practices and procedures. To introduce processes via Service Management Team and Strategic Implementation meetings and ensure commitment to these as an agreed framework within which to work.	Planning & Building and all consultee Services	To be introduced now. Implementation via Service meetings and Implementation Groups

No	Action	Responsible Officer/s or lead Service	Implementation/ Timescale
4	<p>Populate and integrate use of Exacom as the main tool for implementation and monitoring. Data from implementation spreadsheets to be transferred to Exacom to provide a centralised dataset accessible for all consultee Services.</p> <p>Further consideration to be given to Training, Resources and IT infrastructure.</p> <p>All S106 clauses and triggers to be logged on Exacom and Obligation Tracker upon completion of each agreement going forwards.</p>	Planning & Building Service	<p>Populate Exacom underway.</p> <p>Training to be provided by end of 2022.</p>
5	Create a S106 Compliance Officer post	Planning & Building Service	Completed by end of 2022
6	Continue to establish Project Board for each development (as outlined in Local Plan) once development timescale known. Include all who would need to be involved in the Implementation Group.	Planning Policy & Economic Development Service	Linked to timescales in Local Plan

No	Action	Responsible Officer/s or lead Service	Implementation/ Timescale
7	<p>Consider, scope and record potential requirements as part of delivering new neighbourhoods. To include:</p> <ul style="list-style-type: none"> <li>• Budget and resource implications for negotiation, monitoring and whether outsourcing is required.</li> <li>• Design Guides</li> <li>• Whether Planning Performance Agreement required</li> </ul> <p>Any requirements to be agreed with and approved by the Project Board. <i>NB: Not all sites will necessarily need the same approach.</i></p>	<p>Joint lead – Planning &amp; Building and Planning Policy &amp; Economic Development in consultation with Legal &amp; Democratic</p>	<p>Linked to timescales in the Local Plan</p>
8	<p>Standard design requirement for built facilities and open space to be produced which includes a full specification/brief, amount and timeline.</p>	<p>Property &amp; Asset Management Service and Community &amp; Leisure Service</p>	<p>To be triggered following identification of sites and future infrastructure requirements and in advance of delivery</p>
9	<p>Via Implementation Group officers to continue to monitor infrastructure obligations (including affordable housing) and Heads of Term for S106 (and be regularly reviewed from this point forwards).</p>	<p>Implementation Group</p>	<p>Monthly meetings of implementation group. Timescale also linked to population of exacom system</p>

No	Action	Responsible Officer/s or lead Service	Implementation/ Timescale
10	<p>Built facilities - Consultee Requirements template to be produced (to accompany draft specification and Pro-forma consultation form) to inform negotiation of S106</p> <p>Specification requirements to be agreed including how this meets the Management Model to be used. To include:</p> <ul style="list-style-type: none"> <li>• External Support Requirements</li> <li>• Sustainability Requirements</li> <li>• Warranties</li> <li>• Defects Period</li> </ul>	<p>Implementation Group.</p> <p>Property &amp; Asset Management and Community &amp; Leisure Services</p>	As and when appropriate
11	<p>Built facilities - PAM to lead in calculating community facilities commuted sum (in consultation with C&amp;L) together with any sums to monitor build and sign off. PAM to provide these to C&amp;L</p>	Property & Asset Management/Community & Leisure	As and when appropriate
12	<p>Built facilities - PAM (in consultation with C&amp;L) to review and finalise design requirement before building works commence. Build design to be signed off by both Services.</p>	Property & Asset Management/Community & Leisure	As and when appropriate
13	<p>Built facilities - Production of snagging list (by PAM) to involve C&amp;L in order to confirm specific requests made have been met.</p>	Property & Asset Management	As and when appropriate

No	Action	Responsible Officer/s or lead Service	Implementation/ Timescale
14	<p>Public Open Space &amp; Community Buildings - A standard set of clauses to be produced for the S106 agreement including:</p> <ul style="list-style-type: none"> <li>• Public open space standards/design</li> <li>• Play equipment standard/design</li> <li>• Clause stating that all designs to be signed off by TVBC prior to commencement.</li> <li>• Requirement for employment of consultants to check implementation of SUDS, pitches and built form.</li> <li>• Requirement for “as built” plans to ensure compliance with approved plans (to include level drawings)</li> <li>• Charge for site visits as appropriate</li> <li>• Triggers for inspections</li> </ul>	Community & Leisure Service in consultation with Legal & Democratic Service	As and when appropriate
15	In recognising that requirements may change through the lifetime of delivery, put in place mechanisms for considering cascade of alternative uses within local centres. Also, whether there is opportunity for clauses in S106 agreement which allow for a financial contribution as an alternative to safeguarded land	Planning Policy & Economic Development and Planning & Building Service and Legal & Democratic Service	Linked to the timetable of bringing sites forward in local plan
16	Draft/s and Final S106 agreement to be reviewed by and confirmed by all internal consultees. Any issues to be discussed with Legal and Case Officer	All – Implementation Group.	Ongoing

No	Action	Responsible Officer/s or lead Service	Implementation/ Timescale
17	Continual review throughout the process of S106 standard and non-standard covenants (clauses) to ensure they remain fit for purpose (over longer timescales).	Legal & Democratic Service and Planning Policy & Economic Development Service	Ongoing
18	Continue member engagement and briefing session regarding progress and process of delivery of strategic sites	Planning Policy & Economic Development and Planning & Building Service	Linked to the timetable of bringing sites forward through planning process.
19	To include a 'new communities and infrastructure delivery' session as part of Member induction	Planning Policy & Economic Development; Planning & Building Service; and Legal & Democratic Service	Linked to the timetable for member induction in 2023

## **ITEM 12 Medium Term Financial Strategy 2023/24 – 2025/26**

Report of the Finance and Resources Portfolio Holder

### **Recommended:**

- 1. That the Medium Term Financial Strategy (MTFS) for 2023/24 to 2025/26 be approved.**
- 2. That the Medium Term Financial Forecast, as shown in Annex 5 to the report, be noted.**

### **Recommendation to Council**

#### **SUMMARY:**

- This MTFS sets out the framework within which the 2023/24 budget will be prepared.
- It also sets out the Medium Term Financial Forecast for the General Fund income and expenditure, which will form the basis of the 2023/24 budget.
- The strategy considers the potential impact of macro-economic factors such as inflation and interest rate forecasts and considers the effects they will have on budget planning in the medium term.

## **1 Introduction**

- 1.1** The Constitution sets out the processes for preparing the Council's budget. Cabinet is required to consult with other Committees in formulating the budget proposals to be presented to Council.
- 1.2** The MTFS sets out the key financial assumptions that have been made in producing the Medium Term Financial Forecast and sets out a proposed framework within which to work over the life of the strategy.
- 1.3** All of the options and assumptions in this report relating to any potential budget changes are for indicative planning purposes only. Final decisions on the overall Budget and Council Tax level will not be made until February 2023 once the Local Government Finance Settlement has been announced. These decisions can only be made by Full Council.

## **2 Background**

- 2.1** This MTFS complements the Council's Corporate Plan and sets out a framework for financial decision making. The Corporate Plan makes clear what the Council's priorities are, and the MTFS sets out how the financial management process will contribute to delivering these priorities.

2.2 The MTFS has been produced at a challenging time for the Council's finances. Some of the most significant factors include:

- The re-setting of the business rates baseline is still awaited. This could affect almost £3M per annum of retained business income and has been due since 2017. This forecast assumes that no changes will be made that will affect the 2023/24 financial year.
- Inflation is at a decades-high level and will increase the budget requirement for the medium term beyond levels previously assumed.
- Interest rates have begun to increase steadily in recent months. This has the potential to increase investment returns from our cash portfolio, helping to close the budget gap.

### 2.3 Business Rates

2.3.1 2013 saw a radical change in the world of local government funding. Localisation of business rates had a profound effect on local authority finances and the level of funding risk that individual authorities face.

2.3.2 Despite being embedded for several years, careful, ongoing monitoring is required to ensure that any potential adverse financial impacts are addressed as soon as possible. This is particularly the case for business rates, where the Council retains an element of the growth within a re-set period.

2.3.3 The re-set has been delayed repeatedly and no certainty has been given as to what will happen to accumulated growth when it does eventually happen. The Council continues to grow its business rates base, so the longer the delay, the greater the risk to the Council's finances.

2.3.4 This strategy assumes that all accumulated growth will be lost at a re-set that comes into effect in April 2024. The potential impact of this, together with ways to mitigate the risk, are discussed later in the report.

### 2.4 Interest Rates

2.4.1 In September 2022, the Bank of England increased the base interest rate for the sixth time in the year, with the new rate set at 2.25%.

2.4.2 Market forecasts largely expect further increases to the base rate before the Council sets its 2023/24 budget. These forecasts show a peak in the summer of 2023 before starting to fall back later in the year.

2.4.3 The Council holds a significant cash investment portfolio, with an average portfolio of approximately £70-80M over the medium term. The higher the interest rate that is forecast, the greater the income the Council will generate from those investments.

2.4.4 It is therefore likely that the income generated in 2023/24 will be higher than that expected to be achieved over the remainder of the medium term forecast. Care will be taken not to build this peak in income into the base budget to avoid creating budget pressures in later years.

## 2.5 Inflation

- 2.5.1 One of the primary reasons for the increases in interest rates noted above is its use to combat the very high levels of inflation currently being experienced, particularly with regard to energy costs.
- 2.5.2 Bank of England inflation forecasts show inflation peaking in early 2023 before slowly returning to more typical levels over the next two years.
- 2.5.3 The biggest impacts on the Council's budget will be in terms of pay and energy prices. Despite recent caps being announced, it is forecast that electricity and gas price inflation will be in excess of 100%, adding more than £500,000 to the base budget.

## 2.6 Coronavirus

All known ongoing financial impacts of the coronavirus pandemic have been built into the budget for 2022/23. The most significant budget adjustment that was needed in the current year was in respect of car parking income, which has fallen by approximately £500,000 per annum from pre-COVID levels.

### Other factors affecting the budget

- 2.7 The Council has approved Masterplans that will underpin the regeneration of both the south of Romsey town centre and Andover town centre. Both of these projects will require considerable Council resources and funding – both revenue and capital.
- 2.8 The strategy allows for the building of an earmarked reserve to assist with the required feasibility and design studies necessary for the successful implementation of these masterplans; however, as the timetable and programme for future developments is still being prepared, detailed costings are not contained within the strategy. Council has also approved a top-slice of CIL funding to be ring-fenced for regeneration projects that will help address the funding gap.
- 2.9 As the masterplan projects move towards the delivery phases, it is anticipated that it will be necessary to recruit to new posts that will have the expertise to successfully deliver them. The MTFs makes allowance for that potential growth in the cost base to enable this to happen. Any growth bid will be subject to the usual reporting and approval processes at the appropriate time.
- 2.10 The Council has ambitious targets set out in its Climate Emergency Action Plan. Delivery of these ambitions will require substantial investment in both our existing asset base as well as new initiatives. The timing and total cost of achieving this is far from certain, therefore the MTFs will need to be flexible to enable funding to be identified as projects come forward.
- 2.11 It is unlikely that any real detail will emerge from central government over the next month or so to help inform budget forecasts. However, a focus will be held on news affecting local government that emanates from Westminster.

- 2.12 This MTFS includes a forward look over the next three years, to anticipate additional spending requirements, and the level of savings that will be needed. By anticipating financial pressures now, the Council will be in a better position to meet the challenges ahead in a way that ensures financial resources are targeted to the Council's highest priorities.
- 2.13 The financial forecasts that follow are based on a credible analysis of the potential options, but the potential outcomes are inherently uncertain without answers to the following key questions:
- (a) Will the re-set of the business rates retention scheme be further delayed? If / when it does proceed, how will the treatment of accumulated business rates growth since 2013 be treated? How will the government mitigate the effects of a re-set in the Business Rates Retention Scheme?
  - (b) What funding settlement will local government get in 2023/24? Will the New Homes Bonus and lower tier services grant be continued?
- 2.14 The MTFS forecasts will be revised at least annually to reflect the most up to date issues, priorities and pressures faced by the Council. Further information on any aspect of the Council's finances can be obtained from the Council's [website](#).

### **3 Financial Management Principles**

*"We are an ambitious, innovative and optimistic Council. Operating within an environment in which there is an ever increasing demand on our services within tough financial conditions, we have sought to develop and embed our "investing philosophy" at the heart of how we do business as an organisation. Investing is about more than just money; it is about devoting our energy, skills and resources to achieving the best results for our residents and communities" – "Growing Our Potential" the Corporate Plan 2019-23.*

- 3.1 The Council has a duty to the public for the responsible use of their money. The Council will at all times conduct its financial affairs in a prudent, responsible manner, but in a way that encourages innovation and achieves improvement.
- 3.2 The following specific principles underpin the Council's financial management arrangements:
- (i) The Council will conduct its financial management with integrity, probity and in accordance with the standards and expectations of a publicly funded body.
  - (ii) The Council will ensure that budgets are aligned to the Corporate Plan and based on realistic estimates.
  - (iii) The Council will ensure that consideration is given to addressing a changing climate in the decisions that it takes.
  - (iv) The Council will work with partners in the public, private and voluntary sectors to maximise funding available to deliver strategic priorities.

- (v) The Council will base its decision making upon complete, reliable and timely financial information, and a full evaluation of all the financial and risk implications.
- (vi) The Council will ensure that ongoing funding is available before recruiting new staff and will make use of temporary appointments where this will meet business needs.
- (vii) The Council will secure value for money and have regard to environmental considerations in the procurement of supplies and services.
- (viii) The Council will review its fees and charges and seek only to increase charges by amounts commensurate with increases in the costs of providing those services, unless market conditions render this inappropriate.
- (ix) The Council will hold its managers accountable for remaining within their budgets, but will empower them to take the business decisions necessary to do so.
- (x) Before committing to additional expenditure, the Council will ensure that additional funding, improved income and/or savings are identified to meet the extra costs or that the budget growth is justified.
- (xi) The Council will maintain balances and reserves to enable it to respond effectively to unexpected events and opportunities, and sufficient to meet all known future liabilities.
- (xii) The Council will identify savings to support budgetary pressures and not use its general balances; however, use of earmarked reserves may be made to fund specific or one-off items; or to smooth the impact of major changes to base budget assumptions.
- (xiii) The Council will ensure that its published financial information is reliable and understandable.

#### **4 Budget Strategy**

##### *Financial Strategy Aims*

- 4.1 The Council's financial aims for the period covering the next three years are set out below. These aims are described in detail in this report and form the overarching aims for each budget setting year within the financial strategy period.
- To maintain a comparatively low Council Tax whilst delivering high quality frontline services.
  - To ensure that the efficiency culture remains embedded within the Council, systematically challenging and securing value for money, particularly through digital transformation and making more services available online.
  - To ensure that the Council's resources continue to be focused on meeting the Council's vision for Test Valley and achieving its aims and priorities.

- To ensure that the Council's infrastructure is fit for purpose and that new capital needs are identified and met.
- To ensure that the Council's core ongoing financial position remains stable and continues to support the Council's key aims.
- To continue to seek out new investment opportunities through Project Enterprise, making better use of cash resources to enhance revenue returns.
- To build on the lessons learned through the pandemic by seeking to take advantage of new ways of working.

### Budgetary Assumptions

4.2 The budget over the duration of this Strategy is based on the following assumptions:

#### *Revenue*

- (a) The Test Valley element of Council Tax being increased annually by £5 in each of the next three years.
- (b) The Andover Special Expenses Levy being re-calculated ahead of the 2023/24 financial year and then being adjusted each year in line with the main TVBC precept for 2024/25 and 2025/26.
- (c) The minimum level of working reserves is maintained at £2.6m over the financial strategy period.
- (d) Earmarked reserves to be used for one-off purposes only or to offset the impacts of the business rates re-set.
- (e) The Council continues to make cashable efficiencies every year to sustainably close forecast budget gaps.
- (f) All budget growth pressures to be contained within the estimate set out in paragraphs 6.11 and 6.13.
- (g) No in-year supplementary estimates will be approved by the Cabinet, although a small contingency provision will be available to meet exceptional or extraordinary items of expenditure.
- (h) All other income will be maximised by thorough fees and charges' reviews.

### 4.3 Capital

4.3.1 The Council will maximise the utilisation of, and rate of return on, the tangible assets it holds on its balance sheet.

4.3.2 All capital expenditure will be funded in accordance with the principles contained in the Prudential Code for Local Authority Capital Finance. All decisions on capital expenditure will ensure that investment is prudent, sustainable and affordable, and that the full implications of all capital expenditure decisions are taken into account in the Council's revenue budget.

4.3.3 The Capital Strategy will be updated in February 2023.

4.4 Review of Reserves

4.4.1 Reserves are an integral part of the financial planning process. They are a way in which financial resources can be carried forward from one financial year to another and enable flexibility in financial planning over the medium term.

4.4.2 The nature of most local services is that they require recurring funding to meet staff and running costs year after year. Reserves are a one-off, finite source of funding. They can cover a shortfall in funding for a specific period but, after they have been exhausted, the underlying shortfall will still be there. Solving this problem may require services to be adjusted to a level which is affordable within the level of funding available.

4.4.3 In previous years, the Council has managed to balance the budget and protect frontline services through a mixture of savings, efficiencies and additional income.

4.4.4 In 2022/23, a draw of £250,000 from the Budget Equalisation reserve was approved to phase in, over two years, the impact of reduced car parking receipts as a result of the pandemic. This strategy does not include draws from earmarked reserves to help meet ongoing revenue pressures.

4.4.5 A summary showing the recent trends in reserve levels held by the Council is shown in the following table. A full breakdown of the different reserves held by the Council is published in the annual Statement of Accounts.

<b>Usable Revenue Reserves</b>					
	31/3/19	31/3/20	31/3/21	31/3/22	31/3/23
	£000s	£000s	£000s	£000s	£000s
<b>Usable Revenue Reserves</b>					Forecast
General Fund Balance	2,000	2,604	2,604	2,604	2,604
Future risk / budget equalisation	4,948	4,787	3,835	6,302	4,094
Ring-fenced for specific use	11,829	12,143	13,047	14,217	12,311
New or predicted growth	4,779	7,216	10,282	14,028	15,057
Coronavirus Timing Reserves	0	0	7,716	673	0
<b>Total Usable Reserves</b>	<b>23,556</b>	<b>26,750</b>	<b>37,484</b>	<b>37,824</b>	<b>34,066</b>

4.4.6 The above are cash-backed reserves that the Council can apply to future expenditure subject to statutory conditions.

4.4.7 Notwithstanding the short-term increases in reserves caused by timing differences around a number of COVID grants and business rates reliefs, there is a trend of increasing reserve levels.

4.4.8 This is mainly due to forward planning for major future works, such as the regeneration projects where annual contributions have been made to build a reserve with sufficient capacity to enable project delivery over the medium term. Similarly, the New Homes Bonus has continued to be added to a reserve that can be used to continue funding expenditure such as the Community Asset Fund into the medium term.

- 4.4.9 Unallocated reserves which are held to mitigate future budget fluctuations have remained relatively stable over the period shown.
- 4.4.10 The **General Fund Balance** represents a working balance to help cushion the impact of uneven cash-flows and minimise unnecessary temporary borrowing. It is reviewed annually by the Head of Finance and Revenues and, based on the forecast cash-flows identified in the MTFs, remains at a prudent level. Councillors are recommended to retain a minimum balance in the General Fund of £2.604M.
- 4.4.11 **Earmarked Reserves** are a means of building up funds to meet known or predicted liabilities. The Council maintains a number of revenue earmarked reserves that generally fall into one of the following categories:
- To mitigate the risk of future changes in budget requirements (often referred to as equalisation reserves)
  - For use on future ring-fenced or specifically determined expenditure
  - To finance new or predicted future expenditure requirements
- 4.4.12 Equalisation reserves are held to soften the impact of sudden changes in major income and expenditure headings. This is particularly useful where the Council has no direct control over the macro-economic factors behind, for example, inflation or the timing of a business rates re-set.
- 4.4.13 The Council sets aside funding into service-specific earmarked reserves for a number of reasons. This could be because external grant income has been received and must be used for a specific purpose or to ensure that funding is available for the ongoing maintenance and replacement of Council assets.
- 4.4.14 The two largest examples, as at 31<sup>st</sup> March 2022, were £7.297M in developer contributions for the long term management of adopted open spaces and £3.070M to fund the Asset Management Plan in the current year.
- 4.4.15 The final sub-category of earmarked reserves is those held for future growth. The largest earmarked reserve the Council carries in its balance sheet is the *New Homes Bonus Reserve*. The New Homes Bonus is a grant paid by central government to local councils for increasing the number of homes and their use.
- 4.4.16 The Council has not taken this grant into its base budget, but has instead used the reserve to fund projects that have a demonstrable community benefit, such as the Community Asset Fund and funding playground enhancements through the Asset Management Plan.
- 4.4.17 As well as revenue reserves, the Council also maintains a **Capital Receipts Reserve** from the disposal of assets and transfers from the General Fund. The Capital Receipts Reserve can only be used to fund capital expenditure, to repay debt, or to fund credit arrangements subject to the de minimis level set out in the relevant regulations (currently £10,000). All transactions through this reserve are treated in accordance with the provisions of the Local Government Act 2003.

- 4.4.18 The Head of Finance and Revenues has carried out a detailed review of the Council's usable reserves and looking at current levels of balances, he considers that they will remain adequate for meeting the Council's needs over the medium term, provided that reserves are not used to support an underlying budget gap beyond the very short-term.

## **5 Financial Context**

### Government Funding

- 5.1 Previous Medium Term Financial Strategies have illustrated the dramatic fall that was felt following the Comprehensive Spending Review (CSR) in 2010. This saw this Council's support through the Settlement Funding Analysis (SFA) fall from £7.11M in 2010/11 to £2.34M in 2019/20.
- 5.2 Since 2019/20, the SFA allocation has remained consistent, with the government meeting the negative Revenue Support Grant position that this Council has found itself in since 2020/21.

The budget forecast in this report has been prepared on the assumption that the Government will continue to fund the RSG adjustment (sometimes called "negative RSG") as it did last year.

### Business Rates

- 5.3 The Business Rates Retention Scheme allows Councils to retain a proportion of any growth in business rates income over the baseline amount. The forecasting of business rates income is especially difficult due to the following factors:
- (a) The impact of appeals arising from the national business rates revaluation in 2017/18. A new rating list is being introduced in 2023 which will bring further opportunities for appeals from ratepayers.
  - (b) The potential for further reform of the business rates system. There have been numerous new reliefs implemented in recent years and the entire system is subject to lobbying about its fitness for purpose.
  - (c) The introduction of an updated rating list with effect from 1<sup>st</sup> April 2023 and the impact changes in rateable value will have on businesses' ability to pay.
- 5.4 As a consequence of the uncertainties identified above, a cautious approach has been taken as to the amount of retained business rates that have been built into the forecast for 2023/24.
- 5.5 The strategy assumes that there will be a full re-set of the business rates retained income system, effective from April 2024. A reasonable worst case scenario is that accumulated growth of approximately £2.7M per annum could be lost as a result of this process.
- 5.6 However, it is likely that there will be transitional arrangements for those Councils most negatively affected and it will be possible to draw from a dedicated reserve established to mitigate volatility in business rates income.

The medium term forecast allows for these mitigations in assessing a forecast budget gap for 2024/25 and 2025/26.

- 5.7 An update to these forecasts will be undertaken once the details of the re-set are confirmed.

### Council Tax

- 5.8 Council Tax is one of the Council's main sources of income, generating more than £8M per annum.
- 5.9 The MTFs aims to keep Council Tax at a comparatively low level, taking into account spending priorities and Central Government funding. This should be set in the context of Central Government's expectations of local authorities and already low levels of Council Tax charged in the borough. The current level of Council Tax at £153.91 is still very low - the 27<sup>th</sup> lowest out of the 181 district councils in England, and the 4<sup>th</sup> lowest in Hampshire. It is also £38, or 20%, lower than the average Council Tax payable in the rest of England.
- 5.10 The MTFs forecast assumes that Council Tax will be increased by £5 for a band D property in 2023/24. There may need to be an adjustment to the budget forecasts after the government confirms the referendum principles which are usually published in January each year.
- 5.11 In making the assumption that the Council Tax level will increase by £5, it is recognised that the Council continues to maintain a generous Council Tax Support scheme, offering up to 100% relief from Council Tax for pensioners and households in receipt of certain benefits. Up to 90% relief is available for low-income working-age households.

### Core Spending Power

- 5.12 As part of the Local Government Finance Settlement, the Government publishes what it calls "Core Spending Power", i.e. the level of revenue likely to be available to each individual local authority. For this Council it comprises the aggregate of:
- (a) The Settlement Funding Assessment amounts;
  - (b) The council tax requirement (excluding parish precepts);
  - (c) The New Homes Bonus and Lower Tier Services Grant and
  - (d) Any transitional grants
- 5.13 As set out in previous paragraphs, the MTFs has been based on assumptions that there will be a full re-set of the Business Rates Retention Scheme from 1<sup>st</sup> April 2024 and a phasing out of the New Homes Bonus Scheme, leading to a reduction in the Council's Core Spending Power. The lower-tier services grant was introduced in 2021/22 (and continued into 2022/23) to sustain core spending power levels, but there is no certainty that it will be continued.
- 5.14 This forecast assumes that the Lower Tier Services Grant will continue into 2023/24 but at a lower level than was received in the current year.

- 5.15 With accumulated business rates growth expected to be lost from April 2024, there is expected to be a reduction in spending power of around 20% from 2022/23 levels over the medium term.
- 5.16 The table below shows the financial impact of expected changes over the medium term and the increasing reliance on Council Tax as a sustainable source of income:

#### Core Spending Power Forecast

	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
Business Rates	5.041	5.084	5.105	2.405	2.405
Revenue Support Grant	-	-	-	-	-
New Homes Bonus	1.575	0.801	-	-	-
Transitional Grants	0.574	-	-	-	-
Council Tax	7.826	8.241	8.578	8.919	9.265
<b>Total Resources</b>	<b>15.016</b>	<b>14.126</b>	<b>13.683</b>	<b>11.324</b>	<b>11.670</b>
Annual % change	-6%	-6%	-3%	-17%	3%
Proportion raised from Council Tax %	52%	58%	63%	79%	79%

## 6 Key Budget Pressures and Influences

- 6.1 The largest source of cost pressure comes from inflation. In order to maintain price stability, the Government has set the Bank of England's Monetary Policy Committee (MPC) a target for the annual inflation rate of the Consumer Prices Index (CPI) of 2%.
- 6.2 CPI inflation is at a decades-high level, with a rate of inflation of 9.9% in August 2022. One of the main reasons for this is rising utility costs which are far higher than the overall reported figure. More information on inflation rates can be found at the link below.  
[www.ons.gov.uk/economy/inflationandpriceindices](http://www.ons.gov.uk/economy/inflationandpriceindices) - September 2022.
- 6.3 In its August monetary policy report, the Bank of England forecast that inflation is expected to increase further to approximately 13% before starting to fall next year. It is not expected that the 2% target rate will be achieved for around two years.
- 6.4 The impact of inflation, particularly for pay and utility costs has meant that inflation estimates have been increased by £1.6M for 2023/24 above that included in forecast when the current year budget was set in February 2022.

### Revenue impact of the Capital Programme

- 6.5 The capital programme is currently financed through a combination of capital receipts supplemented by specific grants and contributions. The balance on the Capital Receipts Reserve at 31<sup>st</sup> March 2022 was £7.9M.
- 6.6 All known revenue impacts from existing capital projects have been built in to the medium term forecast. No allowance has been made for future revenue impacts arising from capital expenditure decisions.

Interest Rates

6.7 The Council's Treasury Adviser, Link Asset Services, has provided the following forecasts of interest rates:

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Bank Rate	4.0%	5.0%	5.0%	5.0%	4.5%	4.0%	3.75%	3.25%	3.0%
5yr PWLB	5.0%	4.9%	4.7%	4.5%	4.2%	3.9%	3.7%	3.5%	3.4%
10yr PWLB	4.9%	4.7%	4.6%	4.3%	4.1%	3.8%	3.6%	3.5%	3.4%
25yr PWLB	5.1%	4.9%	4.8%	4.5%	4.3%	4.1%	3.9%	3.7%	3.6%
50yr PWLB	4.8%	4.6%	4.5%	4.2%	4.0%	3.8%	3.6%	3.4%	3.3%

6.8 These forecasts will continue to be reviewed over the next few months. It does show that borrowing is likely to be more expensive in the short term and therefore no new external borrowing is planned in the strategy.

6.9 The above table shows the unusual forecast of a short-term spike in interest rates that will revert to more typical levels over the next two years.

6.10 The MTFs recognises this fluctuation and sets a baseline level with interest rates at 3%. Where it is anticipated that actual returns will be greater than this in any one year, the balance will be recommended to be transferred to reserves rather than building an over-reliance on this income into the base budget.

Potential Budget Pressures

6.11 The budget forecast for 2023/24 has built in the impact of new budget approvals that have been confirmed in the year.

6.12 The most significant pressure is related to inflation, where forecasts estimate that an additional £500,000 will be required in 2023/24 above existing baseline levels. Inflation will also be a factor across all service areas with an overall forecast that an inflationary pressure of c£1M will be required in total.

6.13 Alongside the specific inflationary pressures, there are other known budget pressures that will affect the Council in future years but for which it is not yet possible to identify specific amounts. These include:

- Regeneration of town centres. This a key priority of the Council and it will be necessary to invest heavily in these projects to see their successful implementation.

- Climate Emergency Action Plan. There is no dedicated funding set aside to deliver our climate change goals at present, However, projects are coming forward that will help deliver the Climate Emergency Action Plan and capacity must be found to adequately finance them.
- The Environment Act. It is likely that there will be significant change to the way that domestic waste is collected in the short-medium term. This will inevitably be more expensive than the current system, for example through the introduction of weekly food-waste collection, and there is no certainty as to the level of government funding, if any, that will be available to deliver the new requirements.

### Project Enterprise

- 6.14 Since 2014, the Council has completed eight commercial property investments; fourteen house purchases, refurbished and re-let a further seven houses; and delivered three regeneration projects on Walworth Business Park – the latter projects in partnership with our development partner, Kier Property Ltd.
- 6.15 The total cost of the property acquisitions to date is in excess of £29M, with an annual income in the 2021/22 financial year of £2.11M (more details can be found in the Project Enterprise Outturn report to Cabinet in June 2022).
- 6.16 The income derived from these investments has been critical to the Council's ability to set balanced budgets without reducing frontline services in recent years, during a time in which core spending power has been dramatically reduced.
- 6.17 CIPFA and government guidance has been tightened to prevent local authorities from borrowing where commercial investment acquisitions are approved as part of the capital programme. The Council will continue to seek further opportunities for Project Enterprise acquisitions, whilst giving due consideration to any prudential borrowing guidelines that may affect the capital programme or financing of key projects such as the regeneration of town centres.

### Hampshire County Council's Savings Proposals

- 6.18 When the 2022/23 budget was set, a revenue pressure of £306,000 was built into the medium term forecast from 2023/24 in respect of Hampshire County Council's (HCC's) plans to transform its budget over the medium term. This pertains to two elements of recycling-related income and expenditure.
- 6.19 It is expected that these changes will not be implemented until April 2024 at the earliest. The medium term forecast has been updated to reflect the likely implementation date of these changes. The deferral of the budget pressure helps to close the budget gap for 2023/24.

## **7 Overall Revenue Budget Summary**

- 7.1 The Revenue Forecasts for 2023/24 to 2025/26 have been drawn up at a macro level. They do not constitute detailed budgets, which will continue to be prepared on an annual basis within the normal timescales. However, the

costing of specific issues and evaluation of proposed developments has informed the forecast.

