



## NOTICE OF MEETING

**Meeting:** Cabinet

**Date and Time:** Thursday, 3rd September, 2020 and 7.00 pm

**Place:** Council Chamber

**Enquiries to:** 01252 622122  
committeeservices@hart.gov.uk

**Members:** Ambler, Bailey, Cockarill, Kinnell, Neighbour,  
Oliver, Quarterman and Radley

Joint Chief Executive

CIVIC OFFICES, HARLINGTON WAY  
FLEET, HAMPSHIRE GU51 4AE

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## AGENDA

**This meeting is being administered under the provisioning of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. The provision made in this regulation applies notwithstanding any prohibition or other restriction contained in the standing orders or any other rules of the Council governing the meeting and any such prohibition or restriction has no effect.**

**This Agenda and associated appendices are provided in electronic form only and are published in [Council meetings](#)**

<b>1</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>	4 - 6
	The minutes of the meeting held on 6 August 2020 are attached for confirmation and signature as a current record.	
<b>2</b>	<b>APOLOGIES FOR ABSENCE</b>	
	To receive any apologies for absence from Members*.	
	<i>*Note: Members are asked to email Committee services in advance of the meeting as soon as they become aware they will be absent.</i>	
<b>3</b>	<b>DECLARATIONS OF INTEREST</b>	
	To declare disposable pecuniary, and any other interests*.	
	<i>*Note: Members are asked to email Committee Services in advance of the meeting as soon as they become aware they may have an interest to declare.</i>	
<b>4</b>	<b>CHAIRMAN'S ANNOUNCEMENTS</b>	
<b>5</b>	<b>PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)</b>	
<b>6</b>	<b>FOOD SAFETY PLAN 2020/21</b>	7 - 37
	To recommend to Cabinet that the Annual Food Safety Plan be adopted.	
<b>7</b>	<b>COMMUNITY INFRASTRUCTURE LEVY (CIL)</b>	38 - 77
	To consider the introduction of a Community Infrastructure Levy (CIL) in Hart.	
<b>8</b>	<b>2020/21 BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY</b>	78 - 82
	To allow a refresh of the Medium-Term Financial Strategy (MTFS) and to a timetable for the setting of the budget for 2021-22.	
<b>9</b>	<b>TREASURY MANAGEMENT OUTTURN 2019/20 (ANNUAL REPORT)</b>	83 - 96
	Post consideration by Overview & Scrutiny Committee, to consider Annual Report on Treasury Management Activities 2019/20.	
<b>10</b>	<b>2019/2020 OUTTURN POSITION</b>	97 - 106
	Post consideration by Overview & Scrutiny Committee, to consider the Annual Report on outturn.	

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|-----------|---|--------------|
| <b>11</b> | <b>CIVIC REGENERATION WORKING GROUP MINUTES</b>                         | 107 -<br>114 |
|           | Minutes from meetings held on 14 July and 4 August 2020 to be noted.    |              |
| <b>12</b> | <b>CABINET WORK PROGRAMME</b>   | 115 -<br>118 |
|           | The Cabinet Work Programme is attached for consideration and amendment. |              |

**Date of Publication: 25 August 2020**

## **CABINET**

**Date and Time:** Thursday 6 August 2020 at 7.00 pm

**Place:** Council Chamber

**Present:**

Ambler, Bailey, Cockarill, Kinnell, Neighbour, Oliver, Quarterman and Radley

**In attendance:** Axam, Crookes and Forster

**Officers:** Hince, Hughes, Phillips, Sanders, Vincent and Wood

### **13 MINUTES OF THE PREVIOUS MEETING**

The minutes of 4 June 2020 were confirmed and signed as a correct record.

### **14 APOLOGIES FOR ABSENCE**

No apologies received.

### **15 DECLARATIONS OF INTEREST**

Councillor Oliver declared that as a Member of Fleet Town Council, he had a non-pecuniary interest in the Harlington roof repairs.

### **16 CHAIRMAN'S ANNOUNCEMENTS**

No announcements.

### **17 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)**

None.

### **18 THE PAVILION, SOUTHAMPTON**

In accordance with the delegated authority authorised by Cabinet in August 2018 it is confirmed to Cabinet that on 9 March 2020 the Council procured an investment asset comprising an office called The Pavilion at Hedge End in Eastleigh. The purchase price was £6m and will achieve an initial 3.91% net investment return. The purchase is currently being financed by internal borrowing. At a later stage a WPLB loan may be required. The process by which the asset was procured was review at Overview & Scrutiny Committee at its meeting on 14 July 2020.

## **DECISION**

Members noted the decision

## **19 THE SWAN PUBLIC HOUSE, NORTH WARNBOROUGH**

It was confirmed that the District Council had now acquired the former Swan Public House by Compulsory Purchase Order and Cabinet were asked to agree the next steps. Members were informed this will be a temporary measure to save this listed building, make the area safe and allow time to look at the options for this site. In the meantime, it was confirmed that tidying works had already begun and the adjoining outbuilding had unavoidably collapsed.

The Chairman recommended that local councillors to the Parish should be kept informed of the progress.

### **DECISION**

Cabinet agreed to make

- 1 £30k provision from General Fund Reserves for the Joint Chief Executive to authorise the commissioning of a structural survey of the building to assess its current condition and also to prepare an appraisal study which would look at options for the future viable and beneficial use of the land.
- 2 £19k provision from General Fund Reserves to fund urgent works to be carried out to include (but not necessarily limited only to) tidying the site, the erection of hoardings across the site frontage and to erect secure fencing to the exposed side boundary, and also continuing hire cost for the current scaffolding.

## **20 DELEGATION OF COMMUNITY PROTECTION NOTICE POWERS TO HOUSING ASSOCIATIONS**

Approval to delegate Community Protection Notice (CPN) powers to the Registered Provider (Housing Association) 'Vivid Housing Limited' was sought.

Members were informed that this has been used by other Local Authorities for 2 years and this is seen as a very flexible tool to stop escalation of anti-social behaviour that can lead to people feeling unsafe in their homes.

Members sought reassurance about how this would be used and monitoring it to ensure Vivid use these powers efficiently. It was explained that Vivid already have existing powers within their legal responsibilities so this is an extra tool that can be withdrawn if required. Only two Officers within Vivid will have the delegated powers, and Hart District Council will approve those officers.

### **DECISION**

Cabinet approve the formal delegation of powers held by Hart District Council to include Vivid Housing Limited as an authorised body for the service of Community Protection Notices under Sections 43 and 53 of the Anti-Social Behaviour Crime and Policing Act 2014.

## **21 HARLINGTON ROOF REPAIRS**

Cabinet were informed of an urgent decision taken to enable works to be carried out to the roof of the Harlington.

Members noted that the Cabinet Member should be changed on the report to Councillor Quarterman. Members discussed other items of work which are not urgent and that a decision will be made in due course to consider the lifetime future of the building.

### **DECISION**

Members noted the report.

## **22 CIVIC CAMPUS REGENERATION WORKING GROUP**

Members noted the minutes of the meeting of 9 June 2020. Apologies were made that the minutes of a meeting on 14th July had not been published before the meeting. Those minutes of a meeting on 14th July and subsequent meeting of 4th August would be posted under Cabinet in September.

### **DECISION**

That the minutes of the meeting of 9 June 2020 be noted.

## **23 CABINET WORK PROGRAMME**

The Cabinet Work Programme was considered and amended as follows for September:

- An update on the 5Councils' Contract.
- Fleet Road pedestrianisation project updates.
- Further civic campus regeneration reports, when decisions are to be taken.
- Remove LGA peer review as at present, there is no reasonably foreseeable date for the review to be carried out.

The meeting closed at 8.05 pm

## **CABINET**

**DATE OF MEETING: 3 SEPTEMBER 2020**

**TITLE OF REPORT: FOOD SAFETY PLAN 2020/21**

**Report of: Environmental Health Manager**

**Cabinet Member: Cllr Sara Kinnell, Regulatory**

### **1 PURPOSE OF REPORT**

1.1 To consider the Food Safety Plan 2020/21 as set out in Appendix 1.

### **2 RECOMMENDATION TO COUNCIL**

That Cabinet approve the contents of the Food Safety Plan 2020/21 for Hart.

### **3 BACKGROUND INFORMATION**

3.1 Hart District Council's Food Safety Plan covers the work of the Food Safety team for 2020/21. The Food Safety Plan is published each year to comply with the requirements of the Food Law Code of Practice, issued by the Food Standards Agency. The Environmental Health team is currently responsible for enforcing food safety in 808 food premises, including: restaurants, hotels, pubs, schools and shops.

3.2 The Food Standards Agency (FSA), which regulates the enforcement of food legislation, requires annual plans to be submitted to a relevant Member forum for approval.

3.3 The aims of the Food Safety team are:

- to ensure that food and drink intended for sale for human consumption, which is produced, stored, distributed, handled or consumed within Hart is without risk to the health or safety of the consumer;
- to investigate suspected and confirmed food poisoning incidents, to locate the source of contamination and to prevent it spreading to protect the health of the public; and
- to provide information and advice on food safety matters for business and members of the public.

3.4 The Food Safety team works with the food businesses to ensure they comply with legislation and adopt best practice to control risks to health that may be associated with food storage, preparation, processing, and handling. In so doing, this helps promote a high level of public confidence in the safety of food prepared, handled and sold in Hart. The Council participates in the national

food hygiene rating scheme ([www.food.gov.uk/ratings](http://www.food.gov.uk/ratings)) and encourages businesses to display their rating.

- 3.5 There are no proposals to amend the Key Performance Indicators that the Service already reports against and are monitored alongside the quarterly review of all Service Plans.

#### **4 POLICY IMPLICATIONS**

- 4.1 This Service Plan and the Service Planning process form part of the Council's existing performance management framework.

#### **5 FINANCIAL AND RESOURCE IMPLICATIONS**

- 5.1 The Food Safety Plan sits under the Service Plan for Place and is consistent with the agreed budget for 2020/21. Should Members wish to introduce new or expanded work streams then additional resources will first need to be identified.

#### **6 MANAGEMENT OF RISK**

- 6.1 If the Council does not adopt a Service Plan with clear targets and tasks that are aligned with its budget, there is a risk that it could fail to deliver its objectives and priorities.

