

## Notice of Meeting

# Council

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

**Date:** Thursday 23 February 2023

**Time:** 5.30 pm

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

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



Head of Legal and Democratic Services

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

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**Legal and Democratic Service**

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**PUBLIC PARTICIPATION SCHEME**

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

## **Council**

Thursday 23 February 2023

### **AGENDA**

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

- 1 Prayers**
- 2 Apologies**
- 3 Public Participation**
- 4 Declarations of Interest**
- 5 To approve the minutes of the meeting of the Council  
held on 25 January 2023**
- 6 Mayor's Announcements**
- 7 To receive and adopt Committee reports 4 - 97**  
  
To receive and, where necessary, adopt reports of  
Committees.
- 8 To adopt a resolution relating to the Council Tax  
2023/24 98 - 105**  
  
To consider the Council Tax resolution for 2023/24.
- 9 Questions under Rule 11.1**
- 10 Questions under Rule 11.2**
- 11 Pay Policy Statement 2023/24 106 - 111**  
  
To consider a report containing a Pay Policy Statement  
prepared in accordance with the requirements of the  
Localism Act 2011.

- |           |   |                  |
|-----------|---|------------------|
| <b>12</b> | <b><u>Andover Masterplan - Levelling Up Fund</u></b>  | <b>112 - 119</b> |
|           | To consider the implications of the Council's unsuccessful Levelling Up Fund bid and to recommend the next step for the delivery of the Andover masterplan. |                  |
| <b>13</b> | <b><u>Nitrate Mitigation</u></b>  | <b>120 - 130</b> |
|           | To consider buying a further 100 credits with the flexibility to acquire more should the need arise.  |                  |
| <b>14</b> | <b><u>Area Planning Committee Review</u></b>  | <b>131 - 176</b> |
|           | To review the change in committee structure approved at Council on 10 April 2019.   |                  |
| <b>15</b> | <b><u>Calendar of Meetings 2023/2024</u></b>  | <b>177 - 182</b> |
|           | To consider the proposed Calendar of Meetings for the municipal year 2023/2024.   |                  |
| <b>16</b> | <b>Notice of Motion - Rule 12</b>   |                  |
| <b>17</b> | <b><u>Exclusion of the Public</u></b>   | <b>183 - 184</b> |
|           | The following items are confidential.   |                  |
| <b>18</b> | <b><u>Property Matters</u></b>  | <b>185 - 197</b> |
|           | To consider a property matter.  |                  |
| <b>19</b> | <b><u>Andover Masterplan - Levelling Up Fund Annex</u></b>  | <b>198 - 200</b> |
|           | Confidential Annex in relation to item 12.  |                  |

## **ITEM 7      To receive and, where necessary, adopt reports of Committees**

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

### **7.1      To receive the minutes of the following meetings:**

7.1.1      Cabinet – 18 January 2023

7.1.2      Overview and Scrutiny Committee – 23 January 2023

7.1.3      Southern Area Planning Committee – 31 January 2023

7.1.4      Northern Area Planning Committee – 16 February 2023

7.1.5      Southern Area Planning Committee – 21 February 2023

7.1.6      Cabinet – 22 February 2023

(Note: in relation to 7.1.4, 7.1.5 and 7.1.6 these minutes are not included in the minute book and will be presented at the next Council meeting but members are able to ask questions on resolved items.)

### **7.2      To adopt recommendations from the following:**

7.2.1      Cabinet – 22 February 2023

7.2.1.1      Capital Strategy Update 2022/23 to 2027/28 (Annex A)

#### **Recommended:**

**That the Capital Strategy 2022/23 to 2027/28 be approved.**

7.2.1.2      Treasury Management Statement (Annex B)

#### **Recommended:**

- 1.      That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2023/24, as set out in the report, be approved.**
- 2.      That the Minimum Revenue Provision (MRP) policy, as shown in paragraph 4.4 in the report, be approved.**
- 3.      That the Prudential Indicators, as set out in Annex 1 to the report, be approved.**

7.2.1.3 Capital Programme Update 2022/23 to 2024/25 (Annex C)

**Recommended:**

**That the revised estimates and financing for the 2022/23 to 2024/25 Capital Programme as shown in the Annex to the report, be approved.**

7.2.1.4 Revenue Budget and Council Tax Proposals 2022/23 (Annex D)

**Recommended:**

1. That the Forecast for 2023/24, as set out in Column 3 of Annex 1 to the report, be noted.
2. That the Income Generation Proposals, Savings Options and Revenue Pressures, as set out in Annexes 2 – 4 of the report, be approved.
3. That the transfers to or from reserves, as detailed in paragraph 4.35 in the report, be approved.
4. That subject to recommendations 2 and 3 above and taking due regard of the Head of Finance and Revenues' comments in Annex 8 to the report, the budget for 2023/24, as set out in Column 6 of Annex 1 to the report, be approved.
5. That subject to recommendations 2, 3 and 4 above, the revenue estimates for each Service, contained in Annex 7 to the report, be approved.
6. That a Council Tax Requirement for 2023/24 of £10,585,319 be approved.
7. That a Special Expenses Levy of £343,667 be made in respect of the area of Andover to cover the cost of providing burial grounds, sports grounds and playgrounds, as set out in Annex 9, to the report.
8. That a general precept of £8,258,235 be levied for the year 2023/24.
9. That the Medium Term Forecast, contained in Annex 6 to the report, be noted.
10. That a Band D Council Tax excluding Parishes and Special Expenses of £158.91 in 2023/24 be approved.

**Report for Cabinet 22 February 2023**

**Capital Strategy Update 2022/23 – 2027/28**

Report of the Finance and Resources Portfolio Holder

**Recommended:**

**That the Capital Strategy 2022/23 to 2027/28 be approved.**

**Recommendation to Council**

**SUMMARY:**

- The Capital Strategy sets out the framework within which all Council capital expenditure is approved, monitored and financed. The CIPFA Prudential Code requires that it be updated annually.
- This report provides an update of the existing Capital Strategy and includes forecast changes to its timescale and total cost.

**1 Introduction**

- 1.1 The approval of a Capital Strategy is an annual requirement under the revised CIPFA Prudential Code 2021. The Code requires that councils have in place a strategy that sets out the long term context in which capital expenditure and investment decisions are made, giving due consideration to both risk and reward and the impact resulting from those decisions.
- 1.2 As local authorities become increasingly complex and diverse it is important that those charged with governance understand the long term context in which investment decisions are made and the financial risks to which the council is exposed.
- 1.3 The objectives of the Capital Strategy are to:
  - Provide an overview of the governance process for approval and monitoring of capital expenditure.
  - Provide a longer term view of planned capital expenditure.
  - Provide expectations around debt and use of internal borrowing to support capital expenditure.
  - Define the authority's approach to commercial activities including due diligence and risk appetite.

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- Define the available knowledge and skills of the authority in relation to capital investment activities.

### **2 Background to the Capital Strategy**

2.1 The Council's Capital Strategy was last updated for the period 2021/22 to 2026/27 in February 2022.

2.2 The Capital Strategy demonstrates how the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

2.3 The Capital Strategy addresses in detail the following key areas:

- 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.
- Managing the approved Capital Programme in an affordable, financially prudent and sustainable way.
- The process of how new bids are introduced to the Capital Programme.
- Monitoring progress against approved budgets.
- Financing capital expenditure including borrowing requirements and Minimum Revenue Provision (MRP).
- Purchase of commercial properties and the resources required to ensure due diligence.
- Knowledge and skills.

2.4 The Capital Strategy does not allocate resources. This is included in the decision-making process in setting the three-year rolling capital programme as part of the annual budget-setting process.

2.5 The Capital Strategy is written to give a broad view of spending in the longer term and how it will be financed. There are several large projects being currently considered, but as these projects are still in the early planning stage and have not yet been costed, it will be prudent to give a further update when these figures are available.

2.6 All capital receipts and expenditure identified in this document are subject to the Council's Financial Regulations and the authority limits contained therein.

### **3 Definition of Capital Expenditure**

3.1 In order to qualify as capital expenditure an item must meet the following three criteria:

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- Have a total cost greater than £10,000.
  - Have a useful economic life greater than one year.
  - Expenditure must be for the purchase of new land / equipment that can be separately identified on the asset register OR  
Materially lengthen the expected useful economic life of an asset OR  
Add value to the asset being modified.
- 3.2 All other expenditure on the routine maintenance and repair of assets will be treated as revenue expenditure.

### 4 Corporate Objectives and Priorities

- 4.1 The objective of the Capital Strategy is to ensure that the overall strategy, governance procedures and risk appetite are clear to members. The strategy outlines how stewardship, value for money, prudence, sustainability and affordability will be secured.
- 4.2 The Council's Corporate Plan, sets out the Council's strategic aims over the period 2019 – 2023 and details four priority areas. A new plan for 2023 – 2027 is currently being developed.
- 4.3 The Capital Strategy enables delivery of projects within the Corporate Action Plan to deliver these priority areas. Some examples of projects in the current Capital Programme that contribute to meeting these priorities are given below.

#### Growing the Potential of our Town Centres

- 4.4 Part of the office complex in the Chantry Centre has been refurbished, funded by a grant, enabling businesses to utilise previously vacant offices, bringing further footfall into the town centre. Riverside Park has been developed to give shoppers a pleasant area to enjoy within the town centre.

#### Growing the Potential of our Communities

- 4.5 The Council continues to invest and refurbish properties to expand the availability of housing for rent with plans to refurbish Fleming Avenue, Romsey in the south of the borough and New Street properties, Andover in the north.
- 4.6 The Community Infrastructure Levy continues to be used to provide funds to enhance local amenities in several parishes such the clubhouse at Abbots Ann and Valley Park Orchard Trail.

#### Growing the Potential of People

- 4.7 The Council continues to work in partnership with Kier Property Ltd for the management and development of Walworth Business Park. Substantial investment in developing several sites within the park has been made in the last few years, ensuring that more opportunities for work are available.



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- 4.8 The Council exceeded its affordable housing target for the seventh year in a row.

### Growing the Potential of the Local Environment

- 4.9 The Council has recently been successful in bidding for funding under the Public Sector Decarbonisation Scheme to implement energy efficiency measure at the Bourne House depot in Romsey. This will dramatically reduce carbon emissions from one of the Council's main operational facilities.
- 4.10 Purchase of Bury Hill land and subsequent works relating to it, have enabled the public access to the countryside for recreation and general health and wellbeing.

## **5 Capital Expenditure required to maintain Council Assets**

- 5.1 In addition to the above, the Council also has the responsibility of maintaining its existing asset base.
- 5.2 The Asset Management Plan (AMP) for 2023/24 was approved by Council on 25 January 2023. The plan identifies a combination of both revenue repairs and capital replacements for assets owned by the Council.
- 5.3 Whilst the AMP is a key document in planning future capital expenditure requirements, funding for the identified projects is only approved for current year and 2023/24 projects.
- 5.3.1 The Council has an earmarked reserve for Asset Management expenditure, which covers both revenue and capital expenditure. The balance on this reserve was £3.070M at 31 March 2022. Currently it is forecast to have a balance of £1,095M remaining in the reserve by the end of March 2024.

The Council's strategy is to fund the AMP in three ways:

- Firstly, there is a contribution from the revenue budget. This is recommended to be £2.0M in 2023/24.
- Secondly, where the Council has a revenue surplus at the end of the year an element of this can be used to top-up the reserve.
- Finally, there may be earmarked reserves or other sources of income to finance specific projects. For example, some community based projects are regularly funded by New Homes Bonus receipts in the year.

## **6 The Council's Capital Expenditure and Financing 2022/23 to 2027/28**

### Current Asset Portfolio as at 31/3/22

- 6.1 The Council holds an investment property portfolio that supports both its operational activities and non-operational activities from which it receives an element of rental income. For 2022/23 the value was £8.053M which represents a gross yield of 5%.

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<b>Asset Category</b>	<b>Valuation 31/03/22</b>	<b>Rental Income</b>
	<b>£'000</b>	<b>£'000</b>
Investment Properties - Existing	120,225	5,941
Investment Properties – Project Enterprise	35,956	2,112
<b>Total Investment Properties</b>	<b>156,181</b>	<b>8,053</b>
Land & Buildings	93,735	
Vehicles, Plant & Equipment	3,312	
Community Assets	12,595	
Infrastructure Assets	633	
Surplus Assets	320	
<b>Total Assets</b>	<b>266,776</b>	

The rental income the Council receives is used to support General Fund services.

#### Investment Property (Non-Operational)

- 6.2 These assets include Business Parks, Project Enterprise investments and land held solely for capital appreciation and rental income.

#### Land and Buildings

- 6.3 These are operational properties, land, infrastructure and community assets that are used to deliver council services and include Council offices and car parks.

#### Vehicles, Plant & Equipment

- 6.4 These assets are used in the delivery of Council services and include all council owned vehicles, IT equipment, play equipment and green spaces equipment.

#### Community Assets

- 6.5 These assets include parks and open spaces.

#### Infrastructure Assets

- 6.6 These assets include footpaths and cycle ways.

#### Surplus Assets

- 6.7 These are assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties or assets for sale.

**ANNEX A****6.8 Capital Expenditure Forecast**

Details of capital expenditure form one of the prudential indicators. The table below shows the capital expenditure for 2021/22 to 2023/24 as presented in the Capital Programme update elsewhere on this agenda, together with estimated expenditure on future unapproved projects from 2023 to 2028, and how these approved and unapproved projects will be financed.

	<b>2021/22 Actuals</b>	<b>2022/23 Forecast</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>							
Asset Management Plan	886.0	2,634.3	1,485.1				
<b>Community &amp; Leisure</b>							
Land & Buildings	259.0	652.3	2,452.2	690.5			
Vehicles, Plant & Equipment	94.1		647.3				
Community Assets	262.6	1,203.3	2,310.4	1,000.0	1,000.0	250.0	250.0
Infrastructure Assets	5.8	16.7	1,587.3	3,350.0	3,350.0		
<b>Property &amp; Asset Management</b>							
Land & Buildings	798.3	397.4	200.0				
Vehicles, Plant & Equipment	30.2		20.6				
Community Assets	209.1	375.0	240.5				
Infrastructure Assets	334.3	71.5	3,200.0	400.0			
<b>Project Enterprise</b>							
Investment Properties	4,047.7	5,926.9	3,160.0				
<b>Planning Policy &amp; ED</b>							
Vehicles, Plant & Equipment			439.7				
Community Assets		45.0	66.0	599.0			
<b>Housing &amp; Env'tl Health</b>							

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Community Assets *(Disabled Facility Grants/Loans)	961.2	1,300.0	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0
<b>Affordable Housing</b>							
Community Assets	810.0						
<b>Total Capital Expenditure</b>	<b>8,698.3</b>	<b>12,622.4</b>	<b>17,059.1</b>	<b>7,289.5</b>	<b>5,600.0</b>	<b>1,500.0</b>	<b>1,500.0</b>
<b>Resourced by:</b>							
Capital Receipts	1,174.2	578.1	537.4	500.0	500.0	500.0	500.0
Government Grants	960.8	1,295.0	1,361.0	1,749.0	1,150.0	1,150.0	1,150.0
Internal Contributions	1,114.8	1,114.8	2,269.5	2,327.7	1,369.7	883.0	883.0
External Cont'n's (S106 etc.)	1,225.1	2,148.6	1,835.7	1,150.0	1,000.0		
Reserves (NHB & specific)	1,342.7	3,927.9	5,522.9	3,600.0	2,100.0	250.0	250.0
Draw from / Transfer to Capital Receipts Reserve	2,880.7	3,558.0	4,282.6	(787.2)	(519.7)	(1,283.0)	(1,283.0)
Internal Borrowing			1,250.0	(1,250.0)			
<b>Total Financing</b>	<b>8,698.3</b>	<b>12,622.4</b>	<b>17,059.1</b>	<b>7,289.5</b>	<b>5,600.0</b>	<b>1,500.0</b>	<b>1,500.0</b>

\*(DFG) Disabled Facilities Grants

6.9 The table above indicates that internal borrowing will fill the funding gap of £1.25M in 2023/24 but will be cleared by receipts forecast in the following year. The balance of the Capital Receipts Reserve as at March 2028 is estimated to be £4.24M but will be impacted by any additional projects in the future such as the regeneration programme, see table in 6.10. For funding options – see section 10.

6.10

<b>Capital Receipts Reserve</b>	<b>£'000</b>
<b>Balance B/f 1.4.22</b>	<b>7,936.4</b>
Forecasted income over programme	10,052.6
Forecasted expenditure over programme	13,743.7
<b>Balance as at 31.3.28</b>	<b>4,245.3</b>

## **7 Managing the Capital Programme**

- 7.1 A Capital Working Group (CWG) meets every year. The group includes the Deputy Chief Executive together with representatives from Finance and other Services with capital expenditure requirements. The CWG is responsible for assessing new capital bids against a range of criteria, and considering the available capital financing options.
- 7.2 The Capital Programme is updated and reported to Cabinet three times per year. Bids for new expenditure are generally included in the autumn report (see para 8.1). Each update contains details of approved projects together with the budget profile of each project.
- 7.3 The process for adding new projects to the Capital Programme is detailed below.

## **8 Adding new projects to the Capital Programme**

- 8.1 There is a timetable for new bids to be prepared and assessed before being presented for approval.

July/August – CWG reviews bids together with draft business cases and options appraisals. All bids are subject to an objective scoring exercise. Bids are prioritised according to the score attained.

October – Management Team reviews the scored bids and proposes a Capital Programme for approval.

December – The proposed Capital Programme is considered by Cabinet.

January – The Capital Programme is recommended to Council for approval.

- 8.2 In order to ensure the most efficient use of capital resources an objective scoring methodology is used. The scoring system gives priority to bids that meet the Council's Corporate Plan objectives or improve efficiency in service delivery whilst considering other key factors such as the Climate Emergency.

## **9 Monitoring Progress against the Capital Programme**

- 9.1 The Capital Programme contains details of approved projects together with the budget profile of each project. Where budget variances or potential slippage are identified they are reported to Cabinet as part of the Capital Programme reporting process.
- 9.2 Cabinet receives three updates per year on the progress of the Capital Programme. On each occasion, the progress of each project is assessed and if any change is required to the budget or timing of the project, the reasons are explained and the necessary approvals sought.

## **10 Financing the Capital Programme**

10.1 Consideration of the financing of capital projects is integral to the governance procedures outlined above.

10.2 In general, the Council finances capital expenditure from existing resources including reserves and capital receipts or from specific grant funding sources. This ensures that capital expenditure is both affordable and prudent.

10.3 As at February 2023 the forecast balance of the Capital Receipts Reserve used for the financing of the approved Capital Programme at 31 March 2025 was £3.3M. The options for dealing with any expenditure above this balance are:

- Honour existing capital projects, but restrict new capital spending (with the exception of projects that are legislative, externally funded or generate revenue savings) to ensure suitable capital receipts have been identified for expenditure above the remaining balance in the Capital Receipts Reserve.
- Use borrowing (either external loans or using existing reserve balances) until an ongoing sustainable funding solution for the Capital Programme can be identified.
- Use contributions from revenue budgets or transfers from existing earmarked reserves.

### Resource Streams to fund the Capital Programme

10.4 The Council has five main sources of income generation to fund future capital expenditure:

- Proceeds from the sale of assets
- Grants and contributions for specific projects including New Homes Bonus and developers' contributions
- Contributions from the Revenue Budget
- Use of existing balances
- Borrowing

10.5 This strategy recommends a sustainable approach to capital investment by placing maximum emphasis on utilising the first three options. Use of existing balances will only be used for the reasons discussed in paragraph 10.19-23. Borrowing will be used for funding where there is a good business case for doing so.

Sale of redundant / obsolete assets

- 10.6 The Property and Asset Management Service monitors the useful economic life of the Council's land and buildings assets. Where it is determined that an asset is surplus to Council requirements or is not economically advantageous to retain it will be considered for disposal.
- 10.7 In the case of land this will not be less than the best consideration that can reasonably be obtained unless there are exceptional circumstances (e.g. discounted disposal for affordable housing). Given the current situation in the market value of land and buildings, it is expected that few sites will be suitable for disposal in the near future.
- 10.8 In considering whether an asset is surplus to requirements, the following will all be considered; the Council's ability to control future uses of the property, the net income foregone by disposal and the costs of making good or creating a suitable replacement of the asset sold.
- 10.9 The Head of Property and Asset Management will periodically produce a list of properties considered appropriate for potential disposal and, if required, report to Cabinet accordingly.

Grants and Contributions

- 10.10 Certain projects will attract grants from the Government or other bodies. Where these grants are available, the Council will seek to fully utilise them having due consideration to ongoing revenue costs that will have to be borne following the removal of the grant. The level of external funding available is considered when approving bids to be added to the Capital Programme.
- 10.11 The Council also uses income received under the New Homes Bonus scheme to contribute to new capital expenditure. For example, receipts from this source are used to fund capital community projects.
- 10.12 Part funding is available on some projects from partners (e.g. Hampshire County Council). Where such contributions are available they will be applied against approved capital expenditure.
- 10.13 As part of the terms of certain planning consents, developers are required to make contributions to local infrastructure in areas such as affordable housing, open space, green travel, highways improvements etc. (often referred to as section 106 agreements). Where these contributions are available they will be applied against the total cost of relevant projects.
- 10.14 The S106 regime is supplemented by the Community Infrastructure Levy (CIL).

Revenue Contributions

- 10.15 The annual revenue budget includes contributions to capital reserves for specific projects as well as a general contribution towards future capital spending.

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- 10.16 Additional revenue contributions may be made in the event of revenue surpluses at the end of each year. However, the allocation of any underspend will be decided by Cabinet and cannot be relied upon as a sustainable source of financing for the capital programme.
- 10.17 Where the Council has existing reserves, these balances could be considered for transfer to the Capital Programme. However, reserve balances are one-off in nature and do not provide an ongoing funding option.
- 10.18 In light of recent increases in the base interest rate, the Council forecasts generating additional income from its cash investments over the medium term. The Medium Term Financial Strategy allows for a transfer from revenue to allocate some of this income to capital expenditure.

### Use of Existing Balances

- 10.19 At 1st April 2022 the Council had £7.936M of useable capital receipts.
- 10.20 The Capital Strategy promotes a sustainable approach to capital investment by restricting the level of capital expenditure to the amount of receipts generated/other sources of finance available.
- 10.21 The use of balances will be considered appropriate for projects that will produce ongoing revenue savings. Where this method is applied, the savings generated in the revenue budget will be used to replenish capital reserves until such time as the project is 'capital-neutral' after which time ongoing savings will form part of the Council's annual revenue budget.
- 10.22 Use of balances or internal borrowing will also be considered appropriate as a short term measure where expenditure is made before expected capital receipts are generated. There is some risk with this approach as expenditure will be incurred before assets are sold and income is realised.
- 10.23 The table in paragraph 6.10 indicates that the balance of available capital receipts will reduce to £4.245M at the end of 2027/28.
- 10.24 The current Capital Programme is fully financed and can be delivered with available resources.

### Borrowing

- 10.25 The Council borrowed £5.9M in 2018/19 to part fund the redevelopment of Andover Leisure Centre. In April 2019 a further £1.55M was borrowed to fund the purchase of property in Andover. The Council, as an eligible local authority, has accessed funds from the Public Works Loan Board (PWLB).
- 10.26 The Prudential Indicators, annexed to the Treasury Management Strategy Statement and Annual Investment Strategy report elsewhere on this agenda, set out the maximum borrowing limits for the Council.



Minimum Revenue Provision (MRP) Policy Statement

- 10.27 Authorities have a statutory duty to set aside revenue funds to repay borrowing. Minimum Revenue Provision (MRP) is the revenue charge that the Council is required to make for the repayment of debt, as measured by the underlying need to borrow, rather than actual debt. The underlying debt is needed to finance capital expenditure which has not been fully financed by revenue or capital resources. As capital expenditure is generally expenditure on assets which have a life expectancy of over one year it is prudent to charge an amount for the repayment of debt over the life of the asset or a similar proxy figure.
- 10.28 The Local Authorities (Capital Financing and Accounting) regulations require local authorities to calculate for the financial year an amount of MRP which is considered to be 'prudent'. There are two methods available for calculating this.
- 10.29 Asset Life method - where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the useful life of the asset.
- 10.30 Depreciation method – MRP is deemed to be equal to the provision required in accordance with depreciation accounting in respect of the asset on which expenditure has been financed by borrowing or credit arrangements. This should include any amount for impairment charged to the income and expenditure accounts.
- 10.31 For this purpose standard depreciation accounting procedures should be followed, except in the following respects:
- MRP should continue to be made annually until the cumulative amount of provision made is equal to the expenditure originally financed by borrowing or credit arrangements. Thereafter the Council will cease to make MRP.
  - On disposal of the asset, the charge should continue in accordance with the depreciation schedule as if the disposal had not taken place. This does not affect the ability to apply capital receipts or other funding sources at any time to repay all or part of the outstanding debt.
- 10.32 Where the percentage of the expenditure on the asset financed by borrowing or credit arrangements is less than 100%, MRP should be equal to the same percentage of the provision required under depreciation accounting.
- 10.33 There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding year, nor is a charge required until the financial year after an asset becomes operational.
- 10.34 The Council's MRP Policy is elsewhere on this agenda, as part of the Treasury Management Strategy Statement and Annual Investment Strategy.

## **11 Commercial Property Investment and Resource Strategy**

- 11.1 On 16 November 2022, Council approved the Medium Term Financial Strategy (MTFS) for 2023/24 – 2025/26. This strategy sets out that the Council, “will continue to seek out new investment opportunities through Project Enterprise, making better use of cash resources to enhance revenue returns”, and “ensure that the Council’s infrastructure is fit for purpose and that new capital needs are identified and met.”
- 11.2 The Council has a work stream known as Project Enterprise to progress this. In recognition of the fast pace of the local property market, Council approved a delegated authority to the Head of Property and Asset Management, in consultation with a cross-party Member panel, to purchase property investments from a pre-approved capital budget where the timing of the Council’s usual approval process may impede the ability to complete an acquisition. A sum of £3M was approved for this purpose and all purchases under this delegation are reported to Council for noting.
- 11.3 The Head of Property & Asset Management in consultation with the Head of Finance & Revenues is responsible for considering all proposals that contribute to the delivery of the investment strategy and meet the investment criteria (see 11.5 below). Feasible projects which fall outside the Head of Property and Asset Management’s delegation, are reported to Cabinet / Council for approval.
- 11.4 External agents may be appointed to advise on and negotiate the terms of acquisition, recognising that others can be closer to the investment market on a day to day basis than the Council’s in-house team. As well as advising prior to acquisition, the agents undertake due diligence in order to ensure that those charged with governance can make informed decisions.

### Assessment Process

- 11.5 Each investment opportunity will be assessed through a two stage (or gateway) process. Gateway One comprises a number of criteria to determine whether there is an opportunity to consider and take forward. It establishes whether the opportunity can be recommended for in-principle agreement, or that the opportunity does not meet the decision criteria and therefore proceeds no further. Gateway Two involves the development of a much more detailed business case to be considered for approval.

### Investment Threshold

- 11.6 The Council’s Investment Strategy gateway process stipulates a minimum of £250,000 for commercial property investments and £100,000 for housing investments.

Return on Investment

- 11.7 The Investment Strategy gateway process requires a minimum level of return depending on the perceived risk of a project, ranging from 4% to 10% for commercial property investments. This reflects the level of risk in the commercial property market, which for a number of reasons is more volatile than the housing market.
- 11.8 A lower minimum level of return of 3% is used for residential property purchases to reflect the greater influence of expected long-term capital appreciation in house values that is not so prevalent in the commercial property market.

Risk Management

- 11.9 The implementation of the Investment Strategy means the council is managing different financial risks. Investments are subject to inherent economic and market risks, and therefore a balanced portfolio of investment is maintained.
- 11.10 The governance process is designed to mitigate these risks. All investment opportunities are built upon a robust business case, developed using appropriate technical advisors and take into account due and proper consideration of the balance between risk and reward and an assessment of the underlying security of the investment to ensure compliance with the fiduciary duty the council holds.

Resource Implications

- 11.11 The Council may fund investments through using its reserves, capital receipts and internal borrowing. Any external borrowing required needs to be made in accordance with the Prudential Code. The latest edition of this code states an authority must not borrow to invest primarily for financial return. The code requires borrowing to be affordable, sustainable and provide value for money. The return on investment would therefore need to be in excess of the capital financing costs of the borrowing, which consist of the interest payable and the statutory minimum revenue provision (MRP) that sets aside funds for the repayment of the borrowing. Currently to access PWLB lending, the chief financial officer is required to certify that the local authority's capital spending plans do not include the acquisition of assets primarily for yield.
- 11.12 Some investments will generate a return in the medium to long term but make a loss in the earlier years. It will be important to set aside a proportion of any returns made on investments to repay capital, which in turn will enable further future investments to be made.
- 11.13 Assets created through these investments, and the associated liabilities will be consolidated in the Council's balance sheet and treated in accordance with the code of Practice on Local Authority Accounting in the United Kingdom, which is supported by the International Financial Reporting Standards.

## **12 Knowledge and Skills**

### Financial Assets

- 12.1 Treasury Management Activity is undertaken by the Principal Accountant (Technical) (CIMA) and the Principal Accountant (Services). They are managed by the Accountancy Manager. Two of these three posts are filled by qualified CIMA accountants.
- 12.2 The team is experienced in treasury management activity and has demonstrated its skills by enabling the Council to opt-up to Professional status under the MiFID II (EU law - Markets in Financial Instruments Directive) reforms.
- 12.3 The CIPFA Code requires the Chief Financial Officer to ensure that Members and Officers are adequately trained in treasury management. Training is arranged as required and is regularly reviewed.

### Non-Financial Assets

- 12.4 The Council's investment property portfolio is managed by the Property and Asset Management Service. The team includes qualified chartered surveyors and a building surveyor all of whom have extensive experience of property dealings within both the public and private sectors. This experience includes dealing with a mix of property types and professional work including professional services, landlord and tenant statutory valuations, acquisitions and disposals, commercial and residential property management.
- 12.5 The team also work with external agents where specialist expertise is required to deal with particular properties or if resource is not available to deal with matters in a timely way. Examples of where external advice is used include agency, valuation, building surveying and planning work. The Council also has internal building surveying resource in Property and Asset Management to advise on construction, repair and maintenance and statutory compliance matters across its investment and operational properties.
- 12.6 The Council's asset valuations for its financial statement are prepared by internal and external valuers with an agreed rolling programme of valuations for the whole Council property portfolio. All investment properties are valued on an annual basis.

## **13 Conclusion and reasons for recommendation**

- 13.1 The Capital Strategy highlights the need to consider funding options for additional expenditure within this programme. Currently the forecasted expenditure to 2027/28 is showing a funding gap in 2023/24 where internal borrowing is necessary. The Capital Receipts Reserve balance is forecast to be £4.245M at the end of March 2028.
- 13.2 The main drive of the strategy is to ensure that future capital expenditure is prudent, sustainable and affordable.

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13.3 Regular reviews will be carried out to identify potential assets for disposal in order to generate capital receipts.

<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: Finance and Resources) Councillor M Flood			
Officer:	Laura Berntsen	Ext:	8204
Report to:	Cabinet	Date:	22 February 2023

**Report to Cabinet 22 February 2023**

**Treasury Management Strategy Statement and Annual  
Investment Strategy 2023/24**

Report of the Finance and Resources Portfolio Holder

**Recommended:**

- 1. That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2023/24, as set out in the report, be approved.**
- 2. That the Minimum Revenue Provision (MRP) policy, as shown in paragraph 4.4 in the report, be approved.**
- 3. That the Prudential Indicators, as set out in Annex 1 to the report, be approved.**

**Recommendation to Council**

**SUMMARY:**

- This report presents the Treasury Management and Annual Investment Strategies of the Council which have been produced in accordance with the latest statutory requirements and relevant codes of practice.
- Borrowing costs are currently limited to the interest payable on long-term borrowing on PWLB loans, which have been used to fund various initiatives as defined in this strategy. There is no additional borrowing expected in this strategy.
- The major objectives of the Treasury Management Strategy for 2023/24 are:
  - To manage effectively and control the risks associated with treasury management activities.
  - To invest prudently having regard to the security and liquidity of investments and the predictability of returns.
  - To aim to achieve the optimum return on investments commensurate with the proper levels of security, liquidity and protection of capital.

**1 Background**

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity before considering investment return.

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- 1.2 Another function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations, which may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. Treasury operations manage the balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund balance.
- 1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to day treasury management activities.
- 1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:
- “The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

## 2 Reporting Requirements

### 2.1 Treasury Management Reporting

- 2.1.1 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actual figures.
- (a) **Prudential and treasury indicators and treasury strategy** (this report) – The first, and most important report is forward looking and covers:
- the capital plans (including prudential indicators);
  - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
  - the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators;
  - and an investment strategy (the parameters on how investments are to be managed).

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- (b) **A mid-year treasury management report** – this is primarily a progress report and will update Councillors with the progress of the capital programme, amending prudential indicators as necessary, and whether any policies require revision. This report is presented to Cabinet.
- (c) **An annual treasury report** – this is a backward looking review document and provides details of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### 2.2 Quarterly reports

- 2.2.1 In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required. It is anticipated that these reports will be incorporated into the regular budget monitoring reports already presented to Cabinet throughout the year.

### 2.3 Treasury Management Strategy for 2023/24

- 2.3.1 The strategy for 2023/24 covers two main areas:

- (a) **Capital issues**

- The capital expenditure plans and the associated prudential indicators;
- The minimum revenue provision (MRP) policy

- (b) **Treasury Management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

- 2.3.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

### 2.4 Training

- 2.4.1 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.



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2.4.2 The Head of Finance and Revenues, supported by the Democratic Services Manager and Principal Accountant (Corporate), will ensure that adequate and appropriate training is provided to all Councillors and staff involved in treasury management activities.

2.4.3 This will form part of the finance induction for new Members following the 2023 borough elections.

### **2.5 Treasury Management Consultants**

2.5.1 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

2.5.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of the external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

2.5.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the method by which their value will be assessed are properly agreed and documented, and are subject to regular review.

2.5.4 The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisors, and the Council uses appropriate external advisors in relation to this activity.

## **3 Prudential Indicators, Treasury Limits and MRP Statement**

### **3.1 The Capital Prudential Indicators 2023/24 – 2025/26**

3.1.1 The Council's capital expenditure plans are the key driver of treasury management activity. Capital expenditure plans are reflected in the prudential indicators, which are designed to assist Members' overview and that capital expenditure is affordable.

### **3.2 Capital Expenditure**

3.2.1 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

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<b>Capital expenditure £000</b>	<b>2021/22 Actuals</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
Services	4,650.6	5,945.5	7,950.1	1,539.5
Commercial Activities/non-financial investments	4,047.7	6,676.9	3,160.0	
<b>Total</b>	<b>8,698.3</b>	<b>12,622.4</b>	<b>11,110.1</b>	<b>1,539.5</b>

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

<b>Financing of capital expenditure £000</b>	<b>2021/22 Actuals</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>
<b>Capital Expenditure</b>	<b>8,698.3</b>	<b>12,622.4</b>	<b>11,110.1</b>	<b>1,539.5</b>
<b>Financed by:</b>				
Capital receipts	1,174.2	578.1	87.4	50.0
Capital receipts reserve	2,880.7	3,558.0	2,357.6	-2,027.2
Government grants	960.8	1,295.0	1,582.9	599.0
External Contributions	1,225.1	2,148.6	689.8	400.0
Internal Contributions	1,114.8	1,114.8	2,269.5	2,267.7
External financing				
Reserves (NHB and Specific)	1,342.7	3,927.9	4,122.9	250.0
<b>Net financing need for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.3 The Council's borrowing need (the Capital Financing Requirement)

- 3.3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR reflects the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 3.3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 3.3.3 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.
- 3.3.4 It is recommended that the CFR projections shown in Annex 1 are approved.

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3.3.5 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in 4.2.1 and the details above demonstrate the scope of this activity.

### 3.4 Liability Benchmark

3.4.1 A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

3.4.2 There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are outstanding at the year-end. The Council currently has two PWLB loans and therefore the existing loan debt outstanding will be equal to the remaining balance on these loans.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast. If the Council's net loan requirement is negative this means that the Council does not currently need to borrow to meet its future resource and capital intentions. If the figure is positive the Council will need to borrow. Therefore, a negative net loan requirement is the desirable position for the Council to be in.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

3.4.3 The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance.

3.4.4 As the Council's net loan requirement is negative across the entire forecast period, the Council's liability benchmark is also negative across the forecast period, indicating that there is no present need to borrow given the Council's current resources and capital intentions.

3.4.5 The Benchmark calculation can be found in Annex 3.

### 3.5 Minimum Revenue Provision (MRP) Policy Statement

3.5.1 MRP is the statutory requirement to make a charge to the Council's General Fund providing for the repayment of the Council's past capital debt and other credit liabilities.

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- 3.5.2 The key principle of this system and accompanying guidance is that an authority's debt liability should be repaid over a similar period to that which the asset associated with the capital expenditure provides benefits. Local authorities are asked by the Secretary of State "to prepare an annual statement of their policy on making MRP for submission to their full Council".
- 3.5.3 The type of approach intended by the MRP guidance is clearly to enable local circumstances and discretion to play a part, as the guidance in general contains a set of recommendations rather than representing a prescriptive process. The guidance makes it clear that councils can follow an alternative approach, provided they still make a prudent provision.
- 3.5.4 The Council borrowed £5.9M in 2018/19, to fund the construction of the new Andover Leisure Centre. In 2019/20 further borrowing was taken to purchase property in Andover Town Centre. Where borrowing was taken out, the principles established in the Prudential Code of prudence, affordability and sustainability were followed.
- 3.5.5 It is recommended that Members approve the following MRP policy to be applied from 2023/24:
- In respect of capital expenditure incurred in 2023/24 and subsequent financial years the MRP policy will be to use the Asset Life Method. MRP will be charged based on the estimated life of the associated assets, calculated on an annuity basis.
  - Repayments included in any finance leases will be applied as MRP in accordance with the terms of the agreement.