- 7.2 The forecast is based on an expected most likely case scenario using the assumptions shown in annex 2. It should be recognised that there will not be sufficient resources to meet all the service delivery ambitions and priorities of the Council without the generation of significant savings or additional income. This financial strategy for the three year period to 2025/26 should ensure that the financial resources of the Council continue to be aligned to the delivery of the Council's service and organisational priorities.
- 7.3 The budget principles and guidelines outlined in this strategy will allow for a phased use of reserves over the medium term to allow time to adjust to the potential re-basing of retained business rates income levels. The forecast shows that a budget gap of £204,000 remains to be closed for 2023/24, with further increases of over £1M in both 2024/25 and 2025/26.
- 7.4 Current projections indicate the following financial position:

<b>Revenue Budget Summary Statement 2023/24 - 2025/26</b>					
	Para. Ref.	2022/23 £000s	2023/24 £000s	2025/26 £000s	2024/25 £000s
<b>Base budget</b>		<b>9,375.9</b>	<b>9,375.9</b>	<b>13,905.1</b>	<b>13,655.9</b>
Base Budget Changes			530.3	350.9	329.1
Annual Inflation	6.1		1,620.0	800.0	800.0
Collection Fund					
Changes to retained business rates income and levy			2,805.7	(18.0)	
Changes to cost baseline					
Changes to government grant income			340.9	200.0	
Capital Financing Adjustments			4.5	4.5	4.7
Investment Income & Borrowing costs			(1,730.4)	194.5	(6.5)
Budget Pressures			632.0	66.0	(39.0)
Savings and Income			(1,369.0)	(142.0)	236.0
End of New Homes Bonus			2,104.7		
Reserves:					
Transfer to/(from) reserves			(409.5)	(1,705.1)	417.7
<b>General Fund Requirements</b>		<b>9,375.9</b>	<b>13,905.1</b>	<b>13,655.9</b>	<b>15,397.9</b>
Financed by:					
Revenue Support Grant	5.2	0.0	0.0	0.0	0.0
Locally retained Business Rates Baseline	5.3	(2,381.3)	(2,405.0)	(2,405.0)	(2,405.0)
Locally retained Business Rates Growth	5.5	(698.2)	(2,718.0)	0.0	0.0
Transitional relief following Business Rates Reset		0.0	0.0	(1,000.0)	(500.0)
Share of Collection Fund Balance		1,944.9	0.0	0.0	0.0
Council Tax	5.8	(7,901.4)	(8,237.6)	(8,578.7)	(8,924.9)
Special Expenses Levy	4.2 ( b )	(339.9)	(339.9)	(339.9)	(339.9)
<b>Total Financing</b>		<b>(9,375.9)</b>	<b>(13,700.5)</b>	<b>(12,323.6)</b>	<b>(12,169.8)</b>
<b>Budget Gap</b>		<b>0.0</b>	<b>204.6</b>	<b>1,332.3</b>	<b>3,228.1</b>

- 7.5 Details of efficiency savings and income generation proposals that have been identified in the early stages of the budget setting process are shown in Annexes 3 and 4 to the report. These relate primarily to additional income and analysis of prior year activity when compared to base budget levels. Cabinet will then decide on which options should be taken forward as recommendations to full Council as part of the budget setting process in February 2023.
- 7.6 The review of reserves in para 4.4 sets out that the Council maintains a number of equalisation reserves to soften the impact of sharp changes to the core budget baseline. The most important of these is the Collection Fund Equalisation Reserve, which is held primarily to cushion the impact of the business rates re-set, when it eventually happens.
- 7.7 The provisional balance on that reserve at 31<sup>st</sup> March 2022 was £4.070M. It has been assumed that an initial draw of up to £1.5M will be taken in 2024/25 if a business rates re-set adversely affects the Council. This draw would reduce to £1M and then £500,000 over the following two financial years to bring the new budget position into the base over a three year period.
- 7.8 Use of reserves for any purpose other than to mitigate potential losses from a business rates re-set is not recommended.

## **8 Achieving the Medium Term Financial Strategy**

- 8.1 In recent years the Council has been able to set a balanced budget through a combination of the following:
- Corporate Challenge process
  - Procurement savings
  - Improving value for money
  - Service transformation
  - Savings from partnership and shared services
  - Generating additional income through use of fees and charges
  - Generating additional income through external funding sources
  - Generating additional income through Project Enterprise
- 8.2 Whilst the current forecast for 2023/24 is manageable, the medium term position is far less certain with significant risk to one of the main sources of income; the need to finance major regeneration projects; and increasing costs of delivering refuse services potentially all impacting the budget over the period of this strategy.
- 8.3 Without further government support or the certainty of how a business rates re-set will affect our budgets, it is probable that the controlled use of earmarked reserves will be required to balance the budget over the next two or three years. This is not a sustainable position to maintain as reserves can only be used once. However, using reserves in a controlled manner over a defined period will enable the Council to take the time to deliver sustainable savings that continue to deliver the best outcomes for the citizens of Test Valley.

- 8.4 Annex 1 outlines the proposed action plan that will be pursued to ensure that any draws from reserves are kept to the minimum level possible.

## 9 Capital Strategy

- 9.1 The Capital Strategy will be reviewed and updated in February 2023, but is unlikely to change significantly. The strategy sets out the following key principles:

- (a) Linking together capital requirements related to corporate priorities for new projects and the ongoing capital need to maintain / repair existing assets through the Asset Management Plan
- (b) Managing the approved Capital Programme in an affordable, financially prudent and sustainable way
- (c) New bids are introduced to the Capital Programme based on an objective prioritisation and understanding of the revenue implications associated with new capital expenditure.
- (d) Monitoring progress against approved budgets will be undertaken regularly by project leads and accounting staff
- (e) Financing capital expenditure, including borrowing requirements, will be in line with the Minimum Revenue Provision (MRP) policy
- (f) Purchase of commercial properties will take due consideration of MRP policy and impacts on the Council's ability to borrow.

- 9.2 Full details of the existing strategy can be found in the Cabinet report on 23<sup>rd</sup> February 2022.

## 10 Corporate Objectives and Priorities

- 10.1 Using its investing approach, the Council's priorities are focussed on **growing the potential of:**

- **Town Centres** - to adapt and be attractive, vibrant, and prosperous places
- **Communities** - to be empowered, connected and able to build upon their strengths
- **People** - to be able to live well and fulfil their aspirations
- **The Local Environment** - for current and future generations

- 10.2 The Council will ensure that budgets are directed towards these key priorities. The mechanism for achieving this is the Council's Strategic Planning Framework (corporate clockwork), which includes a timetable for developing budgets and service plans to ensure that budgets are aligned to these priorities.

- 10.3 The MTFs recognises that a new Corporate Plan for 2023-2027 will be approved in the coming months. The strategy has the ability to flex so that it respond to any new priority areas that the Council may identify over the medium term.

## 11 Consultations / Communications

- 11.1 The information contained in this report will form the basis for future discussions about the 2023/24 budget. It will go forward to the Budget Panel of the Overview & Scrutiny Committee for comments on 12<sup>th</sup> January 2023.
- 11.2 The budget consultation with businesses will take place in the next three months. The final form of the consultation is not yet decided, but is expected to be carried out online as has been successfully delivered in recent years.
- 11.3 Once the provisional Local Government Finance Settlement has been received in late December / early 2023 it will be necessary to update the current figures and to take account of the comments made by the Overview and Scrutiny Committee and the views of businesses.

## 12 Risk Management

- 12.1 A risk assessment has been completed in accordance with the Council's Risk management process and has identified the significant (Red or Amber) risks shown in the following table:

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Management of Risk</b>
Impact of Business Rates re-set – <b>RED</b>	High <b>B</b>	Critical <b>II</b>	Set aside current growth income into an earmarked reserve to mitigate the impact of the re-set. Closely monitor government messages about the timing and extent of a re-set to enable detailed financial modelling to be undertaken.
Future resources less than assumed - <b>AMBER</b>	Low <b>D</b>	Critical <b>II</b>	Revenue: Assess impact of Local Government Finance Settlement at the earliest opportunity. Monitor collection rates for local taxation and rental income. Capital: Schemes and projects kept on reserve list until resources are confirmed. Monitor the amount of future usable capital receipts.
Insufficient resources are identified to deliver masterplan objectives - <b>AMBER</b>	Significant <b>C</b>	Critical <b>II</b>	Transfer to regeneration reserve included in base budget. Maximum external funding sources to be identified for each stage. Robust project planning and governance process.
Income targets are not achieved - <b>AMBER</b>	High <b>B</b>	Significant <b>III</b>	Monthly monitoring of budgets and projections. Use of the Income Equalisation Reserve if necessary.
Additional costs arising from contract re-negotiation due to inflation / supplier failure - <b>AMBER</b>	Significant <b>C</b>	Critical <b>II</b>	Ensuring that the Council's contracts are thoroughly reviewed to ensure that budgetary impacts are mitigated where possible.
Savings anticipated from reviews are not delivered - <b>AMBER</b>	Low <b>D</b>	Significant <b>III</b>	Renew corporate challenge process in 2022. Continue digital transformation efficiency focus. Closely monitor progress of budget / efficiency savings through monthly budget monitoring. Use of the Budget Equalisation Reserve, if necessary.
Legislative changes not anticipated - <b>AMBER</b>	Low <b>D</b>	Significant <b>III</b>	Keep up to date with Government policy and consultations.
Inflation estimates vary from those assumed - <b>AMBER</b>	High <b>B</b>	Significant <b>III</b>	These factors have a large influence on the revenue budgets. Inflation currently at a higher level than it has been at for many years. Inflationary factors to be reviewed regularly.

Future spending requirements are under-estimated - <b>AMBER</b>	Significant <b>C</b>	Significant <b>III</b>	Review Service Plans and spending projections. Closely monitor progress through budget / performance monitoring.
Staffing budgets are not sufficiently controlled - <b>AMBER</b>	Low <b>D</b>	Significant <b>III</b>	Rigorous process is already in place for filling posts and managing vacancy targets.
Standards of service fall, particularly in non-priority areas - <b>AMBER</b>	Low <b>D</b>	Significant <b>III</b>	Robust performance management framework incorporating quarterly performance monitoring reports.
Increased demand for homelessness assessments and temporary accommodation - <b>AMBER</b>	High <b>B</b>	Significant <b>III</b>	Review the impact of Universal Credit rollout and the Homelessness Reduction Act additional responsibilities.

### 13 Resource Implications

13.1 Resource implications are contained within the Strategy itself.

### 14 Legal Implications

14.1 The Council is required to set a robust and balanced budget under the Local Government Act 2003. This report is the first step towards achieving this aim for the 2023/24 budget.

### 15 Equality Issues

15.1 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.

### 16 Conclusion and reasons for recommendation

16.1 This MTFS takes account of all known financial implications and makes various assumptions in projecting the budget forward for the next three years. However, the Council faces significant financial uncertainty resulting from volatility in macro-economic factors beyond its control. This clearly makes any accurate financial planning difficult to achieve.

16.2 Whilst the position for 2023/24 is expected to be manageable, significant savings will need to be found over the remainder of the medium term period and there is the possibility that the controlled use of reserves will be required in the short-to-medium term.

16.3 The MTFS is recommended for approval for the following reasons:

- to ensure that the Council has a strategic approach to the management of its finances, and
- to enable available resources to be allocated to services in line with Council priorities over the medium term.

<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:	5	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	26 October 2022

**Action Plan**

	<b>Item</b>	<b>Background</b>	<b>Action</b>
1	Aligning budgets to meet the Council's key priorities	To ensure that funds available for discretionary services are focused at delivering the objectives contained in the Corporate Action Plan (CAP), which is updated each year.	<ul style="list-style-type: none"> <li>• Ensure that CAP projects are costed at the time they are included in the plan.</li> <li>• Ensuring that the revenue implications of capital projects are thoroughly reviewed and built into the budget.</li> <li>• Allowing flexibility in the MTFS to adapt to priorities contained in the new 2023-27 Corporate Plan.</li> <li>• To build up a reserve for use in funding regeneration projects in Andover and Romsey.</li> </ul>
2	Revenue budget setting and monitoring	To ensure that the Council sets a balanced budget each year and that variances are promptly identified, justified and reported.	<ul style="list-style-type: none"> <li>• To ensure that all budget holders are adequately trained and supported by an effective accountancy team.</li> <li>• Monthly budget monitoring to be undertaken. Significant variances to be investigated with budget holders and reported on as necessary.</li> <li>• Regular reporting to Cabinet and the Budget Panel throughout the year.</li> </ul>
3	Procurement and cost control	To manage the cost of providing ongoing services and drive down the cost of new or renewed service provision through delivering savings in procurement.	<ul style="list-style-type: none"> <li>• To ensure all budget holders are adequately trained in the Council's Financial Regulations and Contract Standing Orders.</li> <li>• To update Contract Standing Orders to ensure they are easy to understand and support corporate objectives for managing the climate emergency.</li> <li>• To manage vacant posts and review the need for replacements before re-filling positions.</li> </ul>

4	Delivering efficiencies	Focusing on how the services that we provide can be delivered more efficiently and cost-effectively.	<ul style="list-style-type: none"> <li>• Continue to enhance the range of services provided to customers electronically through our digital transformation programme.</li> <li>• Streamlining back office functions to reduce duplication of effort.</li> </ul>
5	Income generation	To maximise the income that the Council generates from fees and charges, investments and external sources of funding.	<ul style="list-style-type: none"> <li>• To maintain fees and charges at levels that at least cover the cost of providing the service and to increase charges in line with what the market will bear.</li> <li>• To actively pursue external sources of funding to support ongoing expenditure and one-off projects.</li> <li>• To maximise income from cash investment portfolio management, whilst ensuring that security of capital is prioritised at all times.</li> <li>• To seek out new income streams from commercialisation or expanding the range of services currently available to stakeholders.</li> </ul>
6	Sustainability and Climate Change	To focus resources in a manner that supports the Council's Climate Emergency Action Plan.	<ul style="list-style-type: none"> <li>• Continue to include sustainability and the impacts of a changing climate as a core part of assessing new capital requirements.</li> <li>• Use the Asset Management Plan to ensure that new assets are more energy efficient or less harmful to the environment than the asset they are replacing.</li> <li>• Develop environmental sustainability as part of the assessment of new procurement.</li> </ul>
7	Capital and Asset Management	To ensure that the Capital Programme and Asset Management Plan are sustainably funded and that projects added to those programmes are properly planned and budgeted.	<ul style="list-style-type: none"> <li>• Ensure that Services identify ongoing maintenance requirements in their areas.</li> <li>• Maintain a rigorous assessment of new capital bids, ensuring that the requirements of the CAP and sustainability are taken into account when approving new projects.</li> </ul>

			<ul style="list-style-type: none"> <li>• To identify sustainable budget allocations to ensure that the Council’s property, vehicles, plant and IT equipment can be maintained, ensuring maximum useful life from assets.</li> </ul>
8	Cashflow management and forecasting	To ensure that treasury management is effectively undertaken, ensuring that excess funds are appropriately invested and that funds are available to meet all cashflow requirements.	<ul style="list-style-type: none"> <li>• Update the Treasury Management Strategy Statement and Annual Investment Summary in February each year.</li> <li>• Maintain daily monitoring of counterparty creditworthiness to ensure that funds are safely invested.</li> <li>• Maintain cashflow forecasts for the year ahead so that cash need is identified in advance.</li> </ul>
9	Reserves	Ensure that reserves stay at a safe level to sustain the Council through periods of financial uncertainty.	<ul style="list-style-type: none"> <li>• Review, at least annually, the level of the General Fund reserve.</li> <li>• To use equalisation reserves in a planned and controlled manner so as not to leave the Council with a budget cliff edge should they be exhausted.</li> <li>• Review the underlying need and level of reserves earmarked for specific projects and reallocate them if necessary.</li> </ul>
10	Local Taxation	Ensure that income from Council Tax and Business Rates are maximised.	<ul style="list-style-type: none"> <li>• Ensure prompt and accurate billing of local taxes, including the award of exemptions and discounts.</li> <li>• Maintain effective recovery of amounts owed.</li> <li>• Review the impact of changes to the business rates financing regime if / when they are announced.</li> </ul>

**BUDGET FORECAST 2023/24**  
**SCENARIO PLANNER**

	Per Feb 22 Budget Report 2023/24 £'000	Forecast Reasonable Best 2023/24 £'000	Budget Forecast Expected 2023/24 £'000	Forecast Reasonable Worst 2023/24 £'000
Net Cost of Services	15,042.7	15,028.9	15,028.9	15,028.9
Capital Accounting Adjustments	(4,349.7)	(4,349.7)	(4,349.7)	(4,349.7)
Unallocated Inflation	600.0	1,250.0	1,620.0	2,000.0
<b>Net Cost of Services</b>	<b>11,293.0</b>	<b>11,929.2</b>	<b>12,299.2</b>	<b>12,679.2</b>
<b><u>Corporate Requirements</u></b>				
Contingency Provision	481.3	56.9	56.9	56.9
Investment Income	(617.2)	(2,617.2)	(2,267.2)	(1,267.2)
Borrowing Costs	145.9	145.9	145.9	145.9
Other Government Grants	(111.0)	(461.1)	(311.1)	(111.1)
Provision for NDR Levy	0.0	2,080.0	2,080.0	0.0
Grants related to business rate reliefs	0.0	(2,061.9)	(2,061.9)	0.0
Transitional arrangements after re-set	0.0	0.0	0.0	(1,000.0)
100% Retention of NDR from Renewable	(398.6)	(398.6)	(398.6)	0.0
<b>Net General Fund Expenditure</b>	<b>10,793.4</b>	<b>8,673.2</b>	<b>9,543.2</b>	<b>10,503.7</b>
Contribution to Earmarked Reserves	(186.5)	1,108.5	1,108.5	(391.5)
Contribution to Asset Management Reserves	1,500.1	1,500.1	1,500.1	1,500.1
Contribution to Capital Reserves	2,490.3	2,490.3	2,490.3	2,490.3
<b>Total General Fund Expenditure</b>	<b>14,597.3</b>	<b>13,772.1</b>	<b>14,642.1</b>	<b>14,102.6</b>
Budget Pressures	0.0	350.0	632.0	1,050.0
Revenue Savings & Income Generation	0.0	(1,650.0)	(1,369.0)	(1,025.0)
<b>Revised Net Budget</b>	<b>14,597.3</b>	<b>12,472.1</b>	<b>13,905.1</b>	<b>14,127.6</b>
<b>SURPLUS / (SAVINGS) TO BE IDENTIFIED</b>	<b>(3,614.8)</b>	<b>1,441.4</b>	<b>(204.6)</b>	<b>(3,444.2)</b>
<b>Budget Requirement</b>	<b>10,982.5</b>	<b>13,913.5</b>	<b>13,700.5</b>	<b>10,683.4</b>
<b>Funded by:</b>				
Council Tax precept	8,237.6	8,237.6	8,237.6	7,978.4
Special Expenses Levy	339.9	352.9	339.9	300.0
Business Rates Income	2,405.0	5,323.0	5,123.0	2,405.0
<b>Total Funding of Budget Requirement</b>	<b>10,982.5</b>	<b>13,913.5</b>	<b>13,700.5</b>	<b>10,683.4</b>

## **ASSUMPTIONS IN DEVELOPING THE BUDGET FORECAST**

**Inflation** - Increases / decreases in best / worst scenario largely reflect potential for volatility in inflation levels beyond that already forecast.

**Investment Income** - interest rates have begun to steadily increase with further increases forecast that are hard to predict. Changes in the assumptions here reflect changes to the assumed rate that rates will increase.

**NDR Levy** - In the expected and best case scenarios, retained growth is sustained for 2023/24. This will mean that a levy is payable on retained growth. In the worst case scenario, a full re-set happens from April 2023 with no levy due on the new baseline.

**NDR Grants** - An estimate of government grants in compensation for business rates relief schemes that reduce the net income received from business rates.

**Renewable Energy Retention** - In the expected and best case scenarios, the Council retains income from business rates on renewable energy hereditaments. In the worst case scenario, a full re-set happens from April 2023 and this retention is lost.

**Contributions to Reserves** - the base budget includes a number of mandatory and discretionary transfers to reserves. These are assumed to continue in accordance with the MTFS in the expected case. Any increase or decrease to these contributions will have a direct impact on the budget gap.

**Savings & Pressures** - Several potential pressures have been identified in the covering report and an allowance is made for them in the expected forecast. The best / worst case scenarios allow for better or worse

**Council Tax precept** - Assumes a £5 increase in best and expected cases, with a freeze in the worst case.

**Special Expenses Levy** - Assumes the charge increases in line with TVBC main precept. Higher tax base assumption in best case.

**Business Rates Income** - Best and expected case based on continuation of current figures. Worst case reflects full re-set with all accumulated growth lost.

**Medium Term** - All accumulated business rates growth taken out in expected forecast, with draws from reserves and damping arrangements in place over the medium term period.

**SUMMARY OF INCOME GENERATION PROPOSALS**

Service	Function	Savings Option Proposed	2023/24 £'000	2024/25 £'000	2025/26 £'000
Legal & Democratic	Legal	Increased Legal Fee income based on previous year's actuals	8	8	8
Property & Asset Mgmt	Investment Properties	Additional income identified based on rent reviews to date and approved new property acquisitions	505	647	647
Property & Asset Mgmt	Public Halls	Increase in Hire of Halls following reduction due to Covid	15	15	15
Environmental Services	Waste Collection	Sale of dry, mixed recycling. This has been volatile but higher in last couple of years. Increased in line with expectations from last year. Short term only as HCC retaining income from 2024	200	200	0
Environmental Services	Green Waste	Garden waste subscriptions income increased to be in line with current income levels	100	100	100
Environmental Services	Waste & Recycling	Sale of glass. Increased in line with expectations from current and prior year. May be short-term with waste reform plans.	36	36	0
Environmental Services	Street Cleaning	Trolley returns income increased to be more in line with current trend and prior year.	20	20	20
Planning and Building	Development Control & Enforcement	Increase in legal fees to reflect higher than expected income this year	10	10	10
Community & Leisure	Managed Sports Facilities	Indexation of management fee income	175	175	175
<b>Total Income Generation Proposals</b>			<b>1,069</b>	<b>1,211</b>	<b>975</b>

**SUMMARY OF REVENUE PRESSURES**

Service / Ref	Service	Item	2023/24 £'000	2024/25 £'000	2025/26 £'000
PAM	Parking	Increase in car park maintenance requirements, particularly linked to Chantry Centre multi-story car park.	32	32	32
Environmental Services	Vehicle Workshop	Increases in fuel prices	30	20	20
IT	Infrastructure	To cover the cost of new Teams / digital back up solution.	7	7	7
Plan Pol & Econ Dev	Local Development Framework	To fund salary, legal and project costs beyond balance held in LDF reserve.	63	139	100
<b>Total Pressures</b>			<b>132</b>	<b>198</b>	<b>159</b>

**MEDIUM TERM FINANCIAL PLAN**

	<b>Budget Forecast 2023/24 £'000</b>	<b>Base Changes £'000</b>	<b>Budget Forecast 2024/25 £'000</b>	<b>Base Changes £'000</b>	<b>Budget Forecast 2025/6 £'000</b>
<b><u>Service Requirements</u></b>					
Chief Executive's Office	14.0		14.0		14.0
Community & Leisure	2,845.6	31.7	2,877.3	82.3	2,959.6
Environmental Service	6,435.1	306.0	6,741.1		6,741.1
Finance & Revenues	1,793.2		1,793.2		1,793.2
Housing & Environmental Health	2,898.1		2,898.1		2,898.1
I.T.	(5.2)	(20.0)	(25.2)		(25.2)
Legal & Democratic	42.1		42.1		42.1
Planning & Building	2,309.3		2,309.3		2,309.3
Planning Policy & Economic Development	1,605.0		1,605.0		1,605.0
Property & Asset Management	(5,006.8)	59.8	(4,947.0)	246.8	(4,700.2)
Strategy & Innovation	46.5	(26.6)	19.9		19.9
Inflation	1,620.0	800.0	2,420.0	800.0	3,220.0
	<b>14,596.9</b>	<b>1,150.9</b>	<b>15,747.8</b>	<b>1,129.1</b>	<b>16,876.9</b>
<b><u>Other Requirements</u></b>					
Net Cost of Benefit Payments	(20.8)		(20.8)		(20.8)
Corporate & Democratic Core	2,072.8		2,072.8		2,072.8
<b>Net Cost of Services</b>	<b>16,648.9</b>	<b>1,150.9</b>	<b>17,799.8</b>	<b>1,129.1</b>	<b>18,928.9</b>
<b><u>Corporate Requirements</u></b>					
Contingency Provision	56.9		56.9		56.9
Depreciation Reversal & Capital Charges	(4,554.1)		(4,554.1)		(4,554.1)
Investment Income	(2,267.2)	200.0	(2,067.2)		(2,067.2)
Borrowing Costs	145.9	(5.5)	140.4	(6.5)	133.9
Minimum Revenue Provision	204.4	4.5	208.9	4.7	213.6
Small Business Rate Relief & other S31 grants	(2,061.9)	2062.0	0.1		0.1
Other Government Grants	(311.1)	200.0	(111.1)		(111.1)
New Homes' Bonus	0.0		0.0		0.0
Provision for NDR Levy	2,080.0	(2,080.0)	0.0		0.0
100% retention of NDR from Renewable Energy	(398.6)		(398.6)		(398.6)
<b>Net General Fund Expenditure</b>	<b>9,543.2</b>	<b>1,531.9</b>	<b>11,075.1</b>	<b>1,127.3</b>	<b>12,202.4</b>
Transfer to Earmarked Reserves	1,108.5	(1,705.1)	(596.6)	417.7	(178.9)
Transfer to Asset Management Reserves	1,500.1		1,500.1		1,500.1
Transfer to Capital Reserves	2,490.3		2,490.3		2,490.3
<b>Total General Fund Expenditure</b>	<b>14,642.1</b>	<b>(173.2)</b>	<b>14,468.9</b>	<b>1,545.0</b>	<b>16,013.9</b>
Revenue Pressures	632.0	66.0	698.0	(39.0)	659.0
Savings Options	(300.0)	0.0	(300.0)	0.0	(300.0)
Income Generation Proposals	(1,069.0)	(142.0)	(1,211.0)	236.0	(975.0)
<b>Revised Net Budget</b>	<b>13,905.1</b>	<b>(249.2)</b>	<b>13,655.9</b>	<b>1,742.0</b>	<b>15,397.9</b>
<b>FURTHER SAVINGS TO BE IDENTIFIED</b>	<b>(204.6)</b>	<b>(1,127.7)</b>	<b>(1,332.3)</b>	<b>(1,895.8)</b>	<b>(3,228.1)</b>
<b>General Fund Requirements</b>	<b>13,700.5</b>	<b>(1,376.9)</b>	<b>12,323.6</b>	<b>(153.8)</b>	<b>12,169.8</b>

## ITEM 13

## Corporate Financial Monitoring

Report of the Finance and Resources Portfolio Holder

### Recommended:

**That the financial position for each Service and the key revenue areas contained in the Annex to the report be noted.**

#### SUMMARY:

- This report reviews the Council's revenue spending for the first six months of the 2022/23 financial year.
- It also examines the main differences between the original estimate for 2022/23 and actual spend to 30<sup>th</sup> September 2022 and provides explanations for significant variances.
- Overall, net expenditure to 30<sup>th</sup> September 2022 was £749,000 lower than budgeted at this stage of the year. This favourable variance comprises additional income and savings of £408,000 due to service related expenditure and £341,000 more income from the Council's investing and borrowing activities.

### 1 Introduction

- 1.1 As part of responsible financial stewardship, it is recommended that the financial performance of the Council should be reviewed regularly.
- 1.2 Revenue budget monitoring is carried out every month for all services and presented to Cabinet regularly throughout the year.
- 1.3 This report examines the income and expenditure of each service over the first six months of the year. The Annex shows the financial summaries of each service to 30<sup>th</sup> September 2022 together with an explanation of any significant variances.
- 1.4 Several key areas of income and expenditure, not all apparent within individual services have also been analysed and are shown separately in the Annex.

### 2 Background

#### Profiling of Income and Expenditure

- 2.1 Not all income and expenditure is incurred equally over the year. For example, some costs (e.g. lease costs) are allocated at the end of the year, and others are stepped throughout the year (e.g. rental income is invoiced quarterly in advance). The manner that income or expenditure is received or incurred over the course of the year is referred to as its profile.

- 2.2 In order to make the analysis more relevant, the actual income and expenditure to 30<sup>th</sup> September is being compared against its profiled budget position at this time.

Analysis of income and expenditure

- 2.3 The Annex shows, by service, an analysis of original budget, profiled budget to date, actual expenditure to date and the variance between profiled budget and actual income / expenditure.
- 2.4 The Annex also shows an analysis of key areas of income and expenditure within the budget that are traditionally subject to variations in the year.

**3 Analysis of Financial Performance**

3.1 Chief Executive's Office

The Chief Executive's Office shows net expenditure to the end of September of £456,000 against a profiled budget of £433,000. This represents an adverse variance of £23,000 to date.

Higher than estimated employee costs are the reason for this variance and are due to minimal vacancies and one-off recruitment costs.

3.2 Community & Leisure

The Community & Leisure service shows net expenditure of £230,000 compared with a profiled net expenditure estimate of £273,000 – a favourable variance of £43,000.

Employee costs are £33,000 lower than estimated.

Income from managed sports facilities is £41,000 higher than budgeted but is offset by £19,000 less income from burials.

Utility costs at the Lights are £10,000 higher than estimated due to the increase in fuel costs and net income is £27,000 lower, possibly due in part to the impact of the cost of living on customers.

3.3 Environmental Service

Environmental Service shows net expenditure to the end of September of £1.977M against a profiled estimate of £2.178M. This is a favourable variance of £201,000.

One-off additional income from the sale of dry mixed recycling of £213,000 and higher than expected income from garden waste subscriptions of £64,000 are partially offset by an increase in diesel costs (£51,000) and additional employee costs (£44,000).

#### 3.4 Finance & Revenues

The Finance & Revenues service shows net expenditure of £1.462M against a profiled estimate of £1.538M, which is a favourable variance of £76,000.

This is due to an unbudgeted government grant and savings in employee costs.

#### 3.5 Housing & Environmental Health

The Housing & Environmental Health service has net expenditure of £739,000 against a profiled estimate of £802,000. This is a favourable variance of £63,000.

This is due to lower than estimated employee costs which are offset in part by higher than estimated bed & breakfast costs.

#### 3.6 Information Technology

The IT service has net expenditure of £637,000 against a profiled estimate of £668,000. This is a favourable variance of £31,000 which is mainly due to lower than estimated employee costs.

#### 3.7 Legal & Democratic

The Legal & Democratic service is showing net expenditure of £539,000 against a profiled estimate of £532,000, which is an adverse variance of £7,000.

This is due to higher than estimated supplies & services costs and the unbudgeted cost of a borough by-election, partially offset by lower than estimated employee costs.

#### 3.8 Planning & Building

The Planning & Building service shows net expenditure to the end of September of £912,000 against a profiled budget of £644,000. This represents an adverse variance of £268,000 to date.

This is mainly due to higher than estimated employee costs and lower than estimated income from planning application and building control fees.

#### 3.9 Planning Policy & Economic Development

The Planning Policy & Economic Development service is showing net expenditure of £1.240M against a profiled estimate of £1.285M. This represents a favourable variance of £45,000.

This is due to lower than estimated employee costs and lower than estimated spend on town centre management.

### 3.10 Property & Asset Management Service

The Property & Asset Management service has generated net income of £4.501M against a profiled estimate to the end of September of £4.247M – a favourable variance of £254,000.