#### **7 ACTION**

- 7.1 Cabinet is requested to approve the Food Safety Plan 2020/21.

**CONTACT:** Dympna Sanders, Ext 4286, [dympna.sanders@hart.gov.uk](mailto:dympna.sanders@hart.gov.uk)

#### **APPENDICES:**

Appendix 1 – Food Safety Plan 2020/21



# Food Safety Plan 2020/21

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Environmental Health team



## Contents

Executive Summary

1.0 Introduction

2.0 How did we perform in 2019-20

3.0 Plan for 2020-21

*Appendices:*

Food Safety Action Plan 2019/20 Review

Food Safety Action Plan 2020/21

## Executive Summary

Hart District Council has a major role to play in promoting food safety and protecting consumers from food poisoning and food related allergic reactions. This annual Food Safety Plan is produced in accordance with the requirements of the Food Standards Agency. It reflects on the achievements and performance of the Team for the year 2019/20, and identifies the work currently being undertaken and planned for 2020/21, in partnership with businesses, to promote and enhance food safety in the District, including:

- ✓ Inspection of food businesses based on risk
- ✓ Investigating complaints and concerns regarding food safety
- ✓ Investigating allegations of food poisoning or allergic reactions
- ✓ Providing information, advice and training

In 2019/20, the Service:

- ✓ received 51 complaints about food premises and 37 allegations of food poisoning associated with food premises.
- ✓ served 5 improvement notices in relation to unsatisfactory food premises and/or practices.
- ✓ issued 2 Simple Cautions to food businesses that were not complying with the law.
- ✓ assessed 97.4% of food businesses in Hart to be compliant with food hygiene laws.

Whilst the focus of this plan is food hygiene to satisfy the overseeing national authority, for completeness it covers other functions of the team.

If you would like further information regarding our Service, or would like to speak to an officer for advice on food safety matters, please contact us at:

Email: [EH@hart.gov.uk](mailto:EH@hart.gov.uk)

Tel. 01252 774421

**Useful Websites:**

Food Standards Agency	<a href="http://www.food.gov.uk">www.food.gov.uk</a>
Food Hygiene Ratings	<a href="https://ratings.food.gov.uk/">https://ratings.food.gov.uk/</a>
Safer Food, Better Business	<a href="https://www.food.gov.uk/business-guidance/safer-food-better-business">https://www.food.gov.uk/business-guidance/safer-food-better-business</a>
Allergen Guidance for Businesses	<a href="http://www.food.gov.uk/business-guidance/allergen-guidance-for-food-businesses">www.food.gov.uk/business-guidance/allergen-guidance-for-food-businesses</a>
Free Allergen Training	<a href="https://allergytraining.food.gov.uk/">https://allergytraining.food.gov.uk/</a>
Health and Safety Executive	<a href="http://www.hse.gov.uk">www.hse.gov.uk</a>
The Royal Society for the Prevention of Accidents	<a href="http://www.rosipa.com">www.rosipa.com</a>

## 1.0 Introduction

Hart District Council's Food Safety Plan, sometimes known as Food Safety Service Plan, covers the work of the Food Safety team for 2020/21. The Food Safety Plan is published each year to comply with the requirements of the Food Law Code of Practice, issued by the Food Standards Agency. The Environmental Health team is currently responsible for enforcing food safety in 808 food premises, including: restaurants, hotels, pubs, schools and shops.

The Food Standards Agency (FSA), which regulates the enforcement of food legislation, requires service plans to be submitted to a relevant Member forum for approval. The standard of work carried out is in accordance with national legislation, Food Law Code of Practice and guidance issued by Local Government Regulation.

### 1.1 Aims and Objectives

The aims of the Food Safety service are:

- to ensure that food and drink intended for sale for human consumption, which is produced, stored, distributed, handled or consumed within Hart is without risk to the health or safety of the consumer;
- to investigate suspected and confirmed food poisoning incidents, to locate the source of contamination and to prevent it spreading to protect the health of the public;
- to provide information and advice on food safety matters for business and members of the public.

The Food Safety team works with the food businesses to ensure they comply with legislation and adopting best practice to control the risks to health that may be associated with food storage, preparation, processing, and handling. In so doing, this helps promote a high level of public confidence in the safety of food prepared, handled and sold in Hart. The Council participates in the national food hygiene rating scheme ([www.food.gov.uk/ratings](http://www.food.gov.uk/ratings)) and encourages businesses to display their rating.

The key objectives of the Food and Safety team in relation to food safety enforcement during 2020/21 are:

- to carry out programmed food hygiene inspections, in accordance with the statutory code of practice and guidance;
- to approve, register and license relevant premises in accordance with relevant legislation, statutory code of practice and guidance;

- to investigate food complaints in accordance with the Service's food complaint procedure, and to respond to complaints;
- to provide advice to businesses and members of the public in Hart with respect to food hygiene and allergens;
- to provide a range of food hygiene training courses;
- to promote national food safety campaigns which aim to raise awareness of food issues among catering businesses and the public;
- to produce and implement a sampling programme based on national priorities and local needs;
- to investigate all food poisoning notifications (except campylobacter) and outbreaks in collaboration with Public Health England (PHE);
- to respond to all food alerts in accordance with the relevant instructions and where necessary notify food incidents to the relevant national body in accordance with the statutory code of practice;
- to ensure that the Service's authorised officers adhere to the Council's enforcement policy when making enforcement decisions; and
- to continue to ensure the Service's authorised officers are suitably qualified, experienced and competent to carry out the range of tasks and duties they are required to perform, including providing additional training where required.

## 1.2 Profile of Hart District

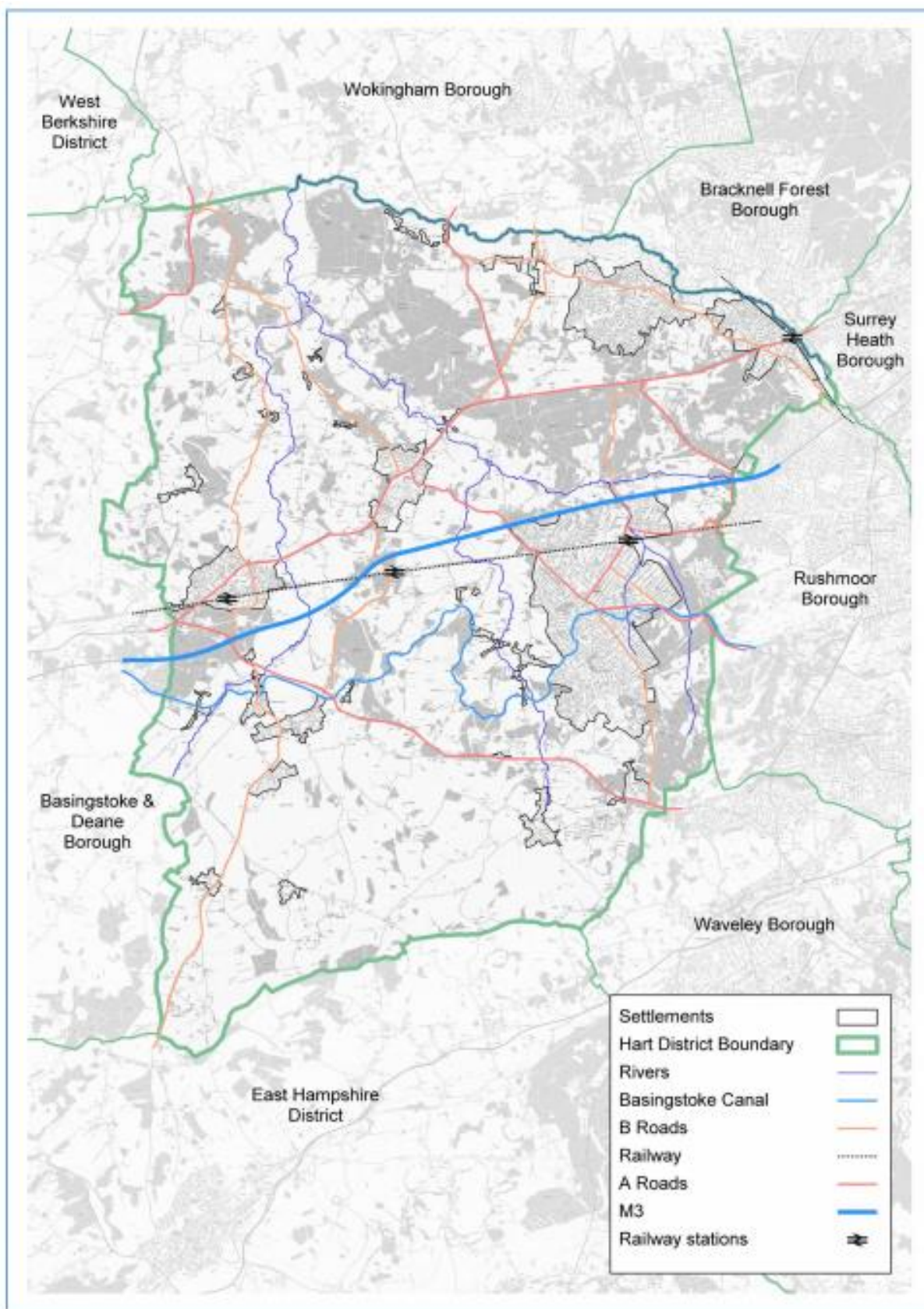
The District is primarily rural, covers some 21,500 hectares (83 sq. miles) and is situated in north-east Hampshire, bordering both Surrey and Berkshire.

The main towns are Fleet (comprising Elvetham Heath, Fleet and Church Crookham), Yateley, Blackwater and Hawley. Hook, Odiham, and Hartley Wintney are the larger villages in the District whilst other settlements are mainly small, dispersed villages and hamlets.

The District is bisected by the main line railway from Waterloo to Southampton and east to west by the M3. These enable good access to London, Southampton and other key employment areas such as Basingstoke, Camberley and Farnborough. However, movement patterns are complex and vary with the purpose of the journey. Some key services such as main hospitals and larger shopping centres are provided outside the District, particularly in Basingstoke, Guildford, Reading and Camberley.