**4 BORROWING**

4.1 The capital expenditure plans set out in paragraph 4.2.1 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

**4.2 Portfolio position as at 31 December 2022**

<b>Treasury Portfolio</b>	
<b>Treasury Investments – Specified</b>	<b>£'000</b>
Callable on Demand	15,453
Callable Deposits (10 to 100 days' notice)	15,368
Investments maturing on or before 31 March 2023	30,000
Investments maturing between 1 April 2023 and 31 March 2024	25,000

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<b>Treasury Investments – Non Specified</b>	
Investments maturing on or before 31 March 2023	0
Investments maturing between 1 April 2023 and 31 March 2024	0
Investments maturing after 31 March 2024	20,000
<b>Total Investment Portfolio</b>	<b>105,821</b>
<b>Treasury External Borrowing</b>	
Public Works Loan Board (PWLB)	6,639
<b>Total External Borrowing</b>	<b>6,639</b>
<b>Net Treasury investments</b>	<b>97,282</b>

- 4.3 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 4.4 The Head of Finance and Revenues reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
- 4.5 **Treasury Indicators: limits to borrowing activity**
- 4.5.1 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.
- 4.5.2 **The authorised limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 4.5.3 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- 4.5.4 It is recommended that Council approves the authorised limit stated in Annex1.

#### **4.6 Prospects for interest rates**

4.6.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Annex 2 draws together a number of current forecasts together with the Link central view, for short term bank rate and longer fixed interest rates.

#### **4.7 Borrowing Strategy**

4.7.1 The Council is currently maintaining an over-borrowed position and reflects the decision to borrow for capital purchases in prior years. This means that the capital borrowing need (the Capital Financing Requirement), is fully funded.

4.7.2 When borrowing, the Head of Finance and Revenues will;

- ensure the ongoing revenue liabilities to be created, and the implications for future plans and budgets have been considered.
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow.
- consider the merits and demerits of alternative forms of funding and consider the alternative interest rate bases available, the most appropriate periods to fund and the repayment profiles to use.

4.7.3 In normal circumstances the main sensitivities of the economic forecast are likely to be the two scenarios noted below. Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of interest rate forecast:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, for example due to an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

4.7.4 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/24 treasury operations. The Head of Finance and Revenues will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances, reporting any decisions at the next available opportunity.

#### **4.8 Policy on borrowing in advance of need**

4.8.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

4.8.2 In determining whether borrowing will be undertaken in advance of need the Council will ensure that there is a clear link between the capital programme and maturity profile of the debt portfolio which supports the need to take funding in advance of need.

#### **4.8.3 Debt rescheduling**

4.9 Rescheduling of current borrowing in our debt portfolio may occur in the near term. The Head of Finance and Revenues will present options to Cabinet if it is deemed beneficial to reschedule debts.

### **5 ANNUAL INVESTMENT STRATEGY**

#### **Investment Policy – management of risk**

5.1 DLUHC and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

5.2 The Council’s investment policy has regard to the following: -

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

5.3 The Council’s investment priorities will be security first, portfolio liquidity second and then yield.

5.4 When investing the Council will consider the benefits of Environmental, Social and Governance investments and will seek to invest in them where it is possible and beneficial to do so. Further details are included with the Councils Treasury Management Practices (TMP1).

5.5 The above guidance from DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term credit ratings.

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- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists below under the categories of ‘specified’ and ‘non-specified’ investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if they were originally classified as non-specified investments solely due to the maturity period exceeding one year.
- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and / or are more complex instruments which require greater consideration by members and officers before being authorised for use.

### 5.6 Specified Investments

- 5.6.1 All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum rating criteria where applicable.

	<b>Minimum Credit Criteria(para 6.8)</b>	<b>Limits</b>
Debt Management Agency Deposit Facility	--	No Limit
Term deposits – local authorities	--	£20M total investment per Counterparty
Term deposits / bonds – banks and building societies *	Per Link colour code (see 6.8.2)	£20M total investment per Counterparty
Term deposits – banks backed by UK Government Guarantees **	--	£20M total investment
Money Market Funds	Long term AAA	£20M total investment per fund
UK Government Gilts / Treasury Bills	UK Sovereign Rating	£20M total investment
Ultra Short dated bond fund	Per Link colour code (see 6.8.2)	£20M total investment per fund



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	<b>Minimum Credit Criteria(para 6.8)</b>	<b>Limits</b>
Bonds issued by multilateral development banks	Long term AAA	£20M total investment
Bonds issued by a financial institution which is guaranteed by the UK government*	UK Sovereign Rating	£20M total investment

- If forward deposits are to be made, the forward period plus the deal period will not exceed one year in aggregate.

\*Subject to the maximum of any guarantee period in issue by the Government on the date the investment was made.

5.6.2 Whilst these requirements are in place to ensure the safety of the Council's investments it does present an operational difficulty for managing short term (up to one week) funds as these types of accounts are only available from major banks. The following criteria are proposed for investment accounts for balances held for up to seven days.

	<b>Minimum 'High' Credit Criteria</b>	<b>Limits</b>
On Call accounts	Short-term F1, Long-term A Individual C, Support 1	£20M total investment per Counterparty
Term deposits – maximum of 7 days	Short-term F1, Long-term A Individual C, Support 1	£20M total investment per Counterparty

## 5.7 Accounting treatment of investments

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue impact which may arise from these differences, the accounting implications of new transactions will be reviewed before they are committed.

## 5.8 Non-Specified Investments

5.8.1 These are investments which do not meet the Specified Investment criteria. A maximum of 50% will be held in aggregate in non-specified investments with no more than £5M to be held with any one counterparty (excluding other local authorities).

Maturities in excess of 1 year.

	<b>Minimum Credit Criteria (para.6.8)</b>	<b>Max. maturity period</b>
Term deposits – local authorities	--	60 months
Term deposits - Banks	Per Link colour code	24 months
Fixed term callable deposits with variable rate and variable maturities	Per Link colour code (see para.6.8.2)	24 months

**ANNEX B**

	<b>Minimum Credit Criteria (para.6.8)</b>	<b>Max. maturity period</b>
Certificates of deposits issued by banks	Short-term F1+, Long-term AA- Individual B, Support 2	24 months
UK Government Gilts	UK Sovereign Rating	60 months
Bonds issued by multilateral development banks	AAA	60 months
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	60 months
Sovereign bond issues (i.e. other than the UK govt)	AAA	60 months
Short dated bond fund	--	No maximum
Multi asset Income fund	--	No maximum
Property fund	--	No maximum

5.8.2 There may be occasions when the counterparty limit will be exceeded as a result of credit interest being applied to deposit balances. Where this occurs, it will be permitted without the need to immediately withdraw the amount by which the gross balance exceeds the counterparty limit.

## 5.9 Creditworthiness Policy

5.9.1 The Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

- Credit watches and credit outlooks from credit rating agencies;
- Credit default swap (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

5.9.2 This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are referred to as durational bands. The Council will therefore use counterparties within the following durational bands.

- Yellow      5 years
- Purple      2 years
- Blue        1 year (only applies to nationalised or semi-nationalised UK Banks)

## ANNEX B

- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

5.9.3 The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

5.9.4 Typically, the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

5.9.5 All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use for new investments will be withdrawn immediately.
- In addition to the use of Credit Ratings, the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

5.9.6 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

### 5.10 **Country risk**

5.10.1 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide).

## 6 **Investment Strategy**

6.1 The Council will continue to manage its investment portfolio using internal resources.

6.2 A mid-year report on investment performance will be presented to Cabinet and at the end of the financial year a report summarising investment activity will be presented to Cabinet as part of the Treasury Management Outturn.

6.3 The Council will avoid locking into longer term deals while investment rates are at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile.

**Investment returns expectations.**

- 6.4 The current Interest Rate forecast is shown in Annex 2.
- 6.5 The current suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year are as follows.
- 2023/24 4.4%
  - 2024/25 3.3%
  - 2025/26 2.6%
  - 2026/27 2.5%
  - Later years 2.8%

**7 Investment performance / risk benchmarking**

- 7.1 The Council will use an investment benchmark to assess the performance of its investment portfolio using the 6 month compounded SONIA (Sterling Overnight Index Average). SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.
- 7.2 Previously the Council had used the published official LIBOR figures (and related LIBID calculations) which ceased at the end of 2021.

Role of the Section 151 Officer

- 7.3 The S151 officer is responsible for:
- Recommending treasury management policy / practices for approval, reviewing the same regularly, and monitoring compliance
  - Submitting regular treasury management policy reports
  - Submitting budgets and budget variations
  - Receiving and reviewing management information reports
  - Reviewing the performance of the treasury management function
  - Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
  - Ensuring the adequacy of internal audit, and liaising with external audit
  - Recommending the appointment of external service providers.
  - Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
  - Ensuring that members are adequately informed and understand the risk exposures taken on by an authority
  - Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above

## **8 Risk Management**

8.1 Whilst the protection of the authority's capital and the pursuit of reasonable returns are two vital features of effective treasury management, there is also a need to address other treasury risks. The main treasury management risks have been identified as;

- Liquidity Risk – the risk that cash will not be available when it is needed.
- Interest Rate risk – the risk that changes in the rates of interest create an unexpected or unbudgeted burden on the Council's finances.
- Inflation Risk – the risk that growth in the authority's investment income, does not keep pace with the effects of inflation on its expenditure.
- Credit Risk – the risk that a counterparty defaults on its obligations.
- Operational Risk – the risk of loss through fraud, error, corruption, system failure or other eventualities in treasury management dealings, and failure to maintain effective contingency management arrangements.

8.2 Techniques and procedures to manage these risks are in place and include:

- Reliable cash flow forecasting and monitoring;
- Maintaining an earmarked reserve to offset the impacts of an unexpected drop in interest rates on the Council's budget;
- Access to reliable and informed sources of information concerning both economic developments and the likely future course of interest rates;
- Managing exposure to interest rates;
- A sound diversification policy for investments;
- Rigorous assessment of credit-worthiness of counterparties;
- Fidelity insurance;
- Suitable treasury management policies, including back-up measures for system failures and staff absences.

8.3 Despite these measures, there is a risk of a financial institution collapsing and not repaying a loan to the authority. The current arrangements are designed to reflect this level of risk and reduce the authority's exposure. However, a residual risk remains, which cannot be fully mitigated, as the authority must undertake a level of Treasury Management activity with its cash surpluses.

## **9 Resource Implications**

9.1 There are no direct resource implications arising from this report. However, the restrictions on the types of investment that can be used identified in this report will have an effect on the return on investments that the Council can expect to achieve in the year.

## **10 Equality Issues**

10.1 There are no equality matters arising from this report.

**ANNEX B****11 Consultation**

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

**12 Conclusion and reasons for recommendation**

- 12.1 This report presents the Council's Treasury Management strategy for 2023/24. This strategy is prepared in accordance with the 2021 Prudential Code. The strategy sets out the criteria within which cash surpluses can be invested and how external borrowing will be managed should the Council choose to take on debt in the year.
- 12.2 The report and annexes show how the Council plans to minimise its risks to the current economic climate by stipulating creditworthiness requirements on lenders and limiting the maximum amount available to be invested at any one 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:	3	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Simon Skeates	Ext:	8817
Report to:	Cabinet	Date:	22 February 2023

**ANNEX B - APPENDIX 1****PRUDENTIAL INDICATORS**

<b>PRUDENTIAL INDICATOR</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>EXTRACT FROM BUDGET</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Capital Expenditure</b>	<b>8,698.3</b>	<b>13,372.4</b>	<b>11,110.1</b>	<b>1,539.5</b>	<b>3,500</b>
<b>Ratio of financing costs to net revenue stream</b>	<b>5.0%</b>	<b>29.5%</b>	<b>27.8%</b>	<b>22.0%</b>	<b>21.4%</b>
<b>Capital Financing Requirement (CFR) b/f</b>	6,394	6,198	5,998	5,794	5,585
Minimum Revenue Provision	(196)	(200)	(204)	(209)	(214)
Internal Debt in year					
<b>Capital Financing Requirement (CFR) c/f</b>	<b>6,198</b>	<b>5,998</b>	<b>5,794</b>	<b>5,585</b>	<b>5,371</b>
<b>Gross debt &lt;= CFR actuals + 3 years</b>					
Gross debt		6,543			
CFR + 3 years movement		<u>6,198</u>			
<b>Difference</b>		<b>-345</b>			

**ANNEX B - APPENDIX 1**

**PRUDENTIAL INDICATORS**

PRUDENTIAL INDICATOR	2021/22	2022/23	2023/24	2024/25	2025/26
<b>TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Authorised Limit for external debt</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Operational Boundary for external debt</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Upper limit for fixed interest rate exposure</b>					
Net principal re fixed rate borrowing / investments	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>
<b>Upper limit for variable rate exposure</b>					
Net principal re variable rate borrowing / investments	<b>50 %</b>	<b>50 %</b>	<b>50 %</b>	<b>50 %</b>	<b>50 %</b>
<b>Upper limit for total principal sums invested for over 364 days (amount shown subject to being not more than 50% of the portfolio size at the time the investment is placed)</b>	<b>£35,000</b>	<b>£35,000</b>	<b>£35,000</b>	<b>£35,000</b>	<b>£35,000</b>
<b>Maturity structure of fixed rate borrowing during 2022/23</b>	<b>Upper limit</b>		<b>Lower limit</b>		
Less than 1 year	100 %		0 %		
1 year to less than 2 years	100 %		0 %		
2 years to less than 5 years	100 %		0 %		
5 years to less than 10 years	100%		0 %		
10 years or longer	100%		0 %		



## PROPSECTS FOR INTEREST RATES

Link Group Interest Rate View 19.12.22		Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>		3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings		3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings		4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings		4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB		4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB		4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB		4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB		4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Liability Benchmark	£'000	£'000	£'000	£'000	£'000
	Opening Balance				
Financial Year End	31/03/22	31/03/23	31/03/24	31/03/25	31/03/26
PWLB Loans	6,784	6,543	6,298	6,047	5,790
<b>Existing Loan Debt Outstanding</b>	<b>6,784</b>	<b>6,543</b>	<b>6,298</b>	<b>6,047</b>	<b>5,790</b>
Opening Loan Debt	6,784				
Less: opening treasury investments	-95,929				
Plus: planned prudential borrowing		0	0	0	0
Less: MRP & Capital Receipts set aside		-200	-204	-209	-214
<b>Net Loans Requirement (forecast net loan debt)</b>	<b>-89,145</b>	<b>-89,345</b>	<b>-89,549</b>	<b>-89,758</b>	<b>-89,972</b>
Liquidity allowance above net debt (liquidity buffer)	10,000	10,000	10,000	10,000	10,000
<b>Liability Benchmark (Gross Loans Requirement)</b>	<b>-79,145</b>	<b>-79,345</b>	<b>-79,549</b>	<b>-79,758</b>	<b>-79,972</b>

**Report to Cabinet – 22 February 2023**

**Capital Programme Update – 2022/23 to 2024/25**

Report of the Finance and Resources Portfolio Holder

**Recommended:**

**That the revised estimates and financing for the 2022/23 to 2024/25 Capital Programme as shown in the Annex to the report, be approved.**

**Recommendation to Council**

**SUMMARY:**

- This report updates Councillors on the progress of the existing 2022/23 Capital programme and includes forecast changes to its timescale and total cost.
- It also provides an update on projects where the timetable has changed from that currently approved, in particular where projects are expected to slip from the current year.

**1 Introduction**

- 1.1 The progress of the Capital Programme is reported to Councillors each year usually in May, December, and February.
- 1.2 The last update was presented on 7 December 2022 and gave details of the overall expenditure and financing of the Capital Programme for 2022/23 to 2024/25.
- 1.3 This report provides an update on the Capital Programme presented to that meeting and also examines how the costs of the updated programme will be financed.

**2 Background**

- 2.1 It is always difficult to assess accurately the cost, timescale and progress of a project when an initial bid is made. This is exacerbated by the fact that bids are often made a year before a project is expected to commence and before exact costs have been agreed.
- 2.2 As a result of this the timing and total cost of the Capital Programme is constantly changing.
- 2.3 All capital budget holders have been asked to review the projects under their control. The objective is to provide an up to date assessment of the latest estimate for the total cost and timescale for each project.

**ANNEX C**

2.4 Major changes to schemes need to be reported in accordance with the schedule of limits in the Council's Financial Regulations.

### 3 Existing Capital Programme

3.1 The following paragraphs summarise the main changes to the Capital Programme since the December report. A full breakdown of each Service's Capital Programme and a summary of the General Fund Capital Programme Financing are shown in the Annex.

3.2 The table below analyses the movement in the capital programme since the December 2022 update.

	£'000
<b>2022/23 to 2024/25 capital budget per December report</b>	<b>42,883.4</b>
CIL projects – Approved January 2023	503.9
SANG – Sheffield English	(13.0)
Property Investment	(18,802.0)
Public Sector Decarbonisation Scheme	439.7
Changing Places Toilet Facilities	200.0
UK Shared Prosperity Fund projects	710.0
Disabled Facilities Grants/Loans	100.0
<b>2022/23 to 2024/25 capital budget per Annex</b>	<b>26,022.0</b>

3.3 The paragraphs below provide some detail of the reasons for the above changes to budgets and also identifies projects that are expected to slip from 2022/23 to 2023/24.

#### 3.4 Asset Management Projects

The Asset Management Plan (AMP) was presented to Cabinet on 7 December 2022 and subsequently approved by Council on 25 January 2023.

The report identified a number of projects that fall into one of three main categories; land and buildings, vehicles and plant and IT equipment. Some of these projects are revenue in nature whilst others represent capital expenditure.

The total cost of the capital items is summarised by category in the Annex. The detailed expenditure across all AMP projects will be reported at the end of the financial year.

### 3.5 Community and Leisure

CIL (Community Infrastructure Levy) projects - three projects have been added to the capital programme for Community and Leisure together with £100k additional funding for an existing project. These are all fully funded by the Community Infrastructure Levy so have no impact to the Capital Receipts Reserve (CRR).

Costs have been less than anticipated for the works at Sherfield English resulting in a saving of £13,000.

Fishlake Meadows – as the access works have been delayed this project has slipped into the next financial year.

Picket Twenty Phase 4 – Works have been held back to enable a consultation with residents on a wider package of play works which will include the two additional sites on the Picket Twenty extension. These are in the process of being laid out/transferred to Test Valley BC. This delay will improve the ultimate outcome for the community.

Andover BMX track floodlighting – due to a delay in planning permission caused by ecology issues, this project will slip into the next financial year.

### 3.6 Property & Asset Management

The council has recently been awarded £145,000 from the Department of Levelling Up, Housing & Communities for the installation of three changing places toilets. It is recommended that the project is added to the Property & Asset Management part of the Capital Programme.

It is anticipated that the total cost of the installations could be up to £200,000. The shortfall of £55,000 is recommended to be funded from the New Homes Bonus Reserve.

### 3.7 Project Enterprise

The property investment project was originally approved by Council on 7 April 2021 on the basis that the building would be pre-let – a key factor in mitigating the risk of the development. The potential tenant for the development has recently withdrawn their interest and therefore the project has been removed from the Capital Programme.

### 3.8 Planning Policy and Economic Development

Two new projects have been added.

- Working with Property and Asset Management Service the decarbonisation scheme at Bourne House, which was approved by Council 16 November 2022 (minute 316). This will be funded by a Business, Energy and Industrial Strategy(BIES) grant of £221,900 and £217,800 from the Special Projects Reserve/AMP reserve.

- Several identified capital projects totalling £710,000 will be funded from the £1M UK Shared Prosperity Fund with the residual forming the revenue grant element for the identified projects. (Cabinet 29 September 2022).

### 3.9 Housing and Environmental Health

There has been an increase of budget for both Disabled Facility Grants and Loans to reflect the reported increase in spend. These are funded by the Better Care Fund so will not impact the overall financing of the Capital Programme.

## 4 **Resource Implications**

4.1 The Capital Strategy is based on the principle that the Capital Programme will be self-financing over the medium to long-term. The strategy permits expenditure ahead of receiving capital receipts which may create a temporary deficit on the programme.

4.2 The forecast of funding remaining at 31 March 2025 for the Capital Programme is £3.3M, a reduction of £4.6M from the level of the Capital Receipts Reserve as at 1 April 2022.

### Slippage within the Capital Programme

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

4.4 This report identifies slippage of £155,000. The reasons for the additional slippage have been explained in the paragraphs above and previous reports to Cabinet.

## 5 **Financing the Capital Programme.**

### Capital Receipts Reserve

5.1 The balance on the Capital Receipts Reserve as at 1 April 2022 was £7.936M.

5.2 The maximum use of grants and contributions from external bodies and other internal reserves has been taken into account in the proposed financing of the Capital Programme.

5.3 The following table shows the level of capital receipts available to allocate to capital projects after considering the implications of past years' expenditure and the recommendations of this report.

**ANNEX C**

<b>Existing Capital Programme</b>	<b>December 2022 £'000</b>	<b>February 2023 £'000</b>
Capital Receipts Reserve (CRR) as at 1 April 2022	7,936.4	7,936.4
Total Capital Expenditure 2022/23 – 2024/25	(24,081.4)	(26,022.0)
Total Capital Financing 2022/23 – 2024/25	18,518.3	21,383.6
<b>Capital Receipts Reserve as at 31 March 2025</b>	<b>2,373.3</b>	<b>3,298.0</b>

**6 Revenue Consequences of the Capital Programme**

- 6.1 The ongoing revenue impact of the projects recommended for inclusion in the Capital Programme have also been considered and built into the budget for 2023/24.

**7 Corporate Objectives and Priorities**

- 7.1 The capital programme enables capital investment to support the Council's priorities and to maintain its assets so that services may continue uninterrupted in the future.

**8 Risk Analysis**

- 8.1 Each individual project will have specific risks attached to it. These will be identified by the responsible officer at the start of each project.
- 8.2 The Capital Programme presented for approval takes into account all known future capital receipts. If there are no further sources of capital receipts, there is a risk that the Council will not be able to fund a sustainably financed Capital Programme in the future.

**9 Equality Issues**

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

**10 Consultations**

- 10.1 Portfolio Holders, Heads of Service and project managers were consulted in the update of the 2022/23 to 2024/25 Capital Programme.

**11 Conclusion and reasons for recommendation**

- 11.1 The report provides an update on the existing approved Capital Programme. There are changes to the previous update that was approved in December 2022.

**ANNEX C**

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Laura Berntsen	Ext:	8204
Report to:	Cabinet	Date:	22 February 2023



**CAPITAL PROGRAMME AND FINANCING****Approved Projects**

	December 2022				February 2023			
	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>CAPITAL EXPENDITURE</b>								
Asset Management Projects	2,634.3	1,485.1	0.0	4,119.4	2,634.3	1,485.1	0.0	4,119.4
Community & Leisure	2,040.0	3,589.6	940.5	6,570.1	1,872.3	4,248.2	940.5	7,061.0
Property & Asset Management	608.9	496.1	0.0	1,105.0	843.9	461.1	0.0	1,305.0
Project Enterprise	22,478.9	160.0	0.0	22,638.9	3,676.9	160.0	0.0	3,836.9
Planning Policy & Economic Development					45.0	505.7	599.0	1,149.7
Housing & Environmental Health	1,200.0	1,250.0	0.0	2,450.0	1,300.0	1,250.0	0.0	2,550.0
Affordable Housing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>28,962.1</b>	<b>6,980.8</b>	<b>940.5</b>	<b>36,883.4</b>	<b>10,372.4</b>	<b>8,110.1</b>	<b>1,539.5</b>	<b>20,022.0</b>
<b>CAPITAL FINANCING</b>								
Capital Grants	1,150.0	1,150.0	0.0	2,300.0	1,295.0	1,582.9	599.0	3,476.9
Capital Receipts	1,664.2	50.0	50.0	1,764.2	578.1	87.4	50.0	715.5
Internal Borrowing	18,802.0	0.0	0.0	18,802.0	0.0	0.0	0.0	0.0
Capital Contributions	7,086.6	5,436.5	1,931.0	14,454.1	7,191.3	7,082.2	2,917.7	17,191.2
<b>Total</b>	<b>28,702.8</b>	<b>6,636.5</b>	<b>1,981.0</b>	<b>37,320.3</b>	<b>9,064.4</b>	<b>8,752.5</b>	<b>3,566.7</b>	<b>21,383.6</b>
Contribution (to) / from balances	259.3	344.3	(1,040.5)	(436.9)	1,308.0	(642.4)	(2,027.2)	(1,361.6)
<b>Total Financing</b>	<b>28,962.1</b>	<b>6,980.8</b>	<b>940.5</b>	<b>36,883.4</b>	<b>10,372.4</b>	<b>8,110.1</b>	<b>1,539.5</b>	<b>20,022.0</b>

**CAPITAL PROGRAMME AND FINANCING**

**Schemes yet to be identified**

	December 2022				February 2023			
	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>CAPITAL EXPENDITURE</b>								
Project Enterprise	3,000.0	3,000.0		6,000.0	3,000.0	3,000.0		6,000.0
<b>Total</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>0.0</b>	<b>6,000.0</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>0.0</b>	<b>6,000.0</b>
<b>CAPITAL FINANCING</b>								
Contribution from balances	3,000.0	3,000.0		6,000.0	3,000.0	3,000.0		6,000.0
<b>Total Financing</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>0.0</b>	<b>6,000.0</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>0.0</b>	<b>6,000.0</b>

**ASSET MANAGEMENT PROJECTS**  
**CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000
1	Land and Property Projects	742.0	675.0		1,417.0	742.0	675.0		1,417.0
2	Vehicle and Plant Projects	1,585.6	680.1		2,265.7	1,585.6	680.1		2,265.7
3	IT Equipment Projects	306.7	130.0		436.7	306.7	130.0		436.7
<b>Total AMP Capital Programme</b>		<b>2,634.3</b>	<b>1,485.1</b>	<b>0.0</b>	<b>4,119.4</b>	<b>2,634.3</b>	<b>1,485.1</b>	<b>0.0</b>	<b>4,119.4</b>

**COMMUNITY & LEISURE**  
**CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23	2023/24	2024/25	Total	2022/23	2023/24	2024/25	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
1	Community Asset Fund - New projects	250.0	250.0	250.0	750.0	250.0	250.0	250.0	750.0
1A	Community Asset Fund - O/s projects	210.3			210.3	210.3			210.3
2	Andover War Memorial	29.7			29.7	29.7			29.7
3	East Anton Public Art		2.5		2.5		2.5		2.5
4	Leisure Contract	400.0			400.0	400.0			400.0
5	Fishlake Meadows	76.3			76.3	36.3	40.0		76.3
6	Ganger Farm - Sports & Recreation	212.0			212.0	212.0			212.0
7	Boundary fencing & hedging - land purchase	2.5			2.5	2.5			2.5
8	Picket Twenty - Pavilion/pitch changes	9.1	1,389.8		1,398.9	9.1	1,389.8		1,398.9
9	Picket Twenty - Phase 4 play area	77.3			77.3		77.3		77.3
10	SANG - Sherfield English	25.0			25.0	12.0			12.0
11	Plaza Theatre Stage House Rebuild		200.0		200.0		300.0		300.0
12	Valley Park Community Centre	3.9			3.9	3.9			3.9
13	Stockbridge Travel to School		95.0		95.0		95.0		95.0
14	King John's House and Signage	36.5			36.5	36.5			36.5
15	Trojan Sports Club		350.0		350.0		350.0		350.0
16	Monxton Village Hall		345.0		345.0		345.0		345.0
17	Broughton Sports Pavilion	200.0			200.0	200.0			200.0
	Bal c/f.....continued on next page	<b>1,532.6</b>	<b>2,632.3</b>	<b>250.0</b>	<b>4,414.9</b>	<b>1,402.3</b>	<b>2,849.6</b>	<b>250.0</b>	<b>4,501.9</b>

**COMMUNITY & LEISURE**  
**CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23	2023/24	2024/25	Total	2022/23	2023/24	2024/25	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
	Bal b/f.....continued from previous page	1,532.6	2,632.3	250.0	4,414.9	1,402.3	2,849.6	250.0	4,501.9
18	Abbots Ann Clubhouse	250.0			250.0	250.0			250.0
19	N. Baddesley Fitness Equipment	40.0			40.0	40.0			40.0
20	Kings Somborne Traffic Calming	15.7			15.7	15.7			15.7
21	Valley Park Orchard Trail	29.5			29.5	29.5			29.5
22	Nether Wallop Playing Fields						101.0		101.0
23	Over Wallop Sports Pavilion						269.8		269.8
24	Bury Dene Playing Fields						33.1		33.1
25	Charlton Leisure Centre Car Park upgrade	1.0	187.3		188.3	1.0	187.3		188.3
26	Abbotswood Public Art	26.0			26.0	26.0			26.0
27	Picket Piece Public Art	22.0			22.0	22.0			22.0
28	Picket Twenty Public Art	29.0			29.0	29.0			29.0
29	Public Art Andover Town Centre	44.0			44.0	44.0			44.0
30	Queen's Platinum Jubilee Public Art		200.0		200.0		200.0		200.0
31	Andover BMX floodlights	50.2			50.2	12.8	37.4		50.2
32	Picket 20 Play area - phase 5		220.0		220.0		220.0		220.0
33	Vigo Road play area		350.0		350.0		350.0		350.0
34	East Anton 4 Court Sports Hall			690.5	690.5			690.5	690.5
<b>Total Community &amp; Leisure Capital Programme</b>		<b>2,040.0</b>	<b>3,589.6</b>	<b>940.5</b>	<b>6,570.1</b>	<b>1,872.3</b>	<b>4,248.2</b>	<b>940.5</b>	<b>7,061.0</b>

**PROPERTY AND ASSET MANAGEMENT SERVICE**  
**CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000
1	Hampshire Community Bank	125.0			125.0	125.0			125.0
2	Romsey Flood Alleviation Scheme		235.0		235.0	235.0			235.0
3	Footpath link - Smannell to Augusta	58.0			58.0	58.0			58.0
4	Multi Storey Car Park Lighting Refurbishment		20.6		20.6		20.6		20.6
5	Chantry House Works 4/5 floors	24.0			24.0	24.0			24.0
6	Land at Bury Hill	373.4			373.4	373.4			373.4
7	Viney Ave to Cupernham School Pedestrian Works	13.5			13.5	13.5			13.5
8	St Mary's GP Surgery extension		240.5		240.5		240.5		240.5
9	Town Mills - phase 2	15.0			15.0	15.0			15.0
10	Changing Places Toilet Facilities						200.0		200.0
<b>Total Property &amp; Asset Management Capital Programme</b>		<b>608.9</b>	<b>496.1</b>	<b>0.0</b>	<b>1,105.0</b>	<b>843.9</b>	<b>461.1</b>	<b>0.0</b>	<b>1,305.0</b>

**PROJECT ENTERPRISE  
CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000
1	Walworth Business Park Investment	3,676.9			3,676.9	3,676.9			3,676.9
2	Property Investment	18,802.0			18,802.0				0.0
3	New Street Properties refurbishment		135.0		135.0		135.0		135.0
4	Fleming Avenue Property refurbishment		25.0		25.0		25.0		25.0
<b>Total Approved Projects</b>		<b>22,478.9</b>	<b>160.0</b>	<b>0.0</b>	<b>22,638.9</b>	<b>3,676.9</b>	<b>160.0</b>	<b>0.0</b>	<b>3,836.9</b>
	Purchase of Investment properties - yet to be identified	3,000.0	3,000.0		6,000.0	3,000.0	3,000.0		6,000.0
<b>Total Project Enterprise Capital Programme</b>		<b>25,478.9</b>	<b>3,160.0</b>	<b>0.0</b>	<b>28,638.9</b>	<b>6,676.9</b>	<b>3,160.0</b>	<b>0.0</b>	<b>9,836.9</b>

**PLANNING POLICY AND ECONOMIC DEVELOPMENT**  
**CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000
1	Public Sector Decarbonisation Scheme - Bourne House						439.7		439.7
2	UK Shared Prosperity Fund Projects					45.0	66.0	599.0	710.0
<b>Total Planning, Policy &amp; Economic Development Capital Programme</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>45.0</b>	<b>505.7</b>	<b>599.0</b>	<b>1,149.7</b>



**HOUSING & ENVIRONMENTAL HEALTH SERVICE**  
**CAPITAL PROGRAMME**

Ref	Scheme	December 2022				February 2023			
		2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £000
1	Renovations and Minor Works Grants	50.0	100.0		150.0	50.0	100.0		150.0
2	Disabled Facilities Grants/Loans	750.0	750.0		1,500.0	850.0	750.0		1,600.0
3	Discretionary Grants/Loans	400.0	400.0		800.0	400.0	400.0		800.0
<b>Total Housing &amp; Environmental Health Capital Programme</b>		<b>1,200.0</b>	<b>1,250.0</b>	<b>0.0</b>	<b>2,450.0</b>	<b>1,300.0</b>	<b>1,250.0</b>	<b>0.0</b>	<b>2,550.0</b>

**Report to Cabinet – 22 February 2023**

**Revenue Budget and Council Tax Proposals 2023/24**

Report of the Finance and Resources Portfolio Holder

**Recommended:**

1. That the Forecast for 2022/23, as set out in Column 3 of Annex 1 to the report, be noted.
2. That the Income Generation Proposals, Savings Options and Revenue Pressures, as set out in Annexes 2 – 4 of the report, be approved.
3. That the transfers to or from reserves, as detailed in paragraph 4.35 in the report, be approved.
4. That subject to recommendations 2 and 3 above and taking due regard of the Head of Finance and Revenues' comments in Annex 8 to the report, the budget for 2023/24, as set out in Column 6 of Annex 1 to the report, be approved.
5. That subject to recommendations 2, 3 and 4 above, the revenue estimates for each Service, contained in Annex 7 to the report, be approved.
6. That a Council Tax Requirement for 2023/24 of £10,585,319 be approved.
7. That a Special Expenses Levy of £343,667 be made in respect of the area of Andover to cover the cost of providing burial grounds, sports grounds and playgrounds, as set out in Annex 9, to the report.
8. That a general precept of £8,258,235 be levied for the year 2023/24.
9. That the Medium Term Forecast, contained in Annex 6 to the report, be noted.
10. That a Band D Council Tax excluding Parishes and Special Expenses of £158.91 in 2023/24 be approved.

**Recommendation to Council**

**SUMMARY:**

- This report presents proposals for the final Revenue Budget and Council Tax for the financial year 2023/24.
- The report takes into account the previous budget information and options for changes in service delivery that were presented to the Cabinet in October 2022 and January 2023.
- The headline financial figures in the report are :-
  - ◆ Band D Council Tax (excluding Parishes and Special Expenses) to be increased by £5.00 to £158.91.

- ◆ Income generation proposals totalling £1.758M – Annex 2.
- ◆ Revenue savings proposals totalling £267,000 – Annex 3.
- ◆ Additional spending pressures on services of £1.088M – Annex 4.
- The final recommendations arising from this meeting for the Budget and Council Tax for 2023/24 will be considered by Council on 23 February 2023.

## **1 Introduction**

- 1.1 Cabinet considered the Budget Strategy for 2023/24 in October 2022. The report showed a best, middle and worst case scenario of the budget gap the Council expected to face for 2023/24.
- 1.2 An update of the budget forecast was presented to Cabinet in January 2023 in light of the provisional Local Government Finance Settlement and further work that had been carried out to identify the savings necessary to balance the budget for 2023/24.
- 1.3 This report presents the proposals for the 2023/24 Revenue Budget and Council Tax to be considered at this meeting before a final recommendation is made to Council.

## **2 Background**

- 2.1 This report deals with the overall revenue budget and council tax for the Borough for the 2023/24 financial year. The key issue that needs to be considered is how to set a balanced budget with due regard to:-
  - The estimated cost of providing existing services at their current levels
  - Very high levels of inflation
  - The level of savings to be taken into account in setting the budget
  - The availability and use of balances to support revenue spending
  - The level of Council Tax to be set for the Borough of Test Valley
  - The impact on budget projections for the medium term.
- 2.2 It is impractical to examine every possible permutation of the items set out above. Therefore, this report sets out a specific budget proposal for debate that incorporates all of these items and takes into account discussions that have been held with the Leader and Portfolio Holders.
- 2.3 The following sections provide more detailed information on the final budget proposals that have been put forward. They compare the figures to those presented to Cabinet on 18 January 2023.

## **3 2022/23 Revised Forecast**

### Service estimates

- 3.1 Detailed work on the revised forecasts for all services has been finalised, and show an estimated £1.633M positive variance, primarily from salary savings and additional investment income.

**ANNEX D**

3.2 This report does not make any recommendations about the possible utilisation of budget variances expected to arise in the current financial year.

**4 2023/24 Budget Proposals**

4.1 Annex 1 sets out the proposed budget for 2023/24. The figures shown take into account changes in the detailed estimates arising from the budget process together with the savings options and budget pressures set out in the annexes to this report.

4.2 The Net Cost of Services shown in Annex 1 includes some items of expenditure, such as depreciation and capital grants, that do not form part of the Council Tax calculation. These charges can vary significantly and distort the figures shown against each Service. Annex 5 shows the same figures as Annex 1 with these items removed.

4.3 Annex 7 sets out a summary of the estimates by main service area. The figures in Annex 7 exclude capital financing charges and are reconciled to the summary shown in Annex 5.