Additional rental income from the Council's investment property portfolio and lower than budgeted employee costs are partially offset by increased utility costs in Council run buildings and a reduction in income from penalty charge notices.

### 3.11 Strategy & Innovation

The Strategy & Innovation service is showing net expenditure of £436,000 against a profiled estimate of £427,000 to the end of September. This is an adverse variance of £9,000, which is mainly due to higher than expected employee costs to date.

### 3.12 Corporate & Democratic

The Corporate & Democratic function shows expenditure of £484,000 compared with the profiled estimate of £485,000. This is a favourable variance of £1,000.

### 3.13 Key areas of income and expenditure

The Annex also shows an analysis of significant items in the Council's budget. These can be spread across several services or cost centres.

While not necessarily under the direct control of one budget manager it is important that these items are reviewed regularly in total as they provide a good indication of the overall variances within the budget.

### 3.14 Investment Funds and borrowing costs

Net investment income to 30<sup>th</sup> September 2022 was £612,000 compared with a profiled estimate of £271,000 – this represents a favourable variance of £341,000 and reflects the increases that have been seen in interest rates since the budget was set in February 2022.

## **4 Risk Management**

- 4.1 This report is for information purposes so the Council's Risk Management approach does not need to be applied.

## **5 Resource Implications**

- 5.1 A favourable variance of £749,000 in the first six months of the year has been identified in this report. There is a mixture of adverse and favourable variances across the services and these will continue to be monitored and reviewed as part of the budget-setting process for 2023/24.

## 6 Equality Issues

- 6.1 This report is for information purposes, so the Council's EQIA process does not need to be applied.

## 7 Other Issues

- 7.1 There are no other issues to consider.

## 8 Conclusion and reasons for recommendation

- 8.1 Overall, net expenditure is £749,000 lower than forecast at 30<sup>th</sup> September. There are a number of areas with large variances between the profiled budget and the actual income / expenditure to date.
- 8.2 The report does not make any recommendations for changes to budgets at this stage in the year and therefore the recommendation is that the current budget position 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:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	26 October 2022

## SERVICE REVENUE INFORMATION

TOTAL EXPENDITURE	Updated Estimate 2022/23	Profiled Estimate to 30/9/22	Actual Expenditure to 30/9/22	Adverse / (Favourable) Variance
	£	£	£	£
Chief Executive's Office	866,164	433,568	456,546	22,978
Community & Leisure	504,320	273,285	229,980	(43,305)
Environmental Service	4,579,909	2,177,972	1,976,978	(200,994)
Finance & Revenues	2,731,647	1,538,244	1,462,541	(75,703)
Housing & Environmental Health	1,903,156	802,397	738,938	(63,459)
Information Technology	1,313,264	668,336	636,935	(31,401)
Legal & Democratic	1,073,539	532,178	539,208	7,030
Planning & Building	1,201,169	643,938	912,233	268,295
Planning Policy & Economic Development	2,166,280	1,285,174	1,240,093	(45,081)
Property & Asset Management	(7,941,586)	(4,247,414)	(4,501,271)	(253,857)
Strategy & Innovation	857,820	427,276	435,901	8,625
Corporate & Democratic Core	1,142,028	485,198	483,726	(1,472)
Net Investment Income	(535,000)	(271,000)	(612,000)	(341,000)
Borrowing costs	151,000	76,000	76,000	0
<b>Net Service Controlled Service Expenditure</b>	<b>10,013,710</b>	<b>4,825,152</b>	<b>4,075,808</b>	<b>(749,344)</b>

**SERVICE REVENUE INFORMATION**

<b>CHIEF EXECUTIVE'S OFFICE</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Chief Executive's Office	381,149	195,562	213,793	18,231
Human Resources Service	485,015	238,006	242,753	4,747
<b>Net Expenditure</b>	<b>866,164</b>	<b>433,568</b>	<b>456,546</b>	<b>22,978</b>
<b>Net Service Controlled Expenditure</b>	<b>866,164</b>	<b>433,568</b>	<b>456,546</b>	<b>22,978</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****CHIEF EXECUTIVE'S OFFICE****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	434
Actual Spend to 30 September 2022	<u>457</u>
Adverse Variance to 30 September 2022	<u><u>23</u></u>
Employee costs are higher than budgeted due to minimal vacancies and recruitment costs	30
Sundry variance	<u>(7)</u>
	<u><u>23</u></u>

## SERVICE REVENUE INFORMATION

<b>COMMUNITY &amp; LEISURE</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Leisure Management</b>				
Leisure Management	251,771	128,504	125,622	(2,882)
<b>Net Expenditure</b>	<b>251,771</b>	<b>128,504</b>	<b>125,622</b>	<b>(2,882)</b>
<b>Parks, Countryside &amp; Sport</b>				
Managed Sports Facilities	(1,800,000)	(900,000)	(939,829)	(39,829)
Outdoor Sports Facilities	132,097	77,237	78,458	1,221
Playgrounds	8,910	4,452	0	(4,452)
Sports Development	14,050	7,020	1,730	(5,290)
Cemeteries	(98,420)	(47,084)	(30,963)	16,121
Grounds Maintenance	54,360	54,191	53,365	(826)
Nature Reserves	123,091	54,608	36,230	(18,378)
Urban Parks and Open Spaces	321,381	197,819	189,944	(7,875)
<b>Net Expenditure</b>	<b>(1,244,531)</b>	<b>(551,757)</b>	<b>(611,065)</b>	<b>(59,308)</b>
<b>Community Development</b>				
Community Engagement	1,027,374	492,309	486,624	(5,685)
<b>Net Expenditure</b>	<b>1,027,374</b>	<b>492,309</b>	<b>486,624</b>	<b>(5,685)</b>
<b>Arts &amp; Culture</b>				
Andover Events Programme	158,093	79,006	71,707	(7,299)
Arts Function	23,121	21,548	31,775	10,227
The Lights	288,492	103,675	125,317	21,642
<b>Net Expenditure</b>	<b>469,706</b>	<b>204,229</b>	<b>228,799</b>	<b>24,570</b>
<b>Net Service Controlled Expenditure</b>	<b>504,320</b>	<b>273,285</b>	<b>229,980</b>	<b>(43,305)</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****COMMUNITY & LEISURE****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	273
Actual Spend to 30 September 2022	<u>230</u>
Favourable Variance to 30 September 2022	<u><u>(43)</u></u>
Salary savings due to vacancies across the service	(33)
<u>Managed Sports Facilities</u>	
Net additional income	(41)
<u>Cemeteries</u>	
Burial income lower than profiled.	19
<u>Nature Reserves / Urban Parks and Open Spaces</u>	
Lower than estimated spend on tree works to date	(21)
<u>The Lights</u>	
Higher than estimated utility costs	10
Net ticket, bar and room hire income lower than budgeted	27
Sundry variance	<u>(4)</u>
	<u><u>(43)</u></u>

**SERVICE REVENUE INFORMATION**

<b>ENVIRONMENTAL SERVICE</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grounds Maintenance	1,138,194	759,774	748,126	(11,648)
Waste Collection	2,254,222	898,916	716,373	(182,543)
Garden Waste Collection	(232,275)	(382,437)	(412,837)	(30,400)
Street Cleansing	908,999	460,383	459,847	(536)
Vehicle Workshop	5,473	(25,310)	(3,097)	22,213
ES Technical	478,274	201,144	194,359	(6,785)
Service Overhead Account	27,022	265,501	274,207	8,706
<b>Net Expenditure</b>	<b>4,579,909</b>	<b>2,177,972</b>	<b>1,976,978</b>	<b>(200,994)</b>
<b>Net Service Controlled Expenditure</b>	<b>4,579,909</b>	<b>2,177,972</b>	<b>1,976,978</b>	<b>(200,994)</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****ENVIRONMENTAL SERVICE****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	2,178
Actual Spend to 30 September 2022	<u>1,977</u>
Favourable Variance to 30 September 2022	<u><u>(201)</u></u>
Employee costs are higher than estimated across the service due to overtime and the use of agency workers	44
Increased costs of diesel	51
<u>Street Cleansing</u>	
Income from shopping trolley returns is higher than estimated to date	(11)
<u>Waste Collection</u>	
Additional one-off income from sale of dry mixed recycling	(213)
<u>Green Waste</u>	
Additional income from garden waste	(64)
<u>ES Technical</u>	
Glass income higher than expected to date	(6)
Sundry variances	<u>(2)</u>
	<u><u>(201)</u></u>

**SERVICE REVENUE INFORMATION**

<b>FINANCE &amp; REVENUES</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finance Service	903,688	437,915	435,751	(2,164)
Customer Services Unit	659,397	349,498	333,127	(16,371)
Council Tax Support Administration	354,083	186,019	165,820	(20,199)
Housing Benefit	257,256	133,564	115,952	(17,612)
Local Taxation Services	557,223	431,248	411,891	(19,357)
<b>Net Expenditure</b>	<b>2,731,647</b>	<b>1,538,244</b>	<b>1,462,541</b>	<b>(75,703)</b>
<b>Net Service Controlled Expenditure</b>	<b>2,731,647</b>	<b>1,538,244</b>	<b>1,462,541</b>	<b>(75,703)</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****FINANCE & REVENUES****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	1,538
Actual Spend to 30 September 2022	<u>1,463</u>
Favourable Variance to 30 September 2022	<u><u>(75)</u></u>
Employee costs across the service are lower than estimated	(38)
<u>Council Tax Support Administration</u>	
New Burdens grant re £150 Council Tax Rebate Scheme	(28)
Sundry variance	<u>(9)</u>
	<u><u>(75)</u></u>

**SERVICE REVENUE INFORMATION**

<b>HOUSING &amp; ENVIRONMENTAL HEALTH</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Housing Activities</b>				
General Management	112,404	56,189	58,768	2,579
Housing Development	181,758	87,879	80,614	(7,265)
Hampshire Home Choice	2,116	(31,029)	(36,809)	(5,780)
Housing Options	558,397	174,536	144,052	(30,484)
<b>Net Expenditure</b>	<b>854,675</b>	<b>287,575</b>	<b>246,625</b>	<b>(40,950)</b>
<b>Health Activities</b>				
Business Support Team	118,744	58,728	56,298	(2,430)
Pollution	272,189	126,326	130,751	4,425
Health Protection	346,015	172,993	154,684	(18,309)
Animal Welfare	66,640	29,310	24,722	(4,588)
Pest Control	66,892	33,432	31,301	(2,131)
Housing Standards	178,001	94,033	94,557	524
<b>Net Expenditure</b>	<b>1,048,481</b>	<b>514,822</b>	<b>492,313</b>	<b>(22,509)</b>
<b>Net Service Controlled Expenditure</b>	<b>1,903,156</b>	<b>802,397</b>	<b>738,938</b>	<b>(63,459)</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****HOUSING & ENVIRONMENTAL HEALTH****EXPLANATION OF KEY VARIANCES**

£ 000

Profiled Estimate to 30 September 2022

802

Actual Spend to 30 September 2022

739

Favourable Variance to 30 September 2022

(63)

Employee costs across the service are lower than estimated

(86)

Housing Options

Bed &amp; breakfast costs are higher than estimated to date

28

Sundry variance

(5)(63)

**SERVICE REVENUE INFORMATION**

<b>INFORMATION TECHNOLOGY</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Management	151,701	75,847	46,458	(29,389)
Service Desk	147,701	73,842	65,569	(8,273)
Infrastructure	539,095	278,594	266,170	(12,424)
Corporate Services	464,667	235,007	258,732	23,725
Cloud Services	10,100	5,046	6	(5,040)
<b>Net Expenditure</b>	<b>1,313,264</b>	<b>668,336</b>	<b>636,935</b>	<b>(31,401)</b>
<b>Net Service Controlled Expenditure</b>	<b>1,313,264</b>	<b>668,336</b>	<b>636,935</b>	<b>(31,401)</b>

**SERVICE FINANCIAL MONITORING INFORMATION**

**ANNEX**

**INFORMATION TECHNOLOGY**

**EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	668
Actual Spend to 30 September 2022	<u>637</u>
Favourable Variance to 30 September 2022	<u><u>(31)</u></u>
Employee costs are lower than budgeted across the service	(36)
Sundry variance	<u>5</u>
	<u><u>(31)</u></u>

**SERVICE REVENUE INFORMATION**

<b>LEGAL &amp; DEMOCRATIC</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Legal Service	889,582	453,614	442,464	(11,150)
Land Charges	(66,984)	(44,359)	(43,864)	495
Council Elections	175,320	90,765	103,495	12,730
Registration Of Electors	88,530	19,690	19,689	(1)
Lotteries, Amusements & Gaming Permits	(3,672)	(4,191)	(2,943)	1,248
Alcohol & Entertainment Licensing	(28,550)	7,401	15,484	8,083
Scrap Metal Dealers	1,575	788	1,424	636
Hackney Carriages & Private Hire Vehicles	17,738	8,470	3,459	(5,011)
<b>Net Expenditure</b>	<b>1,073,539</b>	<b>532,178</b>	<b>539,208</b>	<b>7,030</b>
<b>Net Service Controlled Expenditure</b>	<b>1,073,539</b>	<b>532,178</b>	<b>539,208</b>	<b>7,030</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****LEGAL & DEMOCRATIC****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	532
Actual Spend to 30 September 2022	<u>539</u>
Adverse Variance to 30 September 2022	<u><u>7</u></u>
Employee costs are lower than budgeted across the service	(11)
<u>Legal Service</u>	
Supplies & services spend is higher than estimated	7
<u>Elections</u>	
Unbudgeted costs associated with a Borough By-Election	7
Sundry variance	<u>4</u>
	<u><u>7</u></u>

**SERVICE REVENUE INFORMATION**

<b>PLANNING &amp; BUILDING</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Development Control & Enforcement	1,160,618	624,744	830,864	206,120
Building Control	40,551	19,194	81,369	62,175
<b>Net Expenditure</b>	<b>1,201,169</b>	<b>643,938</b>	<b>912,233</b>	<b>268,295</b>
<b>Net Service Controlled Expenditure</b>	<b>1,201,169</b>	<b>643,938</b>	<b>912,233</b>	<b>268,295</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****PLANNING & BUILDING****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	644
Actual Spend to 30 September 2022	<u>912</u>
Adverse Variance to 30 September 2022	<u><u>268</u></u>
Employee costs are higher than estimated across the service	39
<u>Development Control &amp; Enforcement</u>	
Project consultancy and legal fees are higher than estimated to date	36
Lower than estimated income from pre-application & planning application fees	149
<u>Building Control</u>	
Lower than estimated building control fee income	49
Sundry variance	<u>(5)</u>
	<u><u>268</u></u>

## SERVICE REVENUE INFORMATION

<b>PLANNING POLICY &amp; ECONOMIC DEVELOPMENT</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Planning Policy</b>				
Planning Policy	929,750	456,945	427,148	(29,797)
Local Development Framework	435,079	153,077	151,008	(2,069)
Neighbourhood Planning	4,678	4,678	4,678	0
Sustainability	21,395	21,395	23,080	1,685
<b>Net Expenditure</b>	<b>1,390,902</b>	<b>636,095</b>	<b>605,914</b>	<b>(30,181)</b>
<b>Economic Development</b>				
Economic Development & Promotion	102,140	55,315	52,638	(2,677)
Promotion of Tourism	152,230	113,000	110,283	(2,717)
Town Centre Management	31,000	9,996	490	(9,506)
<b>Net Expenditure</b>	<b>285,370</b>	<b>178,311</b>	<b>163,411</b>	<b>(14,900)</b>
<b>Regeneration</b>				
South of Romsey Town Centre Project	460,008	460,008	460,008	0
Andover Town Centre Rejuvenation	30,000	10,760	10,760	0
<b>Net Expenditure</b>	<b>490,008</b>	<b>470,768</b>	<b>470,768</b>	<b>0</b>
<b>Net Service Controlled Expenditure</b>	<b>2,166,280</b>	<b>1,285,174</b>	<b>1,240,093</b>	<b>(45,081)</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****PLANNING POLICY & ECONOMIC DEVELOPMENT****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	1,285
Actual Spend to 30 September 2022	<u>1,240</u>
Favourable Variance to 30 September 2022	<u><u>(45)</u></u>
Employee costs are lower than estimated	(29)
<u>Town Centre Management</u>	
Overall spend is lower than estimated to date	(10)
Sundry variance	<u>(6)</u>
	<u><u>(45)</u></u>

## SERVICE REVENUE INFORMATION

PROPERTY & ASSET MANAGEMENT	Updated Estimate 2022/23	Profiled Estimate to 30/9/22	Actual Expenditure to 30/9/22	Adverse / (Favourable) Variance
	£	£	£	£
<b>Property &amp; Asset Management</b>				
Estates Support Unit	1,183,609	616,469	583,073	(33,396)
Andover Market	(29,290)	(34,853)	(34,380)	473
High Street Bookings	(1,440)	(720)	0	720
<b>Net Expenditure</b>	<b>1,152,879</b>	<b>580,896</b>	<b>548,693</b>	<b>(32,203)</b>
<b>Property Portfolio</b>				
Business Park Development	(6,243,164)	(3,200,615)	(3,292,535)	(91,920)
Investment Properties	(1,199,505)	(581,614)	(610,427)	(28,813)
Corporate Properties	(420,316)	(220,102)	(260,287)	(40,185)
Union Street	(108,104)	(54,052)	(52,760)	1,292
Chantry Centre	(882,323)	(677,491)	(677,491)	0
Andover Bus Station	10,958	9,846	12,607	2,761
<b>Net Income</b>	<b>(8,842,454)</b>	<b>(4,724,028)</b>	<b>(4,880,893)</b>	<b>(156,865)</b>
<b>Premises Management</b>				
Andover Magistrates Court	240	120	2,500	2,380
Public Halls	28,085	5,434	1,490	(3,944)
Public Conveniences	97,610	41,185	29,446	(11,739)
Office Accommodation	289,657	196,669	179,201	(17,468)
Building Maintenance	113,763	33,762	(5,625)	(39,387)
Building Cleaning	27,402	12,613	8,438	(4,175)
Depot Costs	76,100	28,607	44,423	15,816
Leisure Facilities	74,030	24,676	38,767	14,091
<b>Net Expenditure</b>	<b>706,887</b>	<b>343,066</b>	<b>298,640</b>	<b>(44,426)</b>
<b>Transport</b>				
Engineers	122,936	102,567	81,599	(20,968)
Highways	16,460	2,731	1,122	(1,609)
Parking	(1,153,294)	(570,979)	(562,655)	8,324
Community Transport	55,000	18,333	12,223	(6,110)
<b>Net Income</b>	<b>(958,898)</b>	<b>(447,348)</b>	<b>(467,711)</b>	<b>(20,363)</b>
<b>Net Service Controlled Income</b>	<b>(7,941,586)</b>	<b>(4,247,414)</b>	<b>(4,501,271)</b>	<b>(253,857)</b>

**SERVICE FINANCIAL MONITORING INFORMATION****ANNEX****PROPERTY & ASSET MANAGEMENT****EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	(4,247)
Actual Spend to 30 September 2022	<u>(4,501)</u>
Favourable Variance to 30 September 2022	<u><u>(254)</u></u>
Employee costs are lower than estimated across the service due to vacancies	(144)
Increase in utility costs across all properties	42
<u>Supplies &amp; Services</u>	
Higher than budgeted professional fees	25
Purchase of audio equipment for Guildhall for meetings	4
<u>Rental Income</u>	
Additional rental income due to rent reviews	(197)
<u>Parking</u>	
Income from penalty charge notices is lower than estimated	24
Sundry variance	<u>(8)</u>
	<u><u>(254)</u></u>

**SERVICE REVENUE INFORMATION**

<b>STRATEGY &amp; INNOVATION</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	£	£	£	£
Strategy & Innovation	857,820	427,276	435,901	8,625
<b>Net Expenditure</b>	<b>857,820</b>	<b>427,276</b>	<b>435,901</b>	<b>8,625</b>
<b>Net Service Controlled Expenditure</b>	<b>857,820</b>	<b>427,276</b>	<b>435,901</b>	<b>8,625</b>

**SERVICE FINANCIAL MONITORING INFORMATION**

**ANNEX**

**STRATEGY & INNOVATION**

**EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	427
Actual Spend to 30 September 2022	<u>436</u>
Adverse Variance to 30 September 2022	<u><u>9</u></u>
Employee costs are higher than budgeted	11
Sundry variance	<u>(2)</u>
	<u><u>9</u></u>

## SERVICE REVENUE INFORMATION

<b>CORPORATE &amp; DEMOCRATIC CORE</b>	<b>Updated Estimate 2022/23</b>	<b>Profiled Estimate to 30/9/22</b>	<b>Actual Expenditure to 30/9/22</b>	<b>Adverse / (Favourable) Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Corporate</u></b>				
Corporate Subscriptions	26,390	23,000	23,313	313
Emergency Planning	36,677	28,589	27,631	(958)
Corporate Public Relations, Information & Consultation	18,300	(1,400)	(534)	866
Corporate Management	142,150	69,455	75,839	6,384
Delivering Public Services Electronically	21,490	21,490	24,172	2,682
Strategic Partnership	2,700	1,348	(347)	(1,695)
Allocated Central Overheads	143,676	55,249	55,363	114
Non-distributable Costs	190,600	0	0	0
<b>Net Expenditure</b>	<b>581,983</b>	<b>197,731</b>	<b>205,437</b>	<b>7,706</b>
<b><u>Democratic</u></b>				
Councillors	476,929	235,031	239,875	4,844
Councillor Meetings	26,000	19,831	14,867	(4,964)
Mayoral Office	43,616	22,359	16,099	(6,260)
Civic Ceremonies	13,500	10,246	7,448	(2,798)
<b>Net Expenditure</b>	<b>560,045</b>	<b>287,467</b>	<b>278,289</b>	<b>(9,178)</b>
<b>Net Service Controlled Expenditure</b>	<b>1,142,028</b>	<b>485,198</b>	<b>483,726</b>	<b>(1,472)</b>

**SERVICE FINANCIAL MONITORING INFORMATION**

**ANNEX**

**CORPORATE & DEMOCRATIC CORE**

**EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	485
Actual Spend to 30 September 2022	<u>484</u>
Favourable Variance to 30 September 2022	<u><u>(1)</u></u>
No significant variances	
Sundry variance	<u>(1)</u>
	<u><u>(1)</u></u>

**KEY FINANCIAL AREAS**

	Updated Estimate 2022/23 £'000	Profiled Estimate to 30/9/22 £'000	Actual to 30/9/22 £'000	Adverse / (Favourable) Variance £'000	Comments
<b><u>Expenditure</u></b>					
Staff Costs	22,464	11,119	10,850	(269)	This includes all salary, recruitment, relocation and post entry training costs, net of the 4.5% vacancy management provision.
Borrowing Costs	151	76	76	0	This is the interest paid on external borrowing.
	<b>22,615</b>	<b>11,195</b>	<b>10,926</b>	<b>(269)</b>	
<b><u>Income</u></b>					
Investment Income	(535)	(271)	(612)	(341)	This is the net income generated by the management of the Council's cash investment portfolio.
Building Control Income	(375)	(187)	(138)	49	This is the income generated by fees in respect of Building Control work performed by the Council.
Car Parking Income	(1,826)	(917)	(893)	24	This includes season tickets and all on and off street parking income.
Development Control Income	(1,315)	(665)	(519)	146	This is income from Planning Applications and legal fees relating to the applications.
Investment Property Income	(6,109)	(3,051)	(3,237)	(186)	This includes the rental income for all the Council's industrial land and buildings, excluding those that have been purchased as part of the Project Enterprise initiative.
Investment Income from Property Purchases	(2,201)	(1,096)	(1,120)	(24)	This includes the rental income for investment properties that have been purchased as part of the Project Enterprise initiative and is expected to return a yield of 7.1% in the year on an investment of £31.1m.
Land Charges Income	(250)	(115)	(119)	(4)	This is income from Local Land Charge Search Fees.
Leisure Income	(2,658)	(1,288)	(1,245)	43	This includes all income from Community & Leisure services including indoor and outdoor leisure facilities, The Lights and cemeteries.
	<b>(15,269)</b>	<b>(7,590)</b>	<b>(7,883)</b>	<b>(293)</b>	
<b>Total</b>	<b>7,346</b>	<b>3,605</b>	<b>3,043</b>	<b>(562)</b>	

**SERVICE FINANCIAL MONITORING INFORMATION**  
**KEY AREAS OF INCOME AND EXPENDITURE**  
**EXPLANATION OF KEY VARIANCES**

	£ 000
Profiled Estimate to 30 September 2022	3,605
Actual Spend to 30 September 2022	<u>3,043</u>
Favourable Variance to 30 September 2022	<u><u>(562)</u></u>
<u>Staff Costs</u>	
Staff costs are lower than anticipated at this point in the year, mainly due to vacancies	(269)
<u>Income</u>	
Investment income is higher than budgeted due to a better than budgeted average rate of return	(341)
Building control income is lower than estimated in the year to date	49
car parking income is lower than estimated in the year to date	24
Development control income is lower than estimated in the year to date	146
Income from investment properties is higher than estimated in the year to date	(210)
Income across the Community & Leisure service is higher than anticipated	43
Sundry variance	<u>(4)</u>
	<u><u>(562)</u></u>

## **ITEM 14      Vigo Road Recreation Ground Management Plan**

Report of the Community, Leisure and Tourism Portfolio Holder

### **Recommended:**

**That the Management Plan for Vigo Road Recreation Ground annexed to the report be approved.**

#### **SUMMARY:**

- This report summarises the work to develop a Management Plan for Vigo Road Recreation Ground following community consultation undertaken through the Andover Vision.
- The management plan will help guide the improvement and development of this green space.

### **1      Introduction**

- 1.1 This report summarises the work to develop a management plan for Vigo Road Recreation Ground in Andover (attached as an Annex) following consultation with the community in 2021.

### **2      Background**

- 2.1 Vigo Road Recreation Ground is a popular green space in the ward of St Mary's, Andover. As part of the Andover Vision work programme, a community consultation was held between May and September 2021 with the purpose of understanding whether the green space meets the community's needs, and if not, what improvement and development work might be needed.
- 2.2 A series of workshops were held with local schools and groups along with a number of events and markets attended to help develop a picture of the community's thoughts and aspiration for this green space. Over the period, 570 responses were received from the online survey.
- 2.3 The outcome of the consultation was presented to the Andover Vision members' group in April 2022 with the recommendation being that the group supported the drafting of a site management plan. The first draft of the management plan's vision, aims and strategic objectives along with a detailed action plan were presented back to the Andover Vision members in August 2022 with a request for written comments and suggestions. Written comments received have been taken on board in the revision of the plan and further context on how the document contributes to wider community and environmental objectives added.

- 2.4 Adhering to a structured management plan provides an agreed framework for the care and improvement of green spaces and is an accepted best practice method to achieve the best outcome.
- 2.5 The management plan will be delivered by the Community and Leisure and Environmental Services teams, and intends to build on the existing planned maintenance schedules for the space. The plan has a focus on engaging the local community through specific projects and with the formation of a Friends of Vigo Road Recreation Ground group. The intention is to apply for the Green Flag award for the site when the site reaches the required standard.
- 2.6 The future ambition to extend the size and scope of the space as part of the delivery of the wider Andover Masterplan ambition is included as part of the management plan.
- 2.7 The plan represents a starting point and will be kept under review to ensure it is delivering the required outcomes for the site and local community.

### **3 Corporate Objectives and Priorities**

- 3.1 The proactive management of green spaces delivers key objectives within the Council's Corporate Plan *Growing Our Potential 2010 – 2023*. This includes:
- 3.2 **Growing the potential of People** by creating communities that have the infrastructure and accessibility to meet the needs of a changing and growing population. Establishing attractive, sustainable and vibrant communities for people to live, work and enjoy.
- 3.3 **Growing the potential of The Local Environment** by providing high-quality green infrastructure such as green spaces and nature reserves for our communities to access and enjoy for generations to come.
- 3.4 The management plan for Vigo Road Recreation Ground will focus on how the site can contribute to the Council's Climate Emergency targets to achieve net zero carbon emission. This will be helped through changes to management practices and new planting.

### **4 Consultations/Communication**

- 4.1 Consultation was carried out with the community over a five month period to understand their thoughts and aspirations for the space. Over 1000 people engaged with this process. The outcome of this consultation was reported to the Andover Vision members group in April 2022. The draft vision, aims, objective along with the detailed action plan was presented to the Andover Vision members group for comment in August 2022.
- 4.2 Consultation on the draft plan has been undertaken across key services and work streams who will be involved with its implementation, including Environmental Services and Community Safety.

## 5 Options

- 5.1 Option 1 – Approve the management plan for Vigo Road Recreation Ground (recommended).
- 5.2 Option 2 – Do not approve the management plan for Vigo Road Recreation Ground and continue with the current approach to site management.
- 5.3 Option 3 – Adopt some other approach.

## 6 Option Appraisal

- 6.1 The option appraisal is as follows:
- 6.2 **Option 1 – Approve the management plan.** A planned approach to the management and future development of a green space ensures that available resources are maximised and the approach to improvement is planned and its impact monitored. The management of a number of green spaces around the borough are guided by management plans which have helped to coordinate improvements over the plan period. The management plan for Vigo Road Recreation Ground follows this approach and is written in response to the community's comments about the space, what works currently, and their ambitions for improvement. Approval by Cabinet would demonstrate that the Council have listened to and have responded to this feedback and are committed to working with the community to deliver improvements within the available resource.
- 6.3 **Option 2 – Don't approve the management plan and continue with the current approach to site development.** Continuing the current approach to the management of Vigo Road Recreation ground will see the site remain as is. Comments about its upkeep were positive from the consultation however this reactive approach to site development will not provide the coordinated benefits required to begin to deliver the communities aspiration for this space.
- 6.4 **Option 3 – Adopt some other approach.** The above are of course not the only two options, some other approach to management of the green space could be taken. However as the proposal set out at option 1 above is the recommendation of a professional officer, formulated with the benefit of their expertise and knowledge having taken into account consultation responses Option 1 is the preferred option.
- 6.5 Option 1 will help to deliver the communities aspiration for this green space in a planned way and responds to the outcome of the public consultation. Option 1 is considered low risk and therefore 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 management plan details a number of projects to improve and develop this green space for the community. It is anticipated that as the delivery of the management plan and individual projects develop, funding will be sourced from collected S106 contributions, funding bids made to the Community Infrastructures Levy (CIL) and external funding bids from sources such as Sport England. Where appropriate bids will be made to the Council's capital programme for consideration.

## **9 Legal Implications**

- 9.1 The Council has a duty of care under the 1974 Health and Safety at Work Act to do what is reasonably practical to ensure green spaces are safe for use. The Council has an obligation under the 2006 Natural Environment and Rural Communities Act to consider biodiversity in all decisions.

## **10 Equality Issues**

- 10.1 Green spaces are managed in accordance with the Council's obligations under the Equality Act 2010, including the Public Sector Equality Duty.

## **11 Other Issues**

- 11.1 Community Safety - Low level anti-social behaviour has occurred over the last 12 months at the open space. Increasing the quality of the facilities and public use will help to deter this activity. Safe spaces are places where the community feel comfortable using them at all times of the day. We work across Council and with partners to target issues when they arise.
- 11.2 Environmental Health Issues – The safety of the community who use our green spaces is a top priority. We work across council services to ensure we do what is reasonably practicable to ensure sites are inspected and appropriately managed.
- 11.3 Sustainability and Addressing a Changing Climate – The delivery of this management plan takes into account the need for appropriate management of the green spaces in order to promote resilience in a changing climate.
- 11.4 Wards/Communities Affected – Vigo Recreation Ground is situated in St Mary's Ward. Local members have been engaged with the public consultation and draft management plan

## **12 Conclusion and reasons for recommendation**

- 12.1 Following a management plan for a green space provides a planned approach to improvements and enables the community to inform and take active involvement.
- 12.2 This planned approach to management and the future improvement of Vigo Road Recreation ground demonstrates that the Council is proactive and is responding to the recent community consultation.