The District is a popular place to live as it benefits from low unemployment, low crime rates and good schools. It has a healthy, active population with high participation in sports and leisure.

There are approximately 94,250 residents in the District with an ageing population. The District has a complex geography comprising a collection of diverse and distinct settlements. The larger settlements are suburban in character and have grown significantly in the last 30 years. There are an estimated 35,500 homes in the District with 30% of the population living in rural areas.





## 1.3 Link to the Corporate Plan, Vision and Objectives

### Vision for Hart

Hart District Council published its Vision for 2040 in 2019. The Vision is for Hart:

**“To become the best Place, Community and Environment to live work and enjoy”**

The Council’s Vision provides a clear direction for Hart and will help to improve the use of resources and align our strategies to reach the outcomes our community deserves. The Vision informs our future work programme across four themes:

- Theme One:** To become the best Place to live, work and enjoy by creating a connected environment
- Theme Two:** Design the Community to live in, work with and enjoy by helping our community to thrive
- Theme Three:** Enhance the Environment to live in, work in and enjoy enhancing our environment
- Theme Four:** Develop the Organisation which can deliver working in partnership

### The Place Service

The Food Safety service is delivered by the Environmental Health Team, which sits within the Place Service. The Service is focussed on delivering excellent services to our residents, businesses and other stakeholders. Place Service offers an end to end process for new businesses wishing to open in Hart District, coordinating our Planning, Building Control, Conservation, Licensing and Environmental Health functions.

The key services within the scope of the Place Service include:

- ✓ Development Management, Planning Enforcement and Conservation
- ✓ Building Control
- ✓ Planning Policy including The Local Plan
- ✓ Strategic and Economic Growth and Regeneration
- ✓ Environmental Health (Food Safety, Infectious Diseases, Health & Safety, Public Health, Statutory Nuisance, Fly Tipping, Animal Welfare & Special Treatment Licensing)
- ✓ Dog Warden Service
- ✓ Licensing
- ✓ Corporate Health and Safety

## 1.4 Delivering the Council's Vision for Hart through Environmental Health

The primary objective of the Environmental Health service is to protect the health, safety and welfare of the community through education and effective regulation.

The service links to each of the four Corporate Themes as follows:

### 1. To become the best place to live, work and enjoy by creating a connected environment

The Service promotes a level playing field through its Enforcement Policy, which takes a graduated approach to enforcement based on risk. We carry out our duties in an open, fair and consistent manner that promotes economic development.

We recognise that most businesses want to comply with the law, therefore, we want to support and enable businesses to meet their duties without unnecessary cost. We aim to deliver a healthy regulatory environment where good businesses thrive by using risk-based, proportionate and targeted enforcement. Firm action will be taken, however, where there is a blatant and/or persistent disregard for the law.

The Environmental Health Team routinely help new and developing businesses by providing advice based on best practice and signposting businesses to other agencies and resources. The team also provide training events, newsletters and advisory visits.

### 2. Design the Community to live in, work with and enjoy by helping our community to thrive

The Environmental Health team responds to a wide range of enquiries and complaints received from the community including: issues relating to statutory nuisance; licensed premises; food complaints and reports of alleged food poisoning.

The Service responds to planning consultations to mitigate potential issues relating to the environment, such as contaminated land, noise and odour and to ensure that developers meet their obligations in relation to these areas, so far as is permitted within the confines of the law and statutory guidance.

The Food Hygiene Rating Scheme provides an open and transparent platform for all food businesses, giving the public the opportunity to view the hygiene rating of businesses at: [ratings.food.gov.uk/](https://ratings.food.gov.uk/). The public can then choose whether to visit those food premises based on how well they comply with food law.

### 3. Enhance the Environment to live in, work in and enjoy enhancing our environment

Fly Tipping became part of the Environmental Health Service in May 2018. The aim of the service is to tackle serious fly tipping in open spaces within the District.

In February 2020 the Council approved the introduction of a Dog Fouling Public Space Protection Order under the Anti-Social Behaviour, Crime and Policing Act 2014. It came into force on 1 June 2020 and requires dog owners to: have with them appropriate means to pick up dog faeces deposited by their dog(s); and remove the faeces and for it to be disposed of in an appropriate receptacle.

The service also tackles filthy and verminous premises, unsecured buildings and land attracting vermin. This can also positively impact the likelihood of crime and the perception of crime in these areas.

### 4. Develop the Organisation which can deliver working in partnership

The Environmental Health Service works with several partners including:

- i. working closely with the Shared Licensing Service in partnership with Basingstoke & Dean Borough Council
- ii. working closely with Public Health (England) in relation to infectious disease notifications and outbreak investigations;
- iii. chairing the Council's Safety Advisory Group (SAG), which ensures public events are well managed and safe in consultation with partner organisations such as the emergency services, Highways and the Licensing Authority; and
- iv. actively participating in the Vulnerabilities Operational Group (VOG), which seeks to deal with crime and anti-social behaviour through a multi-agency approach.

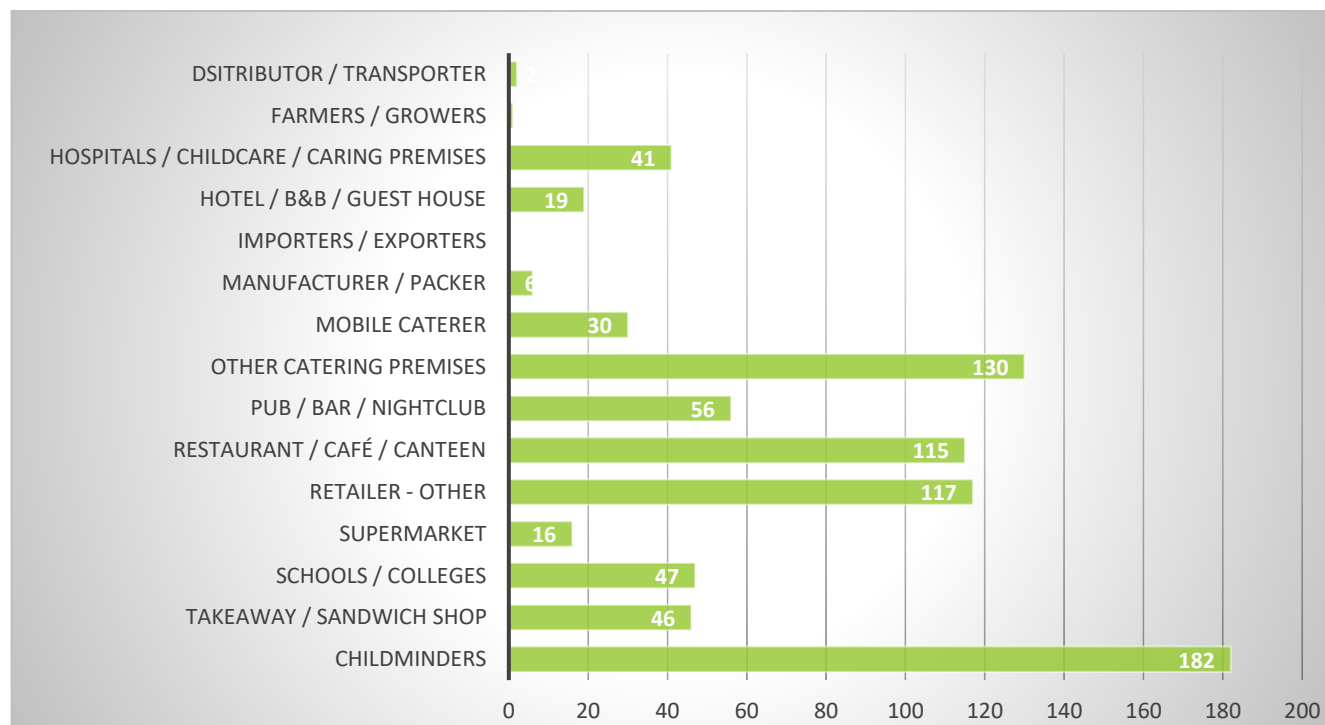
The Environmental Health Service continues to provide cost efficiency by ensuring Environmental Health staff are competent and multi-skilled, which improves resilience within a small team.

The flexible skills of the Environmental Health team have been particularly demonstrated during the current COVID-19 pandemic where they have:

- supported diversification of food businesses;
- enforced business closures legislation;
- supported the re-opening of businesses by advising on social distancing and risk assessment;
- Supported the Food Hub in getting food and pet donations; and
- Managed customers' expectations in relation to noise and bonfires during lockdown.

## 1.5 Demands of the Service

On 1 June 2020, there were 808 food premises in the district, broken down by the following premises types:



**Figure 1. Food Premises in Hart District on 1 June 2020**

The number of food premises has remained stable since 2018.

The hygiene rating of the food businesses in Hart, which determines how frequently they are inspected was as follows in June 2020:

Premises Risk Category	Frequency of Inspection	No. of Premises 2019	No. of Premises 2020
A	6 months	0	0
B	12 months	25	13
C	18 months	297	114
D	24 months	82	231
E	Alternative intervention and full inspection every 9 years	340	322
New/ Unrated		13	52
<b>Total</b>		<b>757</b>	<b>732</b>

**Table 1. Number of Food Premises by Category of Risk in Hart**

There are more unrated premises, as outlined in Table 1 above, than usual as we have not been able to carry out inspections of new businesses during COVID-19. All businesses, however, have been contacted by a Food Officer. The Food Hygiene Risk Ratings for food premises in June 2020, which are derived from the risk rating scores above, were:

Food Hygiene Rating	Meaning of Hygiene Rating	No. Premises 2019	No. Premises 2020
5	Very Good	378	406
4	Good	102	92
3	Generally Satisfactory	41	29
2	Some Improvement Necessary	11	10
1	Major Improvement Necessary	9	4
0	Urgent Improvement Necessary	2	0

**Table 2. Number of Food Premises by Food Hygiene Rating in Hart**



The figures in Table 2 do not include Childminders and other businesses excluded from the risk rating scheme, for example, military premises. The figures above equate to 97.4% of businesses in Hart complying with food law, which is an improvement from 96% in 2019. Table 2 illustrates a positive shift in compliance of all premises compared to 2019.