**Overall Budget**

4.4 All of the changes outlined in this report are reflected in the figures shown in Annex 1 which represents the proposed budget before the Cabinet. The Net General Fund Requirement is £15.285M and the Council Tax Requirement is £10.585M.

4.5 The budget gap shown in the January budget update was £104,000. Since then, there have been a number of movements, and the gap has now been closed. A summary of the movements is shown in the following table.

	<b>£'000</b>
<b>Budget Gap per January report</b>	<b>104</b>
Additional income (see Annex 2)	(66)
Additional savings (see Annex 3)	(143)
Additional pressures (see Annex 4)	107
Additional investment income (see para 4.16 – 4.18)	(487)
Transfer to capital receipts reserve (see paras 4.18 and 4.35)	487
Net additional income from retained Business Rates Income after transfers to / from Collection Fund Reserve (see para 4.25 - 4.34)	(2)
<b>Final Budget Position – Balanced Budget</b>	<b>0</b>

**Council Tax Charge in 2023/24**

- 4.6 The Council's Medium Term Financial Strategy aims to keep Council Tax at a comparatively low level, taking into account spending priorities and Central Government funding. This is set in the context of central government's core spending power calculations which include Council Tax and an expectation that Councils will apply Council Tax increases to sustain their existing spending power.
- 4.7 The current level of Council Tax at £153.91 is still very low when compared to district council tax levels across the country. The Council's ability to sustain this low level means that it is one of only 31 district councils across the country where a £5 increase will be allowable and not trigger a referendum. In 2022/23 the average charge was 27<sup>th</sup> lowest out of 181 district councils in England and £42 (20%) lower than the average charge.
- 4.8 The Council has ambitious plans to regenerate both Andover and Romsey town centres. With interest rates rising rapidly over the past year, the cost of borrowing is more expensive, and there is a need for the Council to build capacity to ensure that the regeneration plans can be delivered. The recommended increase in Council Tax levels will help to maintain income levels and support our delivery of those key infrastructure projects.
- 4.9 Looking towards the medium term, the Council faces a number of risks. The Local Government Finance Settlement is for one year only with a set of principles outlining no cuts to core spending power in 2024/25. There is the potential to lose accumulated growth from the business rates retention scheme in a national re-set, and the impact of inflation on expenditure remains a risk. Annex 6 shows a potential budget gap of some £1.8M for 2025/26 which takes each of these risks into account. Some reserves are held to partly mitigate this loss of income, but the Council must sustain its controllable income levels to be able to safeguard frontline services in the medium term.
- 4.10 Against this background, it is recommended that the Band D Council Tax charge is increased by £5.00 from £153.91 to £158.91 for the 2023/24 financial year. This is an increase of 3.25%, which is considerably lower than the current CPI inflation level of 10.5%.
- 4.11 The Council approved its Council Tax Support scheme for 2022/23 at its meeting on 18 January 2023. This scheme helps to protect the most vulnerable households from the full effect of the Council Tax charge. The Council continues to offer up to 100% support for pensioner households and those in receipt of certain benefits. Up to 90% support is available for most working-age households.
- 4.12 In addition, the Council has established a £100,000 cost-of-living grants scheme to support local organisations who are helping our most vulnerable households. The Council will also be implementing the new Council Tax Support relief scheme which will provide a £25 reduction in Council Tax for all households in receipt of Council Tax Support in 2023/24.

## **ANNEX D**

- 4.13 Under delegated authority, the Head of Finance & Revenues sets the Council Tax base for the forthcoming financial year. The Council Tax Resolution is reported directly to Council for consideration with the budget proposals.

### **Local Government Finance Settlement**

- 4.14 Full details of the Provisional Local Government Finance Settlement were given in the Budget Update report to Cabinet on 12 January and are not repeated here.
- 4.15 The Final Local Government Finance Settlement figures were confirmed earlier this month. There were some very minor changes to individual grant amounts but the overall settlement funding remains unchanged.

### **Investment Income**

- 4.16 The Bank of England Monetary Policy Committee voted to increase the base rate from 3.5% to 4% on 2<sup>nd</sup> February. Current forecasts are that further rises to 4.5 % can be expected during 2023/24 before rates start to reduce.
- 4.17 This, along with a detailed review of the council's forecast cashflow following changes to the capital programme for 2023/24, has yielded an additional £487,000 of investment income.
- 4.18 This additional income is recommended to be transferred to the Capital Receipts Reserve to support future capital works.

### **Project Enterprise**

- 4.19 Project Enterprise was established in 2014 to increase the income generated by the Council from its investments and reduce its reliance on the Government's Revenue Support Grant.
- 4.20 Since 2014, the Council has invested in a number of properties that have sought to generate additional revenue income. This additional income has been generated by investing the cash reserves held by the Council in projects that will yield greater returns than the current cash investment portfolio.
- 4.21 The amount of investment in completed projects is currently £31.174M. This excludes investment in development projects which are yet to be completed. Net rental income from these completed investments is forecast to be £2.430M in 2023/24. This represents an average return on investment of 7.8%.
- 4.22 In contrast, the Council's cash investment portfolio is forecast to generate an average return of 3.60% in 2023/24. Had the Council not purchased the additional properties and left the investment in cash reserves, this would be expected to generate £1.122M in 2023/24.
- 4.23 Income from Project Enterprise investments is therefore expected to be £1.308M greater than would have been achieved by retaining the balances in cash. This differential is smaller than in previous years due to the increases in interest rates in 2022/23.

## ANNEX D

- 4.24 Some of the income generated from the completed investments is used to replenish the Capital Receipts Reserve over the lifetime of the investment. For 2023/24, £473,000 is included within the Transfer to Capital Balances line in Annex 1 for this purpose. The remainder of the income will be used to support Council services.

### **Business Rates Retention Scheme**

- 4.25 The Head of Finance & Revenues has delegated authority (in consultation with the Finance & Resources Portfolio Holder) to approve the annual National Non Domestic Rates returns to Central Government. In so doing, this effectively sets the initial shares of income to be allocated to the main preceptors and the Government from the Collection Fund.
- 4.26 The Government introduced the Business Rates Retention Scheme in 2013. It is a complex scheme with baseline assessments, top ups and tariffs, levy payments and safety nets.
- 4.27 If this was not complicated enough, the Government has introduced a further layer of complexity in awarding grants to offset the impact of policies aimed at protecting small businesses, something that has been exaggerated by the business support schemes, such as the Retail, Hospitality & Leisure discount, introduced in response to the pandemic. This can create apparent surpluses or deficits in both the Collection Fund and General Fund and volatility in yearly cashflows.
- 4.28 There is a national business rates revaluation that takes effect from 1<sup>st</sup> April 2023 which has led to changes in the estimates for the income that the Council can expect to receive for 2023/24. There are assumptions built in for transitional payment protection and levels of reliefs and it won't be known how accurate these assumptions are until the outturn for business rates is calculated in May 2024.
- 4.29 This volatility in Collection Fund accounting for business rates is mitigated by transferring surpluses and deficits arising from these timing differences to an earmarked reserve (Collection Fund Equalisation Reserve). An example of the reasons to maintain a reserve to protect against rates income volatility arose in late 2022 when a number of supermarkets were successful in appealing their rateable values going back over a six-year period. The repayment required to pay back overpaid rates amounted to more than £3.5M.
- 4.30 The Collection Fund Equalisation Reserve therefore serves two purposes:
- To mitigate against volatility in income during the lifecycle of the current rating list, to allow for successful appeals by ratepayers and / or timing differences in cashflows caused by, for example, new reliefs
  - To build capacity against a potential loss of all retained income when a re-set of the business rates accounting arrangements takes place. This will enable any losses to be tapered in over several years, reducing the need for major budgetary overhaul in one financial year.

**ANNEX D**

- 4.31 It is estimated that income due to the Council in each of the next 3 years will be as per the following table:

	<b>2023/24 £'000s</b>	<b>2024/25 £'000s</b>	<b>2025/26 £'000s</b>
Business rates income	4,524	5,189	3,471
Section 31 grants	5,873	2,062	0
2022/23 surplus on collection fund	1,992	0	0
Provision for levy payable to government	(3,120)	(2,080)	0
Renewable energy rates 100% retained	505	505	505
<b>Total income from business rates retention scheme</b>	<b>9,774</b>	<b>5,676</b>	<b>3,976</b>
Less income from business rates retention scheme included in January report	5,504	5,504	3,804
<b>Increase in retained income from business rates retention scheme</b>	<b>4,270</b>	<b>172</b>	<b>172</b>

- 4.32 The assumption built into the table above is that a full re-set of the business rates financing mechanism is implemented ahead of the 2025/26 financial year. This removes the Council's share of accumulated growth in rates income since 2013 (£2.718M) and instead assumes that the baseline income forecast of £2.470M plus £1.0M in transitional or damping support and local retention of rates from renewable energy schemes (£505,000) only are built into the ongoing base budget.
- 4.33 This income is built into the Medium Term Forecast. It is extremely vulnerable to both the level of appeals that may occur as a result of the 2023 revaluation exercise and the potential re-set of the Business Rates Retention Scheme which has been delayed until at least 2025/26.
- 4.34 The next budget strategy will consider a number of scenarios relating to the potential impacts in 2024/25 and beyond. It is unlikely to have any certainty at that stage, but will include any latest information from central government. The Head of Finance & Revenues keeps the level of this reserve under regular review. Ultimately, if the impact of a rates re-set is more favourable than forecast, the balance on the Collection Fund Equalisation Reserve will be able to be deployed to other Council areas; however, it is not recommended that the balance is re-allocated at this time.



**ANNEX D****Transfers to / from Reserves**

- 4.35 The following table details the recommended transfers to or from reserves. Draws from reserves are expected to be for one-off or specific expenditure.

<b>Reserve</b>	<b>Transfer to / (from) £'000s</b>
Investment equalisation reserve	300
Pension equalisation reserve	245
Leisure contract equalisation reserve	350
Environment Act reserve	82
Regeneration reserve (net of £500,000 to and £136,000 from)	364
Chantry Centre planned maintenance reserve	172
Borough elections reserve	(105)
Housing reserves	(102)
Local Development Fund reserve	(262)
New Homes Bonus reserve (net of £1.2M to and £176,000 from)	1,024
Collection Fund equalisation reserve	4,268
Other earmarked reserves*	(130)
<b>Total transfers to earmarked reserves</b>	<b>6,206</b>
<b>Transfer to Asset Management Plan reserve</b>	<b>2,000</b>
<b>Transfer to Capital Receipts reserve</b>	<b>2,270</b>

\* includes small draws from reserves including the apprenticeship reserve, capacity building reserve and budget carry forward reserve.

**Robustness of Estimates and Adequacy of Revenue Reserves**

- 4.36 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Head of Finance & Revenues) to report on the robustness of the budget estimates and adequacy of reserves at the time the Council is deciding the level of Budget Requirement and Council Tax for the forthcoming year. This is shown in full detail in Annex 8.

### **Andover Special Expenses Levy**

- 4.37 The detailed triennial calculation for the Andover Special Expenses Levy is set out in Annex 9.
- 4.38 For 2023/24, it is recommended to be reduced by £0.12 per Band D property from £19.82 to £19.70.
- 4.39 The overall income to be generated by the Levy in 2023/24 will be £343,667, which is a small increase on the £339,854 in 2022/23.
- 4.40 The reason that the charge has gone down whilst the overall cost has gone up is due to an increase in the tax base in the special expenses levy area.

### **5 Medium Term Forecast and Beyond**

- 5.1 Annex 6 sets out the Medium Term Forecast for the General Fund budget up to the 2025/26 financial year. The figures shown in Annex 6 are reconciled to the revenue summary shown in Annex 5.
- 5.2 In order to maintain a balanced budget, current forecasts indicate a deficit of £400,600 in 2024/25 increasing by £1.443M to a deficit of £1.844M in 2025/26. This is the level of cumulative savings needed to close the forecast budget gap and assumes a full reset of business rates takes place from April 2025 in which all accumulated growth is lost but includes an assumption of £1M damping or other transitional protection.
- 5.3 This forecast also assumes a draw from the Collection Fund Equalisation Reserve that has been established to ameliorate the impact of a full rates re-set in 2025/26 of £1.5M.
- 5.4 Work to identify options for Councillors to consider meeting these savings targets will flow from the Corporate Challenge process which will commence in the summer. An initial forecast for 2024/25 based on a best, middle and worst case scenario will be presented to Cabinet in October 2023.
- 5.5 Looking further ahead, financial forecasts become less certain, but it is inevitable that, with fewer opportunities to make savings and efficiencies, pressure will increase on the Council to use its reserves to ensure financial stability.
- 5.6 The next update to the MTFs in October 2023 will also take account of the objectives and projects identified in the new Corporate Plan for 2023-27 and the updated Corporate Action Plan.
- 5.7 Clearly, other factors will come into play, e.g. a potential move to 75% retention of Business Rates, uncertainty over how long interest rates will remain high, inflation, Government policy and finance changes, but Cabinet is encouraged to keep this longer term uncertainty in mind when recommending a sustainable level of Council Tax for 2023/24 to Council.

## **6 Corporate Objectives and Priorities**

- 6.1 The Budget encompasses all elements of the Council's activities and therefore contributes to all the Council's Corporate Objectives and Priorities.

## **7 Consultations**

- 7.1 Consultation on the Budget has been carried out with the Leader, Deputy Leader, individual Portfolio Holders, Overview & Scrutiny Committee, local business groups (as detailed in the report to Cabinet in January 2023) and Heads of Service.

## **8 Risk Management**

- 8.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology and has identified significant (Red or Amber) risks as detailed in paragraph 2.6 of Annex 8.

## **9 Equality Issues**

- 9.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination or negative impact have been identified, therefore a full EQIA.

## **10 Impact of a changing climate**

- 10.1 The Council has recently been successful in securing government funding towards the installation of energy efficiency measures at the Bourne House depot in the south of the borough, through the Public Sector Decarbonisation Scheme.
- 10.2 This has required a matched contribution of over £200,000 from our own revenue reserves and demonstrates the commitment being made to reduce the environmental impact the Council has in delivering its services.
- 10.3 Delivering on the objectives of our Climate Emergency Action Plan will continue to be a priority in the coming financial year and into the medium term.

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

- 11.1 This report is the culmination of a process that started in the summer of 2022. It shows the savings and additional income that have been identified to enable the Council to propose a balanced budget for 2023/24.
- 11.2 If approved, the recommendations of this report will be considered by Council on 24 February 2023.

**ANNEX D**

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<a href="https://www.gov.uk">Final local government finance settlement: England, 2023 to 2024 - GOV.UK (www.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:	9	File Ref:	N/A
(Portfolio: Finance and Resources) Councillor M Flood			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	22 February 2023

**GENERAL FUND REVENUE SUMMARY**

(1) Actual Spend 2021/22 £'000	(2) Original Estimate 2022/23 £'000	(3) Forecast 2022/23 £'000		(4) Gross Expend. 2023/24 £'000	(5) Gross Income 2023/24 £'000	(6) Original Estimate 2023/24 £'000
			<b>Service Requirements</b>			
0.0	0.0	0.0	Chief Executive's Office	872.1	(872.1)	0.0
3,120.6	2,843.3	3,719.1	Community & Leisure	8,029.5	(4,550.4)	3,479.1
6,592.5	6,024.5	6,131.4	Environmental Service	11,866.1	(5,401.9)	6,464.2
1,679.4	1,666.4	1,725.0	Finance & Revenues	4,322.2	(2,455.6)	1,866.6
3,231.7	2,751.7	2,303.1	Housing & Environmental Health	8,052.5	(4,820.6)	3,231.9
12.0	0.0	0.0	I.T.	1,817.9	(1,817.9)	0.0
0.0	0.0	0.0	Legal & Democratic	2,033.6	(2,033.6)	0.0
3,121.5	2,200.7	2,943.8	Planning & Building	4,397.7	(1,752.7)	2,645.0
1,827.7	1,920.6	2,401.8	Planning Policy & Economic Development	2,460.0	(113.6)	2,346.4
(5,291.1)	(5,385.0)	(5,435.9)	Property & Asset Management	11,212.5	(17,174.3)	(5,961.8)
0.0	0.0	0.0	Strategy & Innovation	911.5	(911.5)	0.0
<b>14,294.3</b>	<b>12,022.2</b>	<b>13,788.3</b>		<b>55,975.6</b>	<b>(41,904.2)</b>	<b>14,071.4</b>
			<b>Other Requirements</b>			
(36.0)	(20.8)	69.5	Net Cost of Benefit Payments	17,444.6	(17,444.6)	0.0
1,850.5	2,072.8	2,141.8	Corporate & Democratic Core	7,424.2	(5,279.9)	2,144.3
<b>16,108.8</b>	<b>14,074.2</b>	<b>15,999.6</b>	<b>Net Cost of Services</b>	<b>80,844.4</b>	<b>(64,628.7)</b>	<b>16,215.7</b>
			<b>Corporate Requirements</b>			
0.0	481.3	46.2	Contingency Provision	861.1	0.0	861.1
(3,975.5)	(4,554.1)	(5,075.9)	Depreciation Reversal and Deferred Charges	0.0	(5,180.9)	(5,180.9)
(448.4)	(542.2)	(1,959.3)	Investment Income	0.0	(2,753.9)	(2,753.9)
155.0	151.3	151.3	Borrowing Costs	145.9	0.0	145.9
195.5	199.9	199.9	Minimum Revenue Provision	204.4	0.0	204.4
(5,012.5)	(5,347.0)	(5,347.0)	Small Business Rate Relief & other S31 grants	0.0	(5,873.2)	(5,873.2)
(1,681.8)	(652.0)	(693.1)	Other Government Grants	0.0	(1,600.5)	(1,600.5)
(2,567.9)	(2,104.7)	(2,104.7)	New Homes' Bonus	0.0	(1,199.8)	(1,199.8)
2,613.5	2,559.4	2,559.4	Provision for NDR surplus 'levy'	3,119.8	0.0	3,119.8
(193.4)	(398.6)	(398.6)	100% Retention of NDR from Renewable Energy	0.0	(505.1)	(505.1)
7.3	0.0	0.0	Year End Write Offs	0.0	0.0	0.0
<b>5,200.6</b>	<b>3,867.5</b>	<b>3,377.8</b>	<b>Net General Fund Expenditure</b>	<b>85,175.6</b>	<b>(81,742.1)</b>	<b>3,433.5</b>
2,067.2	1,062.0	2,026.7	Transfer to Earmarked Reserves	7,167.0	(960.8)	6,206.2
487.9	1,956.1	1,481.1	Transfer to Asset Management Reserve	2,000.0	0.0	2,000.0
2,490.3	2,490.3	2,490.3	Transfer to Capital Balances	3,645.0	0.0	3,645.0
(4,358.9)	0.0	0.0	Transfer to Pension Reserve	0.0	0.0	0.0
0.0	0.0	0.0	Transfer to / (from) General Reserves	0.0	0.0	0.0
<b>5,887.1</b>	<b>9,375.9</b>	<b>9,375.9</b>	<b>General Fund Requirements</b>	<b>97,987.6</b>	<b>(82,702.9)</b>	<b>15,284.7</b>
0.0	0.0	0.0	Revenue Support Grant	0.0	0.0	0.0
(5,041.5)	(3,079.5)	(3,079.5)	Business Rates Retained	21,142.9	(25,666.9)	(4,524.0)
1,763.1	1,847.8	1,847.8	Parish Precepts	1,983.4	0.0	1,983.4
(101.1)	(108.2)	(108.2)	Surplus on Previous Years' Collection Fund - Ctax	0.0	(167.0)	(167.0)
7,081.4	2,053.1	2,053.1	(Surplus)/Deficit on Previous Years' Collection Fund - NDR	0.0	(1,991.8)	(1,991.8)
<b>9,589.0</b>	<b>10,089.1</b>	<b>10,089.1</b>	<b>Council Tax Requirement</b>	<b>121,113.9</b>	<b>(110,528.6)</b>	<b>10,585.3</b>
(7,492.6)	(7,901.4)	(7,901.4)	Test Valley Borough Council precept	0.0	(8,258.2)	(8,258.2)
(1,763.1)	(1,847.8)	(1,847.8)	Parish Precepts	0.0	(1,983.4)	(1,983.4)
(333.3)	(339.9)	(339.9)	Andover Special Expenses Levy	0.0	(343.7)	(343.7)
<b>(9,589.0)</b>	<b>(10,089.1)</b>	<b>(10,089.1)</b>	<b>Summary of Council Tax Requirement</b>	<b>0.0</b>	<b>(10,585.3)</b>	<b>(10,585.3)</b>

**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 acquisitions of new properties	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 - per Medium Term Strategy</b>			<b>1,069</b>	<b>1,211</b>	<b>975</b>

**SUMMARY OF INCOME GENERATION PROPOSALS**

Service	Function	Savings Option Proposed	2023/24 £'000	2024/25 £'000	2025/26 £'000
Multi	Chantry Centre	Income arising from bringing in-house management functions associated with managing the Chantry Centre	83	83	83
Community & Leisure	Outdoor Sports Facilities	Increased draw from s106 contributions	48	48	48
Environmental Services	Multi	Increase in income from grounds maintenance contracts; bulky waste; and garden waste	69	69	69
Environmental Services	Recycling	Increase in glass recycling income to reflect current market tonnage prices. Only for two years as not guaranteed in long-term	82	82	
Property & Asset Mgmt	Investment Properties	Further increase in forecast rental income above that reported in the Medium Term Financial Strategy	169	247	247
Property & Asset Mgmt	Chantry Centre	Net income above base case when centre purchased. To be transferred to Chantry Centre reserve	172		
<b>Income generation proposals identified in January budget update</b>			<b>623</b>	<b>529</b>	<b>447</b>
Community & Leisure	Managed Sports Facilities	Increased indexation of management fee income	66	66	66
<b>Income generation proposals identified in February budget update</b>			<b>66</b>	<b>66</b>	<b>66</b>
<b>Total income generation proposals 2023/24</b>			<b>1,758</b>	<b>1,806</b>	<b>1,488</b>

**SUMMARY OF SAVINGS PROPOSALS**

Service	Function	Savings Option Proposed	2023/24 £'000	2024/25 £'000	2025/26 £'000
Environmental Services	Multi	Reduction in budget for red DERV	10	10	10
Corporate & Democratic	Software costs	Reduced budget for software upgrade provision to forecast requirement	18	18	18
Property & Asset Mgmt	Property Management	Reductions in budget deliverable through reduction in estimated utility usage	96	96	96
<b>Savings proposals identified in January budget update</b>			<b>124</b>	<b>124</b>	<b>124</b>
Multi	Employee costs	Employer's pension discount from prepayment of contributions	50	150	250
Multi	Employee costs	Increase in vacancy management target	58	58	58
Multi	Multi	Miscellaneous savings	35	35	35
<b>Savings proposals identified in February budget update</b>			<b>143</b>	<b>243</b>	<b>343</b>
<b>Total savings proposals 2023/24</b>			<b>267</b>	<b>367</b>	<b>467</b>



**SUMMARY OF REVENUE PRESSURES**

Service / Ref	Service area	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 amount held in LDF reserve.	63	139	100
<b>Total Pressures - per Medium Term Strategy</b>			<b>132</b>	<b>198</b>	<b>159</b>
Community & Leisure	The Lights	Increased software maintenance fees for e-ticketing system	10	10	10
Community & Leisure	Cemeteries	Costs associated with transfer of St Andrew's church yard, Mottisfont	4	4	4
Community & Leisure	Town Centre Events	Budget to sustain ongoing town centre events programme	32	32	32
Environmental Services	Vehicle Workshop	Increased costs associated with lifting operations and lifting equipment regulations	6	6	6
Finance & Revenues	Finance Service	Increased software maintenance costs	13	13	13
Housing & EH	Housing and homelessness	Increased costs of bed & breakfast payments to reflect current cost to the Council	83	83	83
Housing & EH	Housing and homelessness	Contractual obligation to meet certain costs related to Aster contracts previously not enforced	30	30	30
IT	Corporate Systems	Increase in software costs	32	32	32
Legal & Democratic	Elections	The net cost of holding the 2023 borough election after drawing the full balance of the reserve established for this purpose	158		
Planning & Building	Ecology	Increased responsibilities due to Environment Act and biodiversity net gain requirements	52	52	52
Planning & Building	Development Control	Anticipated reduction in income levels to planning application and associated fee income, based on current actuals	100	100	100

**SUMMARY OF REVENUE PRESSURES**

Service / Ref	Service area	Item	2023/24 £'000	2024/25 £'000	2025/26 £'000
Plan Policy & Economic Dev't	Climate Change	Establishment of a base budget for scoping / feasibility works	20	20	20
Plan Policy & Economic Dev't	Regeneration	Forecast requirement to be drawn from the Regeneration Reserve for projects and legal costs in the year	86		
Plan Policy & Economic Dev't	Economic Development	Increased costs to run the Junior Graduation programme	8	8	8
Property & Asset Management	Car Parking	Increased costs for repairs and maintenance	21	21	21
Strategy & Innovation	Communications	Increased staffing costs to cover maternity leave during 2023/24	18		
Corporate	Democratic Services	Increased software and hosting costs for Modern.gov	7	7	7
Corporate	External Audit Fees	Increase in audit fees for new 5-year contract following national procurement exercise	41	41	41
Corporate	Housing Benefit	Reduction in the net amount of subsidy / housing benefit overpayments received.	20	20	20
Multi	Multi	Increase in net business rates payable as a result of valuation changes taking effect from 1st April 2023.	108	108	108
<b>Pressures identified in January budget update</b>			<b>849</b>	<b>587</b>	<b>587</b>
Environmental Services	Vehicle Workshop	Increases in fuel prices	90	90	90
Multi	Multi	Increase in net business rates payable as a result of valuation changes taking effect from 1st April 2023.	17	17	17
<b>Pressures identified in February budget update</b>			<b>107</b>	<b>107</b>	<b>107</b>
<b>Total budget pressures 2023/24</b>			<b>1,088</b>	<b>892</b>	<b>853</b>

**GENERAL FUND REVENUE SUMMARY**

(1) Actual Spend 2021/22 £'000	(2) Original Estimate 2022/23 £'000	(3) Forecast 2022/23 £'000		(4) Gross Expend. 2023/24 £'000	(5) Gross Income 2023/24 £'000	(6) Original Estimate 2023/24 £'000
			<b>Service Requirements</b>			
(180.2)	0.0	0.0	Chief Executive's Office	872.1	(872.1)	0.0
2,017.5	1,491.2	1,643.0	Community & Leisure	6,130.7	(4,550.4)	1,580.3
4,868.2	5,212.1	5,453.8	Environmental Service	11,026.2	(5,401.9)	5,624.3
1,076.4	1,666.4	1,725.0	Finance & Revenues	4,322.2	(2,455.6)	1,866.6
2,307.7	2,762.3	2,363.7	Housing & Environmental Health	8,063.1	(4,820.6)	3,242.5
(250.6)	(109.0)	(74.4)	I.T.	1,693.7	(1,817.9)	(124.2)
(265.3)	0.0	0.0	Legal & Democratic	2,033.6	(2,033.6)	0.0
2,502.5	2,200.7	2,943.8	Planning & Building	4,397.7	(1,752.7)	2,645.0
1,640.4	1,920.6	2,401.8	Planning Policy & Economic Development	2,460.0	(113.6)	2,346.4
(6,383.5)	(6,291.0)	(6,359.1)	Property & Asset Management	10,269.1	(17,174.3)	(6,905.2)
(178.2)	0.0	0.0	Strategy & Innovation	911.5	(911.5)	0.0
<b>7,154.9</b>	<b>8,853.3</b>	<b>10,097.6</b>		<b>52,179.9</b>	<b>(41,904.2)</b>	<b>10,275.7</b>
			<b>Other Requirements</b>			
(36.0)	(20.8)	69.5	Net Cost of Benefit Payments	17,444.6	(17,444.6)	0.0
2,031.0	2,063.1	2,132.1	Corporate & Democratic Core	7,414.5	(5,279.9)	2,134.6
<b>9,149.9</b>	<b>10,895.6</b>	<b>12,299.2</b>	<b>Net Cost of Services</b>	<b>77,039.0</b>	<b>(64,628.7)</b>	<b>12,410.3</b>
			<b>Corporate Requirements</b>			
0.0	481.3	46.2	Contingency Provision	861.1	0.0	861.1
(448.4)	(542.2)	(1,959.3)	Investment Income	0.0	(2,753.9)	(2,753.9)
155.0	151.3	151.3	Borrowing Costs	145.9	0.0	145.9
195.5	199.9	199.9	Minimum revenue Provision	204.4	0.0	204.4
(5,012.5)	(5,347.0)	(5,347.0)	Small Business Rate Relief & other S31 grants	0.0	(5,873.2)	(5,873.2)
(1,681.8)	(652.0)	(693.1)	Other Government Grants	0.0	(1,600.5)	(1,600.5)
(2,567.9)	(2,104.7)	(2,104.7)	New Homes' Bonus	0.0	(1,199.8)	(1,199.8)
2,613.5	2,559.4	2,559.4	Provision for NDR surplus 'levy'	3,119.8	0.0	3,119.8
(193.4)	(398.6)	(398.6)	100% Retention of NDR from Renewable Energy	0.0	(505.1)	(505.1)
7.3	0.0	0.0	Year End Write Offs	0.0	0.0	0.0
<b>2,217.2</b>	<b>5,243.0</b>	<b>4,753.3</b>	<b>Net General Fund Expenditure</b>	<b>81,370.2</b>	<b>(76,561.2)</b>	<b>4,809.0</b>
2,067.2	1,062.0	2,026.7	Transfer to Earmarked Reserves	7,167.0	(960.8)	6,206.2
487.9	1,956.1	1,481.1	Transfer to Asset Management Reserve	2,000.0	0.0	2,000.0
1,114.8	1,114.8	1,114.8	Transfer to Capital Balances	2,269.5	0.0	2,269.5
0.0	0.0	0.0	Transfer to General Reserves	0.0	0.0	0.0
<b>5,887.1</b>	<b>9,375.9</b>	<b>9,375.9</b>	<b>General Fund Requirements</b>	<b>92,806.7</b>	<b>(77,522.0)</b>	<b>15,284.7</b>

**MEDIUM TERM FINANCIAL PLAN**

	Original Estimate 2023/24 £'000	Base Changes £'000	Budget Forecast 2024/25 £'000	Base Changes £'000	Budget Forecast 2025/26 £'000
<b><u>Service Requirements</u></b>					
Chief Executive's Office	0.0	0.0	0.0	0.0	0.0
Community & Leisure	1,580.3	11.7	1,592.0	82.3	1,674.3
Environmental Service	5,624.3	306.0	5,930.3	318.0	6,248.3
Finance & Revenues	1,866.6	0.0	1,866.6	0.0	1,866.6
Housing & Environmental Health	3,242.5	(102.4)	3,140.1	0.0	3,140.1
I.T.	(124.2)	(77.4)	(201.6)	0.0	(201.6)
Legal & Democratic	0.0	(297.7)	(297.7)	0.0	(297.7)
Planning & Building	2,645.0	0.0	2,645.0	0.0	2,645.0
Planning Policy & Economic Development	2,346.4	(304.0)	2,042.4	(39.0)	2,003.4
Property & Asset Management	(6,905.2)	2.2	(6,903.0)	246.8	(6,656.2)
Strategy & Innovation	0.0	(46.8)	(46.8)	0.0	(46.8)
Inflation	0.0	800.0	800.0	800.0	1,600.0
	<b>10,275.7</b>	<b>291.6</b>	<b>10,567.3</b>	<b>1,408.1</b>	<b>11,975.4</b>
<b><u>Other Requirements</u></b>					
Net Cost of Benefit Payments	0.0	0.0	0.0	0.0	0.0
Corporate & Democratic Core	2,134.6	(100.0)	2,034.6	(100.0)	1,934.6
<b>Net Cost of Services</b>	<b>12,410.3</b>	<b>191.6</b>	<b>12,601.9</b>	<b>1,308.1</b>	<b>13,910.0</b>
<b><u>Corporate Requirements</u></b>					
Contingency Provision	861.1	0.0	861.1	0.0	861.1
Investment Income	(2,753.9)	200.0	(2,553.9)	0.0	(2,553.9)
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	(5,873.2)	3,811.3	(2,061.9)	2,061.9	0.0
Other Government Grants	(1,600.5)	0.0	(1,600.5)	1,448.3	(152.2)
New Homes' Bonus	(1,199.8)	0.0	(1,199.8)	1,199.8	0.0
Provision for NDR Levy	3,119.8	(1,039.7)	2,080.1	(2,080.0)	0.1
100% Retention of NDR from Renewable Energy	(505.1)	0.0	(505.1)	0.0	(505.1)
<b>Net General Fund Expenditure</b>	<b>4,809.0</b>	<b>3,162.2</b>	<b>7,971.2</b>	<b>3,936.3</b>	<b>11,907.5</b>
Transfer to / (from) Earmarked Reserves	6,206.2	(3,914.1)	2,292.1	(2,864.1)	(572.0)
Transfer to Asset Management Reserves	2,000.0	0.0	2,000.0	(500.0)	1,500.0
Transfer to Capital Reserves	2,269.5	0.0	2,269.5	(500.0)	1,769.5
Transfer to General Reserves	0.0	0.0	0.0	0.0	0.0
<b>Total General Fund Expenditure</b>	<b>15,284.7</b>	<b>(751.9)</b>	<b>14,532.8</b>	<b>72.2</b>	<b>14,605.0</b>
<b>FURTHER SAVINGS TO BE IDENTIFIED</b>	<b>0.0</b>	<b>(400.6)</b>	<b>(400.6)</b>	<b>(1,443.4)</b>	<b>(1,844.0)</b>
<b>General Fund Requirements</b>	<b>15,284.7</b>	<b>(1,152.5)</b>	<b>14,132.2</b>	<b>(1,371.2)</b>	<b>12,761.0</b>

**GENERAL FUND REVENUE ACCOUNT****SUMMARY ESTIMATES**

	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
<b>Service Requirements</b>				
Chief Executive's Office	(180.2)	0.0	0.0	0.0
Community & Leisure	2,017.5	1,491.2	1,643.0	1,580.3
Environmental Service	4,868.2	5,212.1	5,453.8	5,624.3
Finance & Revenues	1,076.4	1,666.4	1,725.0	1,866.6
Housing & Environmental Health	2,307.7	2,762.3	2,363.7	3,242.5
IT	(250.6)	(109.0)	(74.4)	(124.2)
Legal & Democratic	(265.3)	0.0	0.0	0.0
Planning & Building	2,502.5	2,200.7	2,943.8	2,645.0
Planning Policy & Economic Development	1,640.4	1,920.6	2,401.8	2,346.4
Property & Asset Management	(6,383.5)	(6,291.0)	(6,359.1)	(6,905.2)
Strategy & Innovation	(178.2)	0.0	0.0	0.0
	<b>7,154.9</b>	<b>8,853.3</b>	<b>10,097.6</b>	<b>10,275.7</b>
<b>Other Requirements</b>				
Net Cost of Benefit Payments	(36.0)	(20.8)	69.5	0.0
Corporate & Democratic Core	2,031.0	2,063.1	2,132.1	2,134.6
<b>Net Cost of Services</b>	<b>9,149.9</b>	<b>10,895.6</b>	<b>12,299.2</b>	<b>12,410.3</b>

**CHIEF EXECUTIVE'S OFFICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Chief Executive's Office	(85.4)	0.0	0.0	0.0
Human Resources Service	(116.1)	(44.7)	(34.8)	(44.7)
Human Resources Function	21.3	44.7	34.8	44.7
<b>Net Total Expenditure / (Income)</b>	<b>(180.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## COMMUNITY &amp; LEISURE SERVICE

## SUMMARY ESTIMATES

Principal Activities	Final Outturn 2021/22 £'000	Original Estimate 2022/23 £'000	Forecast 2022/23 £'000	Original Estimate 2023/24 £'000
<b>Leisure Management</b>	<b>(48.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Parks, Countryside &amp; Sport</b>				
Managed Sports Facilities	(39.4)	(1,778.7)	(1,853.7)	(1,979.9)
Outdoor Sports Facilities	415.6	325.8	364.7	464.7
Playgrounds	83.2	40.9	74.1	37.5
Sports Development	25.7	26.5	19.4	18.4
Cemeteries	(74.1)	(66.1)	(70.4)	(61.6)
Grounds Maintenance	592.3	133.7	82.2	90.3
Nature Reserves	252.9	166.1	157.3	151.3
Urban Parks & Open Spaces	(1,026.8)	438.9	425.4	498.2
<b>Total - Parks, Countryside &amp; Sport</b>	<b>229.4</b>	<b>(712.9)</b>	<b>(801.0)</b>	<b>(781.1)</b>
<b>Community Development</b>				
Community Engagement	1,154.9	1,338.7	1,511.1	1,460.8
<b>Total - Community Development</b>	<b>1,154.9</b>	<b>1,338.7</b>	<b>1,511.1</b>	<b>1,460.8</b>
<b>Arts &amp; Culture</b>				
Andover Summit Events	65.7	203.3	244.7	209.3
Arts Function	37.2	33.1	75.4	34.1
The Lights	523.3	568.7	612.3	656.7
Heritage	55.4	60.3	0.5	0.5
<b>Total - Arts &amp; Culture</b>	<b>681.6</b>	<b>865.4</b>	<b>932.9</b>	<b>900.6</b>
<b>Net Total Expenditure</b>	<b>2,017.5</b>	<b>1,491.2</b>	<b>1,643.0</b>	<b>1,580.3</b>