- 12.3 It is therefore recommended that the management plan attached at Annex 1 is approved.

<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: Community, Leisure and Tourism) Councillor D Drew			
Officer:	Kevin Harrington	Ext:	8815
Report to:	Cabinet	Date:	26 October 2022

# **Vigo Road Recreation Ground Management Plan**

**2023 - 2027**

For further details, please contact:-

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- 1.2 Vision
- 1.3 Aims
- 1.4 Objectives

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- 2.2 A Brief history
- 2.3 Policy context
- 2.4 Delivering Corporate objectives

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- Appendix 2 Ecology and Wildlife
- Appendix 3 Health and Safety
- Appendix 4 Community Consultation 2021 infographic
- Appendix 5 References

## Section 1 – Introduction

### 1.1 Introduction

- 1.1.1 This is the first edition of the management plan for Vigo Road Recreation Ground, Andover. The plan has been written in response to the community consultation undertaken across the summer of 2021 and considers what is working well, and where improvements could be made to improve the quality of this well used green space for the benefit of all visitors.
- 1.1.2 The plan will steer the future direction of the park management for the period October 2022 – October 2025. It is important that the management plan is not viewed as a rigid document but a framework for improvement and should not limit the development of this park if circumstances change. An annual review of the plan will ensure that objectives are assessed, amended or removed to ensure focus and, importantly, progress is maintained.
- 1.1.3 The first section of the plan sets out the vision for the park and our specific objectives for the five year period to deliver this vision. A review of the progress made in Year Five is also included in the first section. The second part puts the park in its historical and policy context, given its characteristics and contribution to the quality of life of Andover residents. Section Three and Four describe the current management arrangements and the initiatives currently underway to address challenging issues. The fifth and final section sets out our action plan. How the management plan will be monitored and reviewed is also considered in this section.
- 1.1.4 The management plan is structured to broadly follow the Green Flag award criteria as set out in appendix 1. The plan will be subject to public consultation before approval and then be reviewed annually to ensure it reflects the needs of the community and space.

## 1.2 A vision for Vigo Road Recreation Ground

### **Our vision is for:**

*Vigo Road Recreation Ground will be a destination open space in the heart of Andover. The well-used park will be a safe and welcoming place for the community to come together to enjoy the excellent range of inclusive facilities, a varied range of community events and be inspired by a well-designed and maintained landscape.*

## 1.3 Aims

### 1.3.1 We will achieve this vision by fulfilling the following aims:-

- To provide a green space in the heart of the town which is well used and loved by the local community, meeting their needs for wellbeing and recreation
- To ensure the space is resilient in a changing climate
- To achieve and retain the Green Flag park excellence award
- To increase the size, capacity and connectivity of the park through the development of new facilities and future masterplan expansion and inclusion objectives

## 1.4 Objectives for 2022 - 2026

- Providing a safe and well managed park which can be accessed and enjoyed by all
- Responding to community need, develop the range of facilities within the park suitable for its location, and work with existing users to ensure current facilities meet the needs of user groups now and into the future
- Develop a varied and inclusive park event programme to increase the range of free opportunities to engage with the site, promoting health and wellbeing
- To increase the opportunity for the local community to participate in the management and development of the park
- Develop planting proposals to create an immersive and welcoming environment, improving the sites ecological interest and ensuring climate resilience
- Deliver the long term ambition to increase the size of the park, fulfilling the objectives set out in the Andover masterplan

## Section 2 – Background

### 2.1 Vigo Road Recreation Ground at a glance

2.1.1 Vigo Recreation Ground is centrally located in Andover and just to the east of the town centre ring road. The park is a short distance from the town centre and sits just outside the Andover Conservation with views into the St Mary's church to the west (see map 1)

<b>Land Owner</b>	Test Valley Borough Council
<b>Council Ward</b>	St Mary's Ward
<b>Elected Members</b>	Councillor Iris Andersen Councillor Jan Budzynski Councillor Victoria Harber
<b>MP</b>	Kit Malthouse
<b>Size of the Park</b>	2.71 hectares
<b>Access and car parking</b>	A 26 space car park is located onsite accessed from Recreation Road. An additional area to the rear of Andover Bowls club is leased to facilitate parking for the club– see site layout and location plan in Appendix 1. The park is located in close proximity to town centre car parks including Black Swan Yard, George Yard and Eastfield Road.
<b>Pedestrian access</b>	There are four pedestrian entrances located off Recreation Road to the south east and north east, Adelaide Road to the west and Vigo Road to the north west.
<b>Park Facilities</b>	Current facilities include a bowling green with publically accessible rink, bowls club house (both assets leased to Andover Bowls Club) children's play area, 2 x tennis courts, performance space with pop up power, mature landscaping and trees and numerous benches around the perimeter. A network of surfaced paths offer an accessible route around park. The area to the south of the park known as Common Acre is managed by the council in perpetuity. A charity commission return is filed each year for this area.

Map 1 – Vigo Road Recreation ground location map



## **2.2 A brief history**

- 2.2.1 The land where Vigo Recreation sits was bought by Andover Borough Council from Winchester College in 1887 as part of the local celebrations for Queen Victoria's golden jubilee. Previously, the College had owned it as Callice Farm for centuries, together with many other local buildings around the town (Borrett, 2021).
- 2.2.2 Since 1887, the recreation ground has remained an area of leisure for Andover. A number of changes in layout have been made over the years, together with the additions of swings, slide and roundabout, gardens, a tennis court, a putting green and a bowling green, according to the demands of the times. In 1930 the then mayor, Edwin Lovell, had the idea of building a bandstand, and after some months of fund-raising it was erected with an opening ceremony on the evening of 5 Aug 1931 (Borrett, 2022).
- 2.2.3 The bandstand was converted to a bird aviary in the 1950's due to lack of use. In 2009 due to ongoing vandalism and its poor condition of the original wooden structure the aviary was removed with the space used to expand the children's play area. A performance space was created in the park with money raised by Andover and Anton Rotary.
- 2.2.4 Common Acre is located to the south of the site and makes up approximately 3100 m<sup>2</sup>. The space is managed in perpetuity by Test Valley Borough Council and a charity commission return is completed each year outlining how the space is maintained.

## **2.3 Policy context**

- 2.3.1 Vigo Road Recreation Ground provides a valuable local amenity for the people of Andover, and in a wider sense contributes to the delivery of policy at local and national level. This section outlines the policy context and initiatives which relate to the ongoing management and development of the park.

## **2.4 Delivering the Council's Corporate Objectives**

- 2.4.1 During the summer of 2018, Test Valley Borough Councillors attended 70 events and engaged with over 2000 people to understand what was important to them and what would improve their quality of life. Amongst the outcomes was that residents are keen to take part in more leisure activities across the Borough making the most of Test Valley's green spaces. In addition, they valued being able to easily access them and the wider countryside. They also supported investment in our green spaces and nature reserves.
- 2.4.2 The Corporate Plan Growing Our Potential 2019 – 2023 has four key priority areas in which the authority will focus. These are:
- Town Centres – to adapt and be more attractive, vibrant, and prosperous places
  - Communities – to be empowered, connected and able to build upon their strengths

- People – to be able to live well and fulfil their aspirations
- The local environment – for current and future generations

2.4.3 Under the heading of **the local environment** the Council will invest in:

- Providing high quality green infrastructure such as green spaces and nature reserves for our communities to access and enjoy for generations to come
- Enhancing the quality of our public realm to improve the local environment, so that these are attractive spaces and places that people can enjoy and spend time

2.4.4 The above reflects the focus that this authority puts on high quality green space.

## 2.5 Andover Vision

2.5.1 Andover Vision is a partnership of Andover's residents, community groups, businesses and public bodies. The Vision sets out the ambitions for the town and its future over the next 20 years. It has been shaped by local people through extensive consultation and has been brought together by the Vision partnership. The Vision partnership is ambitious about the future of Andover and have pledged to work together to help the town fulfil its potential and, in doing so, raise aspirations and promote a sense of pride in our community which will result in achieving great things for the town.

The five themes for the Andover Vision are:

- Being part of a connected community
- Having a great green environment
- Being part of a thriving town centre
- Supporting business, jobs and skills in the town
- Access to great health

## 2.6 Green Space Strategy 2020 – 2020

2.6.1 The Government's vision for the renaissance of England's green spaces seeks to ensure that the majority of local areas will have at least one quality green space with a Green Flag and over 75% of visitors will be satisfied with their local green space. The theme and targets set within this guidance have been embraced within the Council's Green Space Strategy 2020 – 2030 which sets out our vision for the borough's green spaces including Vigo Road Recreation ground.

- To respond to the increasing pressure for more (and more diverse) green space to meet current and future demand
- Provide resilient spaces in the face of a changing climate
- Connect green spaces to form part of an ecological network
- Maintain safe and accessible green spaces
- Encourage community participation in green space management

2.6.2 A key action in the Green Space Strategy is to achieve a Green Flag for Vigo Road Recreation ground by 2024. Several other strategies influence the management of Vigo Road Recreation Ground. Table 2 provides a summary of these.

**Table 2 - Strategies, policies and plans influencing the Management of Vigo Road Recreation Ground**

Council Strategy	Relationship with the management of Vigo Recreation Ground
Sustainability Framework 2017	The framework document sets out the Council's objectives for promoting sustainable practices in the way it delivers its services, with a focus on environmental matters. It sits beneath the Council's Corporate Plan and links with a variety of strategies and policy documents. The management of the park contributes to the objectives of this strategy by ensuring resources are maximised and waste is minimised across all management practices.
Local Biodiversity Action Plan 2008	The LBAP identifies key habitats and species which require management and protection.
Revised Local Plan DPD 2011 - 2029	Sets out the level and quality of open space throughout the borough and protects green spaces from development.  Policy LHW1 requires provision of Public Open Space for (development) proposals including a net increase in the number of dwellings where there is an identified deficit of  Public Open Space
Andover Masterplan 2020	The Andover masterplan sets out the vision for the redevelopment of Andover town centre over the next 10 years. The plans will see significant positive change in the town including a redeveloped centre and a network of newly created and connects green spaces linking the town with Vigo Road Recreation Ground. The ambition to extend the park through changes to the highway network presents a once in a generation opportunity to win back green space in the heart of the town.
Climate Emergency Action Plan 2020	The Council declared a climate emergency in June 2020 with the ambition of reaching carbon neutrality before 2050. The climate emergency action plan sets out how we will reach this target. Management of the environment including green space and this park is integral to carbon emission reduction through appropriate management and sequestration efforts.

## Section 3 - What Happens Now?

### 3.1 Managing the Park

3.1.1 A number of Council services take an active involvement in the management of the site. Environmental Services take the lead on maintenance, Community and Leisure Service on strategy, development and community involvement. The Property and Asset Management team (PAM) is responsible for all buildings. The services work closely and collaboratively to ensure management of this park is undertaken efficiently as possible.

### 3.2 Maintenance

3.2.1 Grass cutting is carried out weekly between March and November. The frequency is weather dependent and is adjusted to ensure the grass does not reach a height of above 40mm. Litter is cleared on a daily basis and litter and dog bins emptied 3 times per week. Additional operations are carried out throughout the summer period when use of the site is highest.

3.2.2 Seasonal bedding schemes are still used and provide year round interest. Bedding designs change twice a year in May and October.

3.2.3 Shrubs are growing around the perimeter of the park and are pruned at the correct time of year to promote new growth and good form.

3.2.4 Park furniture is inspected on a six monthly basis with informal inspection almost daily with action taken as necessary to ensure risks are minimised and high standards maintained. The annual restoration programme for park benches and bins is carried out during the winter months.

3.2.5 The tennis courts are cleaned annually. To ensure limited chemical usage the courts swept to remove moss and leaves. Throughout the year the courts and nets are inspected weekly and any leaf and woody debris removed when required. Nets are replaced when required.

### 3.3 Health and Safety

3.3.1 Regular inspections are undertaken to ensure where reasonably practicable the park is safe to use. Risk Assessment inspections for the park are carried out and reviewed annually. These inspections include fences, paths, buildings, benches and general park furniture. . Informal inspections of the park are carried out by the grounds staff on an almost daily basis.

3.3.2 The equipped children's play area is inspected weekly by an operational Registered Play Inspector (RPI) qualified operative using digital capture software. Two annual inspections are carried out by an independent inspection team from the Royal Society for the Prevention of Accidents (ROSPA) as well as by the Council's insurers.

### 3.4 Tree Management

- 3.4.1 There are 78 trees in the park which are surveyed and their condition logged on the Ezy Treev management database. The system of inspection is risk based with individual trees receiving an inspection depending on location, species and condition. Any works to trees are carried out by suitably qualified tree surgeons. A walking inspection is carried out annually as well as adhoc inspections by the Tree Officer and park management staff when in the park. Some of these inspections are unrecorded but result in immediate action if problems are identified.
- 3.4.2 It is essential to recognise the importance of appropriate management to retain trees and the value which trees make to the wider park landscape, their value for summer cooling and wildlife habitat. Future planting plans to ensure continuity of canopy cover in the park will be developed to ensure these valuable assets are retained and the future canopy is maintained.

### 3.5 Resources

- 3.5.1 **Capital** - The management plan details a number of projects to improve and develop this green space for the community. It is anticipated that as the delivery of the management plan and individual projects develop, funding will be sourced from collected S106 contributions, funding bids made to the Community Infrastructures Levy (CIL) and external funding bids from sources such as Sport England. Where appropriate bids will be made to the Councils capital programme for consideration.

### 3.6 Finance and Budget

- 3.6.1 An outline annual budget for the management park is set out in table 3

**Table 3 – Outline revenue budget expenditure across management areas 2022/23**

Management operation	Approximate revenue expenditure	Outline minimum frequency of operation
Grass cutting	£2,500	16
Shrub bed maintenance	£1,500	9
Seasonal bedding including maintenance	£2,000	30
Hedge management	£700	2
Play area inspection and maintenance	£3000	52
Tree management	£3,000	Subject to survey
Litter collection and bin emptying	£4,350	When required / dependent on season
Building maintenance allowance	£1,000	Annual expenditure
<b>Total</b>	<b>£18,050</b>	



3.5.1.3 The outcome of the consultation has informed the development of the action plan in section 5.

3.5.2 **Andover Bowling Club** - The Park is home to Andover Bowls Club. The club lease the pavilion building and bowling green from the council on a 25 year lease arrangement. The club have gone from strength to strength over the last 3 years and are rapidly inviting new members, especially after the pandemic. The club are ambitious to develop the facilities with a new pavilion building to allow year round member activity including short matt bowls as well as other community outreach activity. Action to explore improvements to current facilities is featured in the action plan in section 6.

3.5.3 **Transition towns, Andover** – The park has benefited from volunteer activity in the recent past from Transition Towns. The group took the lead with the planting of the herb and productive bed which runs alongside the bowling green.

### 3.8 Events

3.6.1 The park host a number of community events throughout the year and is available for community use free of charge. This includes regular events such as Andover carnival, Armed Forces day which attract more than 3000 visitors for each event. Other regular bookings include events such as Silent Cinema and community picnics. The park was the venue for the 215 project which was a community art installation which commemorated the end of WW1. The installation saw 215 figures of soldiers representing the names on the war memorial which were decorated by local schools.

3.6.2 An ambition, as part of the development of this management plan and ongoing improvements, will be to establish as self-supporting and constituted Friends of Vigo Road Recreation Ground group. It is hoped that the group will help steer the work in the park, be practically involved with management through weekend work parties, and help to ensure any improvements meet the needs of the community.

### 3.9 Community Safety

3.7.1 The park is considered to be a safe and accessible green space, however, a strong on-site presence is important to ensure park visitors feel safe and secure. A mobile group of grounds staff are on site regularly which provides a point of contact for visitors should any problems arise. This presence enables the staff to build a rapport as well as trust with regular visitors. The park is open 24 hours a day, therefore it would be wrong to give the impression that there are no issues at all with anti-social behaviour (ASB). In general, incidents are minor and we are well supported by the local police PCSO's. A summary of past issues and problems are as follows:

- Occasional litter and dog fouling
- Minor ASB including alcohol consumption
- Low level vandalism to park furniture.

## Section 4 Sustainability and climate resilience

### 4.1 Sustainably

4.1.1 Ensuring resources are maximised and waste is minimised is a core theme within the Council's Corporate Plan. Minimising waste and considering our actions at a park management level will contribute to the Council's commitment to minimising waste and assisting to combat climate change. The Council has declared a climate emergency and is delivering work through a climate action plan to begin to decarbonise. The scale of the challenge means that all sectors of the community have to be involved if we are to meet targets for reducing emissions and adapting to climate change. Our obligation to manage the park in a way to reduce energy consumption and waste is achieved in the following ways:

- **Chemical free** - Very limited chemicals use occurs in the park but we will endeavour to use chemicals if mechanical methods are not feasible. The only area of the park where chemicals are still routinely used is the bowling club with the maintenance of the green. We have a close working relationship with the club and will work with them to ensure chemical minimised.
- **Water Conservation** - With drier summers becoming more frequent, a review of our bedding has been carried out to ensure as little water is used as possible. This has resulted in a greater use of drought tolerant plants, such as geraniums, within the park. Going forward, and where bedding plants are specified, additional Broadleaf P4 (Swell Gel), which is a water storing polymer, is used on the beds to reduce evaporation. This material absorbs hundreds of times its own weight in water which is then absorbed by plant roots as required.
- **Local Plant Growing** - All bedding planted within the park is purchased locally and delivered in one load.
- **Recycling and Reuse** – We are committed to recycling litter and green waste generated through site use and management. The obligation to reuse and recycle is not confined to the home with the initiative embraced across various Park Management activities.
- **Recycling Green Waste** - Wherever possible, shrub pruning are used on site to act as weed suppressing mulch. All other material which cannot be used is taken off site and is then converted locally into 'Pro Grow' compost which is then used as soil conditioner. This includes grass cuttings collected from the bowling-green which is stored in the Council green waste bags and recycled.

## 4.2 Responding to Climate change

- 4.2.1 In response to the council climate emergency declaration, works to consider how green spaces can adapt to the changing climate as well as operational change to reduce the frequency of visits and therefore carbon emission are underway. The urban meadows initiative is one way we are looking at changing the mowing regime in specific spaces to increase biodiversity and reduce visits to cut grass.
- 4.2.2 The community consultation underlined the public support for more ecological rich and more diverse planting in the park. This approach will be embraced as we move forward with plans to improve the site to ensure that schemes are not only ecologically rich but restorative and therapeutic, and wonderful landscapes to visit.
- 4.2.3 A number of calculations will be made for the park which will provide baselines to measure the impact of any change to planting and park management. These are:
- Biomass (total)
  - Carbon storage – trees
  - Embedded energy
  - Simpsons biodiversity habitat index score.

## 4.3 Nature Conservation

- 4.3.1 The role of urban green space in providing habitats for some of the UK's most threatened species is now being increasingly recognised. Well managed parks can not only contribute to halting the long term decline in species diversity, but offer excellent opportunities to educate and inform the public on the part they can play in encouraging wildlife in their own gardens.
- 4.3.2 Vigo Road Recreation Ground provides a number of different habitats but its potential is not yet fully realised. To rectify this, a series of management aims have been drafted to target key habitats within the park in balance with the sites recreational use. These are summarised in Appendix 2. Key habitats and species in the park are:
- **Management of Deadwood** - Deadwood is left on the trees where it poses a low risk to public health. Where wood is removed deadwood piles are created at the base of the trees within the vicinity to provide an additional habitat for insects and bryophytes. Standing deadwood is left where it provides an additional habitat at the edges of the park.
  - **Trees and Bats** - Mature trees provide an important foraging and roosting habitats for bats. The park is used by several species of bat including noctule and common pipistrelle which use the site for foraging and summer roosting.

- 4.3.3 To increase viable roosting habitat bat boxes will be put up in the park and now provide a variety of additional roost opportunities. A list of species using and living within the park has been compiled and can be found in Appendix 3. This list is not exhaustive and will be added to as we get to further understand this aspect of the park.

## **Section 5 – Implementation, monitoring and review**

### **5.1 Monitoring and review**

- 5.1.1 The management plan must be seen as a live document which can be amended or changed to reflect new opportunities or changing circumstances. A formal review will be conducted each year working with the Friends Group, shared with Andover Vision and made available on the website.
- 5.2 It will be important to share with the public where we have achieved our strategies but also where things have not been achieved and why. A summary of our past year's performance against key objectives will be included each year in the management plan to ensure progress is tracked. Where our performance delivers objectives within other strategies this will be referenced.

## Action plan 2022- 2026

<b>Management Plan Objective 1</b>							
<b>Provide a safe, well managed and inclusive space which can be accessed and enjoyed by all</b>							
<b>1</b>	<b>Action</b>	<b>Justification</b>	<b>Lead Officer</b>	<b>Performance Measure</b>	<b>Budget</b>	<b>Indicative timescale</b>	<b>Green flag criteria note</b>
1a	Review lighting through the park and develop a plan for changes appropriate to the space	To improve the perception of a safer environment after dark	PCM	Changes to be added to site masterplan	Staff time. Explore funding opportunities	Dec 2022	1,2
1b	Work with Hampshire Constabulary and TVBC Community Safety Team with the planning of any changes	To ensure any changes have a positive impact on the site for all	PCM	Comments from the Police and Community Safety team worked into future changes for the space	Staff time	Dec 2022 then ongoing	1,2
1c	Work with cross council team to review management practices for the space to ensure they meet the vision for the site	To ensure maintenance is appropriate for increased site use	Env S PCM	Maintenance plan review, changes agreed and communicated	Staff time	Dec 2022 then ongoing	1,2
1d	Install additional bike storage	To promote active travel to the site to reduce car journeys	GSPM	Bike storage installed	£500	Dec 2022	1,2

1f	Review conditions of key site entrances. Agree any design changes as part of the site masterplan with timescale for delivery	To ensure entrances are clearly legible, inviting and accessible to all	PCM	Changes to be added to site masterplan	TBC	Feb 2023	1,2,3
1g	Review current seating and bench, style, location and setting. Confirm change in style (if required) and new positioning to respond to consultation	Seating should be accessible for all users. The review will ensure that the function and style of seating will be prioritised	GSPM	Changes agreed and locations reviewed onsite. Longer term aspirations added to site masterplan	Staff time. Explore funding opportunities	Mar 2023	1,2,3
1h	Review internal path layout, materiality and dimensions considering inclusive access requirements (involve key stakeholders).	To ensure access around the site is obvious and accessible for all	PCM	Changes to be added to site masterplan	TBC	May 2023	1,2,3
1i	Develop way-finding and signage from key points around the town	To ensure the site is clearly signed from key places encouraging use and additional visits	PCM	Changes to added to site masterplan	Staff time. Capital bid for works	Jan 2024	1,7

<b>Management Plan Objective 2</b>							
Responding to community need, develop the range of facilities within the park suitable for its location, and work with existing users to ensure current facilities meet the needs of user groups now and into the future							
<b>2</b>	<b>Action</b>	<b>Justification</b>	<b>Lead Officer</b>	<b>Performance Measure</b>	<b>Budget</b>	<b>Timescale</b>	<b>Green flag criteria note</b>
2a	Host pop up café for summer 2023 as pilot	Responding to community consultation. Stays/visits during the day are extended	PCM	Pop up café open and in use over the summer 2023	Staff time	Mar 2023	1
2b	Review longer term pop up café arrangement	Responding to community consultation	PCM	Arrangement agreed for medium term café in the park with extended period in 2023	Resources to be confirmed	Mar 2023	1
2c	Develop a masterplan document for the site	To provide a clear and logical layout in response to community need. Plan will be subject to consultation	PCM	Plan in draft and shared with ward members / AV member group and signed off for consultation	Staff time	May 2023	1-7
2d	Develop specific asset management programme for the park	Planned cyclical improvement plan agreed for implementation commencing April 2023	PCM	Plan in place for 2024	TBC	July 2023	1-7
2e	Review tennis court layout and consult on the support for paddle tennis	To increase tennis court capacity	PCM	Consultation reviewed Subject to support submit bid to LTA	Staff time	May 2022	1,6

2f	Install ping pong table	Responding to community consultation. To encourage physical activity. Quick win and movable	GSPM	Table installed	£2000	May 2022	1,6
2g	Install gym stations following consultation	Responding to community consultation. To encourage physical activity	GSPM	Gym station installed as per master plan	Funding options to be explored	July 2023	1,6
2h	Feasibility for Platinum Jubilee public art commission	Confirm location and appropriate setting incorporated in the layout of the park	AO	Artwork in place and surrounding setting / planting completed	TBA	July 2023	1
2i	Work with Andover Bowls club to develop plans for a new pavilion building, café and car parking	To support the clubs continued growth and promote the sport to a wider demographic. Provide a multi-functional community space for wider groups to use	PCM/SRO	Project plan agreed to confirm scope and budget. This action will be subject to a separate project plan	Staff time Professional fees TBA	Sept 2023	1,6
2j	Destination play area design including feasibility and cost of water play at this location	To ensure the site meet the needs of the community and is fully inclusive. Scheme to be developed through a design group. This will include the evaluation of water play at this site	PCM	This action will have its own project plan. Consultation undertaken, design brief agreed and tender completed. Scheme subject to funding	£1000 for fees/event(s)	Sept 2023	1,2,4,6
2k	Destination play implementation	Design and build onsite subject to securing resources	GSPM	Scheme installed and reopened to the community	Budget to be confirmed	April 2024	1,2,4,6

<b>Management Plan Objective 3</b>							
Develop a varied and inclusive park event programme to increase the range of free opportunities to engage with the site, promoting health and wellbeing							
<b>3</b>	<b>Action</b>	<b>Justification</b>	<b>Lead Officer</b>	<b>Performance Measure</b>	<b>Budget</b>	<b>Timescale</b>	<b>Green flag criteria note</b>
3a	Review event management process	To support event organisers manage and run safe and accessible event	PCM/CEC	Process reviewed and available online	Staff time	Feb 2023	1,3,6
3b	Improve marketing of the park	To ensure community organisations are aware of the space and able to run events	COMS	Promotional material drafted, shared and available online	Staff time	March 2023	7
3c	Increase the number of free to access community events in the park	To increase the number and of visits and length of stay	GSO/CEC	Events programme agreed	Resource TBA	May 2023 the ongoing	6,7

<b>Management Plan Objective 4</b>							
To increase the opportunity for the local community to participate in the management and development of the park							
<b>4</b>	<b>Action</b>	<b>Justification</b>	<b>Lead Officer</b>	<b>Performance Measure</b>	<b>Budget</b>	<b>Timescale</b>	<b>Green flag criteria note</b>
4a	Develop more detailed web pages for the site	To provide an place for up to date information about the site	PCM/ COMS	Webpages set up	Staff time	Jan 2023	6,7
4b	Increase social media messages	To ensure an up to date flow of information about the park and proposed improvements	PCM/ COMS	5 social media post per month	Staff time	Jan 2023	6,7
4c	Design steering group formed for specific elements including play area	To ensure new facilities meet community needs	PCM	Group formed and tasks assigned	Staff time	Feb 2023	6
4d	Monitor usage of the site through remote counters	Create base line for site use and monitor year on year	PCM	Counter in place and initial baseline information available	Resources to be confirmed	July 2023	1,6
4e	Establish a constituted friends of Vigo Rec group	To help guide the management of the site ensuring work meets community aspirations	CO	Constitution agreed and group activity planned	Staff time	Oct 2023	6,7

4f	Increase public engagement through practical work parties including planting activities	To encourage practical engagement and pride in the management and care for the site	PCM	First work party held onsite	Staff time	Nov 2023 then ongoing programme subject to support	4,6,7
4g	Apply for the Green Flag award	To recognise the quality of the space and its value to the community. Recognise the role of the community in the sites management and care	PCM	Application made to Keep Britain Tidy	Staff time	Jan 2024	1-8

### Management Plan Objective 5

Develop planting proposals to create an immersive and welcoming environment, improving the sites ecological interest and ensuring climate resilience

5	Action	Justification	Lead Officer	Performance Measure	Budget	Timescale	Green flag criteria note
5a	Review chemical usage	Chemical use limited t	ENV S	Plan to reduce chemical use to zero agreed	Staff time	Jan 2023	4,5
5b	Review current bedding planting schedule	To consider whether traditional bedding is still a logical choice at this site	PCM	Agree future for seasonal bedding in the park	Staff time	July 2023	4
5c	Develop baseline ecological survey	To consider existing habitats onsite	SCO	Baseline survey completed	Staff time	Sept 2023	4,6

5d	Carbon sequestration estimation	Develop CO2 sequestration and embodied energy baseline	CCO	Baseline developed	Staff time	Oct 2023	4
5e	Develop a planting design guide to help create spaces within the space and improve ecological interest	A comprehensive review of all planting as part of the master plan for the site. This will ensure planned changes are a comprehensive response to how the park will look and feel and increase ecological interest	PCM	Planting design guide agreed	Staff time	Oct 2023	4,6
5f	Phased changes to the planting in the park	Physical changes to the park commence with planted supported by community volunteering	PCM	Planting changes commences onsite	Resources to be confirmed	May 2023 onwards	4,6
5g	Work with the Bowl club to reduce all chemical applications	To remove chemical usage from the park	PCM / ENV	Planning for a chemical free park	Staff time	Dec 2023	4,6

<b>Management Plan Objective 6</b>							
Deliver the long term ambition to increase the size of the park fulfilling the objectives set out in the Andover masterplan							
<b>6</b>	<b>Action</b>	<b>Justification</b>	<b>Lead Officer</b>	<b>Performance Measure</b>	<b>Budget</b>	<b>Timescale</b>	<b>Green flag criteria note</b>
6a	Work with Andover master planning team to ensure future proposed changes for New Street / Eastern Avenue roundabout are worked into any redesign of the park	To ensure that the phased masterplan work to the roundabout and park work harmoniously	PCM	Plans for the roundabout and park align.	Staff time	Dec 2023	1-8

## Key to acronyms

<b>PCM</b>	<b>Parks and Countryside Manager</b>
<b>GSPM</b>	<b>Green Space Project Manager</b>
<b>Env S</b>	<b>Environmental Services</b>
<b>HBIC</b>	<b>Hampshire Biodiversity Information Centre</b>
<b>FG</b>	<b>Friends Group</b>
<b>EA</b>	<b>Environment Agency</b>
<b>CSO</b>	<b>Community Safety Manager</b>
<b>COMS</b>	<b>Communications Team</b>
<b>SCO</b>	<b>Senior Countryside Officer</b>
<b>CEC</b>	<b>Cultural Events Curator</b>
<b>CCO</b>	<b>Climate Change Officer</b>
<b>AO</b>	<b>Arts Officer</b>
<b>CDO</b>	<b>Community Officer</b>

## Appendix 1 Green Flag Award Criteria

**1. Welcoming Place** - First impressions are important and Green Spaces should be positive and inviting. Sites, where possible, will be made accessible to the whole community with provision for the elderly and disabled visitors as well as young people. Signs both inside and outside the space will be clear and of consistent design to offer appropriate information.

**2. Healthy, safe and secure** - Sites will be safe for all age groups and sectors of the community, including staff. Drinking water, first aid facilities, toilets and emergency equipment will be provided if appropriate to the site. An onsite presence in Green Spaces can make people feel safer and contributes to the general security of individual areas. A long term strategy to look at getting a visible presence in these spaces will be investigated. A Health and Safety policy will be put into practice and hygiene issues such as dog fouling will be addressed.