Premises that are rated 0 to 2 are always revisited as they are deemed to be failing to meet their legal obligations. The aim of the revisit is to determine whether improvements have been made within the business and to ensure that it is complying with the law. Revisits will be undertaken until such time as the business complies with the law. Should the business continue to fall short of their duties, our enforcement policy is followed in escalating enforcement action until such time that compliance is attained, or formal action is taken.

As Hart is an inland Local Authority and Blackbushe Airport is not used to import food, the Authority doesn't have any imported food responsibilities.

This year our routine programme is to carry out 232 high risk (Categories A to D) food hygiene inspections, however, as it has not been possible to carry out inspections in quarter 1 of 2020/21 due to COVID-19, it is unlikely that this programme will be fully achieved. In the meantime, the highest risk food premises have been contacted to offer advice and to enquire how they are managing food hygiene during the pandemic.

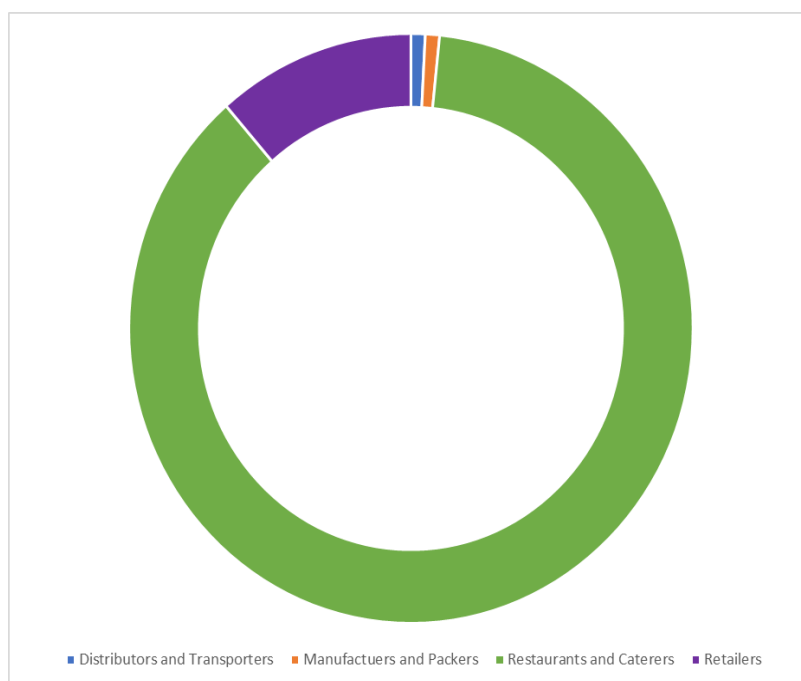
## 2.0 How did we perform in 2019-20

Our Food Safety Plan is reviewed on an annual basis and provides the opportunity to record our achievements and identify those key issues that still may need to be redressed. A review of how we performed against the Food Safety Plan 2019/20 is included in Appendix 1.

### 2.1 Food Hygiene Inspections

All Local Authorities have a duty to inspect the food premises in their area based on a frequency determined by a national risk rating scheme.

In 2020/21 we inspected 247 food premises, the vast majority of which were restaurants and caterers (214) as demonstrated in the pie chart below.



**Figure 3. Food Premises inspected by Business Type in 2019/20**

Our food enforcement activities resulted in:

- ✓ 229 warning letters being sent
- ✓ 96% of routine food hygiene inspections were carried out. 11 premises were not inspected due to lockdown in March 2020
- ✓ 24 food businesses that were not complying with the law at the time of the routine food hygiene inspection.
- ✓ 164 low risk businesses returned questionnaires in relation to their food operation.

- ✓ 55 routine samples were taken in our food premises; 22 of which were environmental swabs. 3 of the samples were unsatisfactory and the food business was given advice as a result.
- ✓ 58 new premises opened in the District

## 2.2 Food Complaints & Enquiries

We continue to receive consumer enquiries and complaints about standards of hygiene in food premises and food contamination. We investigate all such complaints based on risk. 96 enquiries in relation to food premises were received in 2019/20. The pie chart in Figure 4 overleaf illustrates the types of enquiries and complaints received.

The most common type of complaint that we receive as a Service is in relation to allegations of food poisoning. Many people associate an illness with the last meal that they have eaten, whereas, food poisoning symptoms can take between 12 hours to 10 days to manifest.

The Service dealt with one suspected norovirus outbreak in December 2019 alleged to be linked to a food stall at a Christmas Market. Further investigation, in partnership with Public Health England, did not substantiate the allegations.

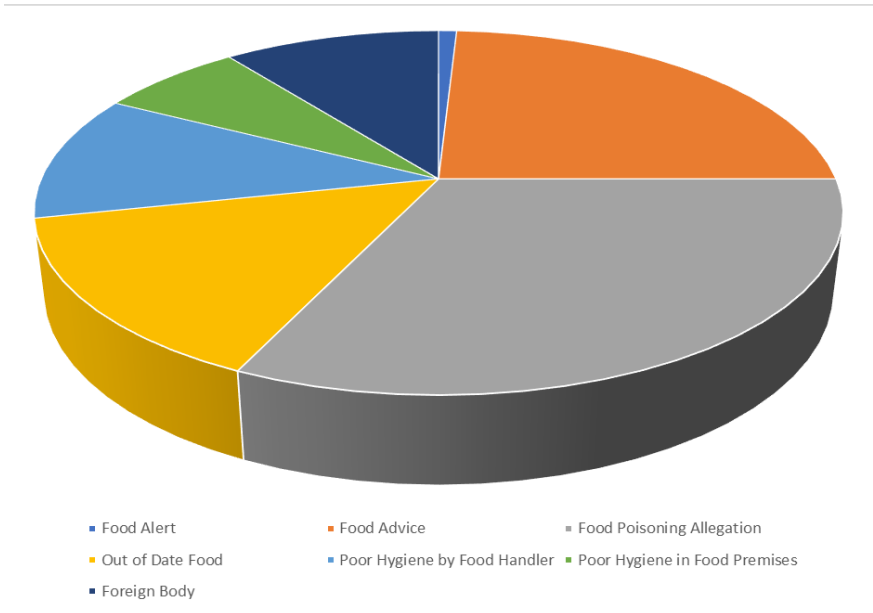


Figure 4. Food Enquires Received by Type in 2019/20



## 2.3 Support for Local Businesses and the Community

We supported local businesses and the community through:

- ✓ Two Food Safety and Health and Safety newsletters
- ✓ Press releases and social media posts throughout the year in relation to key subjects
- ✓ Collating and distributing critical information to local businesses during COVID-19 pandemic
- ✓ Collating a “Businesses Open during COVID” spreadsheet, which was updated weekly to provide information to the local community and to support our local businesses
- ✓ Securing food donations from local food premises to support the local community during the pandemic
- ✓ A Primary Authority partnership agreement with British Car Auctions (BCA) providing specialist health and safety advice to improve standards in their sites throughout Great Britain. We recover full costs for providing this service to BCA

## 2.4 Food Enforcement Action

We adopt comprehensive measures to protect consumers and promote food safety. We actively work with businesses to meet these shared goals.

Any enforcement action taken will be graduated, proportionate and in line with Hart District Council’s Enforcement Policy. A copy of the policy can be found at:

[www.hart.gov.uk/hart-site-search?term=enforcement%20policy](http://www.hart.gov.uk/hart-site-search?term=enforcement%20policy)

Enforcement Action	No. Actions
Written Warnings	229
Improvement Notices	5
Emergency Closures	0
Voluntary Closure	0
Seizure and Detention of Food	0
Voluntary Surrender of Food	0
Simple Cautions	2
Prosecutions	0

Table 3. Summary of Enforcement Action taken in 2019/20

## 2.5 Key Performance Indicators (KPIs)

Hart District Council's KPIs for the Food Safety and Health and Safety Service are as follows:

KPI No.	Description	Target	Actual Performance
R01	% of proactive inspections due that were completed within prescribed time	98%	96%
R02	% Environmental Health complaints responded to on time	98%	95%
R03	% of infectious diseases complaints responded to within 3 working days	100%	95%
R04	% of Food Premises categorised 0 to 2 under Food Hygiene Rating Scheme	Monitored	3%
RS04	% of serious accidents responded to within 1 working day	100%	No serious accidents

**Table 4. Details of Key Performance Indicators for the Environmental Health Service**

The right-hand column of Table 4 is highlighted in Green, Amber and Red to indicate whether targets were met with a summary explanation. Appendix 1 summarises how the Service performed against its Action Plan for 2019/20.

96% of food businesses that were due were completed within the financial year; 11 were not inspected due to lockdown in March 2020.

95% of all service requests were responded in line with our service standards. Some of this can be accounted for by technical glitches in our database and misallocation issues, which have now been resolved.

A brand new Food Hygiene Training programme had been designed and scheduled but unfortunately did not take place due to COVID-19.

## 2.6 Health & Safety

Hart District Council is designated as an Enforcing Authority under the Health & Safety (Enforcement Authority) Regulations 1998. It is responsible for the enforcement of the Health and Safety at Work Act 1974 and its associated Regulations in Local Authority enforced premises, which include: retailers, wholesalers, offices, catering premises, hotels, residential care homes and leisure centres.

In line with the Health & Safety Executive's National Code, Local Authorities now adopt a risk-based intervention approach to health and safety enforcement, rather than undertaking proactive / routine inspections.

In 2019/20 the team focused its intervention project on special treatment premises, particularly those offering skin penetrating treatments, such as micro-blading and tattooing. Eight in-depth inspections were undertaken to the following types of premises.

Gas safety and chemical safety have remained a priority when officers are undertaking routine food hygiene inspections. Compliance with gas safety is an on-going issue and, as a result, officers routinely request a copy of the business' current Gas Safe Certificate.

The safe use of chemicals and correct use and provision of personal protective equipment is also assessed during routine food inspections due to on-going concerns regarding unreported dermatitis and misuse of chemicals in food businesses.

## 2.7 Investigation of Workplace Accident, Ill-Health and Dangerous Occurrences

Businesses are responsible for reporting certain types of accidents, ill-health and dangerous occurrences that occur in association with their business.