**ENVIRONMENTAL SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Grounds Maintenance	1,224.4	1,254.2	1,484.9	1,466.2
Waste Collection	2,380.9	2,446.6	2,423.5	2,581.3
Green Waste Collection	(258.4)	(177.3)	(220.1)	(255.5)
Street Cleansing	897.5	997.4	1,107.0	1,130.8
Vehicle Workshop	174.6	101.6	120.5	164.3
ES Technical	528.3	582.8	513.1	517.3
Depot costs	(79.1)	6.8	24.9	19.9
<b>Net Total Expenditure</b>	<b>4,868.2</b>	<b>5,212.1</b>	<b>5,453.8</b>	<b>5,624.3</b>



**FINANCE & REVENUES SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
<b>Finance</b>	(165.6)	0.0	0.0	0.0
<b>Customer Services Unit</b>	(127.6)	(6.5)	0.0	(6.2)
<b>Revenues</b>				
Local Taxation Services	787.9	939.9	997.5	1,064.0
Council Tax Support Administration	374.7	480.2	476.9	519.3
Housing Benefit - Rent Allowances Administration	207.0	252.8	250.6	289.5
<b>Total Revenues</b>	<b>1,369.6</b>	<b>1,672.9</b>	<b>1,725.0</b>	<b>1,872.8</b>
<b>Net Total Expenditure</b>	<b>1,076.4</b>	<b>1,666.4</b>	<b>1,725.0</b>	<b>1,866.6</b>

**HOUSING & ENVIRONMENTAL HEALTH SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
<b>Housing Management</b>	<b>(47.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Housing Options	862.5	1,063.3	727.7	1,583.2
Hampshire Home Choice	7.9	1.8	0.5	0.6
Housing Development	175.1	273.0	222.9	253.7
<b>Housing Total</b>	<b>1,045.5</b>	<b>1,338.1</b>	<b>951.1</b>	<b>1,837.5</b>
Pest Control	123.0	127.1	134.4	122.7
Environmental Protection	422.8	409.6	415.9	395.4
Housing Standards	300.8	261.9	280.7	281.2
Animal Welfare	93.7	105.5	94.4	98.9
Health Protection	369.3	520.1	487.2	506.8
<b>Environmental Health Total</b>	<b>1,309.6</b>	<b>1,424.2</b>	<b>1,412.6</b>	<b>1,405.0</b>
<b>Net Total Expenditure</b>	<b>2,307.7</b>	<b>2,762.3</b>	<b>2,363.7</b>	<b>3,242.5</b>

**I.T. SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Management	(1,342.7)	(1,200.7)	(1,573.9)	(1,301.6)
Service Desk	124.0	138.7	121.3	140.2
Infrastructure	503.4	533.9	576.2	530.4
Corporate Services	464.7	409.0	761.1	495.7
Cloud Services	0.0	10.1	40.9	11.1
<b>Net Total Income</b>	<b>(250.6)</b>	<b>(109.0)</b>	<b>(74.4)</b>	<b>(124.2)</b>

**LEGAL & DEMOCRATIC SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
<b>Legal</b>				
Legal Service	(372.5)	(183.0)	(209.6)	(490.5)
Land Charges	(76.9)	(68.7)	(59.7)	(66.6)
<b>Legal Total</b>	<b>(449.4)</b>	<b>(251.7)</b>	<b>(269.3)</b>	<b>(557.1)</b>
<b>Democratic</b>				
Council Elections	153.0	174.4	196.3	485.1
Registration of Electors	46.7	93.2	77.3	88.5
Lotteries, Amusements and Gaming Permits	(5.1)	(3.9)	(4.1)	(3.2)
Alcohol and Entertainment Licensing	(24.1)	(25.6)	(12.3)	(27.4)
Scrap Metal Dealers	2.0	1.5	1.2	1.6
Hackney Carriages and Private Hire Vehicles	11.6	12.1	10.9	12.5
<b>Democratic Total</b>	<b>184.1</b>	<b>251.7</b>	<b>269.3</b>	<b>557.1</b>
<b>Net Total Expenditure / (Income)</b>	<b>(265.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**PLANNING & BUILDING SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Development Control & Enforcement	2,380.3	2,143.7	2,760.0	2,565.4
Building Control	122.2	57.0	183.8	79.6
<b>Net Total Expenditure</b>	<b>2,502.5</b>	<b>2,200.7</b>	<b>2,943.8</b>	<b>2,645.0</b>

**PLANNING POLICY & ECONOMIC DEVELOPMENT SERVICE****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Planning Policy	1,166.8	1,204.0	1,286.7	1,500.7
Local Development Framework	90.6	432.3	354.1	399.9
Climate Change	11.6	0.0	24.3	20.0
<b>Total Planning Policy</b>	<b>1,269.0</b>	<b>1,636.3</b>	<b>1,665.1</b>	<b>1,920.6</b>
Economic Development and Promotion	111.6	105.4	76.6	111.4
Promotion of Tourism	100.7	108.1	155.2	157.5
<b>Total Economic Development and Promotion</b>	<b>212.3</b>	<b>213.5</b>	<b>231.8</b>	<b>268.9</b>
<b>Town Centre Management</b>	<b>9.7</b>	<b>20.8</b>	<b>31.8</b>	<b>20.8</b>
<b>Regeneration</b>	<b>149.4</b>	<b>50.0</b>	<b>473.1</b>	<b>136.1</b>
<b>Net Total Expenditure</b>	<b>1,640.4</b>	<b>1,920.6</b>	<b>2,401.8</b>	<b>2,346.4</b>

## PROPERTY &amp; ASSET MANAGEMENT SERVICE

## SUMMARY ESTIMATES

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
<b>Estates Support Unit</b>	<b>(120.0)</b>	<b>53.9</b>	<b>63.7</b>	<b>58.7</b>
<b>Rental Income</b>				
Andover Market	88.1	77.1	98.3	89.1
Business Park Development	(5,958.5)	(5,823.9)	(5,995.7)	(6,440.9)
Union Street	(48.5)	(53.4)	(42.5)	(48.5)
Chantry Centre	(371.7)	(268.0)	(497.0)	(262.7)
Investment Properties	(1,040.0)	(1,083.2)	(1,105.6)	(1,130.8)
Corporate Properties	(300.3)	(300.0)	(281.5)	(314.2)
<b>Total - Rental Income</b>	<b>(7,630.9)</b>	<b>(7,451.4)</b>	<b>(7,824.0)</b>	<b>(8,108.0)</b>
<b>Premises Management</b>				
Public Halls	617.7	286.3	335.5	293.0
Leisure Facilities	55.7	74.0	109.3	0.0
Public Conveniences	170.1	161.1	169.1	163.9
Office Accommodation	131.8	67.6	86.4	76.3
Andover Magistrates Court	90.1	90.6	(62.8)	1.1
Depot Costs	(43.3)	(77.9)	(73.3)	(89.3)
Andover Bus Station	125.4	113.1	137.6	134.1
Building Maintenance	208.3	211.3	219.3	229.2
Building Cleaning	102.1	103.3	121.7	122.5
Maintenance Works	0.0	271.2	170.8	257.7
<b>Total - Premises Management</b>	<b>1,457.9</b>	<b>1,300.6</b>	<b>1,213.6</b>	<b>1,188.5</b>
<b>Transport</b>				
Engineers	257.3	216.7	224.8	172.3
Highways	3.0	16.6	17.9	36.7
Parking	(393.0)	(482.4)	(110.1)	(308.4)
Community Transport	42.2	55.0	55.0	55.0
<b>Total - Transport</b>	<b>(90.5)</b>	<b>(194.1)</b>	<b>187.6</b>	<b>(44.4)</b>
<b>Net Total Income</b>	<b>(6,383.5)</b>	<b>(6,291.0)</b>	<b>(6,359.1)</b>	<b>(6,905.2)</b>

**STRATEGY & INNOVATION****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Strategy & Innovation	(178.2)	0.0	0.0	0.0
<b>Net Total Income</b>	<b>(178.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



**NET COST OF BENEFITS PAYMENTS****SUMMARY ESTIMATES**

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
Council Tax Benefits	(7.5)	0.0	0.0	0.0
Housing Benefit - Rent Allowances	(28.5)	(20.8)	69.5	0.0
<b>Net Total Income</b>	<b>(36.0)</b>	<b>(20.8)</b>	<b>69.5</b>	<b>0.0</b>

## CORPORATE &amp; DEMOCRATIC CORE

## SUMMARY ESTIMATES

<b>Principal Activities</b>	<b>Final Outturn 2021/22 £'000</b>	<b>Original Estimate 2022/23 £'000</b>	<b>Forecast 2022/23 £'000</b>	<b>Original Estimate 2023/24 £'000</b>
<b>Corporate Management</b>				
Corporate Management	653.4	534.2	576.8	638.2
Delivering Public Services Electronically	10.5	21.5	24.2	25.5
Corporate Public Relations, Information and Consultation	20.7	18.3	20.3	20.3
Best Value & Performance	10.4	12.2	53.2	14.0
Emergency Planning	36.5	36.6	37.3	38.3
<b>Total - Corporate Management</b>	<b>731.5</b>	<b>622.8</b>	<b>711.8</b>	<b>736.3</b>
<b>Democratic Representation and Management</b>				
Councillors	465.9	487.8	497.1	547.1
Councillor Meetings	311.2	346.5	306.0	354.5
Mayoral Office	28.0	43.7	43.1	46.4
Civic Ceremonies	4.7	13.5	11.2	10.5
Subscriptions	26.2	26.4	30.0	30.0
Representing Local Interests		0.0		
Other Democratic Activities	24.7	25.8	26.1	26.8
<b>Total - Democratic</b>	<b>860.7</b>	<b>943.7</b>	<b>913.5</b>	<b>1,015.3</b>
<b>Allocated Central Overheads</b>	<b>189.1</b>	<b>239.8</b>	<b>269.1</b>	<b>128.3</b>
<b>Non-Distributable Costs</b>	<b>249.7</b>	<b>256.8</b>	<b>237.7</b>	<b>254.7</b>
<b>Net Total Expenditure</b>	<b>2,031.0</b>	<b>2,063.1</b>	<b>2,132.1</b>	<b>2,134.6</b>

## **Statement on the Robustness of Estimates and Adequacy of Revenue Reserves**

### **1. Introduction**

- 1.1 There are a range of safeguards in place to help prevent local authorities over-committing themselves financially. These include:
- the balanced budget requirement of the Local Government Finance Act 1992
  - the chief finance officer's duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement (England and Wales)
  - legislative requirements for each local authority to make arrangements for the proper administration of their financial affairs and that the chief finance officer (CFO) / proper officer has responsibility for the administration of those affairs (section 151 of the Local Government Act 1972)
  - the requirements of the Prudential Code
  - auditors' consideration of whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based, in the context of auditors' statutory responsibility to satisfy themselves that the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the value for money conclusion).
- 1.2 These requirements are reinforced by section 114 of the Local Government Finance Act 1988 which requires the CFO in England and Wales to report to all the authority's councillors, in consultation with the Monitoring Officer, if (in broad terms) there is or is likely to be unlawful expenditure or an unbalanced budget.

#### ***Local Government Act 2003***

- 1.3 The 2003 Local Government Act places specific responsibilities on Chief Finance Officers in England and Wales. The Act requires the CFO to report on the robustness of the budget and the adequacy of proposed financial reserves. This statement meets this statutory requirement and the Council is required to have regard to this report when it sets the budget.

### **2. Robustness of Estimates**

- 2.1 In terms of the robustness of the estimates, all known factors have been considered and the financial implications have been assessed at the point of preparation. Various budget assumptions have been made including the treatment of inflation and interest rates, estimates on the level and timing of capital receipts, the treatment of demand-led pressures, the treatment of planned efficiency savings and levels of income, financial risks inherent in any new arrangements and capital developments and the availability of funds to deal with unforeseen items of expenditure. In each of these areas the Council's financial standing, management and track record has been considered in order to prepare robust budget proposals.

- 2.2 The accountancy team, working with individual budget holders, have undertaken a detailed analysis of budget variances arising in prior years to ensure that budgets are set based on realistic forecasts of likely income and expenditure. This exercise identified several areas where additional income can be built in to the budget for the coming year.
- 2.3 The preparation of the detailed estimates has also identified savings / additional income proposals together with areas where essential cost growth is known to be needed. These items have been set out more fully in Annexes 2-4.
- 2.4 I have discussed the estimates with my Accountancy staff to the extent that I deem necessary. The processes followed are sound, well-established and very similar to those that have produced robust estimates in the past. The Council has also demonstrated that it has a sound system of internal control in place.
- 2.5 I am therefore satisfied that the draft budgets are sufficient to meet the expenditure commitments, of which I have been made aware, for next year and are adequate for the purpose of setting the council tax rate for 2023/24. Subject to some important reservations listed in the paragraph below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves.
- 2.6 The exceptions relate to the provision of estimates for items outside the direct control of the Council:
- Income from grants provided by external funders.
  - Demand for an increased level of existing services.
  - External competition and changing markets, e.g. commercial rents.
  - Macro-economic factors – such as interest rates and inflation.

Budgets will continue to be regularly monitored throughout the year with variances reported to Members in line with the existing budgetary cycle.

### **3. Adequacy of Revenue Reserves**

- 3.1 Reserves are an integral part of the annual and medium term financial planning process and are held for two main purposes:
- A working balance (known as the General Fund balance) to help cushion the impact of uneven cash flows and minimise unnecessary temporary borrowing in any year, and
  - A means of building up funds to meet known or predicted liabilities. These are known as earmarked reserves.

In addition, the Council builds a small contingency into its budget each year to cushion the impact of unexpected events or emergencies. For 2023/24 an additional sum has been recommended to enable the Council to respond to increased pressures arising from the continuing high levels of inflation.

- 3.2 The General Fund reserve held a balance at the end of 2021/22 of £2.6M. The forecast for the next three-year period does not include any draws or addition to this balance. I consider that it represents a prudent minimum level of working balances.

3.3 I have also reviewed the Council's estimated earmarked reserves to assess their adequacy and appropriateness over the medium term. It is clear that if these reserves are to fulfil their purpose, i.e. to meet known or predicted liabilities, then the amount held in them must be sufficient to meet these liabilities.

3.4 The Council currently has a range of earmarked revenue reserves with balances and projected balances as follows:

<i>Earmarked Revenue Reserves:</i>	At 31/3/22 £000s	Forecast at 31/3/26 £000s
<u>Equalisation Reserves</u>		
Investment Equalisation Reserve	250	850
Budget Equalisation Reserve	1,182	339
Income Equalisation Reserve	300	300
Pension Fund Equalisation Reserve	500	1,235
Collection Fund Equalisation Reserve	4,698	5,829
<b>Total – Equalisation Reserves</b>	<b>6,930</b>	<b>8,553</b>
<u>Reserves Held For Future Growth</u>		
New Homes Bonus	10,476	12,246
Rejuvenation Projects Reserve	2,267	3,802
Capacity Building Reserve	375	260
Special Projects Reserve	295	0
Enterprise and Innovation Reserve	315	315
<b>Total – Reserves Held For Future Growth</b>	<b>13,728</b>	<b>16,623</b>
<u>Reserves Held For Specific Purposes</u>		
* Asset Management Plan	3,070	3,070
* Developer Commuted Sums	7,297	7,297
* Chantry Centre Planned Maintenance Reserve	1,481	1,481
* Local Development Framework	548	548
Environment Act delivery	300	0
All Risks Self-Insurance Reserve	93	85
Valley Housing Ltd Reserve	250	90
* Housing Reserve	811	811
COVID grants	673	0
Other Earmarked Reserves	667	715
<b>Total – Other Earmarked Revenue Reserves</b>	<b>15,190</b>	<b>14,097</b>
<b>Total:</b>	<b>35,848</b>	<b>39,273</b>

\* The reserves marked with an asterisk are used to support ongoing activities with unpredictable levels of expenditure and compensating income. It is therefore impossible to accurately assess what the reserve levels will be in 2026. Therefore, the current balance has been included as a comparator. I have reviewed the forecast calls on these reserves over the medium term and am satisfied that the balances shown are adequate for their respective purposes over this period.

- 3.5 The greatest risk to the Medium Term Financial Strategy is the potential for the government to re-set business rates baselines, leading to a loss of retained income from that source. The re-set has again been deferred, until at least 2025/26, which provides certainty for two years; however, it also increases the cliff-edge faced later in the medium term period.
- 3.6 The forecast balance on the Collection Fund Equalisation Reserve at March 2026 is significant. However, in the context of retained growth of c£3M per annum which could be lost, it will be necessary to have a sizeable contingency to ameliorate the impact of potential losses, should they arise.
- 3.7 The medium term forecast allows for the re-inflation of the pension fund equalisation reserve and the investment equalisation reserve. Both of these reserves were previously utilised to mitigate years of sustained low investment income receipts and increased contributions to the pension fund. With interest rates having increased over the past year and a positive triennial valuation of the pension fund assets and liabilities in 2022, these reserves can be re-established over the medium term.
- 3.8 All of the “equalisation” reserves will be available to smooth the impact of volatility from key income streams.
- 3.9 Other earmarked reserves, such as the Asset Management Plan reserve and the Chantry Centre Planned Maintenance reserve also have an important role to play as they have been set up to ensure that the Council has adequate financing available for planned maintenance and renewal of assets.
- 3.10 The balance of the New Homes Bonus will continue to be important to the Council, not only as a source of financing for the Community Asset and Revenue Funds, but also for financing other appropriate community-based schemes in the Capital Programme.
- 3.11 I am satisfied that the earmarked revenue reserves are adequate for their particular purposes, but given the uncertainties highlighted in paragraph 2.6, there is little room for manoeuvre. With this in mind, I have to emphasise the importance of:
- achieving all of the savings options put forward for 2023/24
  - continuing with the systematic review of all budget areas ahead of the next Medium Term Financial Strategy update
  - seizing procurement and capital investment opportunities
  - exploring different ways of working, in particular taking advantage of the opportunities presented by more agile working and ways of enabling services to be delivered online.
  - keeping financial forecasts up-to-date in order to plan and adapt to changing circumstances, and
  - maintaining firm budgetary control and effective monitoring processes.

Carl Whatley FCCA  
**Head of Finance & Revenues**

**ANNEX D - APPENDIX 9****Andover Special Expenses Levy Calculation****Overview**

The Andover Special Expenses Levy for 2023/24 has been calculated using the 2023/24 budget for each relevant cost centre.

Depreciation and capital charges have been excluded as these are excluded from the calculation of council tax.

Grounds maintenance charges have been allocated to each area of the levy and are included in the figures shown in the table below.

The proposed levy for 2023/24 has been calculated as follows:

Description	Levy
Cemeteries	(£7,824)
Outdoor Sports Facilities	£149,704
Playgrounds	£67,165
Urban Parks & Open Spaces	£134,622
<b>Grand Total</b>	<b>£343,667</b>
<i>Andover Tax base 2023/24</i>	<i>17,444</i>
<b>Levy per Band D property</b>	<b>£19.70</b>

This represents a reduction of £0.12 per Band D property from £19.82 in 2022/23, and an increase in income to the Council of £3,800.

**Cemeteries**

The costs for Andover and Charlton cemeteries are included in full. Although Charlton cemetery is not in the Andover Town Council area it is considered to be the main burial ground for the people of Andover.

Romsey and Woodley cemeteries are excluded in full as they are not in Andover.

54.9% of the cemeteries general costs are included as the Andover and Charlton cemeteries form 54.9% of the total cemeteries budgeted costs in 2023/24.

**ANNEX D - APPENDIX 9**

Cost centre	23/24 Budget £'000s	Charge / (credit) to Levy £'000s
Andover Cemetery	(1.8)	(1.8)
Charlton Cemetery	(46.5)	(46.5)
Cemeteries - General	7.3	4.0
Romsey and Woodley Cemeteries	(39.5)	0.0
Grounds maintenance	66.3	36.5
<b>Total</b>	<b>(14.2)</b>	<b>(7.8)</b>

**Outdoor Sport Facilities**

The costs included in the levy are in respect of London Road, Saxon Fields, Picket Twenty, Picket Piece and East Anton sports grounds and pavilions, all of which lie within the Andover Town Council area. In addition, 43.5% of the general outdoor sports facilities expenses (after adjustments to deduct non- outdoor sports facilities expenses) are included as these sports grounds make up 43.5% of the total sports facilities costs for 2023/24.

Charlton Sports Centre, Romsey Sports Centre, Hunts Farm Sports Centre, Ganger Farm and Abbotswood Pavilion are all excluded.

Outdoor Sports Facilities	23/24 Budget £'000s	Charge to Levy £'000s
London Road	12.6	12.6
Saxon Fields	5.1	5.1
Picket Twenty	28.0	28.0
East Anton	13.7	13.7
Picket Piece	3.9	3.9
Outdoor Sports Facilities – General	60.3	26.3
Charlton, Romsey, Hunts Farm, Ganger Farm and Abbotswood	82.3	0.0
Grounds Maintenance	138.1	60.1
<b>Total</b>	<b>344.0</b>	<b>149.7</b>



## **ANNEX D - APPENDIX 9**

### **Playgrounds**

The number of playgrounds that the Council maintains in Andover is 63. The total number of playgrounds that the Council maintains across the borough is 109. Therefore 57.8% of the total playgrounds costs including grounds maintenance of £116,200 are relevant to the levy at £67,200.

### **Urban Parks and Open Spaces**

The budget for urban parks and open spaces general costs (after adjusting for non-relevant expenses) including grounds maintenance totals £232.9k and has been apportioned to the levy using the same percentage as the playgrounds, 57.8% giving a charge of £134,600.

Costs for the adopted woodland at Valley Park, Abbotswood Basin and the War Memorial Park have been excluded in full.

**ITEM 8****COUNCIL MEETING****23 FEBRUARY 2023****To adopt a resolution relating to the Council Tax for 2023/2024****Recommended:**

1. That approval is noted of the revised revenue forecast for the year 2022/2023 and the revenue estimates for the year 2023/2024, together with the revised capital programme for the year 2022/2023 and the capital programme for the year 2023/2024.
2. That for the purposes of Section 35(2) (d) of the Local Government Finance Act 1992, as amended (the Act), the sum of **£343,667**, being the aggregate sum of expenses in relation to burial grounds, sports grounds and playgrounds incurred by the Council in performing in the parish of Andover the functions not performed by the Town Council, shall be treated as Special Expenses and any expenditure other than the **£343,667** herein specified shall be treated as general expenses. The Special Expenses sum equates to an amount of £19.70 per Band D Council Tax.
3. That it be noted that the Head of Finance & Revenues has calculated the Council Tax Base for 2023/2024 for the whole Borough area as 51,968 (Item T in the formula in Section 31B(1) of the Act) and, in those parts of its area to which a Parish/Town precept relates, as per the table below:

<b>Parish of</b>	<b>Tax Base</b>	<b>Parish of</b>	<b>Tax Base</b>
Abbotts Ann	640	Lockerley	374
Ampfield	917	Longparish	342
Amport	565	Longstock	223
Andover Town	17,444	Melchet Park & Plaitford	133
Appleshaw	273	Michelmersh & Timsbury	455
Ashley	41	Monxton	145
Awbridge	557	Mottisfont	153
Barton Stacey	403	Nether Wallop	412
Bossington	24	North Baddesley	2,507
Braishfield	372	Nursling & Rownhams	2,598
Broughton	570	Over Wallop	809
Bullington	63	Penton Grafton	355
Charlton	865	Penton Mewsey	179
Chilbolton	538	Quarley	80
Chilworth	674	Romsey Town	8,305
East Dean	94	Sherfield English	347
East Tytherley	97	Shipton Bellinger	509
Enham Alamein	260	Smannell	144
Facombe	45	Stockbridge	338
Fyfield	137	Tangley	304
Goodworth Clatford	419	Thrupton	291
Grateley	262	Upper Clatford	648

Parish of	Tax Base	Parish of	Tax Base
Houghton	239	Valley Park	3,002
Hurstbourne Tarrant	391	Vernham Dean	283
Kimpton	169	Wellow	1,540
King's Somborne	736	West Tytherley, Frenchmoor & Buckholt	311
Leckford	71	Wherwell	249
Linkenholt	25	<b>Total</b>	<b>51,968</b>
Little Somborne	41		

4. That the following amounts be now calculated by the Council for the year 2023/2024 in accordance with Sections 31, 34 and 35 of the Act and subsequent regulations:

4(a) **£121,113,944** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish/Town Councils.

4(b) **£110,528,625** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

4(c) **£10,585,319** being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31B(1) of the Act).

4(d) **£203.69** being the amount at 4(c) above (Item R), divided by 3 above (Item T), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish/Town precepts).

4(e) **£2,327,084** being the aggregate amount of all special items (the amount at 2 above and Parish/Town precepts) referred to in Section 35(1) of the Act.

4(f) **£158.91** being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by 3 above (Item T), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish/Town precept relates.

4(g) Part of the Council's area:

Parish of	£	Parish of	£
Abbotts Ann	220.35	Melchet Park & Plaitford	185.98
Ampfield	205.89	Michelmersh & Timsbury	192.98
Amport	188.11	Monxton	212.19
Andover Town	199.35	Mottisfont	209.56
<b>Parish of</b>	<b>£</b>	<b>Parish of</b>	<b>£</b>

Appleshaw	206.53	Nether Wallop	264.13
Awbridge	181.89	North Baddesley	215.00
Barton Stacey	211.81	Nursling & Rowhams	185.66
Braishfield	219.39	Over Wallop	210.83
Broughton	208.03	Penton Grafton	187.08
Bullington	204.94	Penton Mewsey	225.95
Charlton	197.06	Quarley	198.29
Chilbolton	190.15	Romsey Town	215.92
Chilworth	208.61	Sherfield English	187.73
East Dean	177.53	Shipton Bellinger	219.81
East Tytherley	204.63	Smannell	184.15
Enham Alamein	190.07	Stockbridge	226.85
Fyfield	224.60	Tangley	218.12
Goodworth Clatford	230.48	Thrupton	213.03
Grateley	190.97	Upper Clatford	207.47
Houghton	217.49	Valley Park	171.90
Hurstbourne Tarrant	200.66	Vernham Dean	194.25
Kimpton	215.12	Wellow	211.96
King's Somborne	251.94	West Tytherley, Frenchmoor & Buckholt	208.11
Lockerley	219.49	Wherwell	197.06
Longparish	218.22	All other parts of the Council's area	158.91
Longstock	199.27		

being the amounts given by adding to the amount at 4(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the Council Tax Base for that part of the Council's area, calculated by the Council in accordance with Section 34(3) of the Act as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

4(h) Part of the Council's area:

#### Valuation Bands

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Parish of</b>								
Abbotts Ann	146.90	171.38	195.87	220.35	269.32	318.28	367.25	440.70
Ampfield	137.26	160.14	183.01	205.89	251.64	297.40	343.15	411.78
Amport	125.41	146.31	167.21	188.11	229.91	271.71	313.52	376.22
Andover Town	132.90	155.05	177.20	199.35	243.65	287.95	332.25	398.70
Appleshaw	137.69	160.63	183.58	206.53	252.43	298.32	344.22	413.06

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
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	£	£	£	£	£	£	£	£
<b>Parish of</b>								
Awbridge	121.26	141.47	161.68	181.89	222.31	262.73	303.15	363.78
Barton Stacey	141.21	164.74	188.28	211.81	258.88	305.95	353.02	423.62
Braishfield	146.26	170.64	195.01	219.39	268.14	316.90	365.65	438.78
Broughton	138.69	161.80	184.92	208.03	254.26	300.49	346.72	416.06
Bullington	136.63	159.40	182.17	204.94	250.48	296.02	341.57	409.88
Charlton	131.37	153.27	175.16	197.06	240.85	284.64	328.43	394.12
Chilbolton	126.77	147.89	169.02	190.15	232.41	274.66	316.92	380.30
Chilworth	139.07	162.25	185.43	208.61	254.97	301.33	347.68	417.22
East Dean	118.35	138.08	157.80	177.53	216.98	256.43	295.88	355.06
East Tytherley	136.42	159.16	181.89	204.63	250.10	295.58	341.05	409.26
Enham Alamein	126.71	147.83	168.95	190.07	232.31	274.55	316.78	380.14
Fyfield	149.73	174.69	199.64	224.60	274.51	324.42	374.33	449.20
Goodworth Clatford	153.65	179.26	204.87	230.48	281.70	332.92	384.13	460.96
Grateley	127.31	148.53	169.75	190.97	233.41	275.85	318.28	381.94
Houghton	144.99	169.16	193.32	217.49	265.82	314.15	362.48	434.98
Hurstbourne Tarrant	133.77	156.07	178.36	200.66	245.25	289.84	334.43	401.32
Kimpton	143.41	167.32	191.22	215.12	262.92	310.73	358.53	430.24
King's Somborne	167.96	195.95	223.95	251.94	307.93	363.91	419.90	503.88
Lockerley	146.33	170.71	195.10	219.49	268.27	317.04	365.82	438.98
Longparish	145.48	169.73	193.97	218.22	266.71	315.21	363.70	436.44
Longstock	132.85	154.99	177.13	199.27	243.55	287.83	332.12	398.54
Melchet Park & Plaitford	123.99	144.65	165.32	185.98	227.31	268.64	309.97	371.96
Michelmersh & Timsbury	128.65	150.10	171.54	192.98	235.86	278.75	321.63	385.96
Monxton	141.46	165.04	188.61	212.19	259.34	306.50	353.65	424.38
Mottisfont	139.71	162.99	186.28	209.56	256.13	302.70	349.27	419.12
Nether Wallop	176.09	205.43	234.78	264.13	322.83	381.52	440.22	528.26
<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>

	£	£	£	£	£	£	£	£
<b>Parish of</b>								
North Baddesley	143.33	167.22	191.11	215.00	262.78	310.56	358.33	430.00
Nursling & Rownhams	123.77	144.40	165.03	185.66	226.92	268.18	309.43	371.32
Over Wallop	140.55	163.98	187.40	210.83	257.68	304.53	351.38	421.66
Penton Grafton	124.72	145.51	166.29	187.08	228.65	270.23	311.80	374.16
Penton Mewsey	150.63	175.74	200.84	225.95	276.16	326.37	376.58	451.90
Quarley	132.19	154.23	176.26	198.29	242.35	286.42	330.48	396.58
Romsey Town	143.95	167.94	191.93	215.92	263.90	311.88	359.87	431.84
Sherfield English	125.15	146.01	166.87	187.73	229.45	271.17	312.88	375.46
Shipton Bellinger	146.54	170.96	195.39	219.81	268.66	317.50	366.35	439.62
Smannell	122.77	143.23	163.69	184.15	225.07	265.99	306.92	368.30
Stockbridge	151.23	176.44	201.64	226.85	277.26	327.67	378.08	453.70
Tangley	145.41	169.65	193.88	218.12	266.59	315.06	363.53	436.24
Thrupton	142.02	165.69	189.36	213.03	260.37	307.71	355.05	426.06
Upper Clatford	138.31	161.37	184.42	207.47	253.57	299.68	345.78	414.94
Valley Park	114.60	133.70	152.80	171.90	210.10	248.30	286.50	343.80
Vernham Dean	129.50	151.08	172.67	194.25	237.42	280.58	323.75	388.50
Wellow	141.31	164.86	188.41	211.96	259.06	306.16	353.27	423.92
West Tytherley, Frenchmoor & Buckholt	138.74	161.86	184.99	208.11	254.36	300.60	346.85	416.22
Wherwell	131.37	153.27	175.16	197.06	240.85	284.64	328.43	394.12
All other parts of the Council's area	105.94	123.60	141.25	158.91	194.22	229.54	264.85	317.82

being the amounts given by multiplying the amounts at 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion,

is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. That in accordance with Section 52ZB of the Act, the Council's basic amount of Council Tax for the year 2023/2024 is not excessive.
  6. That the following details in respect of precept authorities are noted. These figures are based on anticipated budget amounts that will be approved by the various preceptors between the publication of this agenda and the Council meeting. Any changes to the figures below will be reported accordingly.
- 6(a) For the year 2023/2024, the **Hampshire County Council** have stated the following amounts in precepts issued to the Council, in accordance with the requirements of the Act, for each of the categories of dwellings shown below:

**Valuation Bands**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>973.50</b>	<b>1,135.75</b>	<b>1,298.00</b>	<b>1,460.25</b>	<b>1,784.75</b>	<b>2,109.25</b>	<b>2,433.75</b>	<b>2,920.50</b>

- 6(b) For the year 2023/2024, the **Police and Crime Commissioner for Hampshire** has stated the following amounts in precepts issued to the Council, in accordance with the requirements of the Act, for each of the categories of dwellings shown below:

**Valuation Bands**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>167.64</b>	<b>195.58</b>	<b>223.52</b>	<b>251.46</b>	<b>307.34</b>	<b>363.22</b>	<b>419.10</b>	<b>502.92</b>

- 6(c) For the year 2023/2024, the **Hampshire and Isle of Wight Fire and Rescue Authority** have stated the following amounts in precepts issued to the Council, in accordance with the requirements of the Act, for each of the categories of dwellings shown below:

**Valuation Bands**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>53.62</b>	<b>62.56</b>	<b>71.49</b>	<b>80.43</b>	<b>98.30</b>	<b>116.18</b>	<b>134.05</b>	<b>160.86</b>

7. That having calculated the aggregate in each case of the amounts at 4(h) and 6(a), 6(b) and 6(c) above, the Council, in accordance with the requirements of the Act, hereby sets the following amounts as the amounts of Council Tax for each of its areas for the year 2023/2024 for each of the categories of dwellings shown below:

**Valuation Bands**

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Parish of</b>								
Abbotts Ann	1341.66	1565.28	1788.87	2012.49	2459.70	2906.94	3354.15	4024.98
Ampfield	1332.02	1554.03	1776.02	1998.03	2442.03	2886.05	3330.05	3996.06
Ampport	1320.17	1540.20	1760.22	1980.25	2420.30	2860.37	3300.42	3960.50
Andover Town	1327.66	1548.94	1770.21	1991.49	2434.04	2876.61	3319.15	3982.98
Appleshaw	1332.45	1554.53	1776.59	1998.67	2442.81	2886.97	3331.12	3997.34
Awbridge	1316.02	1535.36	1754.69	1974.03	2412.70	2851.38	3290.05	3948.06
Barton Stacey	1335.97	1558.63	1781.28	2003.95	2449.27	2894.60	3339.92	4007.90
Braishfield	1341.02	1564.53	1788.02	2011.53	2458.53	2905.55	3352.55	4023.06
Broughton	1333.45	1555.69	1777.92	2000.17	2444.65	2889.14	3333.62	4000.34
Bullington	1331.39	1553.29	1775.18	1997.08	2440.87	2884.68	3328.47	3994.16
Charlton	1326.13	1547.16	1768.17	1989.20	2431.24	2873.30	3315.33	3978.40
Chilbolton	1321.53	1541.79	1762.03	1982.29	2422.79	2863.31	3303.82	3964.58
Chilworth	1333.83	1556.15	1778.44	2000.75	2445.35	2889.98	3334.58	4001.50
East Dean	1313.11	1531.97	1750.81	1969.67	2407.37	2845.09	3282.78	3939.34
East Tytherley	1331.18	1553.05	1774.90	1996.77	2440.49	2884.23	3327.95	3993.54
Enham Alamein	1321.47	1541.73	1761.96	1982.21	2422.69	2863.20	3303.68	3964.42
Fyfield	1344.49	1568.58	1792.65	2016.74	2464.90	2913.08	3361.23	4033.48
Goodworth Clatford	1348.41	1573.16	1797.88	2022.62	2472.08	2921.57	3371.03	4045.24
Grateley	1322.07	1542.43	1762.76	1983.11	2423.79	2864.50	3305.18	3966.22
Houghton	1339.75	1563.05	1786.33	2009.63	2456.21	2902.81	3349.38	4019.26
Hurstbourne Tarrant	1328.53	1549.96	1771.37	1992.80	2435.64	2878.50	3321.33	3985.60
Kimpton	1338.17	1561.21	1784.22	2007.26	2453.31	2899.38	3345.43	4014.52
King's Somborne	1362.72	1589.85	1816.95	2044.08	2498.31	2952.57	3406.80	4088.16
Lockerley	1341.09	1564.61	1788.11	2011.63	2458.65	2905.69	3352.72	4023.26
Longparish	1340.24	1563.62	1786.98	2010.36	2457.10	2903.86	3350.60	4020.72
Longstock	1327.61	1548.88	1770.14	1991.41	2433.94	2876.49	3319.02	3982.82
Melchet Park & Plaitford	1318.75	1538.54	1758.32	1978.12	2417.70	2857.29	3296.87	3956.24
<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>



<b>Parish of</b>									
Micheldmersh & Timsbury	1323.41	1543.99	1764.54	1985.12	2426.25	2867.40	3308.53	3970.24	
Monxton	1336.22	1558.93	1781.62	2004.33	2449.73	2895.15	3340.55	4008.66	
Mottisfont	1334.47	1556.88	1779.28	2001.70	2446.52	2891.35	3336.17	4003.40	
Nether Wallop	1370.85	1599.33	1827.79	2056.27	2513.21	2970.17	3427.12	4112.54	
North Baddesley	1338.09	1561.12	1784.12	2007.14	2453.16	2899.21	3345.23	4014.28	
Nursling & Rownhams	1318.53	1538.30	1758.04	1977.80	2417.30	2856.83	3296.33	3955.60	
Over Wallop	1335.31	1557.87	1780.41	2002.97	2448.07	2893.19	3338.28	4005.94	
Penton Grafton	1319.48	1539.40	1759.30	1979.22	2419.04	2858.88	3298.70	3958.44	
Penton Mewsey	1345.39	1569.63	1793.85	2018.09	2466.55	2915.03	3363.48	4036.18	
Quarley	1326.95	1548.12	1769.26	1990.43	2432.74	2875.07	3317.38	3980.86	
Romsey Town	1338.71	1561.83	1784.94	2008.06	2454.29	2900.54	3346.77	4016.12	
Sherfield English	1319.91	1539.91	1759.88	1979.87	2419.83	2859.82	3299.78	3959.74	
Shipton Bellinger	1341.30	1564.86	1788.39	2011.95	2459.04	2906.16	3353.25	4023.90	
Smannell	1317.53	1537.12	1756.70	1976.29	2415.46	2854.65	3293.82	3952.58	
Stockbridge	1345.99	1570.33	1794.65	2018.99	2467.65	2916.33	3364.98	4037.98	
Tangley	1340.17	1563.54	1786.89	2010.26	2456.98	2903.72	3350.43	4020.52	
Thrupton	1336.78	1559.58	1782.37	2005.17	2450.76	2896.36	3341.95	4010.34	
Upper Clatford	1333.07	1555.26	1777.42	1999.61	2443.96	2888.33	3332.68	3999.22	
Valley Park	1309.36	1527.59	1745.81	1964.04	2400.49	2836.95	3273.40	3928.08	
Vernham Dean	1324.26	1544.98	1765.67	1986.39	2427.80	2869.24	3310.65	3972.78	
Wellow	1336.07	1558.75	1781.42	2004.10	2449.45	2894.82	3340.17	4008.20	
West Tytherley, Frenchmoor & Buckholt	1333.50	1555.76	1777.99	2000.25	2444.74	2889.26	3333.75	4000.50	
Wherwell	1326.13	1547.16	1768.17	1989.20	2431.24	2873.30	3315.33	3978.40	
All other parts of the Council's area	1300.70	1517.49	1734.26	1951.05	2384.61	2818.19	3251.75	3902.10	

## ITEM 11

## Pay Policy Statement 2023/2024

Report of the Leader

### Recommended:

**That the Pay Policy Statement, attached at the Annex to the report, be approved.**

#### SUMMARY:

- The Council is required in accordance with section 38 of the Localism Act 2011 to prepare and publish an annual Pay Policy Statement.
- Attached to this report is the statement for 2023/2024 for approval.