**3. Clean and Well Maintained** - The appearance and overall upkeep of a Green Space is a determining factor in whether local people use and respect the space. For aesthetic, environmental, health and safety reasons, litter, graffiti and waste management will be addressed. Flower beds, lawns, buildings, equipment, benches and water features will be evaluated, locations and conditions logged and facilities repaired or replaced if necessary.

**4. Sustainability** - The maintenance of Green Space and its facilities will be environmentally sound. The application of pesticides will be minimised and the use of horticultural peat will be eliminated. Wherever possible, waste vegetation will be recycled or composted and used on site, and priority will be given to low maintenance planting. The implementation of energy conservation measures and pollution reduction, where applicable, are considered as high priority as is the need to offset carbon emissions, including through increased tree planting.

**5. Conservation and Heritage** - Every Green Space is unique. Every effort will be made to conserve and manage any natural or built heritage. If appropriate, original land features and historical buildings will be restored and maintained to a high standard. Consideration will be given to increasing biological diversity, and conserving and creating new habitats will be incorporated at every opportunity.

**6. Community Involvement** - Public participation is essential to the success of any Green Space. Where we actively involve the local community and visitors, in the development and implementation of projects, improvements are more sustainable and have a higher success rate. Where possible, 'Friends' groups and other community-based strategies will be fostered to support the management and long term development of key sites.

**7. Marketing** - The local community will be made more aware of where Green Spaces are, what facilities are available and what events happen there. Methods to market the sites need to be diverse with site information publicised through tools such as leaflets, websites or notice boards.

**8. Management** - The development of 5-year management plans for specific sites to deliver sustainable improvements to Green Space will be reviewed, primarily for sites with the greatest visitor numbers. Management plans will illustrate the daily management prescriptions and operational schedules as well as a timescale for surveys. Management plans will be reviewed regularly.

## Appendix 2 Ecology and Wildlife

### Management prescriptions

Long term aims for the site can be categorised into 4 Management Options:

A - Active Conservation Management

B - Monitoring and Research

C - Education and Access

D - Administration and Public Relations

Feature / Habitat	Management Option	Outline Prescription
Meadow Management	A	2 x cut grass and collect arising in Spring (before April) and Autumn (before late September)
Hedges	A	Cut mid-July and November and consider cutting 1 side per year
Tree Management / Orchard	A C	Trees should be allowed to reach their ultimate form unless they pose a risk to public health. All tree work to be carried out to British Standards.  Labelling of key trees to aid specimen recognition.  Consider coronation cuts to promote habitat for bats.  Orchard - leave fruit on trees/ground as a food source for birds, insects and mammals.
Deadwood	A	Standing deadwood to be maintained on trees where it poses no risk to the public.
Management of mixed borders	A	Perennial planting to be mixed with native shrubs and bedding. Perennials/grasses to be left to seed with only part clearance to create over-wintering habitat.
Butterflies	B	Involve and support local residents with butterfly transects on site between April and September to compile baseline information. Send results to Butterfly Conservation.
Dragonflies & Damselflies	B	Support transects of dragonflies on site between May - September to compile base line information. Involve British Dragonfly Society and other local naturalists.

Birds	B	Conduct a Common Bird Census (CBC) with assistance from British Trust for Ornithology (BTO) members and local residents.
Birds	B	Install bat boxes Ensure boxes are cleaned and are free from nesting material before November. (Caution needed regarding bat use).
Mammals	B	Record and note species seen by local residents / staff to compile database.
Bats	B	Monitor foraging and roosting activity from April - October. Bat boxes to be checked.
School Involvement	C	Involve local children in projects on site.
Interpretation of features	C & D	Commission temporary interpretation boards for meadow area, orchard and area adjacent to river.
Increase public awareness	D	Through interpretation boards, guided talks and work parties

**Species list – To be completed summer 2023**

## Appendix 3 Health and Safety

Health and Safety is of paramount importance when working within the park. To ensure continuity the following safe operating procedures have been drafted and are followed by staff when working in the park. A list of our safe operating procedures are below. An example of a full Safe Operating Procedure follows the list.

### Safe operating procedures

- Post hole boring
- Safe use of strimmers
- Safe use of hedge trimmers
- Ride on and pedestrian rotary mowers
- Safe use of ladders
- Roller, scarifying, spikers and lawn edging
- Low pressure jet wash
- Safe handling of sharps
- Use of company vehicles
- Snow and ice gritting
- Use of petrol blowers
- Convenience cleaning
- Safe application and use of herbicide, pesticide, fungicide and fertilizer
- Mechanical channel and footpath sweepers
- Litter picking and manual sweeping
- Trailer use
- Transport of and safe use of wood chippers
- Use of hand tools
- Chainsaws
- Planting and staking
- Stump grinders
- Rotavators
- Installation of bins and benches
- Dog bin emptying
- Litter bin emptying

Appendix 4 Community consultation summary infographic



## Appendix 5 References

Borrett, D. (2021) Andover History: The Transformation of Vigo Road Park. Andover Advertiser

<https://www.andoveradvertiser.co.uk/news/18980452.andover-history-transformation-vigo-road-park/> Accessed 10.7.2022

## ITEM 15

## Rural England Prosperity Fund

Report of the Climate Emergency and Countryside Portfolio Holder

### Recommended:

1. That delegated authority be given to the Head of Planning Policy and Economic Development in consultation with the Climate Emergency and Countryside Portfolio Holder and Finance and Resources Portfolio Holder and Head of Finance and Revenues to submit the Rural England Prosperity Fund Investment Plan.
2. That if required, the Capital Receipts Reserve be used to forward fund approved expenditure until government funding tranches are released.

### SUMMARY:

- To outline the requirements of the Rural England Prosperity Fund and explain the proposed process to develop and submit the Investment Plan required to draw down the funding.

## 1 Introduction

- 1.1 The purpose of this report is to outline the requirements of the Rural England Prosperity Fund and how this can be used to meet the objectives of the Council and its partners. It also proposes a process in order to submit the required Investment Plan by the deadline of 30<sup>th</sup> November 2022.

## 2 Background

- 2.1 To complement the UK Shared Prosperity Fund the Government has launched the Rural England Prosperity Fund (Rural Fund) worth up to £110 million for 2023/24 and 2024/25. It is the domestic replacement for the European funded LEADER Programme used to support the development of rural economies. The rural fund was launched on 3<sup>rd</sup> September with Councils required to submit an Investment Plan by 30<sup>th</sup> November in order to access their allocation.
- 2.2 The Borough's total allocation combined for the two years (2023/24 and 2024/25) is £514,097. This is broadly split 25% in the first year and 75% in the second. This capital funding is provided to (a) support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy; and (b) support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

- 2.3 There is no match funding requirement (unlike the Levelling Up Fund bid) and the rural fund is not a competitive process. The Government will appraise the Investment Plan and it is anticipated that this will be undertaken by January 2023 based on the Department for Environment, Food and Rural Affairs timetable. This Fund is an addition to the UKSPF allocation but restricted to support rural communities.
- 2.4 In order for the Investment Plan to be successful it needs to identify interventions (or projects) together with aligned outcomes, objectives and financial allocation to support the rural areas of Test Valley in line with the aspirations of the Government's Levelling Up Agenda. For Rural Fund purposes, rural areas are:
- Towns, villages and hamlets with populations below 10,000 and the wider countryside
  - Market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services
- 2.5 The Rural Fund provides capital funding to:
- Support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams
  - Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.
- 2.6 The Investment Plan must propose activities that must meet pre-set interventions. The Plan must set out the challenges and issues facing the Borough in order to select the most relevant interventions. The full list is below but the Plan does not need to meet all the interventions.
- Funding for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.
  - Funding for growing the local social economy and supporting innovation. This includes: • community businesses • cooperatives and social enterprises • research and development sites.
  - Funding for the development and promotion (both trade and consumer) of the visitor economy, such as: • local attractions • trails • tourism products more generally.
  - Funding for investment and support for digital infrastructure for local community facilities.
  - Funding for investment in capacity building and infrastructure support for local civil society and community groups.
  - Funding for creation of and improvements to local rural green spaces.

- *Funding for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.*
- Funding for local arts, cultural, heritage and creative activities.
- Funding for active travel enhancements in the local area.
- Funding for rural circular economy projects.
- Funding for impactful volunteering and social action projects to develop social and human capital in local places.

2.7 At this stage officers are still investigating possible projects and activities to include which will inform the final list of interventions. Due to the tight timeframe to submit the Investment Plan it is recommended that we finalise with the Portfolio Holder following conversations with key partners.

2.8 It is envisaged that this capital funding will likely be in the form of grants to businesses and other organisations.

2.9 There is the ability to use revenue funding from our UKSPF allocations to support the capital from the Rural Fund top-up. This must be consistent with our UKSPF investment plans.

### **3 Corporate Objectives and Priorities**

3.1 The projects contained within the Investment Plan touch on each of the four objectives of the corporate plan and the final plan will reflect these priorities where appropriate. There is also a significant connection with the objectives of Council strategies including the Climate Emergency Action Plan and the adopted interim Economic Strategy.

### **4 Consultations/Communications**

4.1 Prior to submission, it is proposed to undertake a session of stakeholder engagement with those organisations whose understanding of the local rural economy and our communities will help identify the interventions and refine the projects contained within the Investment Plan.

4.2 In order for this engagement to be undertaken and projects confirmed within the relatively short window for submission it has proved necessary to report to Cabinet prior to having a completed Investment Plan. It is therefore proposed that the Investment Plan is finalised in consultation with the portfolio holders for Climate Emergency and Countryside and Finance and Resources.

### **5 Options**

5.1 The option to consider is whether to submit an Investment Plan in line with the Rural Prosperity Fund interventions, or not.

### **6 Option Appraisal**

6.1 This is a non-competitive Fund. We have been allocated £514,097 subject to submitting an Investment Plan which satisfies DEFRA's bidding criteria. Therefore the option is to develop the Investment Plan as proposed or to not submit and not receive this funding.

- 6.2 The release of the Rural Prosperity Fund provides the Council with an opportunity to secure significant funds to support rural business/communities. Whilst the fund is for capital schemes the scope of impact is one which covers a wide breadth of projects in line with the interventions as outlined in paragraph 2.6. As such there is clear justification for submitting the investment plan.

## **7 Risk Management**

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

## **8 Resource Implications**

- 8.1 The rural fund is for capital projects only. The funding allocation will be added to the Capital Programme once the Investment Plan is approved.
- 8.2 The allocation of funding is split across the two financial years 2023/24 and 2024/25. Should the approved Investment Plan identify that it would be more beneficial to make payments at a faster rate than the funding is received, it is recommended that the Capital Receipts Reserve be used to forward fund the payments until the funding allocation is received.
- 8.3 It will be necessary to establish grant application mechanisms for some of the projects. Officers are considering what the best approach for considering and determining grants is. It is anticipated that this process can be met from within existing budgets.

## **9 Legal Implications**

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

## **10 Equality Issues**

- 10.1 There are no equality issues arising from this report.

## **11 Other Issues**

- 11.1 Sustainability and Addressing a Changing Climate – This Fund can support projects that meet our sustainability and addressing a Changing Climate. There is funding for including capital funding for net zero infrastructure for rural businesses, creation of and improvements to local rural green spaces and circular economy projects.
- 11.2 Wards/Communities Affected – All parts of the Borough can potentially benefit from the rural fund with exception of the Andover wards where Government restrictions prevent the fund being used on market or 'hub' towns with a population exceeding 30,000.

## 12 Conclusion and reasons for recommendations

- 12.1 The Rural Prosperity Fund is an opportunity to support rural areas. Given the very short timeframe to consult and develop the Investment Plan it is recommended that delegated authority be given to the Head of Planning Policy & Economic Development in consultation with the Climate Emergency and Countryside Portfolio Holder and Finance and Resources Portfolio Holder and Head of Finance and Revenues to submit the Rural England Prosperity Fund Investment Plan.

<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: Climate Emergency and Countryside) Councillor A Johnston			
Officer:	Jennie Pell	Ext:	8309
Report to:	Cabinet	Date:	26 October 2022

## **ITEM 16 Interim Rights under the Electronic Communications Code**

Report of the Finance and Resources Portfolio Holder

### **Recommended:**

- 1. That a works agreement be entered into with EE Limited and Hutchinson 3G Limited in terms substantially as set out in the draft Agreement Annexed to this report.**
- 2. That the Head of Planning and Building and Head of Legal and Democratic Services be given authority to settle the final form of the Agreement.**

### **SUMMARY:**

- To consider statutory Notice served by EE Limited and Hutchinson 3G Limited seeking agreement to carry out survey works at Beech Hurst Car Park under the Electronic Communications Code.

### **1 Introduction**

- 1.1 The Council has been served with notice via solicitors for EE Limited and Hutchinson 3G (“the Operator”) seeking agreement to carry out survey work on part of the car park at Beech Hurst in order to establish whether the site would be suitable for the installation of a telecommunications mast.
- 1.2 A copy of the most recent Notice (which includes the proposed Agreement and plan) is annexed to this report.
- 1.3 The location of the proposed survey site is at the westerly edge of the Beech Hurst car park nearest Weyhill Road. The proposed survey site shown by yellow edging on the plan on the final page of the Annex to this report.
- 1.4 The Head of Property and Asset Management holds delegated powers to enter into various agreements regarding the Council’s estate, however the Council’s constitution reserves ‘any transaction involving the possible installation of one or more telecommunications masts and/or ancillary equipment on Council-owned land or buildings’ and requires such matters to be referred to the Cabinet for consideration and approval.
- 1.5 At this stage, the request is simply to carry out survey work to establish if the site is suitable for mast installation, *not* to erect a mast itself. Any request to erect a mast would need to be submitted and considered separately.

## 2 Background

- 2.1 The Electronic Communications Code ('the Code') which is inserted into the Communications Act 2003 and Digital Economy Act 2017 gives Telecommunications Operators wide-ranging statutory rights to facilitate the creation and operation of their networks.
- 2.2 It is important to note that these are *rights* and rights which can only be challenged in very limited circumstances.
- 2.3 Operators can obtain the rights in one of two ways, firstly, by agreement and secondly in the absence of agreement they can be imposed by the Court.
- 2.4 The Operator is looking for suitable sites in the local area to replace a mast which his being decommissioned.
- 2.5 The purpose of the survey is to dig a slit trench, borehole and trial dig which are intrusive works to the Council's car park. It is important to note that this Notice and request relates to the carrying out of survey work only. Granting rights to carry out the survey work does not commit the Council in any way to granting rights for any mast installation itself and in consenting to survey work, the Council does not in any way prejudice its ability to make a decision on granting rights for any mast installation itself if and when such a request ultimately arrives.
- 2.6 Senior officers are making simultaneous enquiries of the Operator as to its reasoning in identifying this site, the suitability of the site and seeking to understand the Operator's wider mast placement strategy and decision making on telecommunication mast provision in the Beech Hurst area and the wider Borough.
- 2.7 It is important to note that this decision is sought of the Council in its capacity as landowner of the site in question. The Council is obviously also the Local Planning Authority. In taking any decision, as landowner, to give permission for the survey works to be carried out is entirely separate and remote from its capacity as LPA. If, after the survey, the Operator wishes to proceed and seek to obtain rights either from the Council or ultimately from the Court to erect a mast and apparatus on the land then planning permission will be required.
- 2.8 The General Permitted Development Order 2015 gives deemed permission (subject to some exceptions) for installation of electronic communications apparatus conditional on the Developer/Operator making a prior approval application to the LPA for its siting and appearance. On receiving a prior approval application the LPA can either approve or refuse the proposed siting and appearance of the development.
- 2.9 As set out above, this decision is not in any way related to the Council's role as LPA but the general regime for obtaining substantive permission is set out in the above paragraphs for information.

### **3 Consultations/Communications**

- 3.1 No consultations have been undertaken in relation to the Notice served. This is a Statutory Notice which has been served on the Council. It is understood that the Operator has written to some neighbouring properties regarding their proposal.

### **4 Options**

- 4.1 **Option 1** Agree to give the requested rights to the Operator.
- 4.2 **Option 2** To refuse to give the requested rights.
- 4.3 **Option 3** To not respond at all to the notice.

### **5 Option Appraisal**

- 5.1 If either Option two or three was adopted the Operator would apply to court for an order conferring the rights sought. The Heads of Property and Management and Legal and Democratic Services have obtained specialist telecommunications legal and technical advice. There currently exist no grounds to properly object to the survey work and it is recommended that rights are given by agreement. For these reasons Option 1 is the recommended Option.

### **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 adverse resource implications to the recommended course of action in respect of the survey works. If granted, the Operator will carry out the survey and reinstate the site to its former condition.
- 7.2 Agreeing to confer the expressly limited survey rights at this stage will avoid the Council being ordered to pay the Operator's court fees in the event that consent is not given and the Operator applies to the court for an order conferring the rights.
- 7.3 The Operator will repay reasonable costs properly incurred by the Council in providing access to carry out the surveys along with any supervision required of up to £500 plus vat for the first day of access and £350 for each subsequent day.

### **8 Legal Implications**

- 8.1 The legal implications of the recommended option are that the Operator EE Limited and Hutchinson 3G Limited will be able to carry out survey works at the Beech Hurst car park.

8.2 The recommendation does not commit or imply commitment to permission being given for erection of the telecommunications mast itself and in no way prejudices the Council's ability to consider any request regarding the mast itself. If and when the operators wish to proceed with that work, a further decision will be required and presented to Cabinet with all relevant supporting documentation.

8.3 As set out above, if an agreement is not entered into, the Operator will apply to the Court for an order compelling the Council to provide access. It is likely that the Council would be ordered to pay the costs of such an application. There are currently no grounds to resist that particular application.

## 9 Equality Issues

9.1 No equality issues arise as a result of the subject matter of this report.

## 10 Other Issues

10.1 None identified.

## 11 Conclusion and reasons for recommendation

In the absence of grounds to object to the request for rights to carry out specified surveys, and in the light of the likely court costs which would fall to the Council if the Council does not consent, it is recommended that agreement to survey is entered into. To reiterate, any agreement pursuant to the recommendation allows the operator to survey in accordance with the Agreement and nothing further.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<a href="https://legislation.gov.uk">Digital Economy Act 2017 (legislation.gov.uk)</a>			
<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:	Paul Brooks and Karen Dunn	Ext:	8318 & 8401
Report to:	Cabinet	Date:	26 October 2022

## STATUTORY NOTICE

### SEEKING AGREEMENT TO THE CONFERRAL OF INTERIM RIGHTS UNDER THE ELECTRONIC COMMUNICATIONS CODE

Paragraph 26(3) of Part 4 of Schedule 3A of The Communications Act 2003

#### IMPORTANT NOTICE

**If you are willing to enter into a Code Agreement, you should respond within 28 days**

1. This is a statutory notice pursuant to paragraph 26(3) of the electronic communications code, set out in Schedule 3A to the Communications Act 2003 (the “Code”).<sup>1</sup>
2. This notice has been issued by EE Limited (“we” or “us”) to you, Test Valley Borough Council, because we would like to carry out works on land occupied by you for the purposes of our electronic communications network and/or infrastructure system. We are seeking your agreement, on an interim basis, to confer these rights on us.

~~*[OR delete appropriate version of paragraph 2]*~~

- ~~2. This notice has been issued by *[Name of Code operator]* (“we” or “us”) to you, *[Insert name]*, because we have certain rights to *[insert brief description of rights already exercisable by operator in relation to the land, e.g. keep apparatus installed on land in relation to which you have an interest]* for the purpose of our *[electronic communications network and/or infrastructure system]*. We are seeking your agreement, on an interim basis, to be bound by these rights.~~

#### BACKGROUND

3. We provide an electronic communications network and/or infrastructure system in the United Kingdom. This is used in order to provide consumers with mobile telecommunications services, including voice and broadband services.
4. For this purpose, the Office of Communications (OFCOM) has given a direction applying the Code to us. The Code regulates the relationships between us and occupiers of land, thereby facilitating the deployment of electronic communications apparatus.

#### INTERPRETATION

5. In this notice:
  - a. “**Apparatus**” means the electronic communications apparatus described in Annex 1;
  - b. “**Land**” means the land at Beech Hurst, Weyhill Road, Andover, SP10 3AJ as comprised in title number HP648980.

<sup>1</sup> A copy of the Communications Act 2003 is available online at [www.legislation.gov.uk](http://www.legislation.gov.uk).

DETAILS OF THE AGREEMENT WE ARE SEEKING

6. In this notice, we are seeking your agreement to confer on us ~~/be bound by~~ the following rights, on the interim basis specified at paragraph 8 below:
- a. the right to install the Apparatus on, under or over the Land;
  - ~~b. the right to keep installed the Apparatus which is on, under or over the Land;~~
  - ~~c. the right to inspect, maintain, adjust, alter, repair, upgrade or operate the Apparatus which is on, under or over the Land;~~
  - d. the right to carry out any works on the Land for or in connection with the installation of the Apparatus on, under or over the Land or the installation of electronic communications apparatus elsewhere;
  - ~~e. the right to carry out any works on the Land for or in connection with the maintenance, adjustment, alteration, repair, upgrading or operation of the Apparatus which is on, under or over the Land or of electronic communications apparatus elsewhere;~~
  - ~~f. the right to enter the Land to inspect, maintain, adjust, alter, repair, upgrade or operate the Apparatus which is on, under or over the Land or any electronic communications apparatus elsewhere;~~
  - ~~g. the right to connect the Apparatus to a power supply;~~
  - ~~h. the right to interfere with or obstruct a means of access to or from the Land (whether or not the Apparatus is on, under or over the Land); and~~
  - ~~i. the right to lop or cut back, or require another person to lop or cut back, any tree or other vegetation that interferes or will or may interfere with the Apparatus.~~

(together, the “**Code Rights**”).

7. In addition to the Code Rights, we are also seeking in this notice your agreement to the additional terms set out in Annex 2.
8. We would like the Code Rights, and additional terms set out in Annex 2, to be exercisable for a period of three months. ~~/until the occurrence of [Insert details of a particular event (e.g. until redevelopment of alternative property)]~~.

CONSEQUENCES OF NOT REACHING AGREEMENT

9. If either:
- a. you do not, before the end of 28 days beginning with the day on which this notice is given, agree to confer ~~/to be bound by~~ the Code Rights; or
  - b. at any time after this notice is given, you give notice in writing to us that you do not agree to confer ~~/to be bound by~~ the Code Rights,

we will be entitled to apply to the court for an order under paragraph 26 of the Code. Further detail on these orders is provided in the supplementary information at the back of this notice.

10. We consider that the agreement sought in this notice is *not* a matter of urgency and therefore *do not* intend to apply for such an order prior to the end of the 28-day period referred to above.<sup>2</sup>

#### YOUR OPTIONS

11. In response to this notice, you may:
- agree to confer the Code Rights on us ~~/to be bound by the Code Rights~~ on the interim basis requested in this notice;
  - give notice to us that you do not agree to confer ~~/to be bound by~~ the Code Rights on the interim basis requested in this notice; or
  - do nothing.
12. In deciding how to respond to this notice, you may wish to seek independent legal advice.
13. If you agree to confer the Code Rights on us ~~/to be bound by the Code Rights~~ on the interim basis requested in this notice, we will send you an agreement reflecting the terms set out in this notice and ask you to sign it. ~~we ask you to sign the agreement attached at Annex 2.~~ You would be entitled to seek independent legal advice in relation to this agreement.
14. Alternatively, and as explained at paragraph 9 above, if you do nothing or give notice to us that you do not agree to confer ~~/to be bound by~~ the Code rights on the interim basis requested in this notice, we will be entitled to apply to the court for an order under paragraph 26 of the Code.
15. Please submit any notification pursuant to paragraph 11a. or b. to us in writing as soon as possible and, in any event, before the end of 28 days beginning with the day on which this notice is given.
16. To be effective, such notification must be **delivered by hand** or sent by **registered post** or **recorded delivery** to the following address:
- DWF Law LLP, Bridgewater Place, Water Lane, Leeds, LS11 5DY  
(Ref: 17197/FOO00270-12419)
17. If you have any questions about this notice, please do not hesitate to contact us via telephone 07902 106988 or e-mail [Mollie.Wood@dwf.law](mailto:Mollie.Wood@dwf.law)

Dated: 30 September 2022

Signed: *DWF Law LLP*

DWF Law LLP, as authorised agents for and on behalf of EE Limited

<sup>2</sup> In limited circumstances, where the court agrees that it is a matter of urgency for an order to be made under paragraph 26(5) of the Code, it may make such an order even though the 28-day period referred to at paragraph 9a. above has not elapsed (and paragraph 9b. does not apply).

ANNEX 1  
THE APPARATUS

All equipment necessary to carry out the Surveys detailed in the Agreement attached at Annex 2.

ANNEX 2

ADDITIONAL TERMS OF AGREEMENT SOUGHT

As set out in the Agreement attached hereto.

SUPPLEMENTARY INFORMATION FOR THE RECIPIENT OF THIS NOTICE

Orders under paragraph 25(3) of the Code

1. An order under paragraph 25 of the Code is an order which imposes on us and you an agreement. The effect of such an agreement would be [*to confer the Code Rights on us /provide for the Code Rights to bind you*], on an interim basis.
2. Paragraphs 23 and 24 of the Code contain further detail about the terms of the agreement that the court may impose. And paragraph 22 of the Code states that such an agreement takes effect for all purposes of the Code as an agreement under Part 2 of the Code between the operator and the relevant person.
3. The court may only make an order if:
  - a. you have agreed with us to the making of the order and the terms of the agreement imposed by it; **or**
  - b. it thinks that there is a good arguable case that **both** of the following conditions are met:
    - i. the prejudice caused to you by the order is capable of being adequately compensated by money; and
    - ii. the public benefit likely to result from the making of the order (having regard to the public interest in access to a choice of high quality electronic communications services) outweighs the prejudice to you.
4. The court may **not** make such an order if it thinks that you intend to redevelop all or part of the land to which the Code Rights would relate, or any neighbouring land, and could not reasonably do so if the order were made.
5. The court also has the power to order us to pay you compensation for any loss or damage that you have sustained or will sustain as a result of the exercise of the Code Rights. Paragraphs 25 and Part 14 of the Code contain further detail about this.

EE Limited & Hutchison 3G UK Limited - EARLY ACCESS AGREEMENT FOR SURVEY PURPOSES

THIS AGREEMENT is dated

2022

**BETWEEN**

(1) **TEST VALLEY BOROUGH COUNCIL** whose registered office is situate at Beech Hurst, Weyhill Road, Andover, Hampshire, SP10 3AJ (the "Owner");

(2) **EE LIMITED (company number: 02382161)** whose registered office is situate at 1 Braham Street, London, E1 8EE [and **HUTCHISON 3G UK LIMITED (company number: 03885486)** whose registered office is situate at 450 Longwater Avenue, Green Park, Reading, Berkshire, England, RG2 6GF (together the "Operator")

**PROPERTY: all the land and building situate at and known as Beech Hurst, Weyhill Road, Andover, SP10 3AJ (Site Ref: 97564) as occupied by the Owner and comprised in title number HP648980**

**1. Background**

The Operator requires to carry out site visits, surveys and inspections as listed in the Schedule to this Agreement ("Surveys") in order to assess the suitability of the Property for the installation of the electronic communications apparatus in connection with the Operator's Network (*as defined in the Electronic Communications Code, as set out in Schedule 3A to the Communications Act 2003*).

**2. Grant of Rights of Access to the Operator**

2.1 In consideration of the obligations on the Operator's part contained in this Agreement the Owner grants the Operator and all those authorised by it from time to time, (which shall include where appropriate their respective employees, agents, independent contractors, telecommunication link providers) rights (the "Rights") to:

2.1.1 carry out the Surveys at the Property; and

2.1.2 take vehicular (where appropriate) and pedestrian access over and through [any access leading to the Property and such parts of the Property as are reasonably necessary for the purpose of carrying out the Surveys (with such materials, machinery, tools, plant and equipment as the Operator considers reasonably necessary),

for a period of 3 (three) months commencing on the date upon which the Operator enters the Property to commence the Surveys or, if earlier, until the date on which the Operator gives notice in writing that it does not intend to carry out any further Surveys at the Property (the "Period").

2.2 The Owner acknowledges that the Rights may be exercised by the Operator in one or more separate site visits during the Period, and further acknowledges that the parties attending each site visit shall have the right to take photographs in exercise of the Rights.

**3. In consideration of the Rights granted by the Owner the Operator undertakes as follows:**

- 3.1 to provide the Owner with at least 48 (forty eight) hours' prior notice (which need not be in writing) before entering the Property to carry out the Surveys;
- 3.2 to comply with all laws from time to time relating to the carrying out of the Surveys by the Operator;
- 3.3 to cause as little damage to the Property as reasonably possible in the exercise of the Rights and to as soon as is reasonably practicable make good all physical damage caused to the Property as a result of undertaking the Surveys and exercising the Rights to the reasonable satisfaction of the Owner;
- 3.4 at the end of Period to remove any materials, machinery, tools, plant and equipment used by the Operator in the exercise of the Rights;
- 3.5
  - 3.5.1 If the Owner (acting reasonably) does not accept the Operator's reinstatement carried out in accordance with clause 3.3, the Owner will notify the Operator of that fact within 14 (fourteen) days of completion of such reinstatement works by the Operator, and will confirm the wants of repair that it believes the Operator must rectify.
  - 3.5.2 In the event of a dispute between the Owner and the Operator as to the wants of repair to be rectified and/or as to the reinstatement that has been carried out by the Operator the matter will be referred to an expert ("**Joint Expert**") appointed jointly by the parties or in default of agreement the Joint Expert shall be appointed by the President of the Royal Institution of Chartered Surveyors.
  - 3.5.3 The decision of the Joint Expert shall be final (except in the case of manifest error) and each party is to bear its own professional costs, with the costs of the Joint Expert being paid for by the Operator or the Owner or jointly as the Joint Expert may direct.
- 3.6 to indemnify the Owner from and against liability to a third party arising directly out of (a) negligent exercise of the Rights or (b) the breach by the Operator of any of the terms of this Agreement PROVIDED THAT:
  - 3.6.1 the Operator shall have no liability for any economic or consequential loss;
  - 3.6.2 the Owner shall promptly notify the Operator of any claims or proceedings alleging such liability and shall not compound compromise or settle any such claims or proceedings without the Operator's prior written approval (such approval not to be unreasonably withheld or delayed) and shall permit the Operator to defend the same in the name of the Owner at the expense of the Operator;
  - 3.6.3 the Owner shall take all reasonable steps to mitigate its losses and liability to such third party;
  - 3.6.4 this indemnity does not extend to claims proceedings or liabilities to the extent they result from any negligence wilful act default or omission of the Owner (or its employees agents workmen contractors licensees or invitees);

3.6.5 the Operator's total liability under this clause 3.6 in relation to a single claim or series of claims arising from any one event or circumstance or series of connected events or circumstances shall not exceed one million pounds (£1,000,000) (except in the event of death or personal injury caused by the Operator's negligence where there shall be no limit);and

3.7 to reimburse to the Owner any reasonable costs properly incurred by the Owner in providing access for the Operator to the Property to carry out the Surveys.

#### **4. Insurance**

The Operator shall maintain insurance for a sum of no less than one million pounds (£1,000,000) against public liability and other third party liability in connection with any death or personal injury, loss or damage to persons or property arising out of the exercise of the Rights and will upon the Owner's request provide evidence of such insurance.

#### **5. The Owner covenants with the Operator that:**

- 5.1 the Operator may quietly and peacefully exercise the Rights during the Period without any interruption by the Owner or any other lawful agent or occupier;
- 5.2 if an asbestos register and a fire risk assessment exist in respect of the Property it will provide a copy of such documents to the Operator upon request; and
- 5.3 if structural drawings are available in respect of the Property it will provide details and copies to the Operator upon request.