Last year we received 38 official notifications, all of which related to injuries to workers and members of the public. 15 of the injuries were fractures.

When a notification is received, an assessment is carried out by the investigating officer to determine whether there:

- ✓ has been a serious breach of health and safety; or
- ✓ is a pattern of on-going accidents that may require attention.

If either of the above criteria are met, an accident investigation will be carried out.

## **2.8 Health & Safety Complaints**

Last year the Service received 47 enquiries and complaints in relation to health, safety and welfare issues.

## **2.9 Health and Safety Enforcement Action**

Last year, 1 Improvement Notice was served for health and safety offences.

A fatal accident prosecution has been commenced and a further investigation into the mismanagement of asbestos is on-going.

### 3.0 Plan for 2020-21

#### Work for 2020/21

We always strive to move the Service forward. To achieve this, we set targets and identify areas for development during the coming year. Appendix 1 outlines the Action Plan for 2020/21 with proposed time-frames.

#### Staff Resourcing

The Food Service sits within the Environmental Health Team and currently employs 2 Full Time Equivalent (FTE) staff members. 3 warranted officers undertake food enforcement activities. The breakdown of time is estimated as follows:

Activity	Staff (FTE)
Inspections	1.3
Complaints and service requests	0.05
Advice	0.2
Food sampling	0.05
Infectious diseases	0.1
Food safety incidents	0.05
Liaison with partners	0.1
Training / education and promotion	0.05
Management and administration	0.1
<b>Total</b>	<b>2.0</b>

There are currently 5 officers warranted to undertake health and safety enforcement. It is estimated that the time spent on health and safety last year was 0.8 FTE due to a prosecution and two on-going health and safety investigations.

#### Quality Assurance

The Service will continue to oversee the work of its officers to ensure that it complies with its legal requirements, the Food Law Code of Practice and internal policies and procedures.

## Staff Development

The Council is committed to ensuring that officers have the required qualifications, skills, experience and competencies commensurate with their work requirements. A number of training events were attended by staff to improve their competency in specific areas and to meet the Chartered Institute of Environmental Health's Continuing Professional Development requirements. The following courses were attended:

- Food Safety Conference
- London Food Study Group
- Allergen training
- Public Health England training on STEC and Shelf-life determination
- CIEH – Special Treatment Conference
- CIEH & HSE – various COVID conversation webinars

## Monitoring and Evaluation

The Environmental Health Team Leader or the Environmental Health Manager monitors the work of the Team by:

- Direct daily supervision of all officers; monthly 1-2-1 meetings with all officers reviewing all their current cases and forthcoming work;
- Regular team meetings;
- Bi-annual performance and development discussions (PDRs); identifying training and development issues and setting work objectives;
- A programme of internal monitoring activities, principally consisting of accompanied inspections, file and database monitoring, checking of statutory notices and investigation cases; and
- In house training sessions.

The Team performance are reported to the Environmental Health Manager, Head of Place and Council's performance is monitored quarterly.

When variations from the Service Plan are identified they will be reported to the Environmental Health Manager and to the Head of Place when quarterly performance indicators statistics are being collated.

Where performance is identified as below target, this is discussed as part of exception reporting to the Head of Place including strategies and plans to get performance back on track.

## Food Safety Action Plan 2019/20 Review

Hart Priority	Intervention	Target	Date	Outcome of Intervention	Performance Review 2020
Keep Hart Healthy and Safe	Continue to Deliver Programme of Food Hygiene Inspections	100% inspection of all food hygiene inspections due in line with Food Hygiene Rating Scheme	Mar 2020	All food businesses rated according to risk and appropriate enforcement action taken in line with enforcement policy	96% of inspections completed by end of year. 11 missed due to COVID-19 in March 2020
	Support Food Safety Week	Press release and social media exposure	Subject and dates to be confirmed	Increased awareness of food safety in local population	Article Re: allergens in Newsletter. Worked alongside Hampshire CC Trading Standards in visiting local businesses
	Undertake proactive health and safety interventions targeted at premises where local intelligence suggests that controls may not be sufficiently managed.	To target at least 8 premises that offer skin invasive treatments, such as tattooing and micro-blading	March 2020	Improved health and safety standards and greater protection of workers and customers.	Completed
	Continue to focus on Gas Safety and Chemical Safety during routine	Seek gas safety certificates from all	On-going	Monitoring of maintenance of high risk catering equipment with a	Completed

	inspections to Food Premises	food businesses inspected		view to protecting health and safety of employees	
<b>Help businesses to become established and grow</b>	Food Hygiene Training Courses	Deliver food hygiene training twice annually	March 2020	Improved understanding of food hygiene and improved prosperity in local businesses	New accreditation gained and course content overhauled and improved. Scheduled course cancelled due to COVID-19
	Continue to promote Award of Excellence Scheme in local businesses	Consider local businesses attaining Food Hygiene Rating of 5 for an award	On-going during Food Hygiene Inspection Programme	Supporting growth of local businesses	Scheme was disbanded due to time constraints and local interest in scheme.
		Publicise businesses who are awarded on website and Facebook	Twice annually		
	Improve knowledge and understanding of key food hygiene and safety issues in local businesses	Script and deliver 2 Business Newsletters	Twice annually	Improved understanding of food hygiene and improved prosperity in local businesses	Completed
	Continue to act as Primary Authority for BCA Marketplace Plc	Designated health and safety officer to offer specialist advice and guidance and to liaise with other LAs	On-going	Supporting growth of national business. Income generation	On-going. Have been invited to be part of an Expert Panel on Car Auction sites for BEIS



Increasing efficiency by extending the use of Information Technology	Development of Arcus database for Environmental Health Service	Review current procedures to maximise efficiency and effectiveness of IT systems including mobile working	End Q4 2020	System that supports the functioning of the Service more effectively and efficiently; more accurate performance monitoring; and time efficiency	Move to Arcus database disbanded due to a variety of difficulties. Will use learning from preparing for Arcus to update UNIFORM database
		Testing of new Arcus database	Q1 2020	To ensure that system is fit for purpose and performs as it should be full transition	
		Full implementation of Arcus database	April 2020	Fully functioning Arcus database for Environmental Health Service that effectively supports the operation of the Service including mobile working	

## Food Safety Action Plan 2020/21

Hart Priority	Intervention	Target	Date	Outcome of Intervention
<b>Covid-19 emergency response then recovery</b>	Delivery of the Council's response to Covid-19 pandemic	<p>Ensure that the Council meets its statutory obligations under the Civil Contingencies Act.</p> <p>Support for our town and village centres</p> <p>Support the local economy</p>	Ongoing	<p>Staff have been redeployed from business as usual activities to assist with delivery of the following elements of the council emergency response:</p> <ul style="list-style-type: none"> <li>• Hart Response Hub</li> <li>• Introduction of social distancing measures in Harts retail centres and submission of bids for government funding</li> <li>• Support for Business and Economy</li> </ul>
<b>New Ways of Working</b>	Working with the Council's operational recovery team to identify and implement opportunities for new ways of working	Green	Ongoing	<p>Most staff have worked remotely during the lockdown period</p> <p>Facilities have managed the safe return to offices and reopening of the reception</p>
<b>The Place to Enjoy – enhancing our</b>	Continue to Deliver Programme of Food Hygiene Inspections	100% inspection of all food hygiene inspections due in line with Food Hygiene Rating Scheme	Mar 2021	All food businesses rated according to risk and appropriate enforcement action taken in line with enforcement policy

<p><b>environment and health</b></p> <p><b>The Place to Enjoy – enhancing our environment and health</b></p>	Produce seasonal food safety and health & safety newsletters for food business operators within Hart	To produce two food safety and health & safety newsletters per year for distribution to relevant commercial premises within Hart	Mar 2021	Improved knowledge and understanding of food safety and health and safety risks and how to control them in local businesses
	Undertake proactive health and safety interventions targeted at premises where local intelligence suggests that controls may not be sufficiently managed.	To target at least 20 warehouse / barn type premises that undertake high risk operations to improve health and safety standards in warehousing and barn-type premises.	March 2021	Improved health and safety standards and greater protection of workers and customers in 20 premises in District.
	Continue to focus on Gas Safety and Chemical Safety during routine inspections to Food Premises	Seek gas safety certificates from all food businesses inspected	On-going	Monitoring of maintenance of high risk catering equipment with a view to protecting health and safety of employees
	Fly Tipping Strategy	Review and implement the Fly Tipping Strategy to combat fly tipping in open spaces within the District including the service of Fixed Penalty Notices for Fly Tipping	Autumn 2020	Strategy in line with government policy and the law.
		Produce at least 4 press releases regarding fly tipping throughout the year	Mar 2021	To continue to raise awareness of fly tipping in the District through publicity and by encouraging residents to report it via FixMyStreet.

	Reducing incidence of dog fouling through targeted enforcement	Implement a District-wide Public Spaces Protection Order (PSPO) to deter dog fouling and encourage responsible dog ownership	June 2020	All open spaces in District covered by Dog Fouling PSPO. More flexibility in powers to deal with irresponsible dog owners
	Continue to act as Primary Authority for BCA Marketplace Plc	Provide a designated health and safety officer to offer specialist advice and guidance and to liaise with other Local Authorities in relation to the business	On-going	Supporting growth of national business Income generation
<b>Create Efficient Council Services</b>	Aim to become best Environmental Health Service in the UK	<p>Devise an Action Plan including:</p> <ol style="list-style-type: none"> <li>1. Review national statistics to determine current performance;</li> <li>2. Learn from the best in class;</li> <li>3. Improve resilience of Service through cross skilling and enhancing procedures;</li> <li>4. Enhancing the information on our website to enable more effective self-service;</li> <li>5. Consider how to improve customer engagement and feedback;</li> <li>6. Review Customer Excellence Award criteria and devise Action Plan</li> </ol>	<p>Overall Aim March 2025</p> <p>Objectives 1 to 6 Summer 2021</p>	Delivering a first class Environmental Health Service to the residents and businesses in Hart

	Uniform and GIS Project – ensure that the service is making the best more efficient use of these products	To ensure we get the best use of the software	On-going – continuous improvement	To ensure we get the best use of the software to help run an efficient and effective service
	Review all webpages relating to the Service to ensure they are helpful, up to date, relevant, easy to navigate and comply with the accessibility requirements	Helping our customers help themselves Part of a responsive and helpful council	23 September 2020	Helping our customers help themselves Part of a responsive and helpful council
	Produce seasonal food safety and health & safety newsletters for food business operators within Hart	To produce two food safety and health & safety newsletters per year for distribution to relevant commercial premises within Hart	March 2021	Helping our customers help themselves Part of a responsive and helpful council
	Review fees and charges across Environmental Health and Licensing	Review fees and charges to ensure they are set at a rate which is fair and reasonable, and reflects the real costs of providing the service	Autumn 2020	Ensure the fees and charges reflects the real costs of providing the service

## **CABINET**

**DATE OF MEETING: 3 SEPTEMBER 2020**

**TITLE OF REPORT: COMMUNITY INFRASTRUCTURE LEVY**

**Report of: Head of Place**

**Cabinet Member: Cllr Graham Cockarill, Place**

### **1 PURPOSE OF REPORT**

- 1.1 To consider the introduction of a Community Infrastructure Levy (CIL) in Hart.