### 1 Introduction

- 1.1 Section 38 (1) of the Localism Act 2011, requires English and Welsh local authorities to produce and publish a pay policy statement for 2012/13 and for each financial year thereafter. As a minimum, the pay policy statement must set out the Council's policies for the financial year relating to:
- The remuneration of its chief officers
  - The remuneration of its lowest paid employees
  - The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers
- 1.2 All decisions on pay and reward (including severance) of chief officers must comply with the current pay policy statement. This includes all remuneration decisions made during recruitment and appointment of all chief or other officers during that year.
- 1.3 The Council's Pay Policy Statement was first published in March 2012 following approval at full Council. These Statements must be approved by full Council in their open meeting by the end of March each year (it cannot be delegated to a sub-committee). Statements may be updated during the year. They are to be accessible to local taxpayers so they can take an informed view on whether local decisions on all aspects of remuneration are fair and make the best use of public funds.
- 1.4 The information contained within the Pay Policy Statement should link with data published under the Local Government Transparency Code 2015 which aims to increase the transparency of how taxpayers' money is used. Data on senior salaries higher than £50,000 is published each year in the Council's annual accounts.

## 2 Background

- 2.1 The Pay Policy Statement for 2022/2023 was duly approved by Council on the 25 February 2022.
- 2.2 The Pay Policy Statement for 2023/2024 attached at the Annex updates the 2022/2023 statement and sets out to meet the requirements of Section 38. Once again, the Statement does not contain anything 'new', but rather it gathers the information required by the Act into a single document from a number of the Council's existing approved policies and decisions.

## 3 Legal Implications

- 3.1 The requirement to prepare an annual Pay Policy Statement is a statutory requirement placed upon the Council by the Localism Act 2011.

## 4 Conclusion

- 4.1 The Pay Policy Statement at the Annex assembles the required statutory information from the Council's existing policies and presents them as a single document to meet the requirements of the Localism Act.

<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: Leader) Councillor P North			
Officer:	Alex Rowland	Ext:	8251
Report to:	Council	Date:	23 February 2023

## Pay Policy Statement 2023/24

### 1. INTRODUCTION

- 1.1 This is the statement for Test Valley Borough Council
- 1.2 The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement must be approved by 31 March each year, by a meeting of the full Council, and must then be published on their website. The pay policy statement may be amended during the year by further resolution of the Council.
- 1.3 The pay policy statement must as a minimum include details of the Council's policy on:
- the remuneration of its chief officers
  - the remuneration of its lowest-paid employees
  - the relationship between the remuneration of its chief officers and other officers.
- 1.4 For the purposes of the Localism Act 2011 and this statement, the term "chief officers" is defined by Section 2 of the Local Government and Housing Act 1989. For this Council, the term "chief officers" refers to the Chief Executive, Deputy Chief Executive and Heads of Service. These officers make up the Council's Management Team for Test Valley Borough Council.
- 1.5 Test Valley Borough Council recognises that our employees make a critical contribution towards the realisation of the Council's vision – to be an organisation of excellence committed to improving the quality of life of all the people of Test Valley. The Council needs to have flexibility and capability to be able to adapt to change and meet the needs of our customers. Our approach to rewarding staff aims to ensure fairness, equity and transparency and to retain good staff by sensible and proportionate pay and reward strategies appropriate for their role.
- 1.6 Each council has the autonomy to make decisions on pay that are appropriate to their local circumstances and which deliver value for money to local taxpayers. The Localism Act ensures local authorities are open about their local policies and how these decisions are made.

### 2. REMUNERATION OF CHIEF (AND OTHER) OFFICERS

- 2.1 Decisions on pay and reward for all employees including Chief Officers are made in an open and accountable way through the General Purposes Committee. The Committee comprises elected Councillors and has responsibility for local terms and conditions of employment for staff.

- 2.2 The Council's pay framework, implemented prior to 1991, is based on locally agreed pay arrangements for all employees. Remuneration levels are approved by the General Purposes Committee. The Council's pay framework is based on the Hay Job Evaluation Scheme where the grade for each role is determined by a fair and consistent job evaluation process. There are 16 grades in total in the pay framework, grade 3 being the lowest and grade CE being the highest. With the exception of apprentices and employees on protected spot salaries each employee will be on one of the grades based on the evaluation of their role. Employees can progress to the salary grade maximum of their grade subject to assessment of their performance and in accordance with the Council's general remuneration policy.
- 2.3 The annual cost of living pay award is considered for all employees in conjunction with the recognised trade unions, UNISON, UNITE and GMB. Any cost of living award is approved by the General Purposes Committee who take account of national and local considerations in making their decision including the national joint council (NJC) pay award, inflation, earnings growth, and salaries in the comparable market. Local and national pay benchmarking is undertaken to provide comparison and assurance of both value of remuneration and competitiveness within the comparable market. In 2022/23 all employees received a cost of living award of £1925.
- 2.4 Chief Officer salaries are detailed in the table below and their earnings are published each year in the Council's Statement of Accounts along with details of senior staff earning over £50,000.

Role	Salary Range from 01 April 2022
Chief Executive (1)	£121,888 - £133,865
Deputy Chief Executive (1)	£102,019 - £111,998
Head of Service (9)	£78,390 - £86,048

- 2.5 The salaries remunerate Chief Officers for their full range of duties and hours of work. The Council does not offer performance related pay to any employee. Chief Officers have the option of either a lease car or a cash alternative. A small number of other officers have entitlement to either a lease car or cash alternative and some officers have historic entitlement to an essential car user allowance. Some non-chief officer roles, have use of a Council vehicle where there is a regular and essential driving requirement as part of the role. All officers, where there is a requirement for their role, have paid membership of a relevant professional body and are reimbursed for business mileage at the relevant HMRC rate.
- 2.6 Any allowance or other payment made to chief and other officers will only be made to an employee in connection with their role or the pattern of hours they work and must be in accordance with the Council's employment policies and individual contractual requirements.

- 2.7 Honoraria are paid when an officer undertakes all or some of the duties of a higher graded post. This is a temporary arrangement and their total pay inclusive of the honorarium cannot exceed the rate for the post they are covering if promoted to it. The Council operates a recognition scheme which provides a one-off recognition payment for outstanding performance of up to £1000. A manager may recommend an employee for a recognition payment where they have demonstrated outstanding performance which is in excess of what can be reasonably expected from the employee or when an employee has demonstrated outstanding performance in undertaking additional projects or tasks which clearly fall outside the scope of their post.
- 2.8 The Council operates a small range of flexible benefits to all staff including a salary sacrifice bicycle scheme and the option to pay into a health cash plan to help with medical and dental costs.
- 2.9 The Council may consider the use of market supplements for specific posts in the event of recruitment difficulties. Supplements will be time limited and subject to the provision of objective market evidence to support payment.
- 2.10 All employees, with a contract of more than 3 months, are automatically enrolled in the local government pension scheme when they join the Council, they may opt out if they wish. All employees' contributions are determined by their salary and the rules of the scheme. The Council made a pension contribution of 17.9% of pensionable pay in 2022/23 towards the pension for each member of the scheme. More comprehensive details of the scheme are available from the Hampshire Pension Service website. The Council policy on discretionary aspects of the scheme is available, on request.
- 2.11 All chief officers are subject to the same performance management process as other employees. Targets and objectives are set and performance is assessed through a performance review process.
- 2.12 For nationally advertised posts above Grade 9, a payment may occasionally be offered to new employees moving within 20 miles of the Council offices to take up a position. Payments are detailed in the Council's relocation policy.
- 2.13 The Chief Executive has been appointed as the Council's Returning Officer. He may employ other officers to support him in his work. Any fees for elections are paid separately. The amount of the fee is not fixed and is based on electorate/postal votes and the type of election. Any fees payable are calculated in accordance with the statutory rules and recommendations of the Hampshire and Isle of Wight Election Fees Working Party for all local government elections and by Central Government for Parliamentary and other national elections.
- 2.14 The Council has an agreed approach to organisational change which it applies to all employees without differentiation. In cases of redundancy those employees with 2 or more years' continuous service have an entitlement to a redundancy payment.

- 2.15 The Council does not normally provide any additional payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving.
- 2.16 In exceptional circumstances the Council may agree for an employee's employment to come to end by way of a Settlement Agreement which may involve the payment of severance pay. In calculating any severance package the Council will take into account any contractual and statutory entitlements and value for money.
- 2.17 It is not normal practice for the Council to re-employ or re-engage a chief officer following a severance or redundancy payment on either a new contract of employment or a contract for services. Where the Council employs a chief or other officer following receipt of a redundancy payment from an organisation covered under the National Modification Order we would ensure the rules of the Order are applied.

### **3. REMUNERATION OF THE LOWEST-PAID EMPLOYEES**

- 3.1 The lowest paid employees refer to those staff employed on grade 3 of the Council's pay framework. The definition has been adopted because grade 3 is the lowest grade on which employees are paid within the Council's pay framework. The lowest paid employees do not include apprentices for whom there are separate pay arrangements.
- 3.2 Pay scale for Grade 3 ranges from £22,040 to £23,262. The Council has agreed to pay a minimum salary of £22,040 or £11.42 an hour from 01 April 2022. Any pay award from 01 April 2023 has yet to be agreed.

### **4 REMUNERATION OF CHIEF OFFICERS COMPARED WITH OTHER OFFICERS**

- 4.1 The Council is required to publish the pay multiple defined as the ratio between the highest paid taxable earnings for the given year including variable pay, allowances and the cash value of any benefits in kind compared with the median earnings of the whole of the Council's workforce.
- 4.2 The median earnings for all officers is £29,746. The Chief Executive's total remuneration is 4.6 times the median earnings of the whole of the workforce.
- 4.3 Please note the Council does not set the remuneration of any individual or group of posts by reference to a multiple of another post or group of posts. Pay multiples do not capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. In terms of overall remuneration packages the Council has a local pay framework which is fair and equitable where roles are evaluated using the HAY job evaluation framework to ensure pay levels reflect differences in roles and responsibilities.

Last updated: 16/01/2023

## ITEM 12                      **Andover Masterplan – Levelling Up Fund**

Report of the Leader

### **Recommended:**

**That the funding as set out in section 8 of the report be approved to support the delivery of the Western Avenue/ River Anton priority area as identified in the Andover Masterplan.**

#### **SUMMARY:**

- The purpose of this report is to outline the implications of the Council's unsuccessful Levelling Up Fund bid and to recommend the next step for the delivery of the Andover masterplan.

### **1 Introduction**

- 1.1 In March 2022 the Government released details of the second round of its Levelling Up Fund (LUF). The LUF sought bids of up to £20M for town centre regeneration with three key objectives of improving the local transport network, the high streets and maintaining and expanding our cultural and heritage assets.
- 1.2 In June 2022 Council approved the submission of a bid of £18.5M, including up to £2M of match funding, towards the delivery of the first phase of the Andover masterplan.
- 1.3 Following the announcement from Government on 19<sup>th</sup> January 2023 that the Council was unsuccessful in its Levelling Up Fund bid, this report outlines the implications of this outcome and next steps for the delivery of the Andover masterplan.

### **2 Background**

- 2.1 The Council adopted the Andover Regeneration Masterplan in September 2020. This ambitious document sets out a series of proposals for the development and improvement of Andover Town Centre that will ensure it develops as a vibrant place that will be attractive and inviting for users and investors. The delivery of the Masterplan objectives is one of the Council's top strategic priorities.
- 2.2 The masterplan was developed following extensive community engagement with Andoverians. A survey undertaken as part of this received over 3000 responses with a 97% positive support for the improvement plans.



- 2.3 In June 2019 Council approved the creation of a dedicated Regeneration Reserve of £1M to take forward the delivery of both the Andover and Romsey Masterplans and additional transfers into the Reserve have been included in subsequent budgets bringing the total to close to £2.3M as at 31<sup>st</sup> March 2022. In January 2021 Council amended delegations of authority to authorise spending from this Reserve.
- 2.4 The budget recommendations elsewhere on this agenda set out that a further £500,000 per annum is expected to be added to the reserve over the next three years.
- 2.5 On 26 May 2021 the Cabinet approved the ring fencing of a portion of Community Infrastructure Levy contributions to be allocated towards the delivery of the two Masterplans. The Council has also been working with strategic partners including HCC and the EM3 LEP to identify potential suitable public funding programmes that would contribute towards delivery.
- 2.6 As part of the Levelling Up Agenda the Government launched the Levelling Up Fund (LUF). Each authority was placed in either Tier 1, 2 or 3 with Tier 1 authorities representing those administrative areas with the highest level of need. Test Valley has been assessed as being in Tier 3, the lowest priority category. This is due to the strong economy and relative affluence of the borough. This approach masked the pockets of deprivation that some areas of Andover experience where areas of the town sit within the bottom quartile of the most deprived areas in the UK in certain categories. Despite the perception that the LUF assessment criteria was weighed against them, Tier 3 authorities were still able to apply for funding.
- 2.7 In light of the Government's announcement of the second round of LUF bids, the Council appointed consultants Cadence Innova to collate the required evidence and put together the bid for Andover Town Centre. Cadence Innova are experienced in bid delivery, including successful first round LUF bids for Councils in Tier 3 areas.
- 2.8 The schemes set out below were selected from the long list of all the development projects included within the Andover Town Centre Regeneration Masterplan.
1. A linear riverside park along the Western Avenue gyratory
  2. Improvements to the riverside footpath south of Bridge Street
  3. Construction of a new Cultural Hub building in the town centre
  4. Demolition of the former Magistrates Court building
- 2.9 These schemes were selected based on three criteria of ability to meet the objectives of the LUF criteria; affordability; and deliverability by 31<sup>st</sup> March 2025. The schemes focussed on the priority area (as defined in the Andover Masterplan) of Western Avenue/River Anton save for the inclusion of the Cultural Hub development, which formed part of the Chantry Centre priority area.

- 2.10 In order to put the Council in the strongest position and give the best chance of success the Council confirmed its support for the bid and to commit to the required match funding. This was approved at the June 2022 Council meeting.
- 2.11 The indicative costs of projects at the time of submission to LUF on the basis of Cadence Innova's professional advice was £20.3M. In this scenario LUF would fund £18.5M with the remaining £1.8M in match funding being met by the Council. As these figures were subject to change as the detailed work on the bid was developed the Council authorised up to £2M as match funding.
- 2.12 The Department for Levelling Up, Housing and Communities confirmed that the Council was unsuccessful on 19<sup>th</sup> January 2023. The Government has also confirmed that feedback on the Council's bid will be provided as soon as possible. At the time of writing that has not yet been received and no timetable for receiving this feedback has been given. The Government has confirmed that there will be a third round of the fund although no details have been published.
- 2.13 The next steps in the delivery of the Western Avenue Riverside Park (including the element of the Riverside Walk south of Bridge Street) south of Bridge Street would be to appoint designers to progress the feasibility design into a detailed design that would be taken through the Planning process. This will involve continued close working with HCC as Highways Authority and Southern Water to ensure that the various elements of the scheme work together. Once Planning consent has been secured the aim would be to procure the appropriate construction contractors. It is envisaged that this would follow a similar programme to that put forward as part of the Levelling Up Fund Bid.
- 2.14 Work on other Masterplan projects such as the Former Magistrates Court and the Cultural Hub would continue. This would involve bringing forward designs and seeking Planning consent in order that the projects are as advanced as possible to give the strongest chance of success in future funding rounds, including Round 3 of the Levelling Up Fund.

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

- 3.1 Growing Our Potential – the Corporate Plan 2019-2023 identifies town centres as a strategic priority. It recognises the need to change the face of the High Street and to future-proof our town centres to be accessible places where people live, shop, work and spend their leisure time. Enhancing public realm and ensuring a high-quality appearance and environment is vital to secure successful development.

### **4 Consultations/Communications**

- 4.1 Significant public consultation has taken place in conjunction with Andover Vision in the production of the masterplan. The bid was made against the background of that consultation that culminated in the approval of the Andover Town Centre Regeneration Masterplan.

4.2 Andover Vision continues to play an important role in the future of the town. The organisations that make up Andover Vision have been kept informed on the progress of delivery.

4.3 All parties which supported the Council in the submission of its bid have been informed of the outcome. Subject to the decision of Council those parties will be informed of any decision to progress with Western Avenue/River Anton scheme.

## **5 Options**

5.1 The Andover masterplan is one of the Council's key priorities and despite the outcome of the LUF bid, the principle of securing its delivery remains unchanged. Therefore the option to consider is how best to support the next steps of the masterplan. There is the further option of whether to wait for a future LUF bidding round or not.

## **6 Option Appraisal**

6.1 It is disappointing that the Council was unsuccessful with its bid. However, due to the DLUHC methodology and placing the Borough in Tier 3, coupled with the level of competition from other authorities<sup>1</sup>, it was recognised that it would be a challenge. The outcome does provide an opportunity to re-evaluate those schemes of the masterplan which were submitted, as well as those schemes in the wider masterplan, to identify the most appropriate next step.

6.2 In the absence of the Levelling Up funding the Council will need to prioritise the delivery of the proposed project in order to be able to realise delivery within budgetary constraints. While all four of the LUF projects are important and would be transformational, it was established through the Benefit Cost Ratio analysis (BCR) that the Western Avenue/River Anton scheme (including the element of the Riverside Walk south of Bridge Street) provided the greatest benefit for the least cost. This project also benefits from strong support from external strategic partners.

6.3 The relocation of the Lights Theatre to create a new Cultural Hub in the Town Centre was the most expensive element of the LUF bid. In the absence of the LUF funding, this element would require significant support from external sources, such as Arts Council England to deliver. In order to secure this, the Council will need to demonstrate that it has a robust cultural strategy in place based on significant research and community engagement and its ability to deliver. This scheme maybe the main focus should the Council decide to submit a bid for the third LUF round given its importance in establishing a vibrant town centre. Work on the cultural hub will continue which includes the technical studies required to inform the future planning application.

6.4 The demolition of the former Andover Magistrates Court is the most affordable and is likely to come forward at a later date on completion of an options appraisal to inform its future use. The masterplan currently identifies a number of options including a health hub or a hotel. It is recognised that the building currently detracts from the area around The Lights and Andover College. However, to demolish the building prior to confirming its future use would risk

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<sup>1</sup> 529 LUF bids were submitted for round 2 of which 111 bids were selected for funding.

objections from the Environment Agency and potentially result in later delays to securing an appropriate redevelopment of the site.

- 6.5 The Western Avenue scheme would deliver a number of exceptional public realm improvements along with habitat restoration. The scheme would also secure significant highway improvements and encourage sustainable modes of travel. Those partners who are key to the delivering these aspects (including Hampshire County Council and Southern Water) have already confirmed their continued support despite the outcome of the LUF submission.
- 6.6 Undertaking these works would make an impact on the overall viability of the broader masterplan, in that it would act as a catalyst for future phases by undertaking works which would not have a commercial benefit and reaffirming the Council's commitment to changing Andover town centre. By funding these works it would also make the development elements of the regeneration scheme more attractive and viable to commercial developers and investors and therefore reduce the development risk associated with the delivery of the masterplan.
- 6.7 If the Council had been successful with LUF, the funding was based on the completion of the relevant schemes by March 2025. Whilst this deadline no longer applies there remains a commitment to undertake and complete within a similar timeframe.
- 6.8 The other elements of the masterplan excluded from the LUF bid predominantly focus on the future redevelopment of the Chantry Centre. This is a significant element of the future of the town in terms of scale and complexity. Work has been commissioned to guide on the feasibility and delivery mechanism to bring these stages forward.
- 6.9 The Council would also continue to work with Hampshire County Council on delivering highway improvement schemes at Eastern Avenue/Vigo Park. Whilst these schemes will make an important difference to the town centre the scale of the Western Avenue scheme and the linked improvements to sustainable travel to the wider network make this the preferred scheme to fund.
- 6.10 In the Government's notification letter reference is made to a third round of LUF funding being made available. No further details regarding amount of the fund or timescales have been released. Whilst a third round represents another opportunity to seek external funds it is likely that there will be the same challenges and level of competition. Council could decide to not release the recommended funding and re-submit the bid and await that outcome. However as there is no certainty of timetable for the third round, or of success, it is not recommended that the Council pause or delay progress.
- 6.11 The release of the recommended funding would not prevent the Council from re-evaluating and submitting an amended bid in the future. Background work would continue and demonstrate progress and commitment on the various elements of the masterplan and potentially put the Council in a stronger position for future bidding rounds.

## **7 Risk Management**

- 7.1 An evaluation of the risks associated with the delivery of the Andover Town Centre Regeneration Masterplan has previously been reported to Members: Item 5 Full Council 29 September 2020 (Masterplan Adoption).
- 7.2 The actual cost of the projects may be greater than the cost estimates provided by the Council's feasibility consultants. If this happens the Council will need to identify the additional funds. The costings do make an allowance for contingency; however, with inflation at decades-high levels at the moment, there is a risk that final costs of delivery will exceed current estimates. A further contingency has been included in the resource implications to help mitigate this risk.
- 7.3 Prior to commencement all schemes will need to secure the relevant planning approvals and complete all necessary agreements with statutory consultees. There is a risk that outside bodies will not grant the necessary consents however this is unlikely because of the ongoing support demonstrated throughout the creation of the masterplan and in submitting the LUF bid.

## **8 Resource Implications**

- 8.1 The Council's match funding commitment to the LUF bid was a maximum of £2M. This was to be funded by:
- (a) £1M from the Community Infrastructure Levy that has been ring-fenced for the delivery of Regeneration in Andover and Romsey. The total available in this fund up to March 2025 is likely to be in the region of £3M
- (b) £1M from the New Homes Bonus reserve
- 8.2 The overall cost of this project was estimated to be between £5.5M and £6M. To allow for the potential for inflation to have affected the estimated value of the works, a budget allocation of £6.5M is recommended.
- 8.3 As noted in paragraph 8.1 above, the Council has already identified £2M of match funding to support the original LUF bid.
- 8.4 It is recommended that the required budget of £6.5M be met as follows:
- £2M from the New Homes Bonus
  - £1M from CIL contributions
  - £1M from the Regeneration Reserve
  - £1M from s106 highways contributions
  - £1.25M from additional investment income generated in the current financial year
  - £250,000 from s106 contributions received in respect of Chantry Lodge and approved by Cabinet on 27<sup>th</sup> October 2021.

- 8.5 The local government settlement for 2023/24 has confirmed that the New Homes Bonus will continue into next year. There is also an expectation that a further award will be made in 2024/25. After allowing for the latest award and a £2M draw, the forecast unallocated balance on the New Homes Bonus Reserve at 31<sup>st</sup> March 2026 is £10.1M.
- 8.6 As noted in paragraphs 2.2 and 2.3, there is a sufficient balance in the Regeneration Reserve to be able to contribute to this project. Planned additional contributions over the medium term will replenish the balance.
- 8.7 The Council has benefitted in the current year from unexpected rapid increases in the base interest rate. This is expected to create an in-year surplus of approximately £1.25M. It is recommended that this additional income be set aside to contribute towards this project.
- 8.8 The Cabinet decision of 27<sup>th</sup> October 2021 agreed that the £250,000 S106 contribution from the development at Chantry Lodge, Andover be allocated towards a scheme of public realm, cycling/walking infrastructure and landscape improvements, in line with Andover Town Centre Masterplan objectives, to an area within the River Anton corridor and/or to Western Avenue, and/or linking to Shepherds Spring Lane. It is intended that this contribution be focused on Western Avenue.
- 8.9 Further funding will be made available from unallocated S106 highways contributions held by Hampshire County Council. The amount available is yet to be finalised but is expected to be approximately £1M. This would not be sufficient to deliver the scheme without the other additional funding referred to. Any external funding that is identified will reduce the required draw from the New Homes Bonus Reserve or be allocated towards future regeneration projects.

## **9 Legal Implications and Statutory Authority**

- 9.1 Prior to commencement all schemes will also be subject to planning approval and all necessary agreements with statutory consultees secured.

## **10 Equality Issues**

- 10.1 Equality Impact Assessments will be carried out as necessary and appropriate in relation to the specific schemes proposed. However, in general terms the schemes recommended are aimed at creating an accessible and inclusive Town Centre. This will include access to green space to promote health and wellbeing.

## **11 Sustainability and Addressing a Changing Climate**

- 11.1 The resulting developments would make a significant contribution to the quality of the environment in Andover Town Centre through habitat creation and promoting sustainable, non-car modes of travel.

## **12 Other Issues**

- 12.1 Community Safety - will increase levels of activity in public spaces, reducing opportunities for crime and anti-social behaviour.

- 12.2 Environmental Health Issues – N/A
- 12.3 Property Issues – Not directly although delivering these benefits to the highway infrastructure and public realm will help demonstrate progress and delivery in later stages of the masterplan which will include the Council assets.
- 12.4 Wards/Communities Affected – Andover St Mary’s

**13 Conclusion and reasons for recommendation**

13.1 The fact that the Council was not successful in securing the LUF funding is disappointing. However the Council is in a good position to start to deliver the initial projects along Western Avenue and the River Anton. Prioritising the funding of this project will create a linear riverside park that will transform perceptions of the town as a place to live and invest. This scheme alone will have a positive impact on the ability to bring subsequent development phases to investors and developers with confidence. It is therefore recommended that the Council commits the resources as outlined in the report.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<a href="#">Andover Masterplan 2020</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.			
It is considered that the Annex to this report contains exempt information within the meaning of paragraph 3 of schedule 12A of the Local Government Act 1972, as amended in that it ‘contains information relating to the financial or business affairs of any particular person(including the authority holding that information). It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information			
No of Annexes:	1(Exempt)	File Ref:	
(Portfolio: Leader of the Council) Councillor P North			
Officer:	Graham Smith/ Paul Ramshaw	Ext:	8141
Report to:	Council	Date:	23 February 2023

## ITEM 13

## Nitrate Mitigation

Report of the Planning Portfolio Holder

### Recommended:

1. That the purchase of 100 nitrate credits from an appropriate mitigation scheme, for the sum set out at paragraph 8.1 of this report is approved.
2. That authority is delegated to the Head of Planning and Building in consultation with the Heads of Planning Policy and Economic Development, Finance and Revenues, Legal and Democratic Services and the Planning & Building and Finance & Resources Portfolio Holders to:
  - a. purchase up to an additional 400 credits from an appropriate scheme/s at appropriate times and in appropriate quantities subject to the financial limitation set out in paragraph 8.4 of this report.
  - b. enter into appropriate Agreement/s to secure the purchase of the credits and delivery of the nitrate mitigation referred to in paragraphs 1 and 2a. of this recommendation.
3. That the amounts described in paragraph 8 of this report for the purpose of purchasing nitrate credits be added to the Capital Programme as necessary.
4. That the Nutrient Neutrality – Off Site Mitigation Contributions Framework (2021) be amended to introduce a deposit scheme as outlined in paragraph 6.1.11.

### SUMMARY:

- In order to satisfy the Habitat Regulations certain types of development are required to be nitrate neutral in order to have no adverse impact on nationally protected site of The Solent. The absence of mitigation is an impediment to housing delivery.
- In line with the adopted Nitrate Nutrient Neutrality – Off Site Mitigation Financial Contributions Framework it is proposed that the Council purchases further of nitrate credits for applicants to purchase direct from the Council.
- In April and September 2021 Council agreed to the purchase two tranches of 250 credits, a total of 500 credits. These credits have now been exhausted and the Council has reached the stage where it needs to consider whether to purchase additional credits.

### 1 Introduction

- 1.1 As Local Planning Authority, the Council has been affected by the lack of options available to applicants whose schemes are required to achieve nutrient neutrality in order to address the adverse effects on the international designated nature conservation sites (SPAs, SACs and Ramsar sites) in and around the Solent from excessive nitrates in the water environment.



- 1.2 The purpose of this report is to seek approval for the purchase of further nitrate credits, an initial purchase of 100 credits, with authority delegated to purchase up to a further 400 credits at such times, in such quantities and from such schemes as the Head of Planning and Building Services in consultation with those specified in the recommendation above deems appropriate. This would provide the Council with a mechanism to continue to actively support future planning applications in satisfying the Habitat Regulations.
- 1.3 This report outlines the current situation and wider mitigation options which inform the recommendation for credit-purchase and the mechanism for improving return on the Council's expenditure.

## **2 Background**

- 2.1 The Solent provides one of the most important water environments for wildlife in the United Kingdom, with many parts of its estuary, shoreline and the sea being protected through legislation. The area is home to a wide variety of habitats and species that help to make it special, some of which result in international designations. A number of the habitats, such as the mudflats and saltmarshes, provide essential winter feeding and roosting grounds for tens of thousands of coastal birds that fly from as far as Arctic Siberia to spend the winter on the Solent. This includes about 10 per cent of the global population of Brent geese. The area also supports important breeding gull and tern populations. It is unique in Britain for the complexity of the marine and estuarine habitats that are found.
- 2.2 Excessive levels of nutrients (nitrogen and phosphorus) in the water environment are having an adverse effect on international designated nature conservation sites in and around the Solent. These are causing eutrophication, resulting in dense mats of green algae that impact on the internationally protected species and habitats. This must be addressed as required by the Conservation of Habitats and Species Regulations 2017 (as amended) (referred to as the Habitats Regulations). The impact of the condition of these sites is relevant in the context of their conservation objectives and achieving favourable conservation status.
- 2.3 Following the Court of Justice of the European Union judgments, Natural England advised in June 2019 that in order to comply with the Habitats Regulations, all new residential and overnight accommodation development should be nutrient neutral. In taking a precautionary approach, their advice is that it is uncertain as to whether the increase in wastewater from certain developments will have an adverse effect on the Solent's international designated sites. As such mitigation is required to be put in place in order to meet the regulations.

- 2.4 For nitrates this constraint applies to the area of the Borough which falls within the catchments of the River Test and River Itchen and their tributaries, which then flow into the Solent. Essentially this covers the whole Borough, with the exception of a small area around Shipton Bellinger and Cholderton that falls within the catchment of the River (Hampshire) Avon. This area is affected by excessive phosphates. For the Valley Park and Hocombe area of Ampfield which drains to the Chickenhall Waste Water Treatment Works (which discharges into the River Itchen) this is also affected by phosphates for wastewater only, in addition to nitrates.
- 2.5 In light of the Natural England advice since summer 2019 the Council has not permitted any planning applications (for residential and overnight accommodation) which do not achieve nutrient neutral development. In order to satisfy the Habitats Regulations, it needs to be established that planning decisions will not make the situation worse. Any increase in nutrients is deemed significant, however small, due to the in-combination impact and therefore small sites cannot be screened out from the requirements to achieve nutrient neutrality. A mitigation solution is therefore needed in order to enable such developments to proceed where they are otherwise unable to achieve nutrient neutrality but are deemed to be acceptable in all other planning respects.
- 2.6 The issue of nitrate mitigation is a controversial one from the perspective of both the development industry and interested parties objecting to development. In 2021 a challenge from local objectors led to a Judicial Review to the operation of Fareham Borough Council's nitrate mitigation schemes and the use of the Natural England's nitrate methodology to conduct appropriate assessments as part of the Habitats Regulations. These judgments have now been handed down and whilst amendments are required to Natural England's approach they do not affect the principle of off-site mitigation as an appropriate means of achieving nutrient neutral development, or nutrient credit purchase to secure this.
- 2.7 Whilst the issue affects a wide geographic area, for Test Valley achieving nutrient neutral development without the provision of off-site mitigation solutions is particularly challenging as the amount of nutrient in wastewater is assumed to be higher in the absence of wastewater treatment works (WwTW) having a permit limit for nitrogen discharge. This means that there is no nitrate stripping at the WwTW taking place resulting in an increased amount of mitigation required but, even where permits are in place, a level of mitigation is still needed. Of the WwTW which serve Test Valley only Millbrook WwTW which serves Chilworth, North Baddesley and Nursling and Rownhams currently has such a permit limit. There are also rural areas within the Borough which are not served by mains drainage and are therefore reliant on package treatment plants or septic tanks. Achieving on site nutrient neutrality is unlikely to be achieved for all but the large scale greenfield developments.

- 2.8 Other mitigation sources are coming forward however in the absence of other practical solutions being available at present, the focus is on land based off-site mitigation in the form of ‘nitrate offsetting’ solutions. This concerns taking land out of agricultural production, or significantly reducing the current level of artificial additional nitrogen added to agricultural land from fertiliser and animal waste. This source accounts for between 70-80% of excess nitrates as opposed to that arising from development or other background sources. It can take decades for nutrients in the upper reaches of river catchments to reach the sea. However, as the Habitats Regulations apply to planning decisions, there is a legal obligation on considering the impact of new development in order to avoid exacerbating an existing issue, notwithstanding that the impact of this is relatively minor overall. By taking land out of agricultural production this reduction in nitrates can then be used as a ‘credit’ to offset the increased nitrogen from new development so that neutrality is achieved. Credits can be achieved either through land acquisition and management or purchasing credits from third parties. Other types of schemes, such a wetland creation, can also produce mitigation but often take longer to deliver.
- 2.9 At its meeting on 27 January 2021 the Council approved the ‘Nutrient Neutrality Off-Site Mitigation Financial Contributions Framework’. This framework set out the options that could apply once the applicant has completed the Natural England nitrate methodology. Applicants could a) demonstrate that the development would not lead to an increase in nutrients and would therefore achieve nutrient neutrality on-site; b) provide and secure in perpetuity a bespoke off-site package; or c) provide a financial contribution of £3,000 per kg of nitrogen, plus a £100 monitoring fee to provide off-site mitigation (the nitrate credit tariff).
- 2.10 In April 2021 the Council agreed to the release of £750,000 to purchase 250 credits from Roke Manor Farm. 1 credit is equal to 1kg of total nitrogen. The purchase was completed in June 2021. A further 250 credits were purchased in September 2021. Since that time officers have been liaising with applicants and developers and allocating credits to those planning applications where a positive response has been received.
- 2.11 All credits that were purchased by the Council have now been reserved. This has resulted in the following units be made acceptable under the Habitats Regulations,

<b>Development type</b>	<b>No. of units</b>
Dwellings	164
Nursing home	55
Extra care provision	20 close care flats
Other (tourist accommodation/children’s home/ gypsy & traveller etc)	29

- 2.12 Payment to the Council is triggered on the occupation of the dwellings. Inevitably there is a time lag between the allocation of credits to planning applications and occupation. At the time of writing £56,789 has been received in payment.

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

- 3.1 The Test Valley Corporate Plan (2019-23) sets out that the Council will work with communities and partners to deliver the supply of homes which reflect current and future housing needs. The lack of nitrate mitigation can constrain the delivery of new residential development. The Corporate Plan also identifies the aim of providing high quality green infrastructure for our communities to enjoy. Mitigation schemes can deliver wider environmental benefits.

### **4 Consultations/Communications**

- 4.1 The principle of the Council acquiring credits has previously been agreed by the Council and Natural England. The availability of credits will be the subject of communications with the local development industry and applicants.

### **5 Options**

- 5.1 There are two options considered in the report, whether the Council purchases further credits in accordance with the recommendation set out at the beginning of this report (option one), or not (option two).

### **6 Option Appraisal**

#### **6.1 Option One (Recommended)**

- 6.1.1 The principle of purchasing credits has previously been agreed by Council through its mitigation framework (January 2021) and the purchase of credits in April and September 2021. The option of whether to purchase additional credits is guided by the scale of demand from applicants.