#### **6. Alienation**

- 6.1 This Agreement is personal to the Operator and is not assignable.
- 6.2 Should the Owner intend to transfer or otherwise dispose of the Property during the Period the Owner shall give the Operator not less than 14 (fourteen) days' notice of the intended disposal and the identity of the intended donee, and the Owner shall use reasonable endeavours to secure the continuance of this Agreement.

#### **7. General**

- 7.1 A person who is not a party to this Agreement shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999.
- 7.2 This Agreement will in all respects be governed by and construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the English Courts.

For and on behalf of the **Operator**

.....

For and on behalf of the **Owner**

.....

The Owner's preferred point of contact is as follows (complete as applicable):

Contact name (if different from above):

Phone:

Email:

Postal address:

**The Schedule - Surveys**

The Surveys shall include (without limitation) the following:

- Multi-skilled visit - which shall include (without limitation) the following, with the parties acknowledging that the multi-skilled visit may be carried out in one or more than one visit to the Property.

Within the area outlined in yellow on the attached plan:

- Borehole survey,
- Trial dig survey,
- Slit Trench.



## ITEM 17

## A County Deal for Hampshire

Report of the Leader

### Recommended:

**That the “prospectus for change” document attached as an annex to this report be supported as the basis of an initial discussion with government about a potential County Deal for Hampshire.**

#### SUMMARY:

- The Levelling Up and Regeneration Bill provides for a new model of Combined Authority that enables “devolution deals” to be agreed with government with county councils and/or unitary councils in collaboration with district councils.
- In Hampshire, the county council has led on the development of a prospectus. This could form the basis of an initial conversation with government about a potential county deal for the Hampshire area.

### 1 Introduction

- 1.1 The Levelling Up and Regeneration Bill provides for a new model of combined authority that enables “devolution deals” to be agreed by government with county councils and/or unitary councils in collaboration with district councils.
- 1.2 In Hampshire, the county council has led on the development of a prospectus, which is attached to this report. Their intention is that this will form the basis of an initial conversation with government about a potential county deal for the Hampshire area.
- 1.3 Within the White Paper the Government announced that areas could put forward expressions of interest to take part in “Wave 1” of the county deal process. Whilst Hampshire County Council did put forward an expression of interest in August 2021, it was not taken up by Government at that stage.

### 2 Background

- 2.1 The Government subsequently announced that 9 areas had been included in “Wave 1” county deal areas. These are currently being negotiated and are as follows:
  - *Cornwall;*
  - *Derby and Derbyshire;*
  - *Devon, Plymouth and Torbay;*
  - *Durham;*
  - *Hull and East Yorkshire;*

- *Leicestershire;*
- *Norfolk;*
- *Nottinghamshire and Nottingham; and*
- *Suffolk.*

2.2 The White Paper also set out the governance framework for devolution against a range of potential functions, with Level 3 being the most powerful and Level 1 being the least powerful but noting that there will be scope to negotiate further powers, on a case-by-case basis, and an opportunity to adopt “*innovative local proposals*” to address specific challenges and opportunities.

- **Level 3:** A single institution or County Council with a directly elected Mayor (DEM), across a Functional Economic Area (FEA) or whole county area.
- **Level 2:** A single institution or county council without a DEM, across a FEA or whole county area.
- **Level 1:** Local authorities working together across a FEA or whole county area e.g., through a joint committee.

2.3 In the discussions to date across the Hampshire area and beyond, the governance arrangements that relate to a potential deal are probably the most challenging. In particular Portsmouth City Council has indicated that is not supportive of a “*directly Elected Mayor or Leader across the whole of the H10W geography.*” Hampshire County Council argue however that in order to understand what is possible in terms of devolved powers and a potential County Deal, a constructive conversation with government is required.

2.4 From a TVBC and District perspective conversations about a County Deal have led to the establishment of a Regeneration and Growth partnership at district level across Hampshire. This has previously been endorsed by Cabinet and is a welcome development. It will provide a more local focus for partnership with Hampshire County Council (HCC) at district level.

2.5 A County Deal itself could help bring much needed further investment for Test Valley’s regeneration schemes for the towns of Andover and Romsey. In addition it will be an opportunity to promote other important agendas such as the rural economy and carbon reduction.

### **3 County Prospectus**

3.1 The attached prospectus, which has been prepared by consultants engaged by HCC, identifies four thematic areas of:

- Sector Growth and Skills;
- Place Strategy;
- Net Zero and Net Environmental Gain;
- Integrated Transport.

- 3.2 The prospectus also highlights a proposal to create a Strategic Investment Fund for co-investment. The idea is to give a focus to allow funding from the private sector and Government up to c£1.2bn over 35 years. In addition, the proposal asks for a Business Rates deal with Government, setting out the potential to locally retain and strategically re-invest a significant proportion of economic growth receipts to catalyse and incentivise sustainable economic growth.
- 3.3 The prospectus is pitched at a high strategic level and does seek to commit partners to formal sign up at this point in time. However it will provide momentum to the process if HCC can gain support from district authorities, such as TVBC, for a conversation with government about a potential deal. This will help build a better understanding of what is on offer and for the Borough Council to understand the governance implications of any proposed deal.

#### **4 Corporate Objectives and Priorities**

- 4.1 At this point there are no clear details of how the proposed county deal would assist the council in the delivery of its corporate objectives and priorities. However, the process of discussion with government will help build a better understanding of what is on offer and how it will help the people of Test Valley.

#### **5 Consultations/Communications**

- 5.1 An all member briefing was held in July to bring TVBC councillors up to speed on the proposals contained in the attached prospectus.

#### **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 related to supporting an initial conversation with government about a potential county deal for the Hampshire area, at this time.

#### **7 Resource Implications**

- 7.1 There are no resource implications arising from this report.

#### **8 Legal Implications**

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

#### **9 Equality Issues**

- 9.1 There are no equality issues arising from this report.

#### **10 Conclusion**

- 10.1 Hampshire County Council wishes to understand what is possible in terms of devolved powers and a potential County Deal. As a result, a constructive conversation with government is required. By supporting the “prospectus for change” document as the basis of an initial discussion with government TVBC

will assist in this process.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Annexed to the report			
<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: Leader) Councillor P North			
Officer:	Andy Ferrier	Ext:	8121
Report to:	Cabinet	Date:	26 October 2022



# A prospectus for change: Deal Proposals

.....

June 2022



# Contents

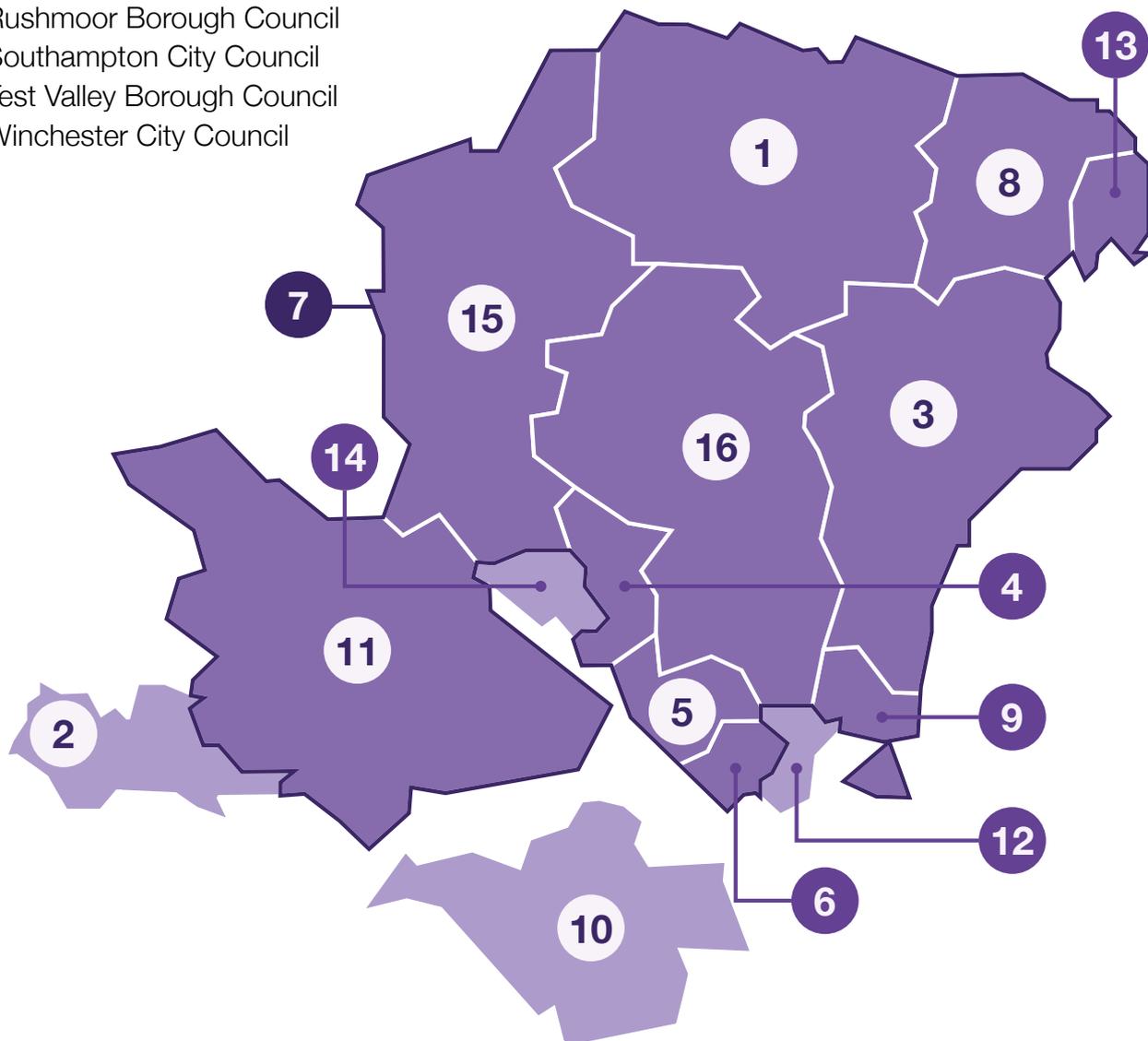


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# The Pan-Hampshire area

Pan-Hampshire is made up of the following administrative areas:

1. Basingstoke and Deane Borough Council
2. Bournemouth, Christchurch and Poole Council
3. East Hampshire District Council
4. Eastleigh Borough Council
5. Fareham Borough Council
6. Gosport Borough Council
7. Hampshire County Council
8. Hart District Council
9. Havant Borough Council
10. Isle of Wight Council
11. New Forest District Council
12. Portsmouth City Council
13. Rushmoor Borough Council
14. Southampton City Council
15. Test Valley Borough Council
16. Winchester City Council





## Executive summary

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Pan-Hampshire set out our original expression of interest for a County Deal in our Prospectus for Change in late 2021. Operating at a whole County level, with four significant unitary authority areas, gives us the scale to achieve the most ambitious outcome from a County Devolution Deal, leveraging a business rates base that can help deliver a transformative investment fund.

Since late 2021, the Government has published its Levelling Up White Paper Levelling Up and Regeneration Bill, with a devolution framework, and ambition for every place in England that wants it, to have a devolution deal.

The Government has also now published the Levelling Up and Regeneration Bill, which sets out the statutory framework for County Deal Combined Authorities. We have worked together across Pan-Hampshire to develop ambitious and specific proposals for a County Deal that reflect the maximum ambition related to the Government's framework, and the corresponding governance structures and investment that will empower local leadership and delivery.

We are now publishing the second part of our Prospectus: setting out worked up Deal Proposals outlining the ambition we have in pursuing a Level 3+ Deal with Government.

## The case for a Level 3+ Pan-Hampshire County Deal

Government has set out a clear policy focusing on devolution that supports economic growth and levelling up delivered through County Deals. Legislation aims to establish Combined Authorities that bring together whole county areas and neighbouring unitary authorities, with new arrangements that work for governance in these areas, not simply transplanting arrangements from metropolitan city regions.

We now have an opportunity to respond to Government policy with an ambitious proposal for a County Deal that brings together economic collaboration at a scale that meets the ambitions we have for our communities and devolves powers to an economic powerhouse. Our proposals set out devolution for a series of strategic functions that would mean local leaders working in our communities to determine and act on our priorities for economic growth and improving residents' lives. We have worked together over the past months on the outcomes we want to see, growing our economy and sectors, supporting businesses, achieving net zero and net environmental gain, and increasing opportunities for people to live healthy, prosperous lives.

Pan-Hampshire is a southern powerhouse, the gateway to the UK, with a population of 2.4m combining towns, cities, people and businesses that are part of a functional economic area which is a net revenue contributor to the UK economy.

Our scale, and the complementary nature of a whole county and its districts, allied with 4 unitary authorities, gives us a business rate base that can deliver an ambitious financial deal for Pan-Hampshire. The business rates receipts for the area already total £464m per year. A deal with Government to significantly increase business rates receipt retention, in addition to an Investment Fund allocation, will help leverage further business investment, alongside council and pension fund investment, to drive our growth ambitions.

Despite a strong economy, productivity growth has slowed here since 2008. Our County Deal, with an ambitious Investment Fund, is designed to reverse that trend and increase Pan-Hampshire's contribution to the Exchequer. Returning our productivity growth to pre-2008 trends would unlock economic growth increasing output by £5bn more by 2030 and £25bn more by 2050.

Pan Hampshire also has its distinct areas of levelling up challenge, where there are pockets of persisting disparities and economic disadvantage. One of the reasons that we want to secure the most ambitious County Deal, is to ensure that these areas are supported with the investment and regeneration that they need to Level Up.

Pan-Hampshire is made up of Hampshire County Council, Southampton, Portsmouth, the Isle of Wight, Bournemouth Christchurch and Poole (BCP) Unitary Authorities, and 11 Districts, and consisting of three

distinct sub-geographies: South, Central and North. All have worked together to develop this Prospectus.

Operating at a whole County level with four significant unitary authority areas gives us the right scale for leveraging investment, driving business rates growth, and delivering better outcomes for our residents. Pan-Hampshire has significant growth opportunities across its diverse and innovative business base in each of its sub-geographies allied to a County Council area that generates two-thirds of our business rates revenue. Collaborative place leadership, in partnership with the private sector, across our Functional Economic Area will be transformative.

That's why we want the most ambitious possible County Deal, that gives us the tools, powers and resources to deliver these outcomes. What has been tabled so far by Government doesn't yet match our ambitions.

The Government has set out in the Levelling Up White Paper and associated legislation a new framework for devolution at three levels. The highest level – Level 3 – would not alone support Pan-Hampshire's ambitions, and we are seeking a Deal at Level 3+.

We are seeking a Level 3+ Deal that gives us the powers and resources set out in the White Paper framework, and in addition gives us a £1.14bn gainshare allocation from Government for our Investment Fund, and flexibilities about business rate retention so that we can accelerate investment in transformational economic projects and larger investment in transport to generate ROI for our place and the UK as a whole.

We recognise that devolution on this scale would create new accountability requirements associated with the discharge of these new strategic functions and so we must be prepared to consider a Directly Elected Leader model for a Pan-Hampshire Combined Authority if the scale of devolution warrants this.

## The additional Level 3+ elements

Our offer is to create an Investment Fund with co-investment from Pan-Hampshire Councils, Hampshire Pension Fund and the private sector.

Our ask is for Government to also contribute to this Investment Fund, via a single investment gainshare allocation of £1.14bn over 30 years.

And we want to leverage our strong business rates base, with a business rates

deal with Government, so that we can retain a significant proportion of growth receipts and increase transport investment.

The Investment Fund will be aligned to our three overall priorities, investing in: our key growth sectors, infrastructure, and net zero transition, including ensuring growth from the Freeport is dispersed across Pan-Hampshire. This will be a revolving fund, generating commercial returns.

## Four areas of focus

We have developed four areas of focus for our proposals, these in turn are strongly interconnected with our collective commitment to improving health outcomes. We will continue to work together through our existing partnership arrangements to advance our health and wellbeing agenda. Once we have established our initial devolution arrangements, developing further ambitions for improved health and care outcome will be an area for future focus.

### Supporting strong sectors and skilled residents

We want to build on our sector and innovation strengths to drive up productivity – growing advanced manufacturing, gaming and digital, engineering, net zero transition and greentech, marine and aerospace, defence, financial services, medtech, as well as foundational sectors. We will create a Pan-Hampshire Trade and Investment Agency in partnership with business leaders to support these priority sectors.

We will create a Pan-Hampshire Skills Plan that will deliver on employers' priorities, drawing on strengths and experience of our universities, colleges, providers and LEP skills advisory panels. We will develop a skills system with devolved funding that supports our wider economic and levelling up priorities, and key growth sectors.

This will create better alignment of skills with local employment opportunities and reduce NEETs and youth unemployment.

Our asks include multiyear UKSPF allocation, a devolved post-19 skills budget, devolved apprenticeship funding, devolved careers advice, and an employment support framework agreement with DWP.

### Place strategy

We will establish an Independent Land Commission to develop the evidence base about our key economic corridors, sector clusters and natural assets, and to make recommendations about how these can be maximised.

Our approach will give confidence to private sector investors by prioritising town/city centre development projects and areas for housing development.

Our asks include developing over the long term fiscal powers on Stamp Duty retention and Council Tax on undeveloped sites, and in the short term, a strategic partnership with Homes England, the power to establish a development corporation, and the ability to raise a tourism tax. These will enable long term forward planning, de-risking development.

### **Net zero and net environmental gain**

Net zero and net environmental gain is the thread that runs through our Deal.

Our approach will combine a focus on energy security through increasing renewable development with an innovative retrofit scheme, nature recovery approaches to biodiversity, and nitrate reduction in the Solent, Poole Harbour, and our river systems.

Our asks include CPO powers to acquire sites for renewable energy generation, pilot funding for 'able to pay' retrofit programme, ability to retain revenue from fines on water companies for pollution of watercourses, and flexibilities to develop biodiversity offsetting schemes.

### **Integrated and sustainable transport**

We will develop a more integrated approach to linking transport infrastructure to housing and economic development. Key opportunities that need to be unlocked by better integrated transport include housing developments in the north, centre and south, urban regeneration schemes in the larger urban centres, and economic opportunities linked to the Solent Freeport and to BCP.

Major projects that should be at the heart of a deal include:

- a rapid mass transit systems in Basingstoke and South Hampshire between Southampton and Portsmouth, to reflect increased housing numbers and the Freeport, and in BCP
- enhanced transport and ferry links for the Isle of Wight
- economic corridor study for unlocking further growth opportunities along the main line running into BCP.

Our asks include powers and funding for a Passenger Transport Executive and metro style system development to better integrate public transport and boost its modal share, reserve powers to establish bus franchising, and financial flexibility for a revolving infrastructure fund.

## Governance

We are ambitious for a Level 3+ Deal, but exact governance arrangements are to be further discussed and determined. The powers of a Combined Authority should be additional linked to devolved functions from Government, and we are prepared to consider a Directly Elected Leader (DEL), in accordance with the governance requirements outlined in the White Paper and legislation for a Level 3 Deal.

Participation in a Combined Authority (CA) would be voluntary, every Council would have a seat at the table and in the context of Government legislation, we believe the more inclusive approach is to include and develop proposals together with District Councils, Unitary Authorities and the County Council.

Existing statutory functions would also be protected, and Pan-Hampshire's sub-geography would be reflected through the structure of a Deal.

Sovereignty and scrutiny would lie with the CA made up of all Councils, with any DEL being a 'first amongst equals' in a Cabinet structure.

Pan-Hampshire will work jointly with Surrey and Dorset on integration plans for the LEPs across the wider area, so that there is consistency and alignment on business voice, and sector support. This will add to what Pan-Hampshire can achieve through a Level 3+ Deal.



# Building on our Prospectus for Change

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Pan-Hampshire set out our original expression of interest for a County Deal in our Prospectus for Change in October 2021. This document outlined a detailed assessment of Pan-Hampshire as a functional economic area drawing on a separate Functional Economic Market Assessment (FEMA) and strategic assets review, showcasing the area's contribution to the UK economy and to the Exchequer. We set out how, with devolved powers and flexibilities, we could grow our economic strengths, and support residents and businesses where they face challenges.

Since then, the Government has published its Levelling Up White Paper and Levelling Up and Regeneration Bill, with a framework for devolution, and ambition for every place in England that wants it to have a devolution deal.

We have worked together across Pan-Hampshire to co-design ambitious and specific proposals for a County Deal that reflect the maximum ambition related to Government's framework, and the corresponding governance structures and investment that will empower local leadership and delivery.

We are now publishing the second part of our Prospectus: setting out further detail of Deal Proposals outlining the ambition we have in pursuing a Level 3+ Deal with Government.

Following the publication of our Prospectus for Change, we have undertaken a series of collaborative workshops with a range of stakeholders to develop the substance of our proposals. We held the first set of workshops late last year, and the second set after the publication of the White Paper. The workshops involved officers from the Councils across Pan-Hampshire, as well as key partners from the LEPs, Universities, FE Colleges, skills providers, Clinical Commissioning Groups (CCG's), NHS Hospital Trusts and Community Healthcare Providers, the National Parks, business representatives, and national agencies such as the Environment Agency. Officer workshops were supplemented by substantial individual engagement with Council Leaders and Chief Executives across the area. Through our engagement, we developed a shared position on a Deal to include Bournemouth Christchurch and Poole, and we have therefore also updated the original FEMA and strategic assets review to include BCP.

This second part to our Prospectus outlining the specific Deal Proposals has also been developed drawing from a number of foundational materials, including our original Prospectus document, FEMA, and strategic assets review; a Statement of Common Ground agreed among Pan-Hampshire Council Leaders; proposal papers developed and agreed between Councils on an Investment Fund, our four areas of focus, and governance.

# Pan-Hampshire: Gateway to Global Britain

Functional Economic Market Area  
and Strategic Assets Review

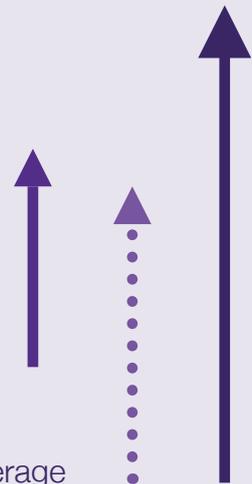


Almost  
**40%**

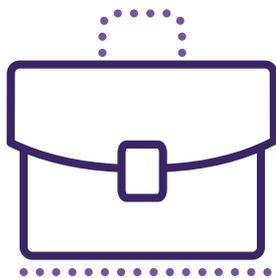
of inputs sourced from  
local supply chain



Gross Domestic Product (GDP) of  
**£79.1bn**  
(4% of the UK economy)



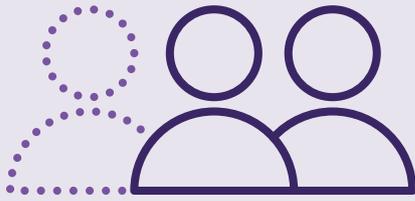
Almost  
**50%**  
of the workforce  
in professional  
occupations, higher  
than the national average



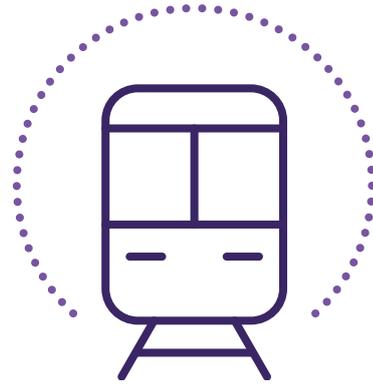
Over  
**one million**  
jobs in Pan-Hampshire



All ten  
of the top ten  
destinations for residents moving  
house are also in Pan-Hampshire



Population of  
**2.4 million**

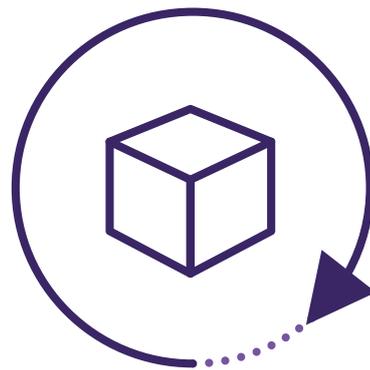


Strong  
**transport links**

by, road, rail and water



**84%**  
of working residents work  
within Pan-Hampshire



Total exports value of  
**£27bn**

with ports supporting  
UK supply chains



**A distinct  
sector mix**

with shared specialisms across the  
county including maritime, IT and  
professional services

Pan-Hampshire is a well-connected economy, with strong internal links and many of the strengths of a Functional Economic Market Area. With a population of 2.4 million, GDP of £79.1bn (£67.2bn in GVA) and over 1.1 million jobs, Pan-Hampshire boasts a well-connected transport network, an interlinked labour market and robust local supply chains.

The labour market within Pan-Hampshire is broadly localised with 84% of working residents holding jobs within Pan-Hampshire. For all but two Authorities, two out of the top three destinations commuted to for work are within Pan-Hampshire itself, suggesting that primary employment flows are from one part of the area to another. Winchester attracts a significant number of commuters from the two cities (around 8,000 inward commuters) as well as the northern part of Hampshire. This movement is supported by strong road and rail links between urban areas, particularly those concentrated in the south of the area. In the north of the county, commuting patterns bend away from the county, towards London, Berkshire and Surrey. Developing the infrastructure across the Pan-Hampshire economic corridor from Bournemouth through Basingstoke is key to future growth, as is securing modal shift to manage road links which are already at or approaching capacity.

Local authorities within Pan-Hampshire have a similar economic composition, with the industrial structure of all but one District being more aligned to the Pan-Hampshire average than England as a whole. There are fourteen broad sectors where over half of the authorities within Pan-Hampshire have a specialisation, with notable shared specialisms across Pan-Hampshire including the manufacture of electrical

and digital products, construction and computer programming.

Pan-Hampshire has well developed economic clusters with strong local supply chains. Pan-Hampshire sources more of its inputs locally than the national average and ranks 5th out of 33 local economies for doing so, with over half of inputs in many key sectors being sourced locally.

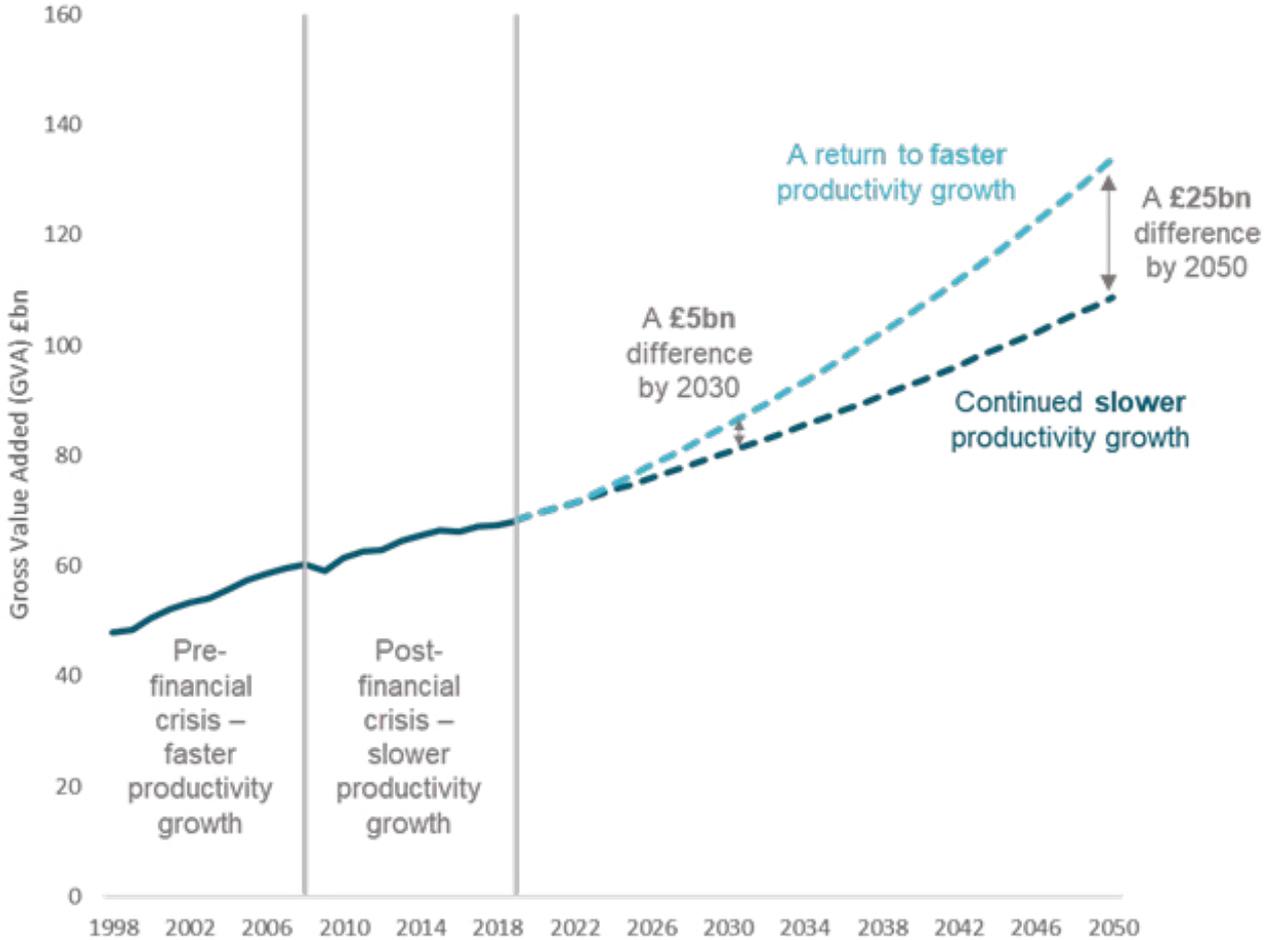
Commercial property markets show strong correlations in values over time in Pan-Hampshire, with twelve of the fifteen local authority areas moving largely in tandem. Three of the more northerly areas, however, have higher movement patterns that more closely align to London and South East averages.

Pan-Hampshire also has an interlinked housing market. House prices have moved in tandem within the county over the past 25 years and each district has shown a similar pattern of movement, with all local authorities showing a rate of house price growth within 10% of the Pan-Hampshire average. Commercial property and rental rates have shown a similar pattern, with high correlation observed between the price trends in each District. Analysis of house moves data reveals that nine of the top ten destinations for those moving out of a house in Pan-Hampshire are also in Pan-Hampshire.

The Pan-Hampshire economy is robust, integrated and interlinked, with clear economic specialisms and good employment opportunities backed by transport infrastructure that facilitates the movement between places in the region and the economic and societal links within it.

Despite a strong economy, productivity growth has slowed here since 2008. Our County Deal, with an ambitious Investment Fund, is designed to reverse that trend and increase Pan-Hampshire's contribution to

the Exchequer. Returning our productivity growth to pre-2008 trends would unlock economic growth increasing output by £5bn more by 2030 and £25bn more by 2050.



Source: ONS Regional Accounts, Metro Dynamics analysis

Pan-Hampshire makes a major contribution to the UK economy already, producing 4% of national output. The area's contribution to the exchequer has also grown steadily, from being a net recipient of £0.2bn in 2010 to a net contributor of £3.6bn in 2019. If this continues to grow, it will be £9.5bn in 2030, and £18.9bn in 2050.

There also remain disparities within the area in economic performance and prosperity, and a County Deal programme at this strategic level will support the benefits of growth throughout Pan-Hampshire.