### **2 OFFICER RECOMMENDATIONS**

1. That officers commence the processes to set the Community Infrastructure Levy (CIL) Charging Schedule; and
2. That Overview and Scrutiny Committee consider any draft CIL Charging Schedule prior to a Cabinet decision to consult.

### **3 BACKGROUND**

- 3.1 The Community Infrastructure Levy (CIL) was introduced through the Planning Act 2008. It is a levy on new development, intended as a fair and transparent means of capturing developer contributions towards the cost of infrastructure needed to support growth.
- 3.2 All district councils in England are empowered, but not required, to introduce CIL in their area.
- 3.3 If implemented, the levy applies to most new buildings (generally to all new homes, and other development over 100 sq. m.). Charges are based on the size and type of new floor space.
- 3.4 Both the Corporate Plan and the Hart Local Plan (Strategy & Sites) 2032 refer to the introduction of CIL. The evidence base behind the Local Plan demonstrates there is scope to introduce CIL in terms of development viability.
- 3.5 Overview and Scrutiny Committee considered this report at its July 2020 meeting and recommends that Cabinet agree to officers to commence the processes to implement a CIL. The Committee also requested that it sees and considers the draft CIL Charging Schedule before it is consulted upon. If two consultations are carried out during the CIL process it is recommended that Overview and Scrutiny Committee are involved on both occasions.

## **White Paper: Planning for the Future**

- 3.6 Since O&S considered the report in July, the Government has published [‘Planning for the Future, White Paper, August 2020’](#). One of the proposals is to replace Planning Obligations and CIL with a consolidated ‘Infrastructure Levy’. This would be based upon a flat-rate, valued-based charge, set nationally, at either a single rate, or at area-specific rates.
- 3.7 The Government is seeking views on this proposal and variations on it. There is no guarantee that it will be implemented. If it is to be implemented, it would require primary legislation followed by secondary legislation and could take 2 to 3 years.
- 3.9 In these circumstances it is recommended that work *does* start on the CIL project for Hart. The Council will need to monitor the situation closely but at present there is not enough certainty to abort the CIL project. The risk of aborting the project now in anticipation of the possible new levy is that the Government changes its mind or moves it to the longer term. That would mean time, and CIL receipts, would be lost.
- 3.10 It is therefore recommended that the Council starts the first steps of the project needed to create a draft CIL Charging Schedule, namely an updated viability study and an updated Infrastructure Delivery Plan (IDP). The IDP was always intended to be a ‘live’ document, to keep abreast of the infrastructure needed to support growth and aid the implementation of local plan policies. The work on viability would also assist in the determination of planning applications. Both of these documents would also assist in a future work on Local Plans, which is also highlighted in the Planning White Paper.

## **4. PROVISION OF INFRASTRUCTURE CURRENTLY**

- 4.1 Currently in determining planning applications, the Council as the Local Planning Authority considers the need for infrastructure to mitigate the impact of the development under a planning obligation, known as a S106 agreement. A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:
- (a) necessary to make the development acceptable in planning terms;
  - (b) directly related to the development; and
  - (c) fairly and reasonably related in scale and kind to the development.
- 4.2 Planning obligations are negotiated with the applicant, and then need to be secured through the S106 legal agreement. Both the negotiation on the content of the agreement and the drafting of agreed words in the agreement take a long time.
- 4.3 Planning obligations are tailored to each development to make it acceptable in planning terms. They can be used to secure on-site provision of infrastructure

as well as financial contributions to off-site improvements. They work well on large or strategic sites, allowing for bespoke solutions on a case by case basis, but for the numerous smaller developments they are inefficient and impractical. As a result, minor developments, especially cumulatively, have social or environmental effects that are often not captured through S106 obligations.

## **5. ABOUT THE COMMUNITY INFRASTRUCTURE LEVY (CIL)**

- 5.1 CIL is a tariff in the form of a standard charge on most new development. The District Council is the Charging Authority and sets the levy in a balanced way to ensure that development remains viable whilst contributing towards infrastructure projects that the Council has prioritised. An example of a recently adopted CIL Charging Schedule is attached at Appendix 7 (Chiltern & South Bucks CIL Charging Schedule, adopted January 2020).
- 5.2 The principle behind CIL is that applicant / developer who receives planning permission pays towards the cost of funding the infrastructure to support growth within the district. Since most development has some impact on infrastructure, it follows that the development should contribute towards the cost of providing or improving such infrastructure.
- 5.3 The key difference between S106 and CIL is that S106 is negotiated and becomes an obligation on the implementation of a planning permission to make that specific development acceptable in environmental and social terms. Whereas CIL is non-negotiable once the charging levy has been adopted and does not need to directly benefit infrastructure related to the development which has been permitted.
- 5.4 The Council must follow a statutory process to introduce a CIL charging schedule. These steps, which could take a year to 18 months overall, are:
1. Updating the infrastructure and viability evidence;
  2. Public consultation on the preliminary draft Community Infrastructure Levy Charging Schedule;
  3. Public consultation on the draft Community Infrastructure Levy Charging Schedule;
  4. Examination of the draft Community Infrastructure Levy Charging Schedule;
  5. Adoption of Community Infrastructure Levy Charging Schedule; and
  6. Implementation of the Community Infrastructure Levy.
- 5.5 This process identifies two consultations. Legally only one consultation is now required (it used to be two). However, it may still be sensible to plan for two consultations in order to enter the CIL examination on the most robust footing possible. This would likely make it a smoother examination and reduce risks,



including the possibility of a second consultation being needed at that late stage.

- 5.6 In preparing a CIL charging schedule the Council needs to have an up to date infrastructure delivery plan. In setting the levy a balance must be struck between maximizing revenue for infrastructure and the development remaining viable including the margins on developer profit (see Appendix 1). Viability is a key test at the CIL Examination to ensure CIL does not apply a 'brake' on development.
- 5.7 In setting the CIL rate (cost per sq. m.) the Council can differentiate between different geographic zones, between different types of development, and can make certain scales of development exempt. Equally Government guidance for CIL states that charging authorities should avoid undue complexity.
- 5.8 **Charging by Use Class** - Developers are familiar with the Town and Country Planning (Use Classes) Order 1987 (see Appendix 2). This categorises types of development and enables the viability assessment to similarly categorise types of development. For example, a charge can be set for A1 (shops) and a different charge for C3(a) (a single persons or family home). Many charging schedules using this approach have been found sound at examination including neighbouring authorities Surrey Heath and Bracknell Forest, and the attached example in Appendix 7. It should be noted that the Use Classes Order is being amended.
- 5.9 **Charging Zones** - Some Councils have significant differences in land values across their district. If clearly demonstrated through the CIL viability assessment, charging schedules can reflect this and set differing rates across their area.
- 5.10 The 2016 Adams Integra viability report for the Hart Local Plan & CIL recommended a range of charges across settlements for new homes of between £150 and £275 per sq. m. and for commercial uses, charging supermarkets and retail warehouses at £120 per sq. m. and zero rating all other uses. This work will need to be brought up to date.
- 5.11 Too much complexity can, however, create problems with implementation and a number of Council's have sought to simplify the process to ensure clarity for the development industry and planning authority alike. Appendix 3 shows the rates across a number of authorities adjacent to Hart.
- 5.12 Some developments are exempted from CIL. These include development of less than 100 sq. m. (unless it is a new home), affordable housing, self-build homes and development by a charity for its charitable purpose. On sites including the redevelopment of existing floorspace, the existing floorspace can be 'netted off' the new floorspace when calculating the CIL payment.

- 5.13 Once CIL has been adopted, other than the exemptions such as those mentioned above, the CIL payment is a requirement when the developer implements the development. In effect it is applied similar to a tax. There is no negotiation.
- 5.14 The CIL payment is required within 60 days of commencement by default. The Council can provide the opportunity for staged payments (especially for the larger sites / payments); these can help with the cash flow and therefore the viability of the development. This can be considered during the preparation of the CIL Charging Schedule.
- 5.15 If the CIL project proceeds it will be necessary to keep abreast of changes to regulations and guidance particularly given the ongoing Covid 19 situation.

## 6 BENEFITS OF CIL

- 6.1 **Flexibility** - The Council can decide how to spend the levy receipts provided it is on infrastructure needed to support development within the district (and exceptionally outside the district).
- 6.2 The levy can be used to fund a wide range of infrastructure, including: transport, education, health, indoor and outdoor sport, play areas, open spaces, parks and green spaces, cultural facilities, other community facilities.
- 6.3 The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if that is necessary to support growth and development. This flexibility far exceeds that secured through S106 obligations and unlike S106 is not time limited in its expenditure.
- 6.4 Funds can also be reprioritised by the Council to tackle unexpected needs for infrastructure, such as in response to Covid-19.
- 6.5 **Forward-funding** - CIL provides an opportunity to pool contributions to forward fund infrastructure to make development more acceptable at the outset.
- 6.6 **Town/Parish Councils** - Town and Parish Councils will receive a portion of the CIL receipts, the share being greater for those with a Neighbourhood Plan.