#### *Scale of demand*

- 6.1.2 The challenge of achieving nitrate neutrality continues to affect a significant number of planning applications for residential and overnight accommodation. When the Council previously resolved to purchase credits this was done to help reduce the number of planning applications which were locked in the planning system. Whilst not exclusively so, the credits are aimed at supporting smaller sites from undertaking unnecessary work to locate, negotiate and secure nitrate mitigation, which is potentially hard to achieve directly for smaller scale builders and individuals developing such sites. The basis for now seeking further credits is to have a continued supply to support delivery of those future planning applications recognising that the existing credits have been reserved/allocated to planning applications/permissions.

The number of credits purchased must be guided by the level of interest. This is difficult to accurately forecast. There are now more sources of credits available to developers building in the Borough than was the case when previous decisions were made to acquire credits. To date, given the very strong level of interest demonstrated by the purchases of credits already acquired by the Council, it would be reasonable to assume that there would be on-going demand for Council credits, at least in the shorter term because the credits market is still relatively new and developing. To manage the exposure to risk, should the Council be unable to dispose of them, smaller bulk purchases are recommended.

- 6.1.3 Whilst the proposed approach of a smaller tranches seeks to limit the Council's level of risk, by doing so it may result in the stock of credits being exhausted quicker. Should this situation arise it is proposed that the Head of Planning & Building be given delegated authority to purchase up to a further 400 credits if and when deemed necessary at a total cost not exceeding £1.2M.

*Alternative options*

- 6.1.4 There are now a wider range of possible mitigation solutions coming forward than there were when the Council made its initial purchases. As such the Council needs to be mindful of the number of additional credits to purchase to avoid overcommitting and making it hard to sell all the credits bought at a price that covers its investment. It also needs to carefully consider the value of the credits purchased and whether they would be maintained or decreased as other schemes/ solutions come forward as the nutrient mitigation market matures resulting in an increased supply.
- 6.1.5 The Levelling Up and Regeneration Bill (LURB), which is currently before Parliament, sets out the Government's intention to introduce a new legal duty on water and sewerage companies in England to upgrade wastewater treatment works by 2030 in 'nutrient neutrality' areas to the highest technically available limits (TAL). This proposed duty focussing on an infrastructure led solution is to be supported. Assuming that legislation was put in place and wastewater treatment works were improved, it is probable that there will still remain a longer term need for mitigation albeit less per dwelling than is currently the case. More importantly, it is likely that there will still be a need for existing levels of mitigation prior to any changes made to wastewater treatment works.
- 6.1.6 The Council continues to explore other options to reduce the scale of the challenge. One approach is for the Environment Agency to undertake a Solent specific nitrogen permit review or formal 'Review of Consents'. This is particularly relevant as the Fullerton WwTW and Romsey WwTW do not have permits in place for nitrogen. Reviewing the permits which set the level of nitrates discharged in the water it could reduce the levels of nitrates currently seen. Further details and timescales for the permit review are yet to be confirmed but it is hoped that these will be considered by Southern Water, Environment Agency and OFWAT as part of the five year investment programme for the period 2025-30 as part of the TAL process under the proposed LURB duty. However, this option is currently not available to the Council and as such an alternative short term solution needs to be secured. It should also be noted that the providing permits would not eliminate the issue but would mean the size of the constraint may become more manageable as the level of mitigation per home would be significantly reduced.

- 6.1.7 There is also the emerging 'EnTrade' scheme – the Solent Nutrient Market Pilot, a nutrient trading platform supported by DEFRA and Natural England. This strategic initiative is welcomed and is designed to better identify the level of mitigation needed across the wider Solent/ Hampshire area and to bring forward mitigation solutions for developers to access in the most economically and environmentally efficient manner. However, the project is still being developed and does not yet provide mitigation options for developers. Officers are currently considering the details of this scheme.
- 6.1.8 There are currently four mitigation schemes the Council is aware of within the River Test and Itchen catchment with the ability to sell credits to support development in the Borough. These are sites owned/run by Roke Manor (from whom the Council purchased its first two sets of nitrate credits), Eastleigh Borough Council (EBC) inside their area; National Trust at Hinton Ampner; and private land owners at the Grange Estate, Abbotstone, Winchester. Further schemes are coming forward within the River Test and Itchen catchments however these are in their infancy with credits not yet available.
- 6.1.9 The current market for credits from the established sites is estimated at £3,000 -£3,500. The increase market in price for some mitigation schemes since the Council's previous purchase indicates that demand is eating into current supply i.e. more credits are being taken up than new mitigation schemes coming forward at present.
- 6.1.10 A factor considered by Council previously is the length of time in recovering the cost of purchase. The existing agreed approach is that the credits are secured by applicants through an individual S106 agreement with the trigger for payment being prior to occupation as this is the point at which the development impacts the environment. This results in a lag between the allocation of credits and the receipt of funds for those credits. It is difficult to know how long that lag would be. A conservative estimate, especially for those schemes with outline planning permission, would be 18-24 months between permission being granted and occupation. It is considered that it would be unreasonable to apply an earlier trigger (e.g. prior to commencement or payment when credits are first allocated) as the mitigation is only required once the development is first occupied. In addition the credits acquired by the Council are mainly intended to support SMEs who may not generally be as well placed to deal with up-front costs as much larger volume house builders. Payment is index-linked back to the date of Council expenditure on purchase of the credits. This will remain the case for any future purchases.
- 6.1.11 However, in order to ensure that developers are committed to delivery and the Council is receiving a financial return as quickly as possible it is proposed to introduce a deposit scheme based on the value of the total credits required. To take account of the financial outlay from smaller developments it is proposed that the deposit scheme will be stepped dependent on the number units. For example, 1-5 units a 10% deposit; 6-10 units a 15% deposit, 11+ units a 20% deposit. The introduction of this scheme will require the mitigation framework to be amended.

6.1.12 It will be necessary for both the financial contributions framework and specific credit purchase to be monitored and kept under review, especially in light of how any market may develop and the principle and scale of other available off site mitigation. Should sufficient alternative mitigation solutions become available then the Council may wish to step back from direct participation in acquiring and making credits available to applicants for planning permission and alternatively only have a signposting role to mitigation schemes administered by other parties.

6.1.13 Having balanced the considerations it is recommended that 100 credits are purchased forthwith and delegated authority is given to the Head of Planning and Building (in consultation with the others referenced in the recommendation) to enter into the purchase of up to a further 400 credits as the need presents itself, having regard to all of the factors mentioned in the preceding paragraphs.

## 6.2 **Option 2**

6.2.1 The alternative option is that the Council does not purchase any more credits. To not to proceed with the recommendation would mean that achieving nutrient neutrality continues to be challenging for some developers especially in the short term. This is particularly the case for brownfield sites and for those developments which discharge their wastewater to WwTW without a permit limit, or which are reliant upon non-mains drainage.

6.2.2 One of the main consequences of not purchasing the credits is the implications this has for housing delivery. If delivery of homes is not achieved in the short term, this puts pressure on the Council's housing land supply position and puts the Borough at risk of speculative planning applications which have managed to secure nitrate mitigation through some means.. In the medium and longer term the Council will need to be able to demonstrate a suite of available mitigation measures as part of delivering the next local plan and the future housing requirement. At this stage it is too early to know what mitigation approach will need to be put in place or at what scale.

6.2.3 At the time of the initial purchase it was identified that it would be difficult to try and gauge future demand for the credits. There was a risk that in purchasing the credits the Council may not be able to dispose of all of them. That risk remains. However, given the response the Council has had it is considered that the risk of not being able to dispose of the credits purchased is low. This is further mitigated by the number of credits recommended to be purchased. Should the Council find itself in the position of not having disposed of all of the purchased credits these could be 'banked' to contribute to mitigation for development in the two town centres. This would further reduce the risk.

- 6.2.4 A linked risk relates to the availability of alternative mitigation sites/ credits arising from other landowners, especially if those credits were made available at a lower price. As covered above, whilst other schemes are available the price of credits is either comparable or higher to that which the Council is currently able to secure from providers. Whilst there is a risk of 'competition' from other mitigation sources unallocated credits could be 'banked' for the Council's own development in Andover and Romsey.
- 6.2.5 A further issue is that there is a risk of non-implementation of a planning permission and therefore no nitrate tariff payment made. Whilst this could occur it is considered to be rare given the current housing market and delivery rates within Test Valley.
- 6.2.6 There is also a risk that an applicant could reserve Council credits but then decide to use alternative measures e.g. cheaper credits being sold from an alternative source/landowner. This risk could occur both prior to signing the S106 or after issuing planning permission through applying to vary the S106. Whilst possible, this situation would only occur if those alternative credits are being sold at a price significantly lower than the current value of £3,000. The likelihood of this occurring is difficult to forecast but given the procedural delays, additional costs involved with varying the S106, and the current value of credits it is unlikely that applicants would chose to swap mitigation so late in the process. This risk does highlight the need to monitor progress of schemes between allocation and permission and why it is recommended that a deposit scheme being introduced.
- 6.2.7 In April 2021, when considering the purchase of nitrate credits, the Council also approved a strategic land purchase at Bury Hill. The site's previous agricultural use would generate a nitrate benefit from its change of use. Work commissioned has calculated the principle, scale and delivery of any nitrate credits. Based on that initial calculation any credits that would arise from the Bury Hill would not be sufficient to provide mitigation for the anticipated demand or from the Council proposals within Andover and Romsey.
- 6.2.8 If the decision were to not purchase further credits, the Council could take on a role of 'sign posting' applicants to available mitigation schemes. Whilst this removes the financial risk there would be no mechanism for the Council to directly support the delivery of development and would have no ability to control the wider availability of credits, nor would smaller developers be able to participate in a simpler, quicker process that the Council's approach provides.
- 6.2.9 It is for these reasons that this option is not recommended.

## **7 Risk Management**

- 7.1 Risks of the proposed options are set out in the narrative above. These relate to the financial outlay, the timing of repayment and whether all credits will be purchased. The report outlines the approach which officers have taken or identified in reducing the risk to an acceptable level. This includes limiting the number of credits purchased at any one time and identifying the ability to bank surplus credits to benefit development on Council land.



## **8 Resource Implications of the recommended Option One**

- 8.1 The cost of purchase of the further 100 credits as set out at paragraph 1 of the recommendation is likely be £300,000. Stamp Duty Land Tax is not payable on this transaction.
- 8.2 The existing tariff approach of £3,000 /credit is indexed on payment to reflect inflation (at base date of purchase) and mitigate the lost investment income faced by the Council from forward purchasing the credits. Also charged is a £100 monitoring fee.
- 8.3 These purchases would be funded by internal borrowing, as permitted within the Capital Strategy to be repaid from the eventual sale of credits. Any impairment costs would be met from the unallocated balance on the New Homes Bonus Reserve.
- 8.4 It is proposed that the Head of Planning & Building in consultation with those referenced in the recommendation be given delegated authority to acquire up to a further 400 credits with a total cost of no more than £1.2M. Members will note that the Head of Finance and Resources is a named consultee and would advise on the affordability and other financial implications of subsequent purchases as the need arose.

## **9 Legal Implications**

- 9.1 The implications relating to the Habitats Regulations and the nitrate mitigation benefits arising from the site have been outlined within the report.
- 9.2 The purchase of credits and the associated mitigation will be governed by appropriate section 106 and Allocation Agreement/s.

## **10 Equality Issues**

- 10.1 The EQIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have and will be taken.

## **11 Other Issues**

- 11.1 Ward/communities affected.
  - 11.1.1 The purchase of credits has the potential to benefit the delivery of homes throughout the borough that fall within the catchment of the River Test and Itchen. Future mitigation sites could be located anywhere within the River Test and Itchen catchment. On 16 November 2022 Council approved the principle of Cross-Authority nutrient mitigation agreements within the Test and Itchen catchment areas.
- 11.2 Sustainability and addressing climate change.
  - 11.2.1 As outlined in the report there is the opportunity to deliver a number of measures which can help address climate change through the management plan.

## 12 Conclusion and reasons for recommendation

- 12.1 The challenge of continuing to deliver new residential development which requires nutrient mitigation is one that many Hampshire authorities are facing. Whilst there are now more options available to developers to secure mitigation, compared to when the Council first agreed to acquire nutrient credits, the market is still relatively young and developing which creates a degree of uncertainty as to how residential schemes will be able to achieve nutrient neutrality enabling planning permission to be granted and accommodation built. Hence it is recommended that the Council buys a further 100 credits with the flexibility to acquire more should the need arise. This is in line with the Council's adopted Nitrate Mitigation Framework.

### Background Papers (Local Government Act 1972 Section 100D)

Borough Local Plan 2016

Nutrient Neutrality - Off Site Mitigation Financial Contributions Framework (2021)

Climate Emergency Action Plan 2020

Corporate Plan 2019-23

Green Spaces Strategy (draft) 2020

Natural England Advice and Guidance on Achieving Nutrient Neutrality (March 2022).

### Confidentiality

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

No of Annexes:	0	File Ref:	Pp5.1.1
(Portfolio: Planning) Councillor P Bundy			
Officer:	Graham Smith	Ext:	8141
Report to:	Council	Date:	23 February 2023

## ITEM 14

## Area Planning Committee Review

Report of the Planning Portfolio Holder

### **Recommended:**

**That the retention of the current committee structure comprising the Northern Area Planning Committee and Southern Area Planning Committee be approved.**

#### SUMMARY:

- To review the change in committee structure approved at Council on 10 April 2019 and to decide whether to retain the current arrangement or implement an alternative option for Committee decision making.
- Council agreed that the existing Development Management Committee Structure be abolished and replaced with two smaller Northern and Southern Area Committees comprising thirteen members each. Planning Control Committee should not be replaced.
- The alternative option considered is to re-introduce the previously disbanded Planning Committee arrangements which comprises two Area Committees (North and South) and a Planning Control Committee.

### **1 Introduction**

- 1.1 At its meeting on 10 April 2019, Council resolved that the existing Development Management Committee Structure be abolished and replaced with a new Committee structure. This amendment to the committee structure reflected one of the options for change recommended in the Planning Advisory Service's (PAS) Peer Review of the operation of the Planning Committees which was completed on 22 November 2018.
- 1.2 As part of the introduction of the new system, it was originally agreed that its performance would be reviewed ahead of Annual Council 2020.
- 1.3 However, due to advice issued by Natural England shortly after adopting the new Committee structure concerning the impact of Nitrate pollution on nationally protected sites in and around the Solent, and the consequences for planning decision-making across the borough particularly in relation to proposals for many forms of residential development, the number and type of applications being considered by the Committees was significantly affected, and not reflective of typical Committee business. As a result it was considered that realistic conclusions about the effectiveness of the new Committee structure could not have been drawn at the time. It was therefore subsequently agreed at Council on 26 February 2020 that the review be delayed until such time as, in the opinion of the Head of Planning and Building and the Planning Portfolio holder, normal business had resumed and a monitoring period of 12

months had been achieved. It is considered that this point has now been reached so it is possible to meaningfully review the operation of the Committee structure.

## 2 Background

- 2.1 In October 2018 the Planning Advisory Service (PAS) carried out a Peer Review of the operation of Planning Committees at Test Valley Borough Council, culminating in their report of 22 November 2018 – copy at Annex 1.
- 2.2 The PAS report identified a number of issues regarding the operation of the three committee structure and concluded that it was not an effective or efficient approach to discharging the Council’s planning decision making function. It identified options for changing the structure, all of which included the abolition of the Northern Area and Southern Area Planning Committees and the Planning Control Committee (PCC) as they had existed. It was recommended that the Council adopt alternative arrangements, and one option suggested involved the formation of a Northern Area Planning Committee (NAPC) covering the area to the North of the Mid-Test Ward, and the Southern Area Planning Committee (SAPC) covering the area to the South of and including the Mid-Test Ward. Each Committee would comprise thirteen members. An alternative option in the report was to have a single committee covering the whole borough but it was acknowledged that, if this step was viewed as too radical, two areas committees would be appropriate at least on an interim basis. The Council decided not to pursue the single committee option.
- 2.3 The new Development Management Committees came in to effect from 9 May 2019.
- 2.4 The number of Committee meetings that have taken place, are:

	<u>May – Dec</u> <u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>SAPC</b>	8	13	14	15
<b>NAPC</b>	7	5	11	12

## 3 Corporate Objectives and Priorities

- 3.1 Facilitating an effective and efficient Development Management Committee system directly contributes to the corporate priorities of investing in Test Valley as a great place to:
- live, where the supply of homes meets local needs and enjoying the natural and built environment;
  - work and do business;
  - enjoy the natural and built environment; and
  - contribute to and be part of a strong community.

## **4 Consultations/Communications**

- 4.1 A meeting was held with the Planning Portfolio Holder and the Head of Planning and Building to consider the way forward with the review of the revised Committee structure. It was agreed that the views of officers and members involved in the decision making process would be sought to inform the decision that would then be recommended to Council.
- 4.2 A meeting with Planning Officers has taken place to gain an understanding of their experiences of the current structure and to seek their opinions as to how effectively the current system is working.
- 4.3 Members were also invited to contribute their views about the structure in two questionnaires circulated in the summer of 2022.
- 4.4 The first questionnaire was sent to the 26 members who comprise the NAPC and SAPC (copy at Annex 2). The second questionnaire was sent to all 43 Councillors (copy at Annex 3).

### Questionnaire 1

18 Councillors (comprising 69% of Committee members) engaged with the questionnaire. In summary, there was a wide range of views expressed, some of which were contradictory in relation to how well the committee structure operates in its revised form with a number favouring a return to the former arrangements or at least having more members on committee. However, overall a significant majority were supportive of the present arrangements (c70% considered it was working well) and size of membership (c70%). Furthermore, 75% thought that the Ward Advocacy role is effective and assists in the quality of decision making. A number of comments were made regarding further improvements which could be made to the committee process and these can be considered by officers to see which can be taken forward.

### Questionnaire 2

23 Councillors (comprising 53% of all Councillors) engaged with the questionnaire. As with survey 1 there were a very broad range of comments made and Members clearly held different views regarding how well the current system operates. However, a substantial majority (c91%) thought the arrangements were working with the smaller committees. 64% of non-committee members considered the role of ward advocacy role worked well. A number of comments and suggestions were submitted regarding the operation of the committees and how they could be changed/improved.

- 4.5 The Full report of comments and results arising from both questionnaires are appended to this report.
- 4.6 A report was also presented to the Overview and Scrutiny Committee at its meeting on the 23 January 2023 which recommended that members of that Committee endorse the recommendation to adopt the new Committee structure. Taking into account the report recommendation, the scope and responses to the questionnaires and reflecting on some of the Overview and

Scrutiny Committee members' individual experience on, or at, Planning Committee, the Overview and Scrutiny Committee generally felt that the current committee system worked well and the committees were making good decisions. Members also discussed;

- Viewing panels
- Ward advocacy role
- Call in arrangements
- Political proportionality of the Committee

The Committee considered that training is very important and members should make every effort to attend and it was requested that the training recommendations from the PAS report be adopted. The committee resolved

*“That Council be advised that the Overview and Scrutiny Committee endorses the retention of the current committee structure comprising the Northern Area Planning Committee and Southern Area Planning Committee”*

## **5 Options**

### **5.1 Option A**

That the recommendation set out in this report be approved and the current arrangements of having a Northern Area Planning Committee and Southern Area Committee comprising 13 members each remain in place.

### **5.2 Option B**

Revert back to the previous arrangements.

### **5.3 Option C**

Adopt some other arrangements for discharge of the function.

## **6 Option Appraisal**

### **6.1 Option A- Adopting the recommendations of this Report.**

The advantages of the structure adopted by the Council in April 2019, based upon the PAS report, were as set out below.

- (a) This option provides the opportunity for non-Committee Ward Members to attend and speak at Planning Committee meetings as advocates for their Wards and to fully develop their role as Ward advocates.
- (b) The removal of Planning Control Committee is likely to foster robust and well informed decision-making at Planning Committees with increased accountability.
- (c) The removal of Planning Control Committee would simplify the planning decision-making process for members of the public and Councillors; resulting in a more straightforward, transparent and accountable system where the decision of the Planning Committee is the final decision.

- (d) This option provides the opportunity for better trained, specialised Members sitting on Planning Committees. However, it is envisaged that training will be available for all Members, irrespective of Committee Membership.
- (e) A reduced number of Committee Members would make site visits more effective and manageable.
- (f) The experience of Test Valley Borough Council Planning Committees by the public and customers of the Planning Service will be enhanced.
- (g) The Council will be proactively adopting and implementing the recommendations of its independent professional reviewers.

## 6.2 Disadvantages

- (a) Not all Members will have the opportunity to be a decision maker on planning applications and may consider themselves disenfranchised.
- (b) Planning Control Committee is often viewed as a safeguard so some might view its removal as a disadvantage.

## 6.3 **Option B – Retaining the existing Committee structure.**

### Advantages

- (a) Retains the ability of all Councillors to take part in decision-making on Planning matters.
- (b) The existence of Planning Control Committee provides a safeguard against rogue decisions.

## 6.4 Disadvantages

- (a) The ability of Members to act as advocates for their Ward is curtailed by the Council's Code of Conduct, Local Code for Members and Officers dealing with Planning Matters and the rules on bias and predetermination.
- (b) The Council may be perceived as continuing with a decision-making system which an independent specialist review has identified as ineffective.

## 6.5 **Option C- Adopt some other arrangement.**

### 6.6 Advantages – none apparent

### 6.7 Disadvantages – Recommended Option A has been arrived at following analysis of the current system which was entered into following an independent and evidence based review (PAS). No alternative or more effective proposition presents itself so Option C is not recommended.

6.8 Review of the current committee structure and recommendation

6.9 It is the experience of planning officers, and conclusions that can be drawn from the members survey responses received, that overall the revised committee arrangements are working effectively and efficiently and are conducive to sound planning decision making. The advantages of the present system identified by the PAS report, as summarised above, are largely being realised whilst acknowledging that some members would still favour different arrangements. It is considered that having two area committees of 13 members each strikes an appropriate balance between committees that are of a sufficient size to provide democratic representation for their areas, with non-committee members being able to participate in the process via their role as Ward Advocates, whilst being manageable and able to make robust and well informed decisions. This is therefore beneficial to all parties that take part in the committee decision-making process including developers, agents, parish councils and the public.

6.10 The alternative would be to revert back to the former three committee system. However, it is considered that the issues identified by the PAS review would very likely surface again, if the Council reverts to this arrangement, which would not therefore be consistent with maximising the efficient and effective operation of the committee decision-making process. It has been shown over the last two years or so that having a streamlined committee arrangement can work well and so retaining the system in its current form is considered to be the best option and delivers benefits when compared to the previous more complex structure as set out above.

6.11 The questionnaires identified a number of suggestions that could, reasonably, help to further develop the efficiency, effectiveness and professionalism of the Area Committees and ensure appropriate support by Officers is provided. For example, additional training (both in-house and external) – also endorsed by the Overview and Scrutiny Committee; greater awareness of the ‘Ward advocate’ role; a commitment to regularly review decisions/case studies; greater dialogue between Councillors and Officers in advance of Committee meetings; the importance of site visits, viewing panels and Officer photographs to the decision making process. Officers can consider this useful feedback and decide how best to take these points forward.

6.12 For these reasons, adopting the proposals of this report set out in Option A is therefore recommended.

**7 Risk Management**

7.1 A risk assessment has been carried out and 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 No resource implications are identified.



## 9 Legal Implications

- 9.1 Amending or agreeing the powers and duties for Committees, deciding on their composition and making appointments to them is a function of Full Council.

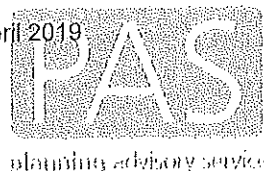
## 10 Equality Issues

- 10.1 This report does not identify any issues relating to equality.

## 11 Conclusion and reasons for recommendation

- 11.1 In 2018 an independent Peer Review identified significant obstacles to efficient decision making in the Council's Planning Committee structure. In response to the issues identified the Council adopted a revised Committee structure, based upon one of the report's recommendations, for simplifying and streamlining the decision making arrangements with a commitment for the performance of the new Committee structure to be reviewed prior to Annual Council 2020 (this period of time was then extended because of the impact of nitrate pollution on planning decision making).
- 11.2 It is considered that many of the benefits of the revised structure, as set out in the PAS review and highlighted above have been delivered and planning decision making has been enhanced as a result.
- 11.3 Following a full and comprehensive review of the Committee structure and practice, and taking into account the resolution of the Overview and Scrutiny Committee meeting of the 23 January 2023 this report therefore recommends permanent adoption of the current planning committee structure put in place following the PAS review, as agreed by Council originally on 10 April 2019.

<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:	3	File Ref:	N/A
(Portfolio: Planning) Councillor P Bundy			
Officer:	Jason Owen	Ext:	8173
Report to:	Council	Date:	23 February 2023



## **Test Valley Borough Council Planning Advisory Service (PAS) Peer Review of the operation of the Planning Committees**

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#### **Appendix 1: Interview Timetables**

#### **Appendix 2: Planning Panel's Final Report- Overview and Scrutiny Report - 19 September 2018**

#### **Appendix 3: Task and Finish panel Review: The Member's Role in Planning- Overview and Scrutiny – 26 March 2014**

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## 1. INTRODUCTION

- 1.1 Test Valley Borough Council, Head of Planning and Building Control, Paul Jackson invited the Planning Advisory Service (PAS) to undertake a peer review of the operation of its Planning Committees, in October 2018.

### PAS Peer Review Team

- 1.2 The Planning Advisory Service invited Peer Reviewers Councillor Stephen Parker (Opposition Leader at Hart District Council and previously cabinet member for planning policy) and Gilian Macinnes (Planning Consultant and previously Head of Planning Sevenoaks District Councils and Development Control Manager Sevenoaks District, Maidstone Borough and Royal Borough of Windsor and Maidenhead), to undertake the review. This was agreed by the Head of Planning and Building Control, Test Valley Borough Council.

### Review Timetable & Outputs

- 1.3 As part of the Peer Review, the Test Valley Planning website, committee agendas for October 2018 were assessed, other relevant reports and statistical information including reports to Overview and Scrutiny Committee (2014 & 2018). The Peer Reviewers interviewed officers and members including the chair and vice chair of the planning committees and the head of Planning and Building Control (see appendix 1); they visited the Southern Area Planning committee on the 6<sup>th</sup> October 2018 and the planning control committee on the 16<sup>th</sup> October 2018. An 'Initial Thoughts' feedback session took place with chairs and vice chairs, the portfolio holder, lead opposition councillor and Head of Planning and Building Control on the 16<sup>th</sup> October 2018, after the Planning Control Committee. The final draft report was sent through to Paul Jackson, Test Valley on the 19 November 2018 and the Final report was sent through on the 22<sup>nd</sup> November 2018.
- 1.4 **The Peer Reviewers would like to put on record their thanks to Test Valley Borough Council for the cooperation of members and officers during this Review process.**

### Test Valley Key Planning Issues

- 1.5 The Peer Reviewers asked interviewees what they considered were the key town planning issues. Responses included: the delivery of housing (with Infrastructure) and affordable housing, the protection of the countryside and heritage issues. Many of the interviewees focused on controversial issues such as development in the villages.

### Peer Review Assessment

- 1.6 The Peer Review has reviewed issues under the following headings:

#### Trust – Roles and Conduct of Officers and Members

- Code of Conduct
- Local planning Code of Conduct and Planning Practice Guidance
- Roles and Conduct of Officers and Members - Findings

#### Decisions -Delegation and Call-In

- Delegated Decisions to Officers
- Planning Board "Call In" Procedures

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**Pre-Application Discussions**

- Pre-Application process options

**Quality Information, Reports and Training**

- Member Training
- Planning Report Values and Essentials
- Planning Report Contents

**Committee Management**

- Overview - Committee/Board size
- Executive Members
- Southern Area Planning Committee
- Northern Area Planning Committee
- Planning Control Committee
- Site Viewing Panel
- Pre Meeting/Briefings

**SHOP WINDOW**

- Shop Window on the Council

**2. CONCLUSIONS & RECOMMENDATIONS****2.1 Overall Conclusion**

Test valley has good performance in terms of Government speed of throughput for major planning applications and has exceeded Government performance targets on non-majors, and the quality of decision making performance indicator. The authority have a good code of conduct and local code of conduct in relation to planning. The planning officer reports are generally clear, covering all the relevant development plan policies and issues. Therefore, Test Valley are doing well in relation to many elements of the planning service. However, the current committee structure is not an effective or efficient approach to discharging the Council's planning decision making function. The overall scale of the committees can, and does, adversely affect the ability of the committee to operate in a clear and efficient manner and can provide a poor experience of Test Valley for the public and customers of the planning service.

There has been reference over many years to the issues facing the planning committees including the scale, need for training, approach of councillors and their relationship with officers and it would appear that there is now an appetite, by some, for change. The recommendations are focused on restructuring the committees and creating a more professional, focused and dedicated decision making in the public interest, and enabling ward members to attend the committee as an advocate for their wards.

**2.2 Conclusions and Recommendations****TRUST – ROLES & CONDUCT OF OFFICERS AND MEMBERS****Conclusions**

- All Councillors sit on one of the area planning committees and the scale of the committee

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contributes to issues such as insufficient training for all committee Members, the lack of 'professionalism' and clarity in proceedings referred to by interviewees. Test Valley BC's codes and guidance regarding the standards required of the planning committees are clear. Most of the main probity issues are well understood by Members but there are still actions which could be perceived as bias or predetermination; the area committees do not always demonstrate their commitment to making decisions on the basis of the "whole community"; and it is not always apparent that all the Members understand "material planning considerations". A number of the concerns are particularly related to the SAPC, for example, a lack of trust and officers feeling intimidated by the confrontational approach of some Members. Although it has been noted that the relationship between Members and officers at the SAPC has improved over the last 18 months. Planning Control is thought by many to be a safety net but can be perceived as an officer threat.

#### Recommendations:

- Review the committee structure to create a more effective and efficient decision making body where the proceedings can be more clearly understood, where all the members are trained to effectively execute the planning decision making function of the Borough and make decisions in the public interest of the whole Borough, in accordance with the Development plan, unless material planning considerations indicate otherwise.
  - Create one smaller Borough wide committee (no larger than the Planning Control Committee) to make decisions for the whole Borough.
  - Alternatively, if the single committee is considered too radical at this time, create two small area committees to make decisions in the interests of the whole Borough.
- Training - material considerations, probity (predeterminations, pre-disposition and bias)
- Relationship building between officers and members e.g. workshops, joint training

### 2.3 DECISIONS – DELEGATION AND CALL-IN

#### Conclusions

- The Test Valley BC delegation level is reasonably high but delegation procedure can give rise to all types of application being called to committee and it is not always clear why they have been brought before the committee. The Planning Control Committee doesn't run very often but is seen by many as saving the Council money and reducing appeals.

#### Recommendations

- Test Valley BC amend the delegation agreement to introduce a requirement that Members wishing to call an application to committee state a planning reason for bringing the application to committee and this is reported as part of the Case officers report.

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- Amend the delegation agreement/standing orders to abolishing the area committees and PPC and restructure to a single Borough-wide committee (akin to the PCC committee).

## 2.4 PRE-APPLICATION PROCESS

### Conclusions

The pre-application page of the web site provides relevant pre-application advice in PDF form but this could be expanded to increase its usefulness, to include links to relevant documents, the role of Councillors at pre application stage and the use of Planning Performance Agreements (PPA), particularly for major schemes. Several Supplementary Documents are old and require review.

### Recommendations:

- The planning pre application advice page could be usefully expanded to include other useful information, planning performance agreements, Members role in pre- application engagement and links to the relevant plans and supplementary planning documents
- Further advice on effective pre-application Member engagement should be produced to ensure that all engagement is in line with the Codes of Conduct.
- All Supplementary Documents should be reviewed to ensure they are up to date with current development plan policies and the National Planning Policy Framework

## 2.5 QUALITY INFORMATION, REPORTS & TRAINING

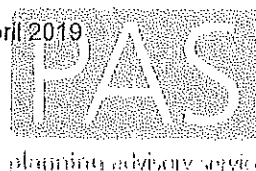
### Conclusions

- The quality of the information, reports, plans and agenda notes are clear and cover the key issues although the NPPF policies need updating and some minor changes should be considered to further improve clarity of reports. All members require additional training and an ongoing training programme for planning decision makers should be devised and an annual review of decision making and developments should be undertaken as a learning opportunity for Members. Chairmen and vice chairmen should be provided with specialist chairmanship training. Members should be further encouraged to ask questions of the officers in advance of committee which would result in speedier more informed decision making. To improve the understanding of the committee, the information provided for the public on the agenda should also be on the website and publicised on relevant correspondence.

### Recommendations:

- Training: All Members undertake a programme of planning and probity training, including, decision making (defensible, robust, lawful decision making focusing on material planning consideration and public interest) and members that sit on planning committee undertake a more detailed training programme including: Government policy/guidance e.g. NPPF; technical training e.g. design and training on probity.

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- Training: All Planning chairs and vice-chairs undertake planning chairmanship training.
- At least annually, all planning committee decision makers undertake a review of a selection of decisions and visit developments in the Borough.
- Committee reports: Include comparison or summary tables where relevant
- Committee reports: Collate the same consultees responses together -- to understand the development of views.
- Further encouragement for any Member with questions of the application/report approach officers in advance of the committee.
- Agenda/website- Include Information notes on the website and include links in correspondence to inform the public and users of the Planning Service in advance of the committee, to aid greater public understanding of the planning application committee processes.

## 2.6 PLANNING COMMITTEE MANAGEMENT

### Conclusions:

- The overall scale of the committees can, and does, give rise to issues that affect the efficiency and effectiveness of the decision making and provide a poor experience for the public and customers of the planning service.
- There appears to be a view that the process could be improved and a will by some, but not all, to change the current committee structures. Restructuring the committees and creating a more focused and dedicated decision making body focused on: enabling ward members to attend the committee as an advocate for their wards and decision makers to concentrate on making decision in the wider public interest. The smaller committee would also release the executive members to focus on their portfolio and avoid any potential conflict of interest or perception of a conflict. The smaller committee will also improve the focus of the planning site visit panel

### Recommendations:

- Restructure the planning committee into 1 Borough -wide committee and no planning control committee, with a membership of circa 13 members or similar to facilitate balance. OR
- If the single committee is too radical a proposal at this time, introduce an interim step of creating two small area committees and remove the Planning Control Committee.
- The creation of a single, or two smaller committee, should not include executive members enabling them to focus on their cabinet role and avoid any potential conflict of interest, or perception of a conflict.

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Note: these changes will also require changes to the constitution to facilitate ward representation; and training for Members on the role of ward advocate and Planning committee decision maker ensuring that planning committee decisions are robust and defensible, taking over this role from the PCC.

- Award of Costs workshop: case studies, from other authorities, of the circumstances and cost award to develop an understanding of unreasonable behaviour.

## 2.7 PLANNING COMMITTEE SHOP WINDOW

### Conclusion

- The planning committee/s are one of the main 'shop windows' for any council, there are people that will only ever come into direct contact with how the council operate through planning applications. The current committees have good clear reports and visual aids, reasonable formality between officers and members, but difficult confusing layouts and are so large that it is difficult to follow proceedings which are extremely lengthy. The scale of the committee; the lack of training; confusion of ward advocate/committee decision maker roles; lack of preparation by some members; culture, in the SAPC, that members want to be seen to speak and are repetitive leading to very lengthy periods on each application (in excess of an hour)- do not result in the appearance of a 'professional' decision making body that represents the community. As set out above, the reduction in the size of the committees, to one single committee with ongoing training will result in a committee that can make planning decisions in a more effective and efficient manner for the whole of Test Valley Borough.

## 3. TEST VALLEY BOROUGH COUNCIL & TOWN PLANNING CONTEXT

### Geography and Politics

- 3.1 Test Valley is located in Hampshire, North of Southampton and the New Forest, East of Wiltshire, and West of Basingstoke & Deane and Winchester. It is a long borough with two urban centres Andover and Romsey and a sizeable rural area populated by many villages.
- 3.2 In the 2015 Local Elections 48 councillors were elected: 37 conservative councillors, 9 Liberal democrat councillors and 2 Independent councillors. The council has full election, for all seats in May 2019.

### Key Planning Issues and Documents

- 3.3 Test Valley Borough's overall town planning policy context and strategic policies is set out in the Test Valley Borough Revised Local Plan DPD - 2011 - 2029 which contains policies for determining planning applications and identifying strategic allocations for housing, employment and other uses. This Local Plan was adopted by the Council on 27 January 2016.
- 3.4 Those interviewed in the review consider the key planning issue to be the delivery of housing growth and the protection of the countryside in the Borough.
- 3.5 Test Valley has a history of delivering housing, most recently 891 units in 2016/17, above that required by the local plan. The 2016/17 level was slightly down on 2015/16. The historic rates of delivery were: 1004 units in 2015/16, 880 units in 2014/15 and 542 units in 2013/14. As at 1st April 2018, the Housing Land Supply position for Northern Test Valley was 7.65 years, and for Southern Test Valley was 7.97 years. These figures are assessed against a target of 5.00 years.