# Pan-Hampshire's core strategic assets

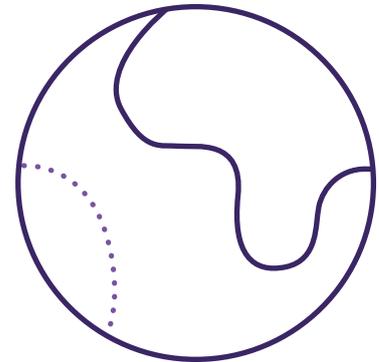


£79bn

economy with specialisms including maritime, aviation and aerospace

A prime  
**International gateway**

centred on the three major ports, Europe's premier business airport (Farnborough) and Southampton International Airport



The heart of the UK  
**Defence sector**

across armed, naval and air forces



Housing development opportunities with  
**46,000**  
outstanding permissions

A world class higher education offer

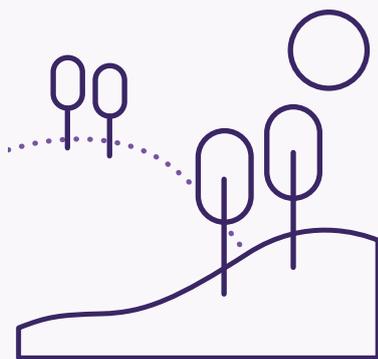
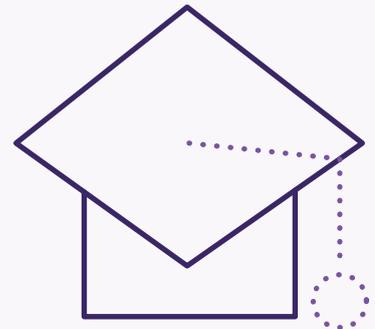
with seven universities and research assets including the National Oceanography Centre



**785,530**  
visitors in 2019  
(up 21% from previous year)

Comprehensive transport infrastructure

by road, rail and water



Unique environmental assets

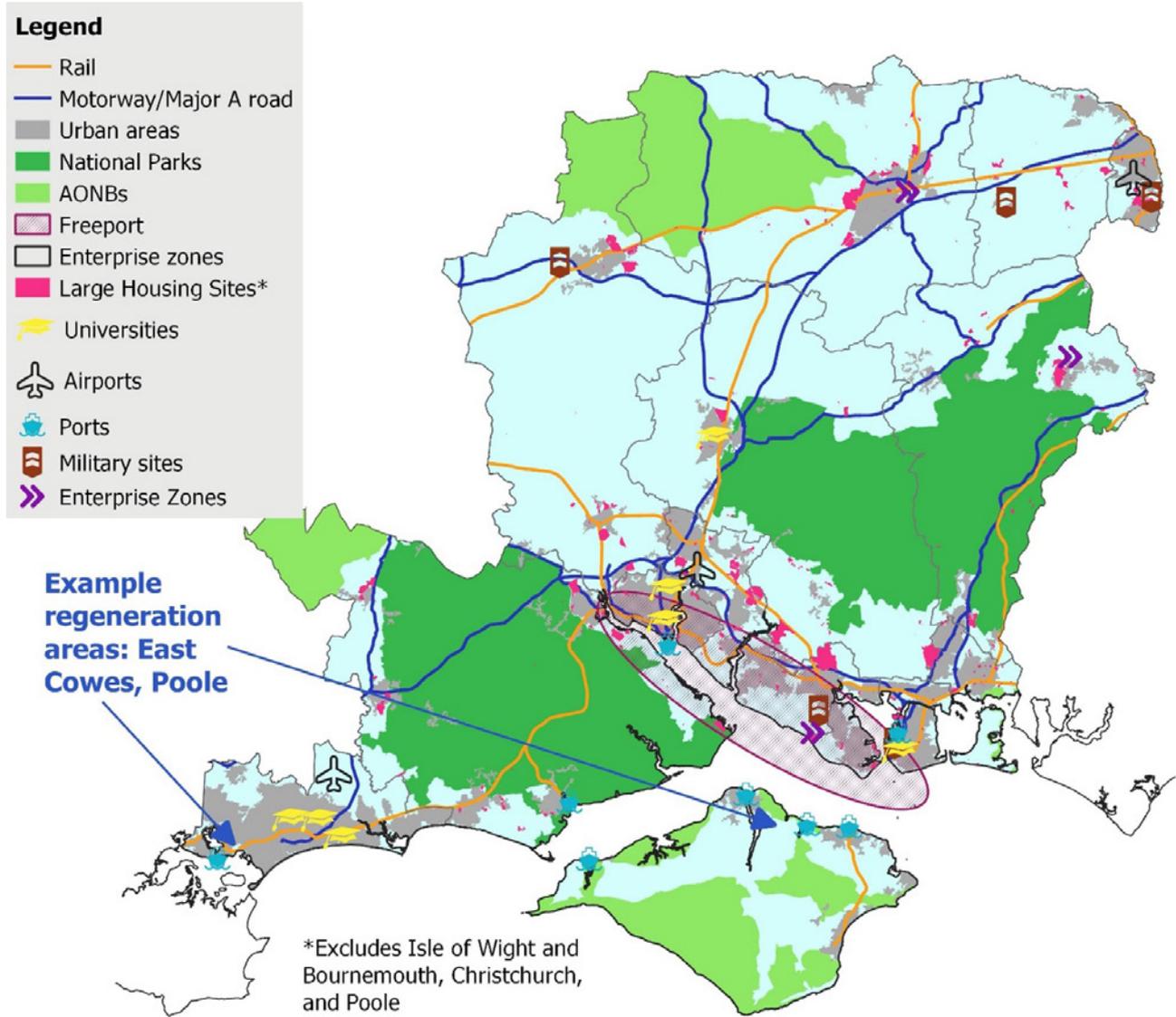
with two national parks, three AONB's, and 290 miles of coastline



CO<sub>2</sub> emissions lower than average

and falling faster

# Our ambition for Pan-Hampshire



# Pan-Hampshire will be...

## the gateway to Global Britain

- The heart of the UK's post-Brexit trade, with the largest freeport in the country, trading with Europe, America, and beyond
- The core of the UK's strategic defence, home to both the British Army and Navy
- A major international visitor economy, concentrated on global cities, major natural assets, and heritage

## a leading knowledge economy

- With four vibrant university cities: Bournemouth, Portsmouth, Southampton, and Winchester developing strong links between academia and industry, and more than 20 sites delivering high quality FE education and training spanning Pan-Hampshire delivering targeted education and skills for the future labour market.
- Nurturing key sectoral clusters, such as digital, pharmaceuticals, gaming, and marine
- Enterprise Zones home to leading companies

## a healthy environment, where people and nature thrive

- With protected landscapes and environments meaning biodiversity increases, from the New Forest in the West, to the South Downs in the East
- With sufficient, high quality, and affordable housing for people of all ages
- Linked by sustainable transport, including a new mass transit system in the South of Pan-Hampshire and in BCP

## an economic powerhouse, contributing to levelling up

- Growing our economy to help support and fund levelling up across the UK
- Building on our sector and innovation strengths and working in partnership with skills and training providers to drive up productivity
- Connecting our more deprived communities to job opportunities through transport interventions

# An ambitious Level 3+ Deal

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## Context: Levelling Up White Paper and legislation

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The Government's Levelling Up White Paper sets out a framework for further devolution in England, and a set of missions for places to achieve levelling up. Legislation to implement this has now been introduced to Parliament as the Levelling Up and Regeneration Bill.

We will use the missions metrics that Government has set out as measurement against the missions as well as our own measures of progress against our ambitions. In Pan-Hampshire, achieving the levelling up missions means reducing inequalities between places such as Portsmouth, Gosport and the Isle of Wight and our more affluent communities.

The Bill provides for new Combined County Authorities as governance structures for County Deals, in order to simplify devolution arrangements, especially in areas with two tier local government and Unitary Authorities.

While the White Paper stated that higher levels of devolution would require a Directly Elected Mayor, the legislation allows for this role to be taken up as a Directly Elected Leader, Governor, Commissioner, or other title agreed locally. Other provisions in the Bill support Pan-Hampshire's ambitions, for example, new locally-led development corporations, and flexibilities in Council Tax revenue raising on second homes.

The legislation is intended to enable implementation of the Government's devolution framework set out in the White Paper in non-metropolitan areas and parts of the country not covered by current Mayoral Combined Authorities.

The framework for devolution is structured across three levels with associated powers, funding and flexibilities:

- **Level 1:** Local authorities working together across a FEA or whole county area e.g. through a joint committee
- **Level 2:** A single institution or County Council without a Directly Elected Mayor/Leader, across a FEA or whole county area

- **Level 3:** A single institution or County Council with a Directly Elected Mayor/Leader, across a Functional Economic Area (FEA) or whole county area

Pan-Hampshire has developed a proposal for the highest ambition Deal at Level 3+.

## Levelling up missions to 2030

1. Rising pay, employment and productivity
2. Increasing investment in R&D
3. Local public transport connectivity closer to the standards of London
4. Nationwide gigabit-capable broadband and 4G coverage, increasing 5G coverage
5. Rising primary school children achieving expected standards
6. Increased attainment in high-quality skills training
7. Improved Healthy Life Expectancy (HLE)
8. Improved wellbeing
9. Increased pride in place
10. Home ownership pathways for renters and better conditions
11. Reduced homicide, serious violence, and neighbourhood crime
12. A devolution deal in every part of England

## A Level 3+ County Deal

Pan-Hampshire wants to portray the highest level of ambition and respond to the national policy agenda constructively. At the core of this is an ability to accelerate growth, increase revenue for the Exchequer, rebalance the economy, and lead on net zero transition and net environmental gain.

We are pursuing what we describe as Level 3+ Deal – that goes well beyond what has been tabled by Government. There are three major elements to additional asks in a Level 3+ Deal:

- Firstly, we will create an Investment Fund with significant capital funding and investment across Pan-Hampshire Councils and the Hampshire Pension Fund, leveraging private sector co-funding
- Secondly, we also want to ask Government to contribute to the Investment Fund. If they are consistent with what they have done elsewhere, this would imply £38m a year over 30 years (totalling just over £1.14bn).

- And thirdly, we want a business rates deal with Government, that would give us the ability to retain a significant proportion of growth. This should benefit all local authorities to either enhance their local spending power or support the delivery of transformational projects and increased investment in transport.

Based on the requirements of the White Paper and our Level 3+ ambition, we are therefore considering a governance model that would include a Directly Elected Leader and where every local authority participating in forming a Combined Authority has a seat at the table.

# Investment Fund and business rates retention

The County Deal is about making a difference to the long-term future of Pan-Hampshire. That will not be possible without the resources to bring forward important projects that are beyond the scope of existing funding. Therefore, an Investment Fund is important to the Deal – enabling activity beyond the scope

of mainstream Council programmes and resources. So too is the ability to retain Business Rates on a secure on-going basis. Together, an investment fund, underpinned by retention of Business Rates give Pan-Hampshire a sound basis on which it can build a new approach through a County Deal.

## Investment Fund

The creation of an Investment Fund is a sign of the seriousness of Pan-Hampshire's intent. It provides an extension of the toolkit available, making Councils positive agents of economic change. Pan-Hampshire has investable projects – creating the capability to bring them forward makes sense.

The ambition via a deal should be a £multi-billion fund. But we will not get there in one bound. Pan-Hampshire will start the process itself with willing partners.

Pan-Hampshire Councils will work together to co-invest and build the Fund over a phased period. We aim to match this through private sector and pension fund leverage and borrowing, including through opportunities such as the UK Infrastructure Bank's focus on net zero investment. This would create an investment capacity of some £400m in the near term.

The creation of a fund on this scale will provide a meaningful investment capacity.

We see this as a cornerstone investment with the Government playing a key role. Our ask is for a gainshare investment fund allocation of £1.14bn over 30 years.

Investment on this scale involving a partnership of Councils, the Government and the private sector is something we are determined to get right as we embark on our new direction as Pan Hampshire. We have learned from other places that have taken a similar approach. We will ensure that we have arrangements for the effective governance and management of the fund as well as capacity to deliver and manage deal flow.

We will develop the Fund based on a set of principles – the Fund should:

- have strategic goals, driving the long-term growth and sustainability
- remain locally owned and driven
- be a revolving fund, run on a quasi-investment basis

The fund should have clear investment criteria – with evidence on rate of return and economic impacts e.g. employment creation, business rates growth.

As with the rest of this proposal, the focus will be on investing in our key growth sectors, infrastructure and net zero transition. The Fund will be linked to measurable outcomes in relation to our ambitious aims across our four priority focus areas:

The Fund will be governed by fit for purpose political decision making. In practice this means assessment of ‘prudent’ investment.

Investment decisions will be made on the basis of robust independent advice. The Fund should be administered by Hampshire County Council’s s.151 Officer, linking with, but accepting the independence of, any Pension Fund investments. Investment decisions should only be made by the Combined Authority on the basis of a business case supported by independent expert advice.

The investment fund, including the commitment of the Councils and the Government will play a key role in crowding in other funding.

## Innovative funding mechanisms

This is new for Pan-Hampshire. Experience from elsewhere highlights how we can overcome two key obstacles.

### Creating New Collaborations

The North West Evergreen Fund was a first: it brought together Councils from Cheshire, Lancashire and Greater Manchester working jointly on an EU-backed joint investment fund. By having clear governance and funding criteria these very different Councils were able to work together pooling their own funds at a project level only, but producing a scale of deal flow for commercial projects which both recycled the funding and crowded in external funding.

## Equalising Gains

Greater Manchester decided to put its Enterprise Zone in the South, at distance from the mill town Boroughs to the North. The reason was because the site in the South, adjacent to Manchester Airport had the best business case – it generated more revenue. The agreement between the GM Authorities was achieved when they agreed that 50% of the additional business rates income generated by the Enterprise Zone would be shared across the ten GM Districts thereby enabling each Council to participate in the economic benefit brought about by the Enterprise Zone. The Fund provided the platform for the business rates deals with the Government. Under these arrangements, GM Councils were allowed to retain all growth that was attributable to investments made by the Fund an arrangement worth some £30m a year.

## Business rates retention

The Government has sought progressively over a number of years to increase Councils' reliance on Business Rates to incentivise Councils to grow their economies. Yet progress towards full retention has been slower than anticipated. The Manchester and Cambridge City Deals in 2015 allowed the retention of growth in Business Rates. The 2018 Greater Manchester Devolution Deal extended this to full retention ahead of the anticipated (though not yet delivered) roll out nationwide. We believe there is the case to extend these arrangements to Pan-Hampshire. Our ask of the Government is that the Government allows Hampshire to retain 100% of its Business Rates.

Retained Business Rates provide an ideal complement to an investment fund. Pan-Hampshire will work together to invest retained rates in our priorities over the long term, and under the terms of a long term devolved arrangement, they will provide a platform against which Councils can borrow to support infrastructure investment such as in transport projects whose income streams are either low or non-existent. This can complement the revolving investment fund to support more commercial projects. Together, an investment fund and business rates retention provide the basis on which this proposal is based.

Asks	Offers	Measuring progress
<p><b>A gainshare investment fund of £1.14bn over 30 years</b></p>	<p>Pan-Hampshire partners act as co-investors to create the Strategic Investment Fund for Pan-Hampshire, with other investors as agreed</p>	<p>Our Investment Fund will enable achieving our ambitious Deal aims and underpin outcomes across our four priority areas of focus – especially delivering on:</p> <ul style="list-style-type: none"> <li>• sector growth and innovation</li> <li>• employment retention and creation</li> <li>• expansion and diversification of the business base</li> <li>• place creation</li> <li>• accelerating housing delivery</li> <li>• resident engagement and wellbeing</li> <li>• environmental gain and net zero transition</li> </ul>
<p><b>To enter discussions with Government on the retention of the benefits of growth through business rates</b></p>		
<p><b>Government to support Pan-Hampshire in crowding in private investment</b></p>	<p>The Fund prioritizes strategic schemes</p> <p>The Fund is commercially oriented too – an emphasis on revolving investment through loans rather than grants</p>	

# Priority focus areas for growth

In our proposals for a Level 3+ Deal, the Investment Fund is the key enabler, and the governance arrangements are the means through which economic collaboration will drive accelerated and sustainable growth.

We also have four priority areas of thematic focus that are interlinked and together will boost growth and innovation, increase revenue for HM Treasury, generate net environmental gain, and improve the lives of our residents recognising the significant interdependency between these outcomes as wider determinants of health, wellbeing and life satisfaction. We have developed specific proposals – asks, offers, and progress measures – that relate to devolution of specific powers, flexibilities and funding to facilitate decision making at a strategic level in Pan-Hampshire. Our four areas of focus are: sectors and skills, place strategy, net environmental gain and net zero transition, and integrated transport. These areas of focus are strongly connected with our collective commitment to improving health outcomes, indeed they are key determinants of those outcomes.

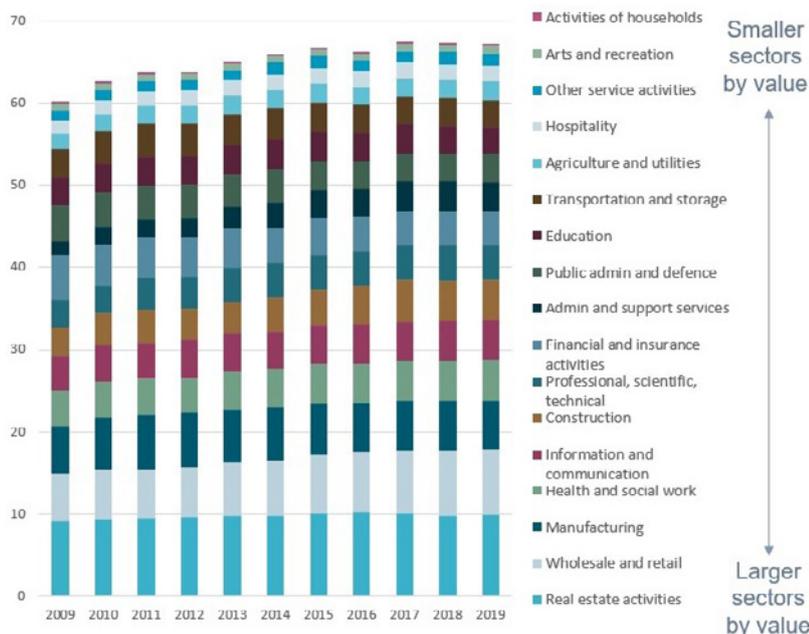
We will continue to work together through our existing partnership arrangements to advance our health and wellbeing agenda. Once we have established our initial devolution arrangements, developing further ambitions for improved health and care outcome will be an area for future focus.

## Supporting strong sectors and skilled residents

Many of our priority growth sectors in Pan-Hampshire have growing and changing needs. We want to build business support, foreign direct investment partnerships, and sector engagement at a strategic Pan-Hampshire level, drawing on the expertise of LEPs across the area.

Priority growth sectors in the area are especially in advanced manufacturing, gaming and digital, engineering, net zero transition and greentech, marine and aerospace, financial services, medtech, and growth opportunities including the Freeport, Southampton science park and health tech. We will also support good job development in the visitor and foundational economy.

Figure 1. GVA by sector (£bn, 2018 prices) in Pan-Hampshire, 2009-2019



Source: ONS Regional Accounts

The Government’s Levelling Up White Paper and Innovation Strategy emphasise the role of private sector investment and foreign direct investment for places across the UK to meet growth, innovation and productivity ambitions. To support sector growth in Pan-Hampshire we will work with business leaders across the area to identify priorities for investment, infrastructure, access to finance and business support for SMEs, and innovation – including boosting R&D spend and commercialisation activity.

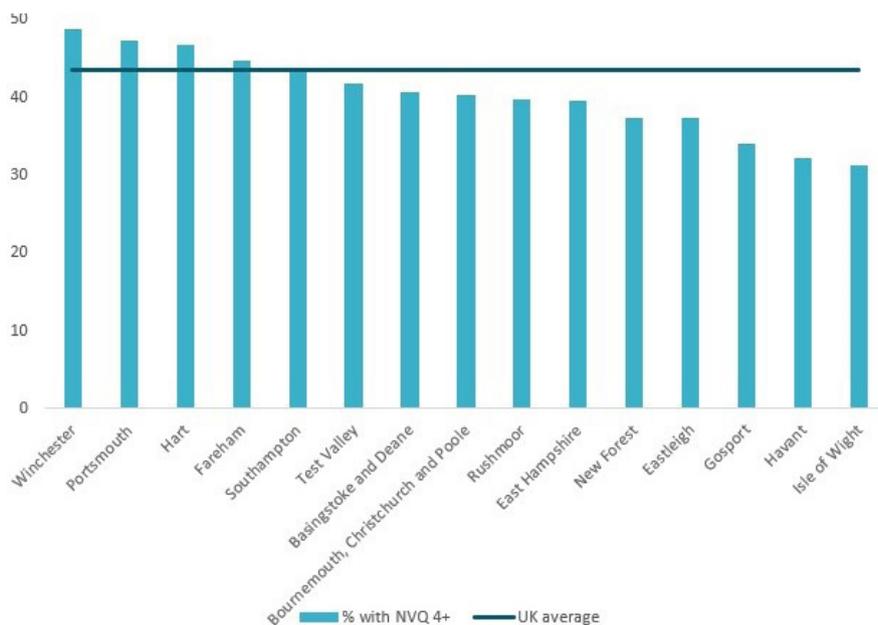
We will create a Pan-Hampshire Trade and Investment Agency accountable to the Combined Authority to deepen partnership working between business leaders, local institutions and Government. This will leverage investment to support growth in our sector strengths. We will ensure that business support, access to finance for SMEs, R&D support, connections with our universities, and inward investment and Foreign Direct Investment (FDI) advice

engages with and supports our priority growth sectors and their supply chains and talent pipelines.

We have rapidly changing skills needs in our businesses, and we will develop an increased focus on digital and employability skills across different sectors.

While overall skill levels are high compared with other parts of the UK, in Pan-Hampshire we have many communities which are not benefiting from the same opportunities, and where low wages and low qualifications are entrenched. This is reflected in some communities experiencing severe deprivation and spatial inequality – particularly in the more urban areas of Southampton, Portsmouth, Gosport and Havant – including significant variations in healthy life expectancy.

Figure 2. Proportion of working age residents with NVQ Level 4+ qualifications



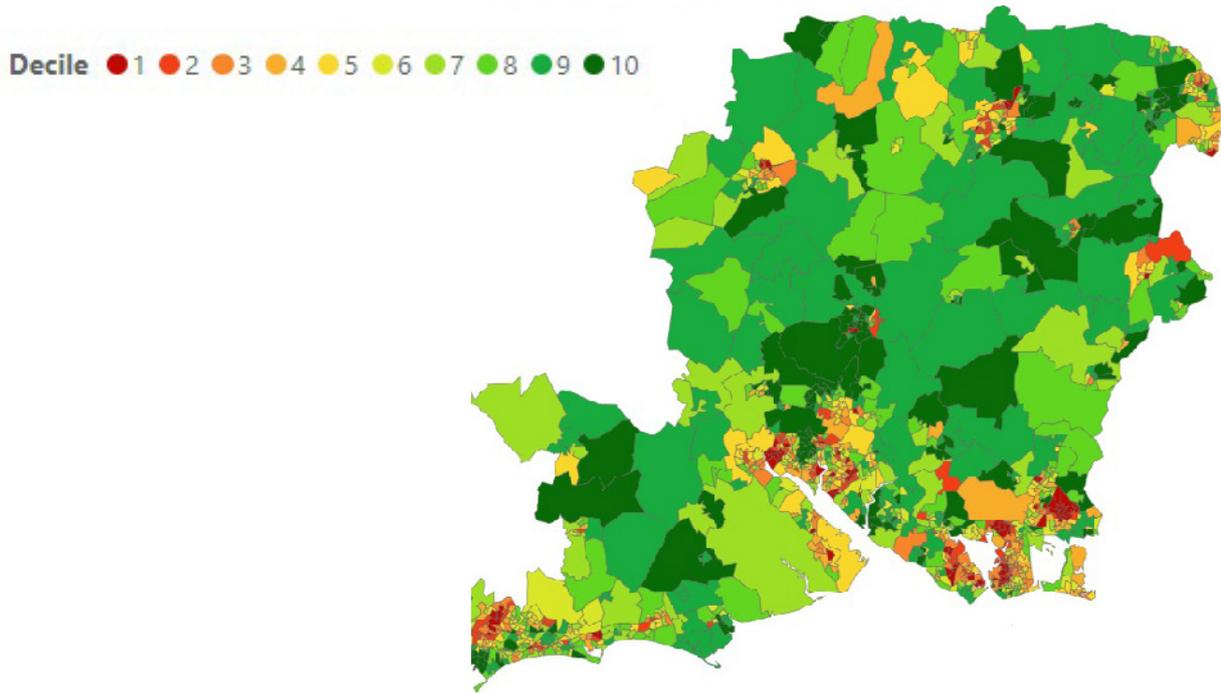
Source: Annual Population Survey

Educational attainment and participation at 16 and 17 is lower than average in Portsmouth, Southampton, Gosport, and Havant. Highest NEET levels in Portsmouth and Southampton. High participation in apprenticeships at 16 and 17 in Havant, Fareham and Eastleigh, slightly lower than average in Southampton and Portsmouth. On a range of outcomes for young people, we have wide variations across the area around training, work and health, many of whom face significant barriers. The area therefore has unmet needs in supporting young people to continue education and into training, impacting on employment.

Recovering from Covid, employment rates have been rising and economic inactivity falling in north and eastern parts of Pan-Hampshire, with the inverse trend to the south and west. Claimant counts have been falling, but they remain above average in Southampton and Portsmouth.

We will develop a Local Skills Strategy with employers, universities, colleges and skills providers, to create a place-based approach to matching skills to our changing and dynamic labour market. We will specifically aim to support the needs of our priority growth sectors foundational and specialist skills – for example, digital and game design and creation; engineering and greentech development including in marine and aerospace. We will actively support our growth sectors with their recruitment and skills needs with skills providers, which will support graduate retention in Pan-Hampshire, and attract new talent into the area to meet our growing and changing labour market needs. This will boost Pan-Hampshire delivery of our strategic priorities and support a new Trade and Investment Agency.

Figure 3. Index of Multiple Deprivation education, training, and skills domain across Pan-Hampshire



A priority for the area is developing skills assets that include a high quality Further Education offer and the DfE Strategic Development Fund pilot, graduate retention from universities, the Solent Institute of Technology (IoT), education improvement areas, and an apprenticeship academy for health and social care.

We will work with partners to support people to live and work in the area through

a shared strategic understanding of sector skills needs and talent pipelines, future growth opportunities, and commuting patterns.

In all of this, we want to draw on the wealth of experience of our universities, colleges, providers, LEPs and their Skills Advisory Panels, and develop our strategic work with employers.

Asks	Offers	Measuring progress
<p><b>Multiyear devolved UK Shared Prosperity Fund (UKSPF) for skills, business, and innovation support</b></p>	<p>Create a Trade and Investment Agency deepening the partnership between business leaders and local institutions.</p> <p>Deliver a Pan-Hampshire Local Skills Plan on employers’ and providers’ priorities.</p>	<ul style="list-style-type: none"> <li>Increasing GVA growth and productivity growth in key sectors</li> <li>Employment retention and growth in high productivity sectors</li> <li>Increasing R&amp;D spend</li> </ul>

Asks	Offers	Measuring progress
<p><b>Devolved post-19 education and skills budget, including Adult Education Budget</b></p>	<p>In accordance with the principles of the White Paper and subsequent guidance, partners will develop UKSPF investment plans that support businesses, grow priority sectors, and deliver supporting skills interventions at a strategic level that also meets local needs to support all parts of Pan-Hampshire.</p>	<p>Aiming – especially in places of higher need including Gosport, Havant, Southampton, the Isle of Wight and Portsmouth, and pockets, for example Andover, and in Basingstoke and Deane, and Rushmoor – to:</p>
<p><b>Devolved apprenticeship incentive programme funding, and the flexibilities to retain and utilise uncommitted levy funds to boost Apprenticeship starts</b></p>	<p>We will put employers at the heart of delivering the skills employers need now and in future. Building on our DfE pilot, we will create a Pan-Hampshire Skills Assembly and developing Local Skills Improvement Plans with employers, local colleges, and providers, and deliver Adult Education Budget (AEB) in a way that works for our providers and priorities.</p>	<ul style="list-style-type: none"> <li>• increase higher level qualification attainment, and participation aged 16-18 in education</li> <li>• reduce youth and long-term unemployment, NEETs and digital exclusion</li> <li>• increase the number of adults in quality skills training and education</li> </ul>
<p><b>Devolved control of careers advice and guidance (CIAG) through National Careers Service and CEC contract</b></p>	<p>We would create a Pan-Hampshire Strategic Skills Fund that would:</p> <ul style="list-style-type: none"> <li>• maximise the benefit of revenue funding for skills and employability programmes to replace those currently funded by ESF – including employability</li> </ul>	<ul style="list-style-type: none"> <li>• create 1,000 additional employment opportunities per year through public sector social value and social care workforce development</li> </ul> <p>Achieve Levelling Up missions:</p> <ul style="list-style-type: none"> <li>• rising pay, employment and productivity</li> <li>• increasing investment in R&amp;D</li> <li>• increased attainment in high-quality skills training</li> </ul>
<p><b>Framework agreement with DWP on employment support programmes</b></p>	<ul style="list-style-type: none"> <li>• invest in skills infrastructure to develop assets</li> <li>• build into an all-age Pan-Hampshire Careers and Apprenticeship Skills and Knowledge (ASK) programme</li> </ul>	

## Place making and the development of place strategy

Our deal needs to work for residents. That means a focus on the places people live, work, and relax. Many of Pan-Hampshire's town and city centres have a real need for regeneration and repurposing – away from an over-dependence on retail, towards a greater mix of uses. This in turn needs to be supported by better local transport infrastructure, that can connect people better to town centres and encourage modal switch away from excessive car use.

As we emerge from the Covid pandemic we are seeing a new economic geography taking shape, in which the economic relationship between towns and cities in Pan Hampshire and London could change substantially. The rise of hybrid working – accelerated by the pandemic – opens the opportunity to develop our town centres, including shared workspaces on, or close to, high streets, and to repurpose some edge of town sites.

To make the most of this new opportunity will require a more focused and strategic approach to identifying our key growth corridors, and the infrastructure investment, sustainable housing provision and place making that will deliver this. This approach will support and complement the statutory planning functions of individual Pan Hampshire Councils. It will be developed with the local regeneration and growth partnerships that have been established by Hampshire County Council with individual Districts and Unitaries, and the Sub Regional District Area Groups.

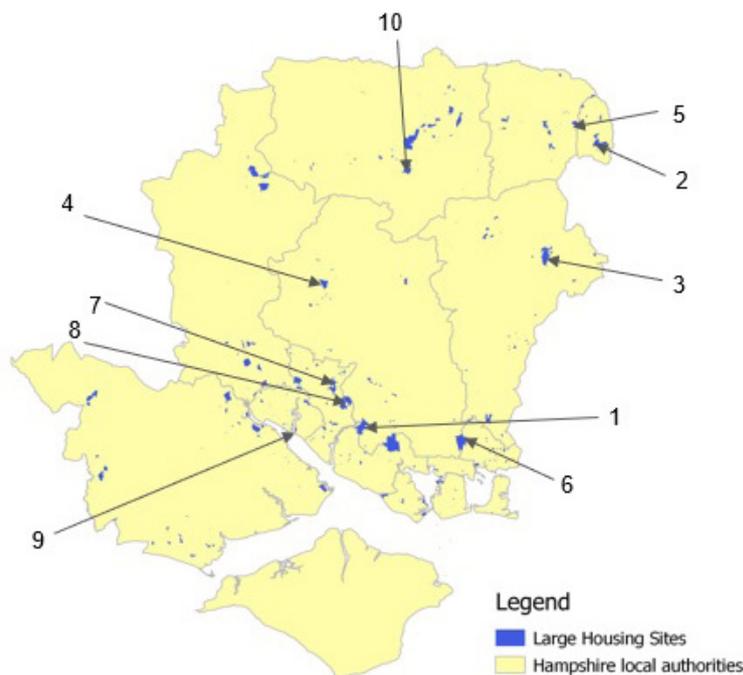
To inform the development of this approach, we will establish as part of our Deal an **Independent Land Commission**. There is substantial housing pressure across Pan-Hampshire, and (as Fig 5 shows) there are also major housing developments currently taking place, but understanding this need and where it can be met is complex. The Land Commission, supported by leading experts, will help us identify the availability of land and where new uses should be developed. This will become an evidence base for developing a spatial strategy for housing development and local infrastructure in Pan-Hampshire, moving us away from algorithm-generated targets, putting the right homes where they are needed.