Neighbourhood Plan	Town / Parish Council Levy receipt
✓	25% uncapped, paid to Parish or Town Council
✗	15% capped at £100/dwelling (subject to annual indexation), paid to Parish or Town Council

- 6.7 Parish and Town Councils can spend CIL to fund the provision, improvement, replacement, operation, or maintenance of infrastructure, and anything else that is concerned with addressing the demands that development places on an area. It is also possible for the CIL Neighbourhood Portion to be spent on affordable housing.
- 6.8 **Speed of Decision Taking** - CIL is quicker than planning obligations creating efficiencies in the planning application process.
- 6.9 **Certainty for Developers and the Council** - Given CIL is non-negotiable developers will know at the outset what their charge will be, and this provides developer certainty. This helps the developer to pay an appropriate price for the land.
- 6.10 **Capturing contributions from minor development.** CIL is far more effective than planning obligations at capturing contributions from small/minor developments. These developments are often not caught by planning obligations because of difficulties demonstrating a direct link or impact on development at that scale. Equally the processes of justification, negotiation and converting individual impacts into appropriate monetary sums is disproportionate to the scale of the development. CIL overcomes this and is therefore better at addressing the cumulative impacts of minor developments.
- 6.11 National research<sup>1</sup> indicates that amongst a ‘commuter belt family’ of authorities (which includes Hart) CIL is generally being used as the most effective means of capturing contributions from minor developments<sup>2</sup>. In 2016/17, within this group of authorities, 79% of minor developments made a CIL contribution (some of which also had a S106 agreement). This tells us that for the most part, authorities with similarities to Hart have decided to go down the CIL route. Since that study some of the others may have also gone down the CIL route.
- 6.12 In addition, the Infrastructure policy (INF1) in the new Hart Local Plan 2032 precludes ‘tariff-style’ contributions from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 sq. m. (gross internal area). This is a result of the Plan being examined under previous national policy which included this restriction. This means that the Council would only be able to capture S106 obligations to make minor development acceptable in planning terms.

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<sup>1</sup> The Incidence, Value and Delivery of Planning Obligations and Community Infrastructure Levy in England

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685301/Section\\_106\\_and\\_CIL\\_research\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685301/Section_106_and_CIL_research_report.pdf)

<sup>2</sup> Residential minor developments are fewer than 10 units (unless floorspace exceeds 1,000 sq. m. or 0.5ha). For land uses other than dwellings a minor development is where the floorspace is less than 1,000 sq. m. or where the site area is less than 1ha, all other developments are major.

- 6.13 The Local Plan was written with the assumption that CIL would be introduced and thus the absence of tariff-style infrastructure contributions on sites of 10 units or less would be temporary: *'Until we adopt a CIL Charging Schedule the level of any financial contributions will be determined on a site by site basis'* [paragraph 331]. The Local Plan and CIL being both adopted would better serve the effective and timely delivery of infrastructure.
- 6.14 In the absence of CIL, the Council is missing out on a potential source of funding for infrastructure, particularly for minor developments, which are expected to continue as windfalls for the foreseeable future. The NPPF 2019 para 68 says 10% of housing supply should be from sites of 1 hectare or less. This re-affirms the point, despite having just adopted the Hart Local Plan 2032, and having granted planning permission already for the strategic sites, there will a number of smaller developments coming forward which enforces the need to bring in CIL.
- 6.15 **Recouping administrative costs** - The charging authority can retain 5% of the receipts to recoup administrative costs. Administrative expenses associated with the CIL include the CIL set-up costs, including preparing evidence on viability, IDP and the funding gap, consultation(s) on the charging schedule and the costs of the examination. Other costs include establishing and running billing and payment systems, enforcing the levy, the legal costs associated with payments in-kind and monitoring and reporting on levy activity.

## 7. COSTS AND CONSIDERATIONS

- 7.1 CIL is a relatively straightforward process to implement and we can learn a lot from Councils who have already implemented it. It requires a limited amount of evidence and a simple consultation and examination process. In addition, charging CIL on sites of ten or less will capture funds that will otherwise not be captured.
- 7.2 Appendix 4 sets out a table which calculates the type of CIL rates which would be available based on typical house sizes (taken from the National Prescribed Space Standards) and a range of CIL rates from £150 per sq. m. to £200 per sq. m. It shows that for a medium sized 3 bed home, with a CIL rate of £175 per sq. m. the CIL payment would be circa £16,000. Appendix 5 sets out how this payment would be split between infrastructure delivered by the District Council, infrastructure delivered by the Town or Parish Council, and the admin fee.
- 7.3 As part of this process a number of recent planning decisions have been reviewed to assess the existing contributions to infrastructure via planning obligations under S106. In recent years we have not received significant sums. The legislation is very clear, as set out earlier, that contributions can

only be required if they are necessary to make the development acceptable in planning terms, directly related to the development; and fairly and reasonably related in scale and kind to the development. And where the infrastructure providers have not asked, or not been able to demonstrate their ask meets the above criteria, we have not been able to secure significant contributions.

- 7.4 Approving the process towards adoption of CIL will require finance for officer time to prepare the relevant documents, commission the evidence, hold the examination and set up officers to charge, monitor and enforce CIL. As noted in paragraph 6.15 these costs are recoverable.

## **8. ALTERNATIVES TO CIL**

- 8.1 The alternative is to continue using planning obligations secured via S106. However, the new local plan infrastructure policies preclude tariff-style contributions from small sites. To remove this restriction would require a full local plan review process for those policies which would take longer than introducing CIL. And even then, the legal tests would still apply so the tariffs could not be routinely applied. This approach is not recommended.

## **9. MONITORING AND REPORTING REQUIREMENTS**

- 9.1 Even without CIL, the Council needs to invest staff time into meeting new monitoring and reporting requirements that relate to both CIL (if relevant) and planning obligations<sup>3</sup>. The Council will need to produce an Infrastructure Funding Statement (IFS) by December 2020 and annually thereafter setting out how developer contributions have been spent, how future receipts will be spent, and whether the receipts derive from CIL or planning obligations. If the Council introduces CIL there would be synergies between the two approaches in terms of meeting the new monitoring and reporting requirements (potentially including software that serves both purposes).

## **10. CONCLUSION**

- 10.1 The Council has previously stated its intention to introduce a CIL. Initial estimates suggest that CIL should generate increased funding for local infrastructure than a continued reliance on planning obligations. CIL is also regarded as the best approach to address the cumulative impacts of smaller developments. CIL should be viewed as a long-term commitment.

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<sup>3</sup> The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 PART 10A Reporting and monitoring on CIL and planning obligations

## **11 POLICY IMPLICATIONS**

11.1 Introducing CIL is consistent with the adopted Hart Local Plan (Strategy & Sites) 2032 and the Corporate Plan.

## **12 FINANCIAL AND RESOURCE IMPLICATIONS**

12.1 There are financial and resource implications which are set out in Appendix 6. Planning, consultation and implementation costs of CIL are not covered within existing budgets, however the CIL charges incorporate the costs of setting and implementing the CIL Charging Schedule (5% of all CIL receipts).

## **13 ACTION**

13.1 It is requested that Cabinet support the introduction of CIL.

### **Contact Details:**

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### **Appendices:**

Appendix 1: Viability

Appendix 2: Use Classes Order

Appendix 3: CIL rates in adjacent authorities

Appendix 4: Potential rates for residential C3 development

Appendix 5: Potential breakdown of the income from CIL

Appendix 6: Indicative resource implications of introducing a CIL

Appendix 7: Example CIL Charging Schedule: Chiltern & South Bucks, January 2020

### **Background Papers:**

Whole Plan and CIL Viability Study, Adams Integra, December 2016 and Addendum January 2018

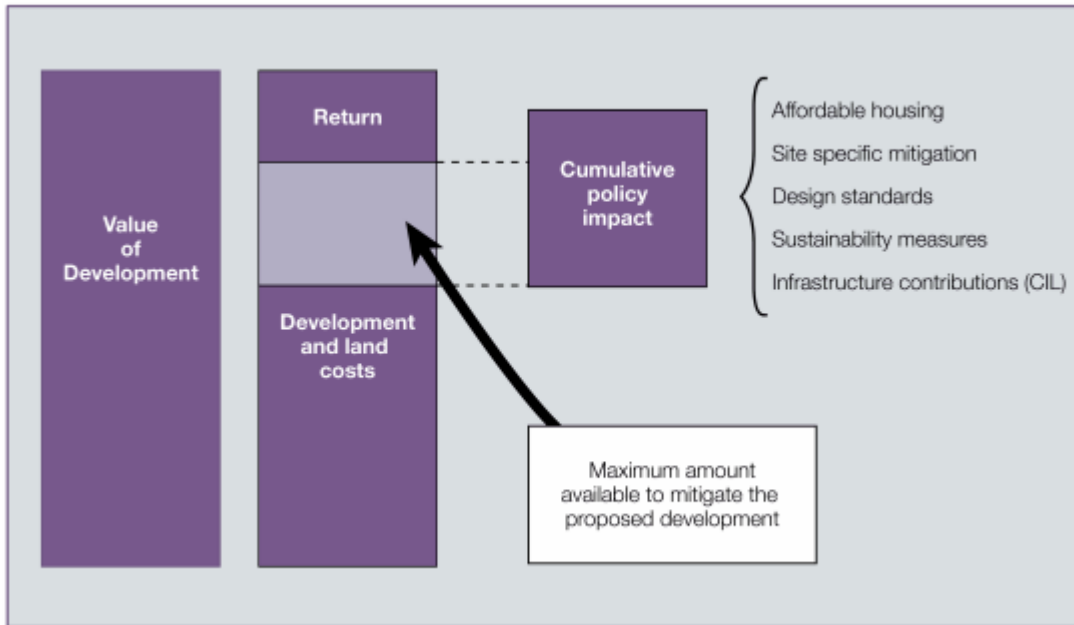
The Incidence, Value and Delivery of Planning Obligations and Community Infrastructure Levy in England. MHCLG March 2018

Financial viability in planning RICS guidance note 1st edition (GN 94/2012)

[Planning for the Future, White Paper, August 2020](#)

## Appendix 1 – Viability

The illustration below shows the value of development and its components of costs, mitigation and developer return.