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#### 4. TRUST – CODES OF CONDUCT - THE ROLES OF THE PLANNING COMMITTEE MEMBERS AND OFFICERS IN DECISION MAKING

##### 4.1 Trust –Code of conduct:

Test Valley Borough Council has a Constitution and Code of Conduct that clearly sets out the need to comply with the 7 Standards of Public Life, (Selflessness; Integrity; Honesty; Objectivity; Accountability; Openness and Leadership). The code sets out pecuniary and personal interests and the general obligations for Members includes:

##### ***Part 2: General obligations for members***

##### *2.1 When acting in your role as a Member of the Council:*

- (a) Do treat others with respect.*
- (b) Do ensure that you are aware of and comply with the requirements which the Bribery Act 2010 places on you in your role as a Member and on the Council as a whole.*
- (c) Do ensure that you behave in accordance with all the Council's legal obligations, policies, protocols and procedures as they relate to your conduct.*
- (d) Do not do anything which may cause your Council to breach any of the equality enactments (as defined in Section 33 of the Equality Act 2006(a)).*
- (e) Do not bully any person (bullying is offensive, intimidating, malicious, insulting or humiliating behaviour that is directed at someone over whom you have some actual or potential influence).*
- (f) Do not intimidate, or try to intimidate, anyone who has complained about you or who may be involved with a complaint about you.*
- (g) Do not do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your Council.*
- (h) Do not disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:*
  - you have the consent of a person authorised to give it;*
  - you are required by law to do so;*
  - the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or*
  - the disclosure is:*
    - (a) reasonable and in the public interest; and*
    - (b) made in good faith and in compliance with the reasonable requirements of the Council.*
- (i) Do not prevent another person from gaining access to information to which that person is entitled by law.*
- (j) Do not use or try to use your position improperly to obtain an advantage or disadvantage for yourself or any other person or body.*

##### *2.2 When making decisions on behalf of or as part of the Council:*

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- (a) *Do exercise independent judgement and do not compromise your position by placing yourself under any obligations to outside individuals or organisations who might seek to influence your decision"*
- (b) *Do have regard to any relevant advice provided to you by the Council's Chief Financial Officer and Monitoring Officer where such advice is offered pursuant to his or her statutory duties.*
- (c) *Do give reasons for the decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the Council.*

#### 4.2 Trust - Local planning code and planning practice guidance

In line with good practice the Council also has a local code of conduct for planning matters which clearly sets out the approach to determining planning applications. The local code of conduct, in relation to determining planning applications states:

*"1.2 Determining a planning application is a formal administrative process involving rules of procedure, rights of appeal, and an expectation that people will act reasonably and fairly. Those involved should always be alert to the possibility that an aggrieved party may:*

- (a) *seek judicial review of the way the decision was arrived at; and/or*
- (b) *complain to the Local Government Ombudsman on grounds of maladministration; and/or*
- (c) *complain to the General Purposes Employment Appeals & Ethics Sub-Committee that a Member has breached the Code of Conduct.*

*1.3 Decisions on planning involve considering private development proposals against the wider public interest. Much is often at stake, particularly the financial value of landholdings and the quality of their settings, and opposing views are often strongly held by those involved. It is important, therefore, that planning decisions affecting these interests are made openly, impartially, with sound judgements and for justifiable reasons. While Members should take account of various views expressed they should not favour any person, company, group or locality, nor put themselves in a position where they appear to do so. The process should leave no grounds for suggesting that a decision has been partial, biased or not well-founded in any way. The members' code of conduct requirement that a Member should act solely in terms of the public interest is also relevant in this context.*

*Officers*

*1.4 Officers must always act impartially*

*1.5 Officers are required to disclose to the council their direct and indirect pecuniary interest under section 117 of the Local Government Act 1972. Officers involved in processing and determining planning matters must also observe the guidance set out in the officers code of conduct concerning gifts and hospitality and with the relevant section of the Royal Town Planning Institute's Code of Professional Conduct."*

The code of conduct is in line with the requirements of the Planning Practice Guidance :

***"How must elected councillors and other members of the local authority consider planning applications?"***

*Local authority members are involved in planning matters to represent the interests of the whole community and must maintain an open mind when considering planning applications. Where members take decisions on planning applications they must do so in accordance with the development plan unless material considerations indicate otherwise. Members must only take into account material planning considerations, which can include public views where they relate to relevant planning matters. Local*

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*opposition or support for a proposal is not in itself a ground for refusing or granting planning permission, unless it is founded upon valid material planning reasons."*

*Paragraph: 016 Reference ID: 21b-016-20140306 -Revision date: 06 03 2014*

#### 4.3 Trust – Roles and Conduct of Officers and Members -Findings

- Test Valley BC is clear in its codes and guidance regarding the standards required of the planning committees. However, the area committees do not always demonstrated their commitment to making decisions on the basis of the "whole community".
- Member and Officer Applications: Planning applications by Members and officers are reported to the committee for decision. And there is clear guidance on the disclosure of pecuniary interests – both in general and with particular regard to town planning matters.
- At present all councillors are expected to sit on one of the area planning committees including executive (cabinet) members. The presence of the cabinet members can result in or give the perception of a conflict of interest.(see section 8)
- At the committees it is not always apparent that all the Members understand "material planning considerations". It is necessary for the officers to step in to identify when a councillor has strayed away from material planning considerations.
- The Northern Area Planning Committee (NAPC) demonstrate respect for the officers and their role. However, at the Southern Area Planning Committee (SAPC) there have been issues between Members and officers. The poor relationship between Councillors and officers led to a local press headline of: *"Planning officers accused of being disrespectful over proposal for 40 homes"* Some councillors approach to officers has been described by some as intimidation, aggression and adversarial questioning. The Council's code of conduct requires that members treat others with respect, do not intimidate, bully or do anything that would compromise the impartiality of the officers. These issues were identified the 2014 Overview and Scrutiny report . And more recently (18 months ago) these concerns were tackled by officers and senior Councillors and since that time there has been a significant improvement.
- It appears that there has been, and continue to be, a lack of trust between officers and some councillors, not all councillors appreciate or support the role of the officers as advisors to the Council. Therefore, further relationship building, particularly between officers and the SAPC is required.
- Predisposition and Predetermination – Managing Bias: There is guidance on predetermination in Test Valley BC's Planning code of conduct (paragraphs 4.4 - 4.9). Most of the main probity issues are well understood by Members but there are still actions which could be perceived as bias or predetermination e.g. leaving the chamber immediately after an item to talk to the supporter or objector, representing the views of applicant or objector, blurring the line between ward representation and public interest decision maker. Therefore, from observing the planning committee and undertaking the review interviews this is an area that would merit further training for Members and potentially clearer guidance. This is a complicated and delicate matter and is a subject that needs to be constantly addressed.

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- The use of the Planning Control Committee (PCC) is seen by some as a scare tactic by officers but most consider it to be a safety net. The PCC "safety net" has a different purpose, at different times. To some the PCC enables them to make popular decisions at area committees and be rescued from the consequences by PCC or to maintain the integrity of the policy or to maintain quality of the decision making (Government indicator) or save the council money in terms of appeal decisions or legal challenge.

### Trust – Conclusion and Recommendation

**Conclusions:** All Members sit on one of the area planning committees and the scale of the committee contributes to issues such the difficulty in sufficiently training all committee Members, the lack of 'professionalism' and clarity in proceedings referred to by interviewees. Test Valley BC's codes and guidance regarding the standards required of the planning committees are clear. Most of the main probity issues are well understood by Members but there are still actions which could be perceived as bias or predetermination; the area committees do not always demonstrate their commitment to making decisions on the basis of the "whole community"; and it is not always apparent that all the Members understand material planning considerations. A number of the concerns are particularly related to the SAPC, for example, a lack of trust and officers feeling intimidated by the confrontational approach of some Members. Although it has been noted that the relationship between Members and officers at the SAPC has improved over the last 18 months. Planning Control is thought by many to be a safety net but can be perceived as an officer threat.

### Recommendations:

- Review the committee structure to create a more effective and efficient decision making body where the proceedings can be more clearly understood, where all the members are trained to effectively execute the planning decision making function of the Borough and make decisions in the public interest of the whole Borough, in accordance with the development plan, unless material planning consideration indicate otherwise.
  - Create one smaller Borough wide committee (no larger than the Planning Control Committee) to make decisions for the whole Borough.
  - Alternatively, if the single committee is considered too radical at this time, create two small area committees.
- Training - material consideration, probity (predeterminations, pre-disposition and bias)
- Relationship building between officers and members e.g. workshops, joint training

## 5. DECISIONS - DELEGATION AND CALL IN

### 5.1 Delegation & "Call In" Findings:

- Test Valley BC have recently amended their delegation agreement (Jan 2018),

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removing the exception for applications that the Head of Planning and Building Control consider are of significant local impact/interest; adding that Members can withdraw their committee request at any time; and that notification applications no longer have to go to committee. Delegation levels to officers have recently increased from around 90% to 94%. A range of applications are referred to committee from residential extension to major schemes (in addition to those officer or councillor application that have to be referred in line with the code of conduct). There are mixed views about the nature of applications that are called into committee but many feel that the small residential type of applications do not need to be reported to committee and the planning reason for them being at committee is not always clear.

- The Member call in process is a two tier approach and it is not currently essential that councillors state the material planning/public interest reasons as to why they are being referred. Therefore, the reason is not always referred to in the report or clear why it is on the Committee agenda.
- There are quite regular overturns of planning recommendations at the area committees, particularly by SAPC, but these are often referred to the Planning Control Committee (PCC) and the final decision is frequently made in accordance with the original recommendation. The PCC is seen as essential by many as: it saves the Council money on costs that may follow an unreasonable decisions, or a court challenge and/or it protects the local plan policies where the decision would harm the policy. However, the ability for officers to refer applications to the PCC has been seen by some Members as facilitating them to make a 'popular' decision at area committee which will be overturned at PCC. The review was told of cases where officers did not make the referral, to the surprise of Members, and the decision was made contrary to recommendation. PCC referral by officers is seen by some Members as a scare tactic. However, most interviewees agreed that the PCC was effective in ensuring more robust, defensible decisions. Test Valley BC's level of appeal losses, in terms of major application quality indicator, are not concerning as they are mid- table (187/346) for major application decisions overturned at appeal. In addition, Test Valley BC have not been subject to recent court challenges.

## 5.2 Delegation and "Call In" Conclusions and Recommendation:

**Conclusions:** The Test Valley BC delegation level is reasonably high but delegation procedure can give rise to all types of application being called to committee and it is not always clear why they have been brought before the committee. The Planning Control Committee doesn't run very often but is seen by many as saving the Council money and reducing appeals.

### Recommendation:

- Test Valley BC amend the delegation agreement to introduce a requirement that Members wishing to call an application to committee state a planning reason for bringing the application to committee and this is reported as part of the case officers report.
- Amend the delegation agreement/standing orders to abolishing the area committees and PPC and restructure to a single Borough-wide committee (akin to the PCC committee).

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## 6. PRE-APPLICATION PROCESS

### 6.1 Pre-Application – Findings:

- Pre-Application Process: Test Valley BC offer a pre-application and planning 'duty' service for general planning enquiries. The pre-application leaflet and fee schedule is easily accessible on the Council's website as a PDF but the information page could be developed further to provide help to applicants and agents, including relevant links. It does not appear that Test Valley BC overtly offer 'planning performance agreements', this is an area that could be explored further to maximise the efficiency and effectiveness of the service particularly for major development proposals.
- Councillors and Pre application: Councillors rarely get involved in pre application meetings or presentations and there appears to be a distrust of this form of engagement. This could be a useful tool for the Council to use on large or complex schemes to facilitate greater understanding and enable Members input at an early stage. There is general guidance on this in the code of conduct but specific further pre application guidance would be required for all parties.
- Pre-Application supplementary planning documents : The Council provide a range of pre application supplementary planning documents (SPDs) including Andover Access Plan, Shopfronts, and Draft Residential areas of Special Character that will assist in the delivery of their planning policy aims. However, there are some SPDs that are considerably out of date e.g. Affordable Housing and Infrastructure and Developer Contributions that are out of date in terms of the NPPF and the Local plan. Out of date SPDs can cause difficulties and confusion to users of the planning service.

### 6.2 Pre-Application - Conclusions and Recommendations:

#### Conclusions

The pre-application page of the web site provides relevant pre-application advice in PDF form but this could be expanded to increase its usefulness, to include links to relevant documents, the role of Councillors at pre application stage and the use of Planning Performance Agreements (PPA), particularly for major schemes. Several Supplementary Documents are old and require review.

#### Recommendations:

- The planning pre application advice page could be usefully expanded to include other useful information, planning performance agreements, Members role in pre- application engagement and links to the relevant plans and supplementary planning documents
- Further advice on effective pre-application Member engagement should be produced to ensure that all engagement is in line with the Codes of Conduct.
- All Supplementary Documents should be reviewed to ensure they are up to date with

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current Development plan policies and the National Planning Policy Framework

## 7. QUALITY INFORMATION, REPORTS & TRAINING

### 7.1 Quality Information – Findings and Conclusions:

- **Planning Reports and Committee Agendas:** The reports are generally clear and cover all the key issues and have the reasons for refusal/conditions set out in full. However, the reports at the SAPC had not been updated to include the most recent changes to the National Planning Policy Guidance. The inclusion of location plans and appropriate plans as part of the reports is important. Some applications included comparison tables – this type of summary and comparison is extremely useful. In terms of the ease of understanding of the report, it would be helpful if all of the individual consultees responses were located together (dated) to understand the totality and development of that consultees comments. The inclusion of the information notes at the beginning of the agenda are extremely useful but may, additionally, be even more valuable for service users if it was included on the Council's website with links provided in correspondence regarding planning applications and committee. These notes could be expanded to provide an illustrative seating plan for the committee. The update paper clearly sets out the latest application correspondence and information, including whether there was, and who attended, a viewing panel and officers response to additional information including any amendments to the recommendation. It was apparent that not all committee members read the reports in advance of the meeting and very few councillors in the SAPC sought answers to their questions in advance of the meeting "preferring to keep their powder dry". Overall these issues, extends the meeting, and officers directing the Members to the committee report does not look prepared, and does not give the appearance of 'professional', robust, considered, decision making. This was also identified as an issue in the 2014 Overview and Scrutiny report.
- **Member Training:** The planning code of conduct (1.10) is clear that members who have not attended training sessions should not be involved in the decision making process. It is not however, clear how often this training should be (except that it is plural). At present Members get induction training but not ongoing training. The Policy Panel had recently undertaken a session on the new NPPF which was open to everyone but was not 'badged' as being necessary for all decision makers on planning applications and as training for planning committee members. The review has identified the need for planning decision makers to be trained on new Government policy/guidance e.g. NPPF; material considerations; technical training e.g. design and training on probity. The issue of planning training and poor attendance at planning training was raised in the 2014 and 2018 Overview and Scrutiny reports.
- **Planning Chairmanship Training:** All three planning committee have relatively new planning chairs, none of whom have had any planning chairmanship training. Even those with significant planning knowledge have not had chairing skills training and those that are experienced at chairing meetings haven't necessarily got planning chairing skills. The Overview and Scrutiny report in 2014 identified the need to provide Chairmen and vice chairmen of the Planning committees with Planning Chairmanship skills training. All chairs and vice-chairs would benefit from such training.
- **Decision and Development Review:** Currently members do not review planning decisions or new development within the borough, this is a lost opportunity to learn about their decision making, the decision making of officers and the Planning Inspectorate; and the physical

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impact of the development on the ground. This understanding and knowledge could feed into reviews of planning policy and guidance.

### Recommendations:

- Training: All Members undertake a programme of planning and probity training, including, decision making (Defensible, Robust, lawful decision making focusing on material planning consideration and public interest).and members that sit on planning committee undertake a more detailed programme including: Government policy/guidance e.g. NPPF; technical training e.g. design and training on probity
- Training: All Planning chairs and vice- chairs undertake planning chairmanship training.
- At least annually, all planning committee decision makers undertake a review of a selection of decision and visit developments in the Borough.
- Committee reports: Include comparison or summary table were relevant
- Committee reports: Collate the same consultees responses together – to understand the development of views
- Further encouragement for any Member with questions of the application/report approach officers in advance of the committee
- Agenda/website - Include Information notes on the website and include links in correspondence to inform the public and users of the Planning Service in advance of the committee, to aid greater public understanding of the planning application committee processes.

## 8. PLANNING COMMITTEES MANAGEMENT

### 8.1 Committees Management – Findings:

- Planning Committee Size: There was an overwhelming perception that most interviewees would like, or thought that, the committee structure would change. Many comments were made about the benefit of a single committee but most did not appear to think this was possible. Most people, and sources, commented on the very large size of the committees i.e. " the size of the committees is ridiculous" ; "Smaller committee but still north and south" , "Smaller Committee would be better trained and more focused on planning issues"
- Executive Members: At present all councillors are expected to sit on one of the area planning committees including executive (cabinet) members. The presence of the cabinet members can result in or give the perception of a conflict of interest.
- Southern Area Planning Committee: The location of the meeting and where the public had to go was clear, all the speakers were welcomed and what they had to do was briefly explained. The Chairman opened the meeting and gave a brief explanation of the proceedings. The public were not introduced to the 'top table' or councillors at the committee. The name badges were so small as to be pointless, which is an issue that has



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already been raised by the Chairman of SAPC who has requested larger name signage. It was difficult for the public to see and identify which councillor was speaking due to the layout and size of the committee. Committee was supported by a range of officers of varying seniority to cover the issues relevant to the evening's agenda (including Environmental Health). There was no highway officers present but this did not cause any problems. It was very encouraging to see that the Committee was supported by a legal officer. There was an appropriate level of formality between officers and Members. The committee was ordered to take the largest/controversial items first and the smaller items later. There are pros and cons for this approach, it deals with the items most of the public are interested in first, but applicants for straight forward applications had to sit through very lengthy presentations, speakers, questions and debates before reaching their items which were then dealt with very quickly. The SAPC agenda (9/10/18) had 8 items( 1 x 5 house and a pub extension, 2 x 1 detached dwelling, 2 extensions including one with Listed Building applications and 2 officer/Member interest) 4 of the items took approximately 4 hours. The committee had to vote to continue. There was concern that we witnessed a large agenda for SAPC, however, overall the numbers or complexity should not normally have taken 4 ½ hours, as these were all relatively straight forward non-major applications, albeit there were speakers and public in attendance. There was confusion over the full and listed building (LB) applications speakers and the Chair could have used their discretion to allow the speaker to speak for this item rather than the following LB item. The officers' presentations were clear and very fulsome, if slightly lengthy. There was a slow pace, a significant degree of repetition, and on several occasions the debate strayed away from material planning considerations and the officers had to identify this before the debate was brought back to relevant planning matters. There seems to be a culture of the majority of this very large committee wanting to speak and a noticeable amount of 'grandstanding' for the public. It remains questionable that all members understand the role of the officers as advisors to the Council. However, the Members were not aggressive or overly intimidating and there seemed to be a degree of respect between officers and Members with only a couple of adversarial questions. Many of these issues were identified in the Overview and Scrutiny 2014 report. The attitude to officers is a significant improvement on everything the review Panel was told about how the committee operated 18 months ago.

- Northern Area Planning Committee (NAPC): The review team did not visit the NAPC but we did collect information on it and asked questions about how it operated during our interviews. It is apparent that the nature of the two areas and the two committees are entirely different. There is mutual respect between officers and members at the NAPC and a feeling of a team working towards the same goal. There are less applications called to committee and less referred to the Planning Control Committee. Overall development in the area is less controversial. The layout of the committee is extremely poor and again due to the size of the committee it is difficult for the public to follow what is going on and who is speaking. Similar to SAPC there is no introduction of the top table or Members.
- Planning Control Committee: The review team visited the Planning Control Committee (PCC) on the 16<sup>th</sup> October 2018. The PCC only had one applications on the agenda, that had been at a previous PCC (June 2018) with delegation to approve subject to a legal agreement. Since that time, the National Planning Policy Framework had been issued, therefore, the application was returned to committee to consider it in light of the new material consideration. In addition, there had been a legislative change affecting pre-commencement conditions. This was essentially a ratification of the previous decision with some amendments to the conditions. This did not therefore provide an ability from the Review Panel to view the PCC as it would normally be. However, it was noted that the layout did cause similar difficulties to the SAPC – but slightly worse as it was more compressed. There was similar issues to SAPC in terms of understanding who all the

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participants were. As part of the interviews there were several comment about the relationship of North and South Members and the comments that can ensue in relation to the referral and the relevant area committees approaches. The comments and apparent relationship issues were not considered to appear 'professional' and undermined the overall standing of the committee and reflects poorly upon the Council.

- Site Visits: The Viewing Panel takes place on the Friday before the committee, there were several comments about the timing that precluded many Members that work attending. There is a limited attendance at the Panels (8 or 9 out of 24). At the Panel, Members appear to understand that they should not talk to anyone when visiting the site but panel management can be tricky if the Panel do not remain in a group.
- Pre-Meeting /Planning Committee Briefings of Members: The pre-meeting, is a meeting of officers and Chair and Vice Chair to run through the agenda and key issues. In accordance with the code of conduct, there is no apparent planning pre-meeting on party political grounds or any party political 'whipping'

## 8.2 Committee Management – Conclusions and Recommendation:

### Conclusions:

- The overall scale of the committees can, and does, give rise to issues that affect the efficiency and effectiveness of the decision making and provide a poor experience for the public and customers of the planning service.
- There appears to be a view that the process could be improved and a will by some, but not all, to change the current committee structures. Restructuring the committees and creating a more focused and dedicated decision making body focused on: enabling ward members to attend the committee as an advocate for their wards and decision makers to concentrate on making decision in the wider public interest. The smaller committee would also release the executive members to focus on their portfolio and avoid any potential conflict of interest or perception of a conflict. The smaller committee will also improve the focus of the planning site visit panel

### Recommendations:

- Restructure the planning committee into 1 Borough -wide committee and no planning control committee, with a membership of circa 13 members or similar to facilitate balance. OR
- If the single committee is too radical a proposal at this time, introduce an interim step of creating two small area committees and remove the Planning Control Committee.
- The creation of a single, or two smaller committee, should not include executive members enabling them to focus on their cabinet role and avoid any potential conflict of interest, or perception of a conflict.

Note: these changes will also require changes to the constitution to facilitate ward representation; and training for Members on the role of ward advocate and planning committee decision maker

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- Award of Costs workshop: case studies, from other authorities, of the circumstances and cost award to develop an understanding of unreasonable behaviour.

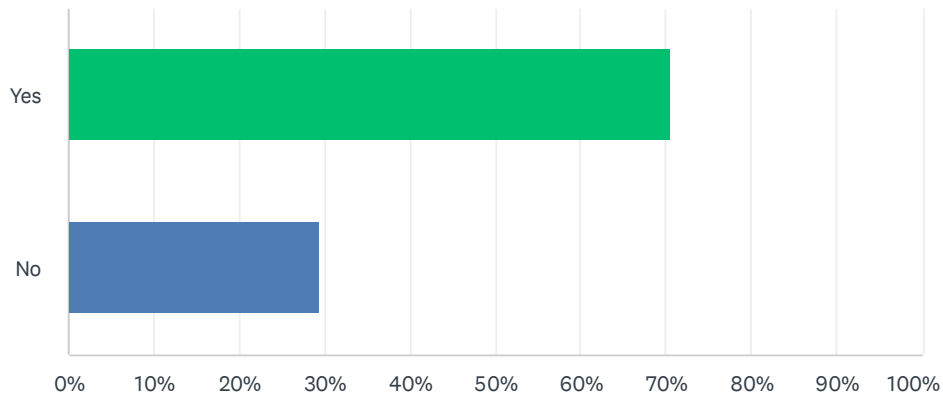
## 9. PLANNING COMMITTEE – SHOP WINDOW

### Shop Window –Conclusion:

- 9.1 The planning committee/s are one of the main 'shop windows' for any council, there are people that will only ever come into direct contact with how the council operate through a planning applications. The current committees have good clear reports and visual aids, reasonable formality between officers and members, but difficult confusing layouts and are so large that is it difficult to follow proceedings which are extremely lengthy. The scale of the committee; the lack of training; confusion of ward advocate/committee decision maker roles; lack of preparation by some members; culture, in the SAPC, that members want to be seen to speak and are repetitive leading to very lengthy periods on each application (in excess of an hour) - do not result in the appearance of a 'professional' decision making body that represents the whole community. As set out above the reduction in the size of the committees, to one single committee with ongoing training will result in a committee that can make planning decision in a more effective and efficient manner for the whole of Test Valley Borough.

## Q1 Do you think that the committee is working well?

Answered: 17 Skipped: 1



ANSWER CHOICES	RESPONSES
Yes	70.59% 12
No	29.41% 5
TOTAL	17

#	PLEASE GIVE REASONS FOR YOUR ANSWER	DATE
1	Too partisan. Too many opinionated influencers. I do not think all members understand their role.	6/22/2022 2:46 PM
2	One level of committee rather than two is more efficient.	6/16/2022 1:20 AM
3	Applications are being professionally assessed and good decisions made. It has to be realised that we are working well below capacity because of nitrogen issues, so the system has not been stress-tested.	6/15/2022 8:01 AM
4	I was unable to answer this question yes or no, I believe that northern p/c have not received enough Planning applications compared to Southern members, which has had twice as many applications. Plus N/P had a number of P/A on M/Ts which does not present precise picture on how well the committee is working.	6/10/2022 10:52 AM
5	I think Ward bias in the discussions and decisions is having a greater effect	6/10/2022 6:56 AM
6	The meetings are run extremely well and with good insight from the committee members. I would also like to add that there is also good debate even when supporting the officers decisions.	6/9/2022 3:01 PM
7	The Committee is well chaired and good decisions made.	6/6/2022 3:33 PM
8	Good reports, well chaired , thorough debate, clarity sought through questions to officers/speakers, clear guidance given from officers to questions, planning guidance RLP/NPPF used to check and steer decisions	6/6/2022 3:33 PM
9	Too little experience and members ignoring Borough local plan and NPPF	6/5/2022 8:26 AM
10	Yes and no. It is good that Members do not act in a partisan manner although some tend to vote as per the Officer's recommendation and do not like to think beyond the report or challenge the report and its recommendations.	6/3/2022 11:52 PM
11	There is a greater focus on making decisions that comply with planning law and guidance	5/28/2022 12:19 AM

given that there is not recourse to a Planning Control Committee.

12	More engaged members wishing to form part of this vital democratic function, as opposed to before being compelled to be part of a committee that you may have not had a full or even any real interest in. Other committees function with less members and many of those members on the committee express a wish to be on the committee.	5/26/2022 8:33 PM
13	Poor standard of questions from some members and too much emotion from the newer members.	5/26/2022 3:10 PM
14	Most members are better informed than before.	5/26/2022 12:49 PM
15	With fewer members on the committee there is an obvious lack of expertise, knowledge and ability. Several members who are not on this committee actually have these skills. A number of councillors, not on the area planning committee, actually in the past have shown to have the necessary skills and knowledge.	5/26/2022 12:36 PM

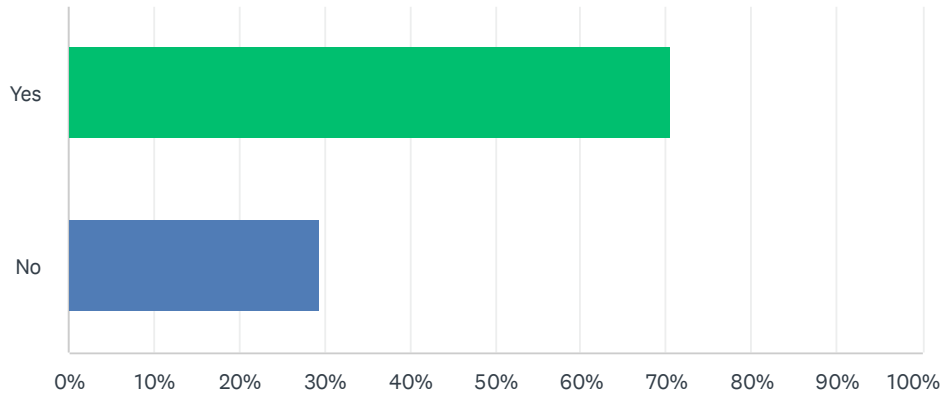
## Q2 How do you think the committee could be improved?

Answered: 16    Skipped: 2

#	RESPONSES	DATE
1	Lots more training. More members.	6/22/2022 2:46 PM
2	Seeing more complex applications and particularly those relating to the town centres currently subject to master plans	6/20/2022 2:10 PM
3	Procedures work well. Occasional training on specialist matters, perhaps examining some case studies might be useful.	6/15/2022 8:01 AM
4	Not substantially. The current format works	6/13/2022 6:14 PM
5	More training, 1, knowledge on planning policies, 2 understanding what is material consideration and non- material consideration. I.e how much will you company make on the extra housing.	6/10/2022 10:52 AM
6	Enough Members to have one representative from every Ward	6/10/2022 6:56 AM
7	I think this would be difficult as the meetings are currently run to a very high standard.	6/9/2022 3:01 PM
8	All Councillors should make contact with officers before the committee in order to gain answers to questions they may have. Also when concerns are raised on Highways, Environmental or tree matters appropriate officers should be present at meetings to assist the committee.	6/6/2022 3:33 PM
9	Better attendance at viewing panels- change timing ? Members share on line any questions asked to officers (if relevant) before the meeting	6/6/2022 3:33 PM
10	Back to the bigger committees excluding cabinet members. Reintroducing planning control as a check and balance avoiding appeals.	6/5/2022 8:26 AM
11	Better, compulsory and more detailed planning training for committee members. Time served on previous planning committees should not count as certain Members clearly lack knowledge despite being on previous committees. If Members have not attended planning training, they should not be allowed on the committee.	6/3/2022 11:52 PM
12	I think it works well as it is.	5/28/2022 12:19 AM
13	I think it is working perfectly well. Would be good if all members attended. More planning training would be useful, I found the in-house training appeared to give just enough to fulfill the function, having done licensing training, consideration to some third party training would be beneficial, would also be more impartial.	5/26/2022 8:33 PM
14	Emphasise in training the quasi legal point of the committee and what happens when appeals are lost.	5/26/2022 3:10 PM
15	Some members are still not giving notice of questions they would like answered in public. Officers would be able to give better answers if they knew what was coming at them. As a result most of my run through meetings are about predicting what members might ask.	5/26/2022 12:49 PM
16	Larger and include all members who want to be on it.	5/26/2022 12:36 PM

### Q3 Following the restructure of the committees from 24 to 13 members, do you think the size of the committees work well?

Answered: 17 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	70.59%	12
No	29.41%	5
TOTAL		17

#	FURTHER COMMENTS (IF ANY)	DATE
1	Not much spare for sickness/holiday	6/22/2022 2:46 PM
2	Members, like me, who joined in 2019 never actually experienced the earlier system.	6/15/2022 8:01 AM
3	Too big.	6/13/2022 6:14 PM
4	Please see Q1, and just to add, maybe consider another year before taking any recommendations to Full Council.	6/10/2022 10:52 AM
5	See above	6/10/2022 6:56 AM
6	I feel the balance is right as it gives all members a chance to open debate and there is little repetitiveness, which could well occur with additional members.	6/9/2022 3:01 PM
7	It is important to have experienced councillors making planning decisions.	6/6/2022 3:33 PM
8	More efficient, better input from members who have chosen to be a member. Members gaining knowledge from listening and taking part in good debate from experienced cllrs	6/6/2022 3:33 PM
9	The composition of the committee seems to allow members to vote against policy	6/5/2022 8:26 AM
10	Yes and no. Some Cllrs seem to be on the committee simply because they are allocated a seat and rarely attend.	6/3/2022 11:52 PM
11	13 engaged members interested in the decision making process as opposed to 24 if they all attend making up the numbers and not engaged.	5/26/2022 8:33 PM
12	I am happy with the size.	5/26/2022 3:10 PM
13	However some members with an interest in planning would like to be on a planning committee but are currently excluded. Numbers could be set annually with the size parameters being between say 13 and 19..	5/26/2022 12:49 PM





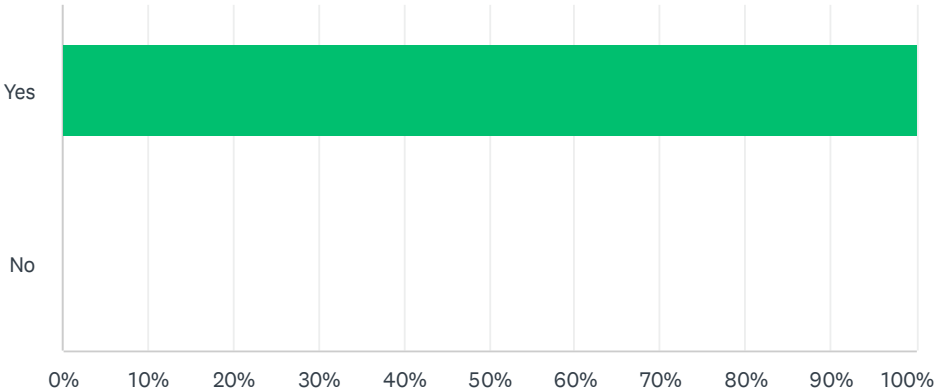
## Q4 For those Members who were on an Area Committee prior to the last election, how do you think the committees are performing without the intervention of a Planning Control Committee?

Answered: 15 Skipped: 3

#	RESPONSES	DATE
1	N/a	6/20/2022 2:10 PM
2	Better.	6/16/2022 1:20 AM
3	N/a	6/15/2022 8:01 AM
4	The members have not received many contentious P/A, it's hard to quantify whether the committee members would have recommended the P/A to planning control	6/10/2022 10:52 AM
5	Yes	6/10/2022 6:56 AM
6	NA	6/9/2022 3:01 PM
7	Much better	6/6/2022 3:33 PM
8	Better -more focussed to make the correct decision	6/6/2022 3:33 PM
9	They seem happy to support against policy despite there being no planning control which so often overturned the planning committee thus avoiding any costs at. Appeal	6/5/2022 8:26 AM
10	To date it has worked well.	5/31/2022 9:45 AM
11	I was not on the council at that time but, as a frequent attendee in my role as chairman of my parish council, I believe the committee is taking more mature decisions.	5/28/2022 12:19 AM
12	I think they are working excellent. Planning control is an unnecessary tier, giving the planning department a further opportunity to overturn the Democratic decision of the planning committee and should not be reinstated. I do not know of another local authority that has such a committee. The only way I would support considering a return is if the committee had all members on it, not a select few.	5/26/2022 8:33 PM
13	Some of the new members do not understand the purpose therefore their voting is suspect at times so there is an argument for Planning Control.	5/26/2022 3:10 PM
14	Much more focused and less willing to reject the officer recommendation. Having a planning control safety net meant that members could better reflect their constituents opinions.	5/26/2022 12:49 PM
15	The common sense and professionalism of the planning Control Committee using valid planning reasons to reach a conclusion is often missed. Planning rules are often made on the hoof.	5/26/2022 12:36 PM

### Q5 Do you think Viewing Panels are adding value to the process?

Answered: 18 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	18
No	0.00%	0
TOTAL		18

## Q6 When a Viewing Panel has been called, should they take place on the morning and immediately prior to the committee or as current arrangements?

Answered: 18 Skipped: 0

#	RESPONSES	DATE
1	As current arrangements.	6/22/2022 2:46 PM
2	No.. that is too rigid	6/20/2022 2:10 PM
3	As currently.	6/16/2022 1:20 AM
4	Morning viewings work well for me. I am agnostic wrt to the particular day.	6/15/2022 8:01 AM
5	As current arrangements	6/13/2022 6:14 PM
6	The NAPC now has about 8 members who work full/part time, so difficult for them to attend viewing panel. The arrangements at this moment in time works well. But need to consider the working members, maybe need support from the case officer to find a suitable time for the member to attend a viewing.	6/10/2022 10:52 AM
7	Current	6/10/2022 6:56 AM
8	As current arrangements	6/9/2022 3:01 PM
9	Current arrangements are fine for me .However councillors who are working will always have difficulties.	6/6/2022 3:33 PM
10	Timing of the viewing panels prevents full attendance . None of the above will work well	6/6/2022 3:33 PM
11	Current arrangements	6/5/2022 8:26 AM
12	As per current arrangements	6/3/2022 11:52 PM
13	As current arrangement.	5/31/2022 9:45 AM
14	As per current arrangements. Friday afternoons are generally more suitable.	5/28/2022 12:19 AM
15	Current arrangements work well.	5/26/2022 8:33 PM
16	As close to the meeting as possible, so yes on the day.	5/26/2022 3:10 PM
17	As currently	5/26/2022 12:49 PM
18	Current is best - it gives time for officers to prepare answers to questions raised.	5/26/2022 12:36 PM

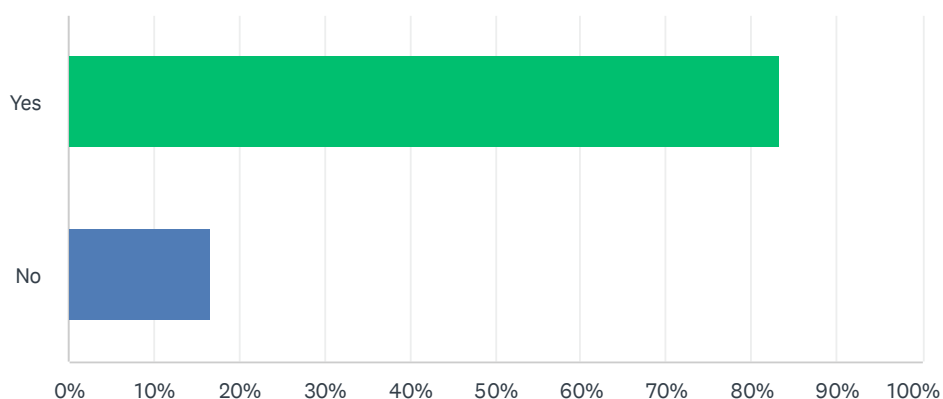
## Q7 What are your views about the quality of debate and decision making at committee?