Independent Land Commissions have been important vehicles for understanding opportunities and constraints across key growth areas. The commitment to establish one for the West Midlands was a key feature of their Devolution Deal. The Pan Hampshire Commission will have net zero and net environmental gain objectives built into its terms of reference. In addition to establishing the evidence base, and identifying opportunities it will also facilitate engagement with Homes England, investors and developers about how the market can deliver more sustainable and affordable housing, working with local Councils.

We will task the Land Commission with also looking at how new powers can allow us to accelerate delivery of housing – such as being able to levy Council Tax on undeveloped sites to incentivise developers to bring them forward. We will also set up a revolving fund through our deal to recycle proceeds from development into local infrastructure, creating sustainable

communities. This would accelerate development of major housing delivery with infrastructure, connectivity and placemaking as we are developing, for example, at Manydown in Basingstoke and Deane, Welborne in Fareham, the Aldershot urban extension in Rushmoor, and the garden settlement proposal at Shapeley Heath.

Figure 4. Largest housing development sites in Hampshire



Source: Hampshire County Council. Note that figures do not include the Isle of Wight, or Bournemouth, Christchurch, and Poole.

No	Site	Net Outstanding Permissions (as of April 2022)
1	Welborne	6,000
2	Manydown	3,520
3	North Whiteley Urban Extension Botley Rd	2,963
4	Aldershot Urban Extension	2,778
5	Whitehill and Bordon	2,074
6	Barton Farm Andover Road	1,615
7	West of Waterlooville	1,509
8	Hartland Park Bramshot Lane	1400
9	One Horton Heath	1400
10	Basingstoke Golf Club	1000

We will also work to ensure visitors enhance, not damage, the character of our places. A tourist tax would be optionally applied by

districts that wanted to use the mechanism. This would then be reinvested into Pan-Hampshire’s places.

Asks	Offers	Measuring progress
<p><b>Long term fiscal flexibilities:</b></p> <p><b>Ability to level Council Tax on undeveloped sites</b></p> <p><b>Ability to retain Stamp Duty on new development</b></p>	<p>Development of an agreed place strategy to give confidence to the private sector to invest, by prioritising town/city centre development projects and noting areas for housing development</p> <p>Setting up a revolving fund to use receipts to accelerate development</p>	
<p><b>Freedom from the standard methodology process for assessing housing target numbers for districts</b></p>	<p>Establishment of an Independent Land Commission with partners to understand land supply and how to increase the supply of developable land</p>	
<p><b>A new strategic partnership with Homes England, as well as partnering together on bids from other relevant funding organisations (e.g. heritage funds, etc.) and compulsory purchase powers</b></p>	<p>A commitment to deliver a quantum of affordable housing</p> <p>A joined up approach to investing successful bids, across Pan-Hampshire</p>	<p>Achieving Levelling Up missions:</p> <ul style="list-style-type: none"> <li>• Increased pride in place</li> <li>• Home ownership pathways for renters and better conditions</li> </ul>
<p><b>Power to establish a development corporation</b></p>	<p>Identify through place strategy areas (if any) where a development corporation approach could allow quality placemaking and accelerated development</p>	
<p><b>Ability to levy a tourist tax in areas which opt to use it</b></p>	<p>Develop a tourism economy strategy to plan how this funding can be recycled back into supporting the visitor economy across Pan-Hampshire</p>	

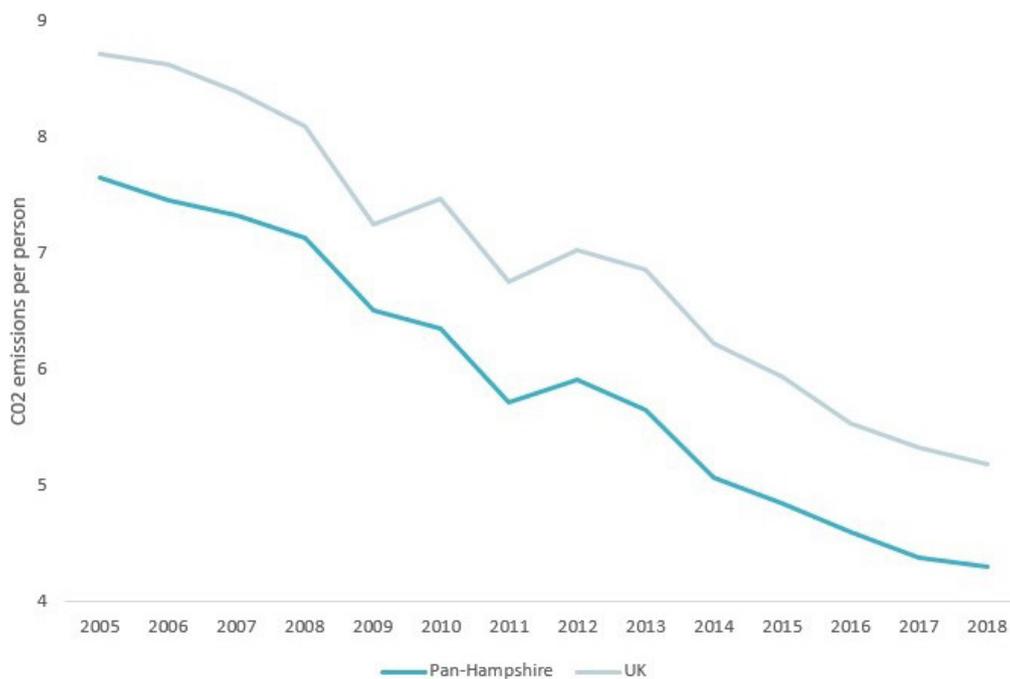
## Net zero and net environmental gain

Pan-Hampshire’s environment is at the heart of our offer to Government. We have two national parks, three Areas of Outstanding Natural Beauty, over three hundred miles of coastline, and over 500 nature reserves and Sites of Special Scientific Interest (SSSIs). The Solent and Poole Harbour are extremely important areas for marine life with several marine protection areas off the Pan-Hampshire coast, and our universities have world-leading research capabilities in this field.

Pan-Hampshire is already ahead of the UK on the race to net zero emissions per capita have fallen by 0.3 tonnes per year, with Pan-Hampshire having lower emissions throughout. We are determined, through our deal, to bring this to zero and invest in energy security.

Pan-Hampshire currently generates 769,848 MWh of renewable energy a year<sup>1</sup>, of which 80% comes from photovoltaic generation. This works out as 0.95MWh per household, which lags a long way behind the national average of 4.99MWh per household. Most notably there is very little wind energy generated – only constituting 0.4% of the renewable energy mix. As part of our deal, we commit to scaling up renewable generation. We will develop a renewables strategy which will identify the best places to install renewable energy capability, with sympathy to protected landscapes, current and future development, and other relevant considerations. We are already developing a detailed energy review for the area in partnership with the University of Southampton to understand current and future demand, and the opportunities for generation across Pan-Hampshire.

Figure 5. CO2 equivalent emissions per person

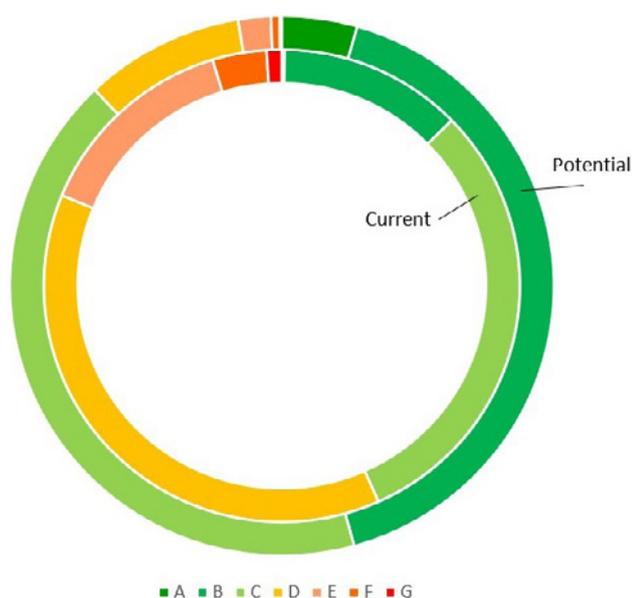


Source: BEIS estimates

<sup>1</sup> 2020 data. BEIS Regional Renewable Statistics

One of the largest contributors to overall emissions in Pan-Hampshire is domestic properties. 56.6% of properties are below EPC level C, and only 0.2% are at EPC A level. However, data from DLUHC reveals that 87.9% of domestic properties have the potential to be EPC level C or above. As part of our pathfinder deal, we offer to ramp up our ‘able to pay’ retrofit programme using an innovative financing approach underpinned by gainshare funding.

Figure 6. EPC ratings – current and potential



Source: ONS: Energy Performance Certificate statistics for new and existing flats and houses

We are also exploring ways to align market prices for housing with the energy efficiency of the property.

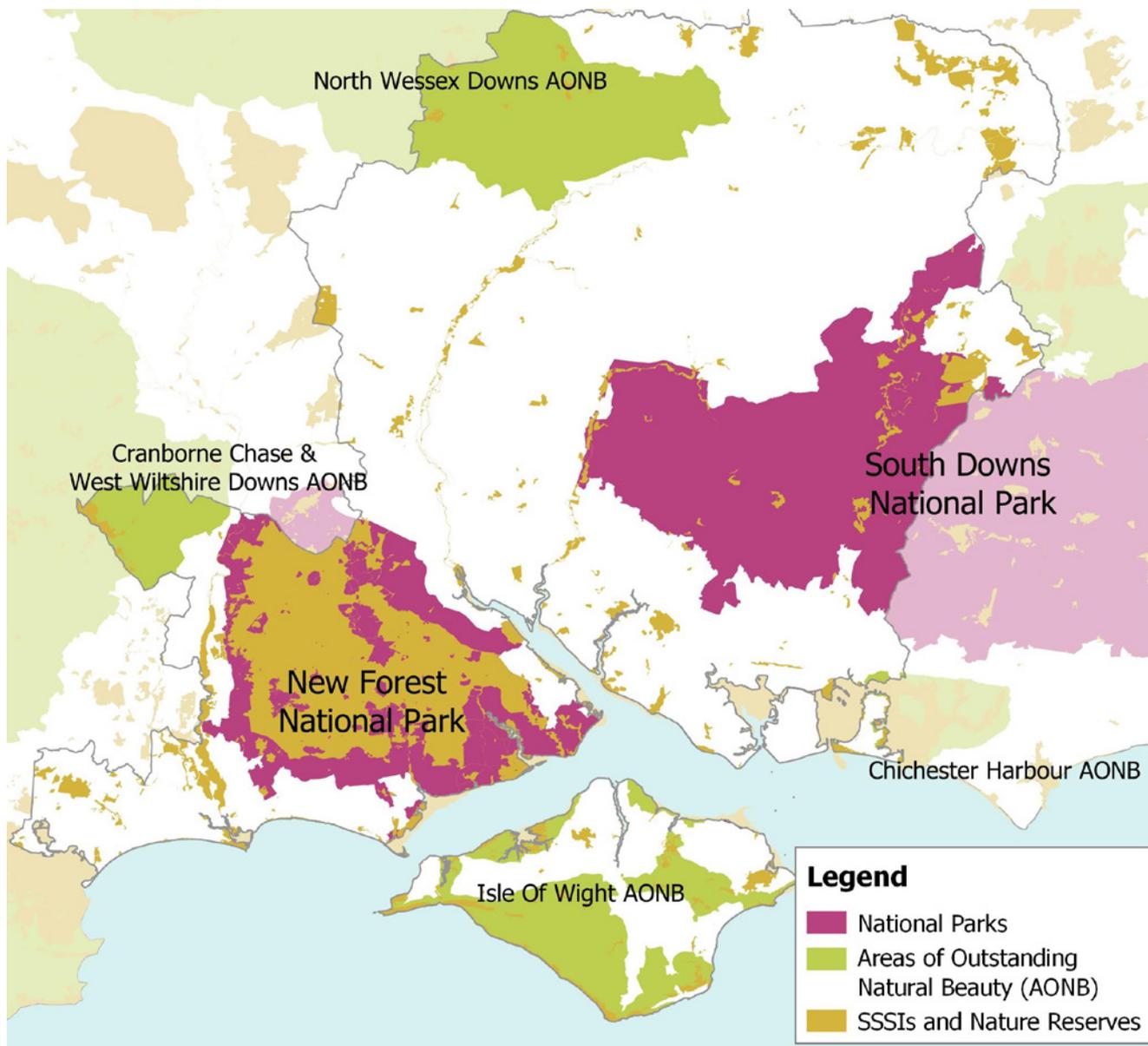
This could include in the long term the use of variable council tax which depends more

on a property’s EPC performance than its size or market value. Alongside this, we also commit to developing the market for skills and supply chain in property retrofit. This market has not yet matured, due to an absence of a long-term pipeline of retrofit work. Our commitments to accelerating ‘able to pay’ retrofit, backed by our Investment Fund, will give a credible signal to the market that there is work to go at. In addition, we will work with the further education sector to prioritise these skills, through increased influence over adult education in the County Deal.

At the heart of our proposal is a plan to enshrine environmental net gain into all of our decisions. We will support thriving ecosystem networks, with rich biodiversity and pure water and air, to improve our environment and absorb more carbon. We have a successful history of protecting and developing the biodiversity of our coastline, through innovative multi-partner schemes such as Bird Aware Solent.

In the Environment Act, the Government sets out a minimum standard of 10% Biodiversity Net Gain (BNG) for all developments. We aim to go beyond this to adopt 20% as standard, setting Pan-Hampshire out as an area proactively looking to use development funding to boost nature.

Figure 7. Unique environmental assets across coast and country



At the same time, we will look to develop innovative funding approaches. We have already developed a nitrates credits approach to manage development around the Solent. We propose to develop a biodiversity offset market. This would not reduce the obligations of developers to

support BNG but would allow us to plan for that activity to take place where it most makes sense within Pan-Hampshire – conscious that some areas have more of the land and resources available to invest in biodiversity gain at scale.

Asks	Offers	Measuring progress
<b>Strategic energy generation, distribution, infrastructure and efficiency</b>		
<b>Compulsory purchase powers to acquire sites for renewable energy generation</b>	<p>Detailed work to understand the energy landscape (already ongoing) and develop a strategic energy plan with a focus on energy security from renewables</p> <p>Significant increase in the proportion of Pan-Hampshire's energy generated from renewable sources by attracting investment into large, medium and small-scale renewable energy schemes</p>	Increasing % of local energy generated from renewable sources
<b>Initial funding (£0.5m) to develop and implement a self-sustaining 'able to pay' retrofit framework, further funded in the long term through variable Council Tax arrangements</b>	<p>Establishing a financially sustainable retrofit framework to incentivise the 'able to pay' segment of the market, using new financing models and trigger points (e.g. point of sale, refurbishments)</p> <p>Support a sustainable long-term market for retrofit/green/technology jobs which would support investment in the relevant skills</p>	<p>Reducing CO2 emissions from domestic properties</p> <p>Raising number of homes in higher energy efficiency bands (EPC level C and above)</p>
<b>Net environmental gain</b>		
<b>Devolution of ability/duty from Environment Agency to impose fines on water companies for pollution of local watercourses</b>	Significant improvements in water quality, with corresponding increases in biodiversity, by investing funds from penalties on water companies	<p>Improving water quality metrics</p> <p>Increasing biodiversity scores around watercourses</p>
<b>Flexibilities to develop biodiversity offsetting scheme</b>	Ensure all development to deliver at least a 20 per cent improvement in "biodiversity value" (double the mandatory 10 per cent set out in the Environment Act)	<p>Biodiversity commitments made by developers</p> <p>Reducing % notable natural species in decline (currently 48%)</p>

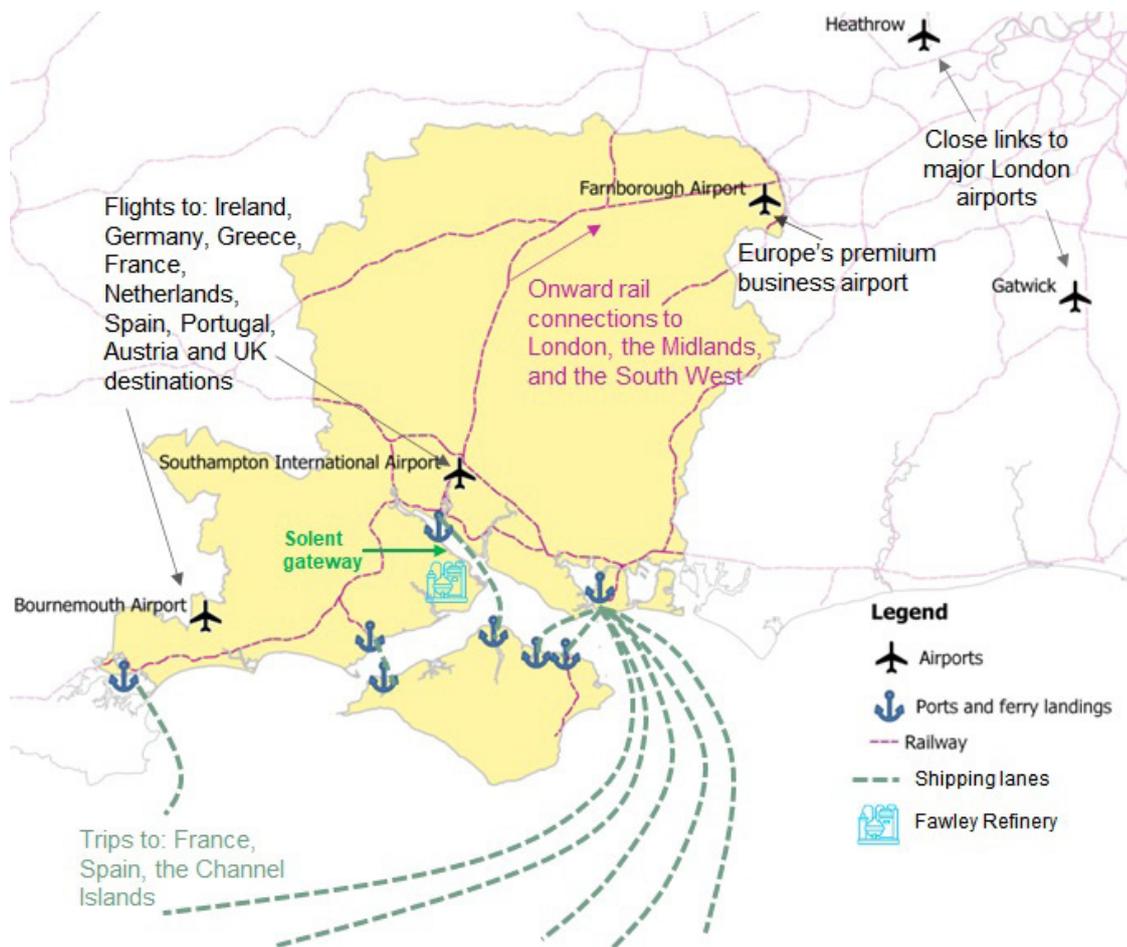
## Integrated and sustainable transport

Transport networks sit at the heart of our ambition for Pan-Hampshire. To reach net zero, we will reduce our use of cars – which is much higher than national averages and regional comparators – and invest in high-quality mass transit systems. To level up our deprived communities, we will connect isolated neighbourhoods to jobs and skills opportunities.

To grow our financial contribution to the UK, we will build our economic powerhouse

at the gateway to Britain, and our complementary offer to London, throughout the economic corridor from Bournemouth through Pan-Hampshire by supporting satellite offices and co-working spaces, connected to nodes with rapid connectivity to the capital. We want to achieve the White Paper’s mission that by 2030, local public transport connectivity across the country will be significantly closer to the standards of London.

Figure 8. Pan-Hampshire is one of the UK’s prime international gateways



We have a strong history of effective partnership working for strategic transport planning, for example through Solent Transport. Building on this, through our County Deal, we are looking to move towards a Passenger Transport Executive (PTE) model of transport provision. This would be a partnership arrangement between constituent upper tier and unitary councils to direct transport strategy and oversee the day-to-day running of services. It could become a vehicle for sharing powers and for the co-ordination of devolved powers with the aim of creating a mass shift to public transport. Under this model, we would bring together a range of services, some which require extra devolved functions.

We will use our Investment Fund to invest in transport. The long-term investment approaches set out earlier can be used to fund game-changing transport interventions, such as mass transit systems for BCP, Basingstoke and southern Hampshire between Southampton and Portsmouth, and enhanced transport and ferry links for the Isle of Wight, encouraging sustainable modes of transport for new developments. This will tackle congestion – with much of the network at capacity – which is currently a major drag on productivity and competitiveness.

We will work to develop mass transit approaches which enable more of this travel to work to happen by sustainable modes. There are three particular areas of focus: the area along the Solent, between Southampton and Portsmouth, Bournemouth Christchurch and Poole, and Basingstoke.

The first of these, which has been developed as a concept with the Partnership for South Hampshire, would build upon existing established connectivity, including the South East Hampshire Bus Rapid Transit that exists between Fareham and Gosport, and the heavy rail network. A central ambition would be to increase the frequency of services stopping at existing network stops, by removing bottlenecks, adding passing loops, and timetabling more effectively. In Basingstoke, work has been undertaken to explore the potential of bus rapid transit to link new developments at Manydown through to the town centre, and onto Chineham. This will ensure the town centre is supported by the new development. Alongside this, there are some strategic road upgrades which are needed to provide strategic access, including upgrading and improving the A34, developing a link road connecting the M3 and M4, and exploring the potential for capacity improvements on the A31 to support the port of Poole.

Working patterns are changing. Following the Covid pandemic, a new, more flexible approach to work is emerging, where workers might be in an office a couple of days a week, at home for another day or two and possibly in a co-working space for the remainder of the time. This presents the biggest opportunity in a generation to rethink where work is done, and extend the economic benefits of London beyond the capital. This can revitalise some of our towns which have larger out-commuting populations, making it harder for them to become vibrant settings in themselves. Our towns and cities can offer a high quality of life, with the benefits of accessibility to London when needed.

To unlock this across Pan-Hampshire requires faster rail connectivity. Through our County Deal we will bring forward a study of the rail corridor linking Bournemouth to London, across Pan-Hampshire, via Southampton, Winchester, and Basingstoke, as well as working in partnership with Surrey. Increased speeds would significantly improve our ability to benefit from new working patterns. Currently most trains between

Bournemouth and London take over two hours, with the fastest being 1hr50. This work should support links to London as well as improving local services for places within Pan-Hampshire.

As an integral part of Pan-Hampshire, the Isle of Wight is particularly dependent upon ferry connectivity. However, even before the pandemic there was evidence of a decline in the number of trips:

Figure 9. Annual journeys between the rest of Pan-Hampshire and the Isle of Wight



Source: DfT table SPAS0201

Concerns have been raised that the pricing of the ferry service is limiting opportunities for islanders, and hindering the economic growth of the Island.

As part of our County Deal we commit to reviewing this market, to understand if there is market failure here and a case for intervention.

Asks	Offers	Measuring progress
<p><b>Powers to move towards a Passenger Transport Executive (PTE) model, with accompanying duty to co-operate for National Highways and Network Rail, and formalised role in developing franchises</b></p> <p><b>Associated funding settlement of sufficient scale to allow TfH &amp; IoW to develop a public transport strategy</b></p>	<p>Development of sub-regional transport strategy</p> <p>Review of ferry links to Isle of Wight to check for market failure and ensure value</p> <p>More effective transport provision, with greater numbers using public transport</p> <p>Financial efficiencies from running services in a more integrated way</p> <p>Integrated ticketing across the network</p> <p>Back-office function to support future transport mobility solutions – namely, encouraging shared vehicle ownership model, mobility hubs, EV charging back office</p>	<p>The outcomes this holistic package of transport interventions will deliver are:</p> <ul style="list-style-type: none"> <li>• More vibrant town centres, with mixed uses around stations and co-working spaces</li> <li>• A higher proportion of residents travelling by active or public transport – this was 26.4% for travel to work in 2011.</li> <li>• Lower CO2 per person in Pan-Hampshire emitted from transport. This was 1.82 tonnes in 2019</li> <li>• Reduced number of Air Quality Management Areas (AQMAs) in place in Hampshire – this is currently 37</li> </ul>
<p><b>Business case support to develop mass transit schemes</b></p>	<p>Developing cases for mass transit schemes to make a step change in mobility – for the area along the Solent, BCP and for Basingstoke</p>	<p>Achieving Levelling Up mission:</p> <ul style="list-style-type: none"> <li>• Local public transport connectivity closer to the standards of London</li> </ul>

Asks	Offers	Measuring progress
<p><b>Collaborative working with County Deal partners and Network Rail to support a London – Pan-Hampshire rail corridor study</b></p>	<p>A holistic economic study to remove bottlenecks, unlock major sites in and around stations for economic development and housing, and explore the potential of other rail spines which would link such as possible reopening to passengers of the rail link to Fawley</p> <p>Increased rail speeds would significantly improve our ability to benefit from new working patterns.</p>	
<p><b>Powers to implement bus franchising</b></p>	<p>In the event that the Enhanced Partnership with bus operators does not meet its aim, and research shows that bus franchising is the best way forward, this model will be implemented</p>	
<p><b>Financial flexibility to set up a rolling infrastructure fund</b></p>	<p>Greater proportion of infrastructure delivery to be funded via private capital</p> <p>Unlocked sites for housing and commercial development</p>	

# Governance

We are ambitious for a Level 3+ Deal and, in accordance with the clarity from the White Paper and legislation, this is likely to require consideration of a Directly Elected Leader, albeit exact governance arrangements are to be further discussed and determined.

A Combined Authority would be embedded within economic governance for the area. The powers of a Combined Authority should be additional and linked to devolved functions from Government. Participation in a Combined Authority would be voluntary, every Council would have a seat at the table, existing statutory functions would

be protected, and Pan-Hampshire's sub-geography would be reflected through the structure of a Deal. Sovereignty and scrutiny would lie with the Combined Authority made up of all Councils. A Directly Elected Leader (DEL) would be 'first amongst equals' in a Cabinet structure.

To ensure that structures work for all areas of Pan-Hampshire, the Governance model includes local delivery and project development in subregional areas, and individual partnerships between District, Unitary and County Councils to ensure delivery of local priorities.

## **A Combined Authority would be embedded within economic governance for the area.**

### **These arrangements would:**

- ensure local authorities maintain sovereignty over their statutory functions in their places – for example current planning authorities retaining their powers
- recognise regeneration and growth partnerships between Districts / Unitaries and HCC and a governing Growth Board
- establish District Area Groups, based on Pan Hampshire sub-geographies – North, Central and South. HCC and Unitaries – Southampton, Portsmouth, Isle of Wight, and BCP – would work with area groups as appropriate. Area Groups would then partner on bringing together delivery of regeneration partnership projects and feed into Pan-Hampshire economic strategy.

Pan-Hampshire will work jointly with Surrey and Dorset on integration plans for the LEPs across the wider area, so that there is consistency and alignment on business voice, and sector support. This will add to what Pan-Hampshire can achieve through a Level 3+ Deal.

We will continue to develop governance proposals inclusively in accordance with a number of guiding principles, which build on the Statement of Common Ground agreed by all Pan-Hampshire Councils at the outset of the County Deal process:

1. Participation in a Deal and a Combined Authority is voluntary at the point of entry.
2. Every local authority in the area will have a seat at the table.
3. Existing statutory functions should remain unaltered unless authorities agree otherwise.
4. The powers of the CA should be additional and linked to devolved functions from Government – stronger coordination of transport; driving economic growth throughout Pan-Hampshire; tackling economic underperformance of communities; aligning subregional priorities and administering new Investment Funding. The priorities, functions and programmes of the LEPs will be integrated and aligned.
5. Pan Hampshire’s sub-geography will be reflected through area-based collaboration building on existing partnerships. These will be included in the structure of a Deal – i.e. North, Central, and South Area Groups.
6. We see a directly elected Leader as being the ‘first amongst equals’ in a Cabinet.
7. The Cabinet will hold the DEL to account, and all members of the Cabinet will have portfolio responsibilities. Other places have agreed constitutional arrangements that involve reserved matters and decisions being subject to 2/3 approval.
8. The Cabinet (and the DEL) while having some measure of delegation, will be accountable to a CA Council/Board, which will be made up of representatives from every local authority.

# Summary of proposals and conclusion

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## Pan-Hampshire County Deal Proposals

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### Investment Fund and business rates retention

The creation of a £multi-billion Fund with gainshare allocation, Pan-Hampshire co-investment, leveraging pension fund and private sector investment creating an investment capacity of some £400m in the near term, and the ability for business rates retention.

### Supporting strong sectors and skilled residents

Devolved funding and functions to deepen business partnerships in a Trade and Investment Agency, and a Pan-Hampshire Skills Plan to deliver a skills system at a strategic Pan-Hampshire level, to support key growth sectors and reduce inequalities in skills and employment outcomes.

### Place making and the development of place strategy

A strategic approach to placemaking including a Pan-Hampshire Land Commission and development corporation to support our economic corridors and housing need, fiscal flexibilities and partnership with Homes England to accelerate delivery, and partnerships with places on town and city regeneration.

### Net zero and net environmental gain

Flexibilities and powers to accelerate net zero transition including through boosting renewable energy generation and innovative 'able to pay' retrofit schemes to reduce building emissions, and ability to improve biodiversity and water quality outcomes.

### Integrated and sustainable transport

Devolved powers to establish a Passenger Transport Executive to integrate transport planning for a more connected and sustainable future across Pan-Hampshire, funding and acceleration of mass transit schemes and review to enhance rail and ferry links to support growth.

## Next steps

Pan-Hampshire set out our original expression of interest for a County Deal in our Prospectus for Change in late 2021. We have worked together across Pan-Hampshire to co-design ambitious and specific proposals for a County Deal that reflect the maximum ambition related to Government's framework, and the corresponding governance structures and investment that will empower local leadership and delivery.

This document represents the second part of our Prospectus: setting out worked up Deal Proposals outlining the ambition we have in pursuing a Level 3+ Deal with Government. The Prospectus is already the result of significant

collaboration and engagement across Pan-Hampshire. But following its publication we will want to continue co-design of proposals and engagement across Pan-Hampshire. In particular, we will want to build on discussions with the business community, LEPs, and partners across the area on developing the Investment Fund, governance, and specific priority focus areas.

The prospectus will be sent to Government, as the basis for the Deal discussions. This represents our ambition and our ideas for a Deal, but we recognise that the eventual Deal will also need to be co-developed with Government.



# The Pan-Hampshire area

Pan-Hampshire is made up of the following administrative areas:

1. Basingstoke and Deane Borough Council
2. Bournemouth, Christchurch and Poole Council
3. East Hampshire District Council
4. Eastleigh Borough Council
5. Fareham Borough Council
6. Gosport Borough Council
7. Hampshire County Council
8. Hart District Council
9. Havant Borough Council
10. Isle of Wight Council
11. New Forest District Council
12. Portsmouth City Council
13. Rushmoor Borough Council
14. Southampton City Council
15. Test Valley Borough Council
16. Winchester City Council