Answered: 18 Skipped: 0

#	RESPONSES	DATE
1	The only real debate comes from the members who have a ward interest in the application.	6/22/2022 2:46 PM
2	It has improved dramatically in 2022.. More critical contributions from members of the Tory grouping	6/20/2022 2:10 PM
3	Generally good.	6/16/2022 1:20 AM
4	Quality of debate and decision-making are high. The fact of the need for members in areas of high development to defend the interests of their residents, should be respected, however.	6/15/2022 8:01 AM
5	It open and largely well balanced	6/13/2022 6:14 PM
6	Not good or bad as again we have not received any contentious P/A. The majority P/A present to the members were for members/officers interest few minor and a low number of major applications	6/10/2022 10:52 AM
7	Poor	6/10/2022 6:56 AM
8	The qualities of the debates are excellent with comments being made across the board from newer as well as seasoned members. I think the decision making is also very good and the outcomes are normally unanimous even when not supporting the officers recommendations.	6/9/2022 3:01 PM
9	I think Southern Planning has improved.	6/6/2022 3:33 PM
10	Good- thorough debate and decisions made on a balanced view along with reference to planning guidance	6/6/2022 3:33 PM
11	Some times too emotive and not enough adherence to policy.	6/5/2022 8:26 AM
12	i get the feeling that too many Members feel unable or are reluctant to challenge the Officers position and recommendations. Officers should stop pressuring Members to vote a certain way by saying the Council would likely lose on appeal, if they do. Members lack detailed knowledge of planning and struggle to articulate reasons for refusal/approval in planning terms.	6/3/2022 11:52 PM
13	Overall very good.	5/31/2022 9:45 AM
14	More often than not the debates are good, although sometimes stray into matters that are not planning matters or are not strictly related to the application in hand. A little more training for and thought from some members would be in order.	5/28/2022 12:19 AM
15	Excellent, vital part of the Democratic decision making process. Decisions might not always align with the officers recommendation but those they have not have been fully debated and I believe the correct decision has been made even if I voted the opposite to that. Always interesting to read appeal decisions, both for delegated and committee decisions. Would be interesting to see a table of appeal decisions to see the comparisons between delegated and committee.	5/26/2022 8:33 PM
16	On balance sense prevails, however , there is a degree of playing to the audience by a minority.	5/26/2022 3:10 PM
17	See above. One regret is that the ward members views are often not heard.	5/26/2022 12:49 PM
18	It is not so good as when the committee included all members.	5/26/2022 12:36 PM

## Q8 Are the reports meeting members' needs?

Answered: 18 Skipped: 0

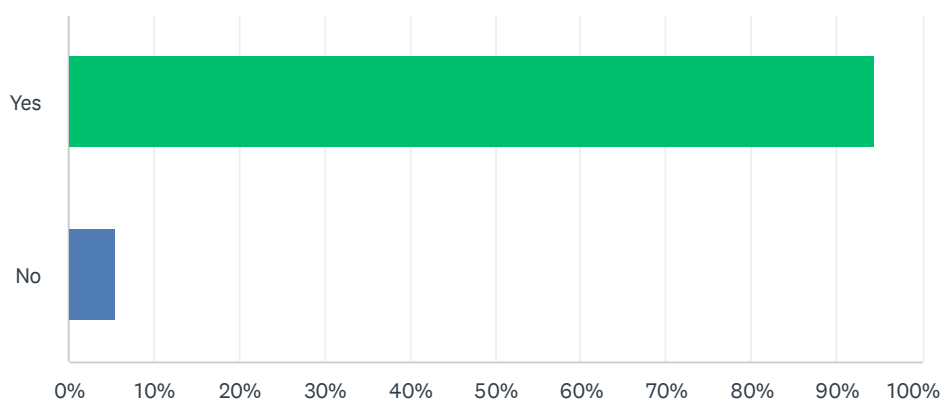


ANSWER CHOICES	RESPONSES	
Yes	83.33%	15
No	16.67%	3
<b>TOTAL</b>		<b>18</b>

#	PLEASE INCLUDE ANY COMMENTS HERE	DATE
1	Too much filtering of consultation responses	6/22/2022 2:46 PM
2	Could have less formalities in first pages of text.. can they be "taken as granted"	6/20/2022 2:10 PM
3	Reports are very professional.	6/15/2022 8:01 AM
4	The reports generally are excellent and the Officers should be commended.	6/9/2022 3:01 PM
5	Some Planning officers produce better reports because of their experience	6/6/2022 3:33 PM
6	Too many reports lack supporting/factual/material evidence to back up the Officer's position.	6/3/2022 11:52 PM
7	Often they are a bit wordy and could be made more concise.	5/28/2022 12:19 AM
8	Could contain more details, but generally are sufficient, there is always the case file that should be explored , gives clarity to areas of the reports at times.	5/26/2022 8:33 PM
9	Providing members read them.	5/26/2022 3:10 PM
10	But members need to talk to officers before the meeting.	5/26/2022 12:49 PM
11	The addition of colour would sometimes help	5/26/2022 12:36 PM

## Q9 Is the format of the report acceptable?

Answered: 18 Skipped: 0

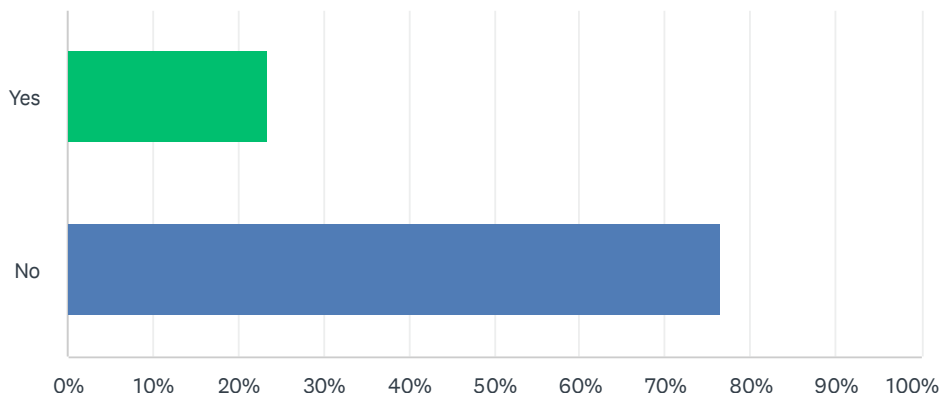


ANSWER CHOICES	RESPONSES	
Yes	94.44%	17
No	5.56%	1
<b>TOTAL</b>		<b>18</b>

#	PLEASE INCLUDE ANY COMMENTS HERE	DATE
1	They are complex... but difficult to do much to reduce the overall format	6/13/2022 6:14 PM
2	Now that the plans and documents are more easily seen when sent online.	6/6/2022 3:33 PM
3	However, a summary sheet of key matters and conclusions might be helpful.	5/28/2022 12:19 AM
4	Sometimes appears to be loaded in favour of the officers recommendation, there appears no standard format, whilst I except all applications vary. Consideration should be given to looking at the format of the reports.	5/26/2022 8:33 PM
5	Diagrams and plans can be poor quality.	5/26/2022 3:10 PM

## Q10 Are there any additions to the report that would aid debate and decision making that is not already covered in the update paper?

Answered: 17 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	23.53%	4
No	76.47%	13
TOTAL		17

#	IF YES, PLEASE PROVIDE DETAILS OF ANY ADDITIONS YOU WOULD LIKE TO SEE	DATE
1	More details required from Highways about their assessment and calculations	6/22/2022 2:46 PM
2	Better photographs from objectors homes in regards of the impact it would have on them	6/6/2022 3:33 PM
3	There is always something that could improve everything. I cannot identify anything presently !	6/6/2022 3:33 PM
4	More factual information.	6/3/2022 11:52 PM
5	Not on topic but would be useful if the update paper was available to members earlier, at times we are not seeing it till late afternoon and does not always allow members to fully review the contents. Members are not waiting idly by for the update paper to be published, many have work and many other commitments.	5/26/2022 8:33 PM
6	N A	5/26/2022 3:10 PM

## Q11 Following the introduction of the new committee structure, what is your understanding of the Ward Advocacy role?

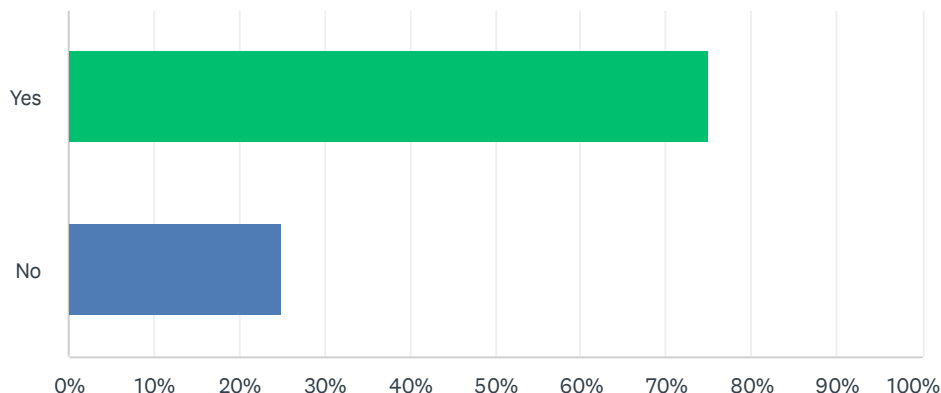
Answered: 18 Skipped: 0

#	RESPONSES	DATE
1	I have not heard of it.	6/22/2022 2:46 PM
2	Not sure what that is... its never been mentioned at any NAP I have attended	6/20/2022 2:10 PM
3	Adds an extra dimension to the decision-making process.	6/16/2022 1:20 AM
4	I am unclear why the ward advocacy role will have changed with the introduction of the new structure. It is obviously an advantage that members are making decisions on applications which are geographically close to their wards. Ward advocacy is the practice of members using their local knowledge to ensure that local issues and concerns of their ward residents are properly addressed and understood by the committee. These would be things which might not be known or appreciated by the planning officer.	6/15/2022 8:01 AM
5	The ward members should know their patch and recognise the potential issues	6/13/2022 6:14 PM
6	A members who is not on the planning committee can speak on behalf of his/her residents on a planning application in their Ward.	6/10/2022 10:52 AM
7	Allows all members to participate and be seen by objectors in particular to have additional representation	6/10/2022 6:56 AM
8	The Ward Advocacy role is for Councillors who are not committee members to have a voice at the meetings to highlight issues that residents may not be able to demonstrate.	6/9/2022 3:01 PM
9	Opportunity for ward councillors who are not part of committee to add their comments to the committee whether they are concerned of the consequences of the application or in fact support it.	6/6/2022 3:33 PM
10	To represent the views and speak on behalf of others	6/6/2022 3:33 PM
11	It works OK	6/5/2022 8:26 AM
12	A resident may request a Ward Cllr to speak at Committee in support of/against a planning application. That Cllr cannot be a committee member as it would lead to accusations of predetermination. If a Ward Cllr felt unable to act in this role, another Ward/non-Ward Cllr should be able to act as Ward advocate.	6/3/2022 11:52 PM
13	In my ward it has worked well as If I am approached by an applicant I can pass them on to my colleague for further discussion.	5/31/2022 9:45 AM
14	That a ward member not on the committee can speak about or for or against an application to assist in decision making. This role can also be adopted by a committee member who declares an interest and chooses to speak solely as a member of the public.	5/28/2022 12:19 AM
15	I understand the role and it is a very good addition.	5/26/2022 8:33 PM
16	One ward member who is not on NAPC can provide this.	5/26/2022 3:10 PM
17	I support the concept but only one member seems to be using it.	5/26/2022 12:49 PM
18	It is a system that confuses the public and makes life intolerable for other members who have to follow valid and acceptable reasons for permission or refusal. It is perceived as a way of increasing the chances of the person not on the committee of getting elected and so it introduces politics. When the advocate then puts their views on social media or in the press the public and applicant assume the application is predetermined and fixed.	5/26/2022 12:36 PM



## Q12 Do you feel that Ward Advocacy is effective and assists in the quality of decision making?

Answered: 16 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	75.00%	12
No	25.00%	4
TOTAL		16

#	PLEASE INCLUDE ANY COMMENTS HERE	DATE
1	No idea - I do not know what it is for.	6/22/2022 2:46 PM
2	Cannot comment	6/20/2022 2:10 PM
3	There are sometimes fundamental conflicts of interest between members' care of their ward residents and their duty to respond 'objectively' to planning application.	6/15/2022 8:01 AM
4	Only 2 Ward members have attend a meeting, not enough evidence to say whether they had any impact on the debate	6/10/2022 10:52 AM
5	Not sure it adds a lot of value and 5 minutes is too long	6/10/2022 6:56 AM
6	It is good to hear from the Ward Advocacy as further information can be highlighted and it also allow members to question any issues raised.	6/9/2022 3:01 PM
7	Yes on occasions it helps the committee	6/6/2022 3:33 PM
8	Can bring another perspective. But not used widely enough by all wards.	6/6/2022 3:33 PM
9	My colleague keeps me abreast of the local sentiment and any problems.	5/31/2022 9:45 AM
10	It can do if the member acting as a advocate helps clarify the real planning issues and local feelings, separating emotion from material planning concerns.	5/28/2022 12:19 AM
11	Provided the member is knowledgable.	5/26/2022 3:10 PM
12	The public do not see why a member not on the committee has longer to speak than supporters or objectors	5/26/2022 12:36 PM

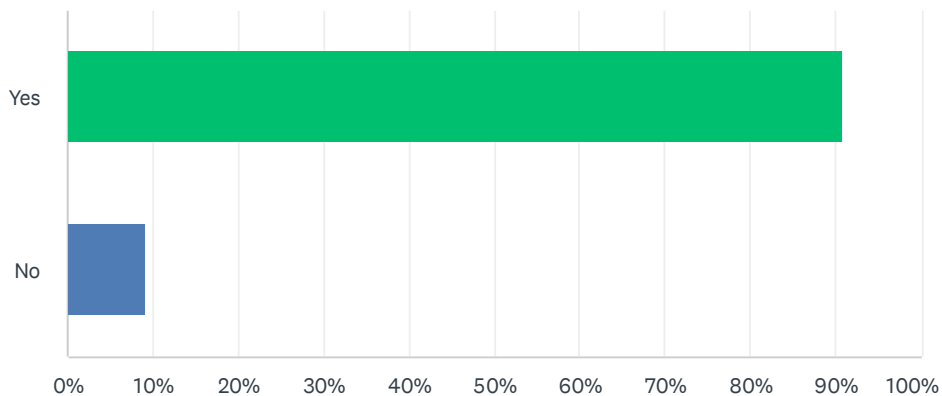
## Q1 Are you answering this questionnaire as a member or non-member of SAPC or NAPC?

Answered: 23 Skipped: 0

#	RESPONSES	DATE
1	Member of NAPC	10/12/2022 5:58 PM
2	No	10/12/2022 2:40 PM
3	Member	10/12/2022 12:44 AM
4	Non-member	10/11/2022 4:27 PM
5	Non member	10/11/2022 3:28 PM
6	Member NAPC	10/11/2022 1:19 PM
7	Member	10/11/2022 9:19 AM
8	Yes	10/11/2022 8:48 AM
9	Member	10/11/2022 8:31 AM
10	Member of SAPC	10/10/2022 4:46 PM
11	Member	10/10/2022 9:09 AM
12	Member of SAPC	10/8/2022 12:52 AM
13	Non-member	10/7/2022 9:10 AM
14	Non-member	10/7/2022 4:24 AM
15	Yes! Badly worded question. What I think you want to know is whether I am a member of one of the planning committees - which I am!	10/6/2022 10:35 PM
16	Member of NAPC	10/6/2022 8:38 PM
17	Non Member SAPC	10/6/2022 5:05 PM
18	Member SAPC	10/6/2022 4:32 PM
19	Non member	10/6/2022 3:05 PM
20	Southern Area Planning Committee	10/6/2022 1:38 PM
21	Member	10/6/2022 11:04 AM
22	Member	10/6/2022 10:51 AM
23	Non member	10/6/2022 10:48 AM

## Q2 Do you think that the new committees (NAPC and SAPC) are working well since the reduction of membership from 24 to 13?

Answered: 22 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	90.91%	20
No	9.09%	2
TOTAL		22

### Q3 In a previous questionnaire to committee members some responses questioned the size of the committees. What are your views?

Answered: 22 Skipped: 1

#	RESPONSES	DATE
1	The size is fine	10/12/2022 5:58 PM
2	I think they work better if they have the right Cllr on the committee	10/12/2022 2:40 PM
3	Too small in that a lot of experienced councillors are precluded from being members. Parish Councillors and residents expect their Borough councillor to be on a planning committee. Therefore ALL members who want to be on a planning committee should be able to do so.	10/12/2022 12:44 AM
4	Acceptable	10/11/2022 4:27 PM
5	More members on the committee would be helpful when a number of members are absent	10/11/2022 3:28 PM
6	The size is ideal.	10/11/2022 1:19 PM
7	I feel they are about the right size, too big makes decision making difficult	10/11/2022 8:48 AM
8	I feel the size is just right, this is a demanding committee and the main point is are there good discussions on applications. This has been established through actions against officers recommendations which requires great thought and debate. In the words of Councillor Matthews if it's not broken don't fix it. The SAP committee works exceptionally well and added numbers would have no benefit other than placing pressure on other Councillors.	10/11/2022 8:31 AM
9	I have not recalled any problems from a smaller committee	10/10/2022 4:46 PM
10	I think it functions well. The only potential issue is non attendance by members. It should be noted that members must be interested and have adequate training to be part of the smaller committee. Ongoing training and at times maybe a debrief would be useful.	10/10/2022 9:09 AM
11	The size of SAPC seems right. I have no experience of NAPC.	10/8/2022 12:52 AM
12	Good numbers	10/7/2022 9:10 AM
13	I think they strike the right balance between having a slimmer more professional committee and enabling those that want to serve on planning committees to do so.	10/7/2022 4:24 AM
14	Would prefer all members to be involved in their local committee	10/6/2022 10:35 PM
15	The old system of all members on the committee worked much better than the present one in which there is far too little experience of planning with some strange statements being made.	10/6/2022 8:38 PM
16	I think they could be smaller, although the views of colleagues on whether each ward should still be represented should be paramount.	10/6/2022 5:05 PM
17	I've no problem with the Committee size being reviewed. There is a number of Councillors who would wish to be on SAPC who are excluded. The SO's could state "the Committee size will be fixed at the start of each Council year and will number between 13 and 17."	10/6/2022 4:32 PM
18	I don't know enough to make a judgement	10/6/2022 3:05 PM
19	I believe they should stay the same	10/6/2022 1:38 PM
20	In my opinion the size of the committee is ok.	10/6/2022 11:04 AM
21	No problem at current size.	10/6/2022 10:51 AM
22	Size is OK	10/6/2022 10:48 AM

## Q4 100% of planning committee members agreed that viewing panels are adding value to the process. In light of this do you consider that failure to attend could compromise the decision making process?

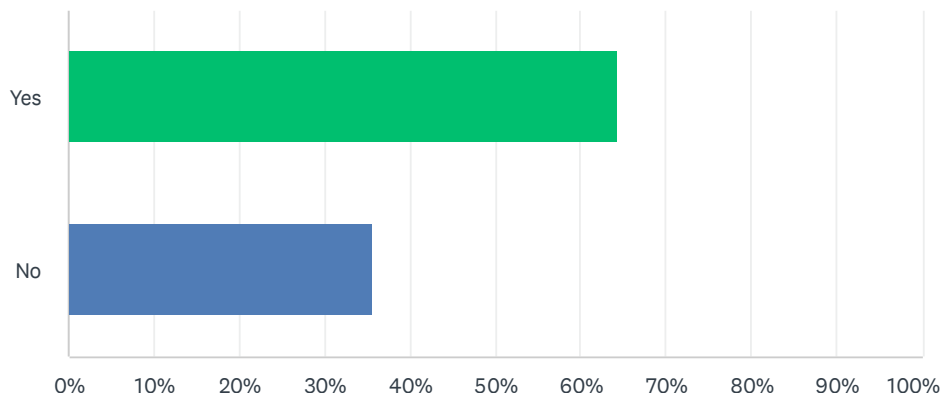
Answered: 22 Skipped: 1

#	RESPONSES	DATE
1	Yes	10/12/2022 5:58 PM
2	Yes	10/12/2022 2:40 PM
3	No. A lot of viewing requests are for applications where the viewing was only called by a councillor to gain favour with a parish council or local residents. Viewings work only if those attending speak at committee informing those unable to attend what the situation is like on the ground and explaining what photos can't portray. Most times a private visit by councillors not able to attend the VP can suffice and be very helpful.	10/12/2022 12:44 AM
4	Possibly - dependant on knowledge of particular application by committee member + info sought by member elsewhere/at more convenient time.	10/11/2022 4:27 PM
5	I agree that viewing panels are an important part of the process. Failure to attend can compromise the decision. making.	10/11/2022 3:28 PM
6	Yes I do.	10/11/2022 1:19 PM
7	This is a very difficult question to answer as some members work so unable to attend a viewing panel, I suggest that the members of the committee work out how the best way forward to having a day when everybody can attend, that may also include a weekend viewing, this thing become difficult because officers would have to work at the weekend.	10/11/2022 9:19 AM
8	Yes it can do, particularly if the location is not known to a panel member, however if I am unable to attend I make sure I view the location if it is feasible prior to the meeting	10/11/2022 8:48 AM
9	I don't think so as attendees put forward there thoughts when debating where other members can listen and respond to the comments.	10/11/2022 8:31 AM
10	Attendance at viewing is valuable. But members who ware unable to attend the panel., will often visit the site at their convenience and take note of comments from committee members when they refer to the site visit and what that showed.	10/10/2022 4:46 PM
11	Not necessarily, viewing panels are useful in many circumstances, but being unable to attend does not disadvantage the member or compromise the decision making process. There are many applications where viewing panels are not called or if called not felt necessary.	10/10/2022 9:09 AM
12	No. A viewing panel can help provide context but a good presentation of facts supported by photographs is often quite adequate.	10/8/2022 12:52 AM
13	No. I don't think it compromises the process but it's obviously advantageous for as many planning members as possible to attend viewing panels.	10/7/2022 4:24 AM
14	No. The views of members who attended are helpful in shaping the conclusions of non attendees	10/6/2022 10:35 PM
15	Members who do not attend should give there apologies and reason and maybe should state before speaking in debate that they have not visited the site.	10/6/2022 8:38 PM
16	No. But viewing panels should be made as accessible as possible, perhaps by way of using a mini bus to transport members there on the day of the committee meeting? Non committee ward members should also be allowed to attend - this happens with viewing panels at other councils.	10/6/2022 5:05 PM
17	No. A planning focused Cllr will go and see the site separately if there are issues that need understanding on the ground.	10/6/2022 4:32 PM

18	I don't know	10/6/2022 3:05 PM
19	It depends on the type of application	10/6/2022 1:38 PM
20	Maybe however I know that in some instances that members could not make the exact meeting date they did visit on another occasion.	10/6/2022 11:04 AM
21	Compromise no. Reduce quality possibly.	10/6/2022 10:51 AM
22	Sometimes	10/6/2022 10:48 AM

## Q5 As a non-committee member do you use the Ward Advocacy role at committee and if so how effective did you find it?

Answered: 14 Skipped: 9



ANSWER CHOICES	RESPONSES
Yes	64.29% 9
No	35.71% 5
TOTAL	14

#	PLEASE ADD ANY COMMENTS HERE	DATE
1	As a NAPC Member, I cannot use this role, but I encourage residents to ask my fellow Ward Cllr to be their advocate	10/12/2022 5:58 PM
2	It is very confusing for the public and very divisive for Borough Councillors. I have seen Borough Councillors verbally abused after a planning meeting because they did not support the alleged Ward Advocate who came along to speak against the officer's recommendation and did not use any valid planning arguments that would stand up at an appeal. It is also perceived by the public as the 'Council has already made it's mind up before the planning committee when the Advocate puts out a press release in favour or against an application.' It makes life hell for the councillor on the committee.	10/12/2022 12:44 AM
3	Albeit occasionally - possibly adds to the application and gives another 'voice' to residents.	10/11/2022 4:27 PM
4	The ward advocate role is useful for residents to have someone to contact, who are not compromised by being a committee member	10/11/2022 3:28 PM
5	Not applicable.	10/11/2022 1:19 PM
6	Not applicable as I am a committee member	10/11/2022 8:48 AM
7	I am a committee member	10/11/2022 8:31 AM
8	Experience of the planning committee, talking through applications with the case officer and listening carefully to the speakers and members questions and debate is what makes a planning committee work at its best. Not the number of committee members !	10/10/2022 4:46 PM
9	As a committee member I have used the ward advocacy role when I have needed to declare an interest in an item. I think it works well.	10/8/2022 12:52 AM
10	Very effective. Both at planning committees and being able to have franker conversations with planners about applications that have been submitted.	10/7/2022 4:24 AM

11	I'm not a non committee member!!	10/6/2022 10:35 PM
12	I am a committee member	10/6/2022 8:38 PM
13	I find it very effective thanks.	10/6/2022 5:05 PM
14	I'm disappointed more Cllrs don't avail themselves of the opportunity to speak.	10/6/2022 4:32 PM
15	I am a member of the planning committee	10/6/2022 1:38 PM
16	I would always use ward advocacy even if I were on the committee 😊	10/6/2022 10:48 AM



## ITEM 15

## Calendar of Meetings 2023/2024

Report of the Democracy and Governance Portfolio Holder

### Recommended:

**That the Calendar of Meetings for the municipal year 2023/2024, as set out in the Annex to the report, be approved.**

#### SUMMARY:

- To consider the proposed Calendar of Meetings for the municipal year 2023/2024.

### 1 Introduction

- 1.1 Council approves each year a Calendar of Meetings which sets out the schedule of ordinary meetings of the Council, Cabinet and Committees.
- 1.2 The Annex to this report sets out a proposed Calendar of Meetings for 2023/2024. Previously, Council has approved a Calendar of Meetings for the 2023 year. The amended schedule as set out in the Annex proposes meetings for the municipal year 2023/24 running from May to May where previously meetings have been considered on a calendar year basis. The proposed new format seeks to set out dates for Council, Cabinet and Committees throughout the annual cycle providing clarity on the meeting cycle as a whole.
- 1.3 At its meeting on 26 February 2021 Council approved a change in the frequency of ordinary Cabinet and Overview and Scrutiny Committee meetings from a four week to a six week cycle.
- 1.4 Following a review of the change in frequency, presented to Council on 25 February 2022, Council agreed that moving to a six week frequency allowed Council business to be progressed in a more meaningful and effective way.
- 1.5 For the proposed Calendar of Meetings 2023/2024, it is proposed that other committees also move to meeting generally on a six weekly basis in order to create consistency across committees and allow the more effectively facilitate business. The schedule shown in the Annex therefore set out a six week cycle for Licensing and General Purposes Committees as well as Cabinet and the Overview and Scrutiny Committee. The Audit Committee will continue to meeting four times a year with Area Planning Committees continuing to meet every three weeks. The number of ordinary meetings of Council remains unchanged.

- 1.6 Should there be business that requires consideration by a committee between scheduled meetings there are a number of options in place to ensure any items of business are progressed as needed.

## **2 Corporate Objectives and Priorities**

- 2.1 The Council's Committees are required in order to progress the business of the Council in accordance with legislation. An efficient and effective Calendar of Meetings directly contributes to all of the Council's corporate objectives and priorities.

## **3 Options and options Appraisal**

- 3.1 Option 1 - to approve the Calendar of Meetings for 2023/2024. This is the recommended option.
- 3.2 The amended Calendar of Meetings for the municipal year 2023/2024 sets out ordinary meetings of Council, Cabinet and Committees over the whole of the municipal year rather than an annual year which allows for better oversight of the decision making schedule and more effective management of business to be considered. The increased time between meetings of Licensing and General Purposes allows for more effective and efficient facilitation of business.
- 3.3 Option 2 - to not approve the Calendar of Meetings for the municipal year 2023/2024.
- 3.4 Council could choose to not adopt the amended schedule for 2023/2024 or adopt an alternative schedule of meetings however this is not recommended as the proposed meeting schedules as set out in the annex have been developed in line with the required reporting deadlines and in a schedule that allows the flow of business across committees in an effective manner.

## **4 Risk Management**

- 4.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors.

## **5 Resource Implications**

- 5.1 No additional resource implications have been identified.

## **6 Legal Implications**

- 6.1 Full Council approves the Council's Calendar of Meetings each year. It is for Council to decide the frequency of meetings for each of the Committees.

## **7 Equality Issues**

- 7.1 None

## 8 Other Issues

- 8.1 Community Safety – none
- 8.2 Environmental Health Issues - none
- 8.3 Sustainability and Addressing a Changing Climate - none
- 8.4 Property Issues - none
- 8.5 Wards/Communities Affected - none

## 9 Conclusion and reasons for recommendation

- 9.1 It is recommended that the Calendar of Meetings for 2023/2024 as set out in the Annex to the report be approved.
- 9.2 Approving the annual schedule of meetings from May to May rather than on a calendar year cycle will allow for better oversight and more effective management of committee business throughout the municipal year.
- 9.3 Moving Licensing and General Purposes to a six weekly cycle will bring those committees in line with the meeting frequency of Cabinet and the Overview and Scrutiny Committee and allow business to be progressed.

Background Papers (Local Government Act 1972 Section 100D)

[Council 26 February 2021: Revised Calendar of Meetings 2020/21](#)

[Council 25 February 2022: Review of Committee Meeting Arrangements](#)

### Confidentiality

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

No of Annexes:	1	File Ref:	N/A
(Portfolio: Democracy and Governance) Councillor I Jeffrey			
Officer:	Emma Horbury	Ext:	8001
Report to:	Council	Date:	23 February 2023

	<u>Date</u>		<u>Meeting</u>		<u>Time</u>	<u>Venue</u>
<b>May 2023</b>	1	<b>Monday</b>	<b>BANK HOLIDAY</b>			
	4	<b>Thursday</b>	<b>ELECTIONS</b>			
	8	<b>Monday</b>	<b>BANK HOLIDAY (Coronation)</b>			
	24	Wednesday	ANNUAL COUNCIL		11.00 am	Romsey
	29	<b>Monday</b>	<b>BANK HOLIDAY</b>			
<b>Jun 2023</b>	1	Thursday	Licensing Committee		5.30 pm	Andover
	7	Wednesday	<i>Northern Viewing Panel</i>		9.00 am	tbc
	7	Wednesday	Cabinet		5.30 pm	Andover
	8	Thursday	Northern Area Planning Committee		5.30 pm	Andover
	9	Friday	<i>Southern Viewing Panel</i>		2.00 pm	tbc
	12	Monday	General Purposes Committee		5.30 pm	Andover
	13	Tuesday	Southern Area Planning Committee		5.30 pm	Romsey
	14	Wednesday	Overview & Scrutiny Committee		5.30 pm	Andover
	19	Monday	Audit Committee		5.30 pm	Andover
	21	Wednesday	COUNCIL		5.30 pm	Andover
	28	Wednesday	<i>Northern Viewing Panel</i>		9.00 am	tbc
	29	Thursday	Northern Area Planning Committee		5.30 pm	Andover
	30	Friday	<i>Southern Viewing Panel</i>		2.00 pm	tbc
<b>Jul 2023</b>	3	Monday	Budget Panel		5.30 pm	Romsey
	4	Tuesday	Southern Area Planning Committee		5.30 pm	Romsey
	6	Thursday	Licensing Committee		5.30 pm	Romsey
	12	Wednesday	Cabinet		5.30 pm	Romsey
	19	Wednesday	<i>Northern Viewing Panel</i>		9.00 am	tbc
	19	Wednesday	Overview & Scrutiny Committee		5.30 pm	Romsey
	20	Thursday	Northern Area Planning Committee		5.30 pm	Andover
	21	Friday	<i>Southern Viewing Panel</i>		2.00 pm	tbc
	24	Monday	General Purposes Committee		5.30 pm	Romsey
	25	Tuesday	Southern Area Planning Committee		5.30 pm	Romsey
<b>Aug 2023</b>	9	Wednesday	<i>Northern Viewing Panel</i>		9.00 am	tbc
	10	Thursday	Northern Area Planning Committee		5.30 pm	Andover
	11	Friday	<i>Southern Viewing Panel</i>		2.00 pm	tbc
	15	Tuesday	Southern Area Planning Committee		5.30 pm	Romsey
	17	Thursday	Licensing Committee		5.30 pm	Andover
	23	Wednesday	Cabinet		5.30 pm	Andover
	<b>28</b>	<b>Monday</b>	<b>BANK HOLIDAY</b>			
	30	Wednesday	<i>Northern Viewing Panel</i>		9.00 am	tbc
	30	Wednesday	Overview & Scrutiny Committee		5.30 pm	Andover
	31	Thursday	Northern Area Planning Committee		5.30 pm	Andover
<b>Sep 2023</b>	1	Friday	<i>Southern Viewing Panel</i>		2.00 pm	tbc
	4	Monday	General Purposes Committee		5.30 pm	Andover
	5	Tuesday	Southern Area Planning Committee		5.30 pm	Romsey
	13	Wednesday	COUNCIL		5.30 pm	Andover
	20	Wednesday	<i>Northern Viewing Panel</i>		9.00 am	tbc
	21	Thursday	Northern Area Planning Committee		5.30 pm	Andover
	22	Friday	<i>Southern Viewing Panel</i>		2.00 pm	tbc
	25	Monday	Audit Committee		5.30 pm	Romsey
	26	Tuesday	Southern Area Planning Committee		5.30 pm	Romsey
	28	Thursday	Licensing Committee		5.30 pm	Romsey

<b>Date</b>		<b>Meeting</b>	<b>Time</b>	<b>Venue</b>	
<b>Oct 2023</b>	2	Monday	Budget Panel	5.30 pm	Romsey
	4	Wednesday	Cabinet	5.30 pm	Romsey
	11	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	11	Wednesday	Overview & Scrutiny Committee	5.30 pm	Romsey
	12	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	13	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	16	Monday	General Purposes Committee	5.30 pm	Romsey
	17	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	25	Wednesday	COUNCIL	5.30 pm	Romsey
<b>Nov 2023</b>	1	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	2	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	3	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	6	Monday	Audit Committee	5.30 pm	Andover
	7	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	9	Thursday	Licensing Committee	5.30 pm	Andover
	15	Wednesday	Cabinet	5.30 pm	Andover
	22	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	22	Wednesday	Overview & Scrutiny Committee	9.00 am	Andover
	23	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	24	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	27	Monday	General Purposes Committee	5.30 pm	Andover
	28	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
<b>Dec 2023</b>	12	Tuesday	Audit Committee	5.30 pm	Romsey
	13	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	14	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	15	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	19	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	20	Wednesday	Cabinet	5.30 pm	Romsey
	21	Thursday	Licensing Committee	5.30 pm	Romsey
<b>Jan 2024</b>	1	<b>Monday</b>	<b>New Year's Day</b>		
	3	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	3	Wednesday	Overview and Scrutiny Committee	5.30 pm	Romsey
	4	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	5	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	8	Monday	General Purposes Committee	5.30 pm	Romsey
	9	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	11	Thursday	Budget Panel	5.30 pm	Romsey
	17	Wednesday	COUNCIL	5.30 pm	Romsey
	24	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	25	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	26	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	30	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	31	Wednesday	Cabinet	5.30 pm	Andover
<b>Feb 2024</b>	1	Thursday	Licensing Committee	5.30 pm	Andover
	7	Wednesday	Overview and Scrutiny Committee	5.30 pm	Andover
	14	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	15	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	16	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	19	Monday	General Purposes Committee	5.30 pm	Andover
	20	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	28	Wednesday	Cabinet	5.30 pm	Andover
	29	Thursday	COUNCIL	5.30 pm	Andover

<u>Date</u>		<u>Meeting</u>	<u>Time</u>	<u>Venue</u>	
<b>Mar 2024</b>	6	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	6	Wednesday	Overview & Scrutiny Committee	5.30 pm	Romsey
	7	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	8	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	12	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	14	Thursday	Licensing Committee	5.30 pm	Romsey
	18	Monday	Audit Committee	5.30 pm	Romsey
	27	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	27	Wednesday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	28	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	<b>29</b>	<b>Friday</b>	<b>Good Friday</b>		
<b>Apr 2024</b>	<b>1</b>	<b>Monday</b>	<b>Easter Monday</b>		
	2	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	3	Wednesday	Cabinet	5.30 pm	Romsey
	8	Monday	General Purposes Committee	5.30 pm	Romsey
	10	Wednesday	Overview and Scrutiny Committee	5.30 pm	Romsey
	17	Wednesday	<i>Northern Viewing Panel</i>	9.00 am	tbc
	17	Wednesday	COUNCIL	5.30 pm	Romsey
	18	Thursday	Northern Area Planning Committee	5.30 pm	Andover
	19	Friday	<i>Southern Viewing Panel</i>	2.00 pm	tbc
	23	Tuesday	Southern Area Planning Committee	5.30 pm	Romsey
	25	Thursday	Licensing Committee	5.30 pm	Romsey
<b>May 2024</b>	<b>2</b>	<b>Thursday</b>	<b>ELECTIONS</b>		
	<b>6</b>	<b>Monday</b>	<b>Bank Holiday</b>		
	8	Wednesday	ANNUAL COUNCIL	11.00 am	Andover

**ITEM 17**

**Exclusion of the Public**

**Recommended:**

**That, pursuant to Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following reports on the grounds that it involves the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A of the Act, as amended, indicated below. The public interest in maintaining the exemption outweighs the Public interest in disclosing the information for the reason given below:**

**Property Matters**

**Paragraph 3**

It is considered that this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the report and annexes necessarily disclose commercially sensitive financial and commercial information, relating to the Council and other third parties.

**Andover Masterplan – Levelling Up Fund Annex**

**Paragraph 3**

It is considered that this Annex contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the annex necessarily discloses commercially sensitive financial information, relating to the Council and its partners and may fetter the Council's ability to achieve best value from the project.

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