Financial Viability in Planning, RICS, 2012

## Appendix 2 – Use Classes Order

### PART A

**Class A1. Shops**

**Class A2. Financial and professional services**

**Class A3. Food and drink**

**Class A4. Drinking Establishments**

**Class A5. For the sale of hot food for consumption off the premises**

### PART B

**Class B1. Business**

**Class B2. General industrial**

**Class B8. Storage or distribution**

### PART C

**Class C1. Hotels and hostels**

**Class C2. Residential institutions**

**Class C3. Dwelling houses**

**Class C4. Houses in multiple occupation**

### PART D

**Class D1. Non-residential institutions**

**Class D2. Assembly and leisure**

**SUI GENERIS. Uses which do not fall within the specified use classes above**



### Appendix 3 – CIL rates in adjacent authorities

The chart below provides information on the CIL charging schedules for Hart’s neighbouring authorities. Note: the charges are those set at the point of adoption – each January they are adjusted by the rate of inflation linked to the building cost inflation provided by Building Cost Information Service (BCIS).

Adjacent Authority	CIL status	Adoption Year	Residential Charges £	Retail/ Commercial Charges £	Other Charges £	Notes
Basingstoke and Deane	Adopted	2018	£200 £140 £80 £0	£0	£0	No charge for care home, extra care, sheltered housing, or wholly flatted schemes.
Bracknell Forest	Adopted	2015	£350 To £0	£100 £0	£0	Multiple residential charging zones
East Hampshire	Adopted	2015	£180 £150 £65 £10	A1-A5 £100 £0	Hotel £70 £0 Retail (A1-A5) £110 £0	Two charging zones C3A sheltered housing developments with rates of £40 and £0 psm.
Surrey Heath	Adopted	2014	SANG £55 £95 or no SANG £220 £180 £0	£200 £100 £0	0	Supermarket/ superstore and retail warehouse £200 psm. Two charging zones for all other retail with rates of £100 and £0 psm

Adjacent Authority	CIL status	Adoption Year	Residential Charges £	Retail/ Commercial Charges £	Other Charges £	Notes
Wokingham	Adopted	2015	£365 £340 £320 £300	£50 £0	0	Two sheltered housing zones with rates of £365 and £150 psm. Two residential institution and extra care housing with rates of £100 and £60 psm.
Waverley	Adopted	2018	£395 £372 £452 £435	£25 £65 £75 £95	Older persons accommodation from £100 to £268 depending on affordable housing provision and location	

#### Appendix 4 – Potential rates for residential C3 development

Number of bedrooms	Size (sq. m.)	Amount of CIL per home based upon rate per sq. m. of:		
		£150	£175	£200
1	49	£7,350	£8,575	£9,800
2	70	£10,500	£12,250	£14,000
3	91	£13,650	£15,925	£18,200
4	110	£16,500	£19,250	£22,000
5	119	£17,850	£20,825	£23,800
6	127	£19,050	£22,225	£25,400

Home sizes (in sq. m.) is based on the midpoint of homes in each size (based on number of bedrooms) as set out in the Technical Housing Standards – National Described Space Standards.

## Appendix 5 – Potential breakdown of the income from CIL

The following tables assesses how the income from CIL would be broken down in areas with and without made Neighbourhood Plans

Based upon a 3 bed home (91 sq. m.) and at a rate of £175 per sq. m. (see table in Appendix 4) then the total CIL income would be £15,925

<b>Situation where there is no made Neighbourhood Plan</b>	
80% to provide infrastructure to support growth managed by Hart District Council	£12,740
15% Neighbourhood Portion given to Town or Parish Council to provide infrastructure	£2,389
5% admin fee	£796
<b>Total</b>	<b>£15,925</b>

<b>Situation where there is a made Neighbourhood Plan</b>	
70% to provide infrastructure to support growth managed by Hart District Council	£11,147
25% Neighbourhood Portion given to Town or Parish Council to provide infrastructure	£3,981
5% admin fee	£796
<b>Total</b>	<b>£15,925</b>

## Appendix 6 – Costs of introducing CIL

*Table 1: Resources for creating the CIL charging schedule (setting out CIL rates)*

<b>Task</b>	<b>Resource / cost implication</b>
Prepare CIL Charging Schedule including consultation and examination support.	Consultant and Staff time: 12 months, 2-3 days per week.
Commission update to viability study, Infrastructure Delivery Plan and Infrastructure Funding Gap analysis.	Tender Consultants £30,000 + staff time (procurement, liaison etc.)
Examination: Examiner, programme officer, legal support, expert witness.]	£5,000 fees + staff time

*Table 2: Resources for operating CIL*

<b>Task</b>	<b>Resource / cost implication</b>
Training: Understanding and implementing the new procedures and processes for collection and monitoring.	Internal project team including Development Management, Business Support and Finance.
Appropriate software to run the calculation, collection and monitoring processes.	Add module to Uniform. Cost recoverable.
Staff resources for calculation / collection / monitoring / spending including preparation of Infrastructure Funding Statements.	CIL/S106 officer – 1 full time equivalent. Cost recoverable.



**CHILTERN**  
District Council



**SOUTH BUCKS**  
District Council

Stronger in partnership



# Community Infrastructure Levy (CIL) Chiltern and South Bucks District Councils Charging Schedules

Adopted  
South Bucks District  
Council 15 January 2020  
Chiltern District Council  
7 January 2020

The Community Infrastructure Levy (CIL) Charging Schedule (CS) was adopted by South Bucks District Council 15 January 2020 and Chiltern District Council 7 January 2020.

CIL became effective on 17 February 2020. The definition of 'large sites' was corrected on 17 March 2020 in accordance the Examiners Modification in his report of 13 December 2019.

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## Charging Authorities - Charging Areas

The two charging authorities are Chiltern District Council and South Bucks District Council. The charging schedule for the administrative area of Chiltern is set out in Table 1. The charging schedule for the administrative area for South Bucks is set out in Table 2. Both schedules contain the same charges.

CIL is a charge on development; it is tariff-based and enables local authorities to raise funds to pay for infrastructure. The CIL Charging Schedules set out the CIL rates that the Councils propose to charge on development within their administrative areas. Charges are set out as '£s per square metre' and are only chargeable on developments set out in Tables 1 and 2 of this document.

## Statutory Compliance

The provisions for CIL are set out by Part 11 of the Planning Act 2008, the Localism Act 2011, and the CIL Regulations 2010 (as amended).

The Government's guidance on CIL and the CIL Regulations can be accessed via the following web link: <https://www.gov.uk/guidance/community-infrastructure-levy#introduction>

## About the Community Infrastructure Levy

Most new development has an impact on infrastructure and therefore it is reasonable to expect developers to contribute to the cost of providing or improving that infrastructure. CIL in conjunction with S106 and S278 planning obligations provides a mechanism to collect funds to ensure this happens. Unlike S106 which focuses on affordable housing and site specific infrastructure, CIL charges can be collected on a wider range of developments and be spent on strategic infrastructure.

When setting rates, CIL Regulation 14 requires Councils to strike an appropriate balance between the desirability to fund infrastructure through CIL and the potential effect (taken as a whole) of the levy, on the economic viability of development in the geographical area in which CIL charges apply. When looking at infrastructure, the Councils also needed to estimate the cost of the infrastructure required to support development and consider sources of funding, including CIL that could be available.

Regulation 14 of the CIL Regulations 2010 (as amended) provides:

*'14. - (1) In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between:*

- (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking account of other actual and expected sources of funding; and*
- (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed. The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.

The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant Plan (the Local Plan in England). Charging authorities may not use the levy to fund affordable housing.

The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

CIL Regulation 13 makes provision, where relevant, for the setting of differential rates for different geographical areas /zones, different development types/uses, and scale of development size; or a combination of these factors. Any differential rate needs to be justified by viability assessments and evidence.

### CIL Geographic Charging Differentials

The viability assessment for both Chiltern District Council and South Bucks District Council has established a uniform charge across both administrative geographies. This means that the CIL liability in Tables 1 and 2 applies across both districts without any differentials in geography.

By contributing to investment in the infrastructure of the area and combining this with other funding sources, CIL is expected to have a positive effect on growth, development and the environment.

### CIL Liable Developments

CIL is charged on a £s per square metre basis according to the rates set out in Tables 1 and 2. The charging schedule for Chiltern District Council and South Bucks District Council collects the levy based on:

- the net additional gross internal floor space of all new residential units, regardless of their size;
- the erection of, or extensions to, other buildings creating over 100 square metres net new additional gross internal floor space; and
- the conversion of a building which is no longer in lawful use, and which has not been in use for a continuous period of 6 months over the last 3 years.

Liability to pay CIL on qualifying developments applies whether development requires planning permission or is enabled through permitted development orders (General Permitted Development Order, Local Development Orders, Neighbourhood Development Orders, and Enterprise Zones).

Once the CIL charging schedule is adopted by Chiltern District Council and South Bucks District Council, the levy charged is non-negotiable. CIL collection is triggered when the developer notifies the Council that the development due to commence.

## CIL Exemptions

The Regulations exempt some development from CIL liability, including:

- Development of less than 100 square metres new build floor space measured as gross internal area (GIA), unless it results in the creation of one or more dwellings (Regulation 42);
- The conversion of any building previously used as a dwelling house to two or more dwellings, which doesn't create net additional new floor space, and which has been in use for 6 months continuous use in the last 3 years
- Development of buildings and structures into which people do not normally go into, or enter under limited circumstances (for example an electricity sub-station, or wind turbine, or for the purpose of inspecting or maintaining fixed plant or machinery) (Regulation 5(2));
- Buildings for which planning permission was granted for a limited period;
- Full relief is applied on all those parts of chargeable development that are to be used as social/affordable housing, subject to an application by a landowner for CIL relief (criteria set out in Regulation 49/49A);
- Development by charities for charitable purposes subject to an application by a charity landowner for CIL relief (CIL regulation 43-48) (mandatory charitable relief);
- Houses, flats, residential annexes and residential extensions, which are built by self-builders, subject to an application for exemption by homeowners (CIL regulations 42A, 42B, 54A and 54B);
- The conversion of or works to a building in lawful use that affects only the interior of the building;
- Mezzanine floors of less than 200 square metres inserted into an existing building, unless they form part of a wider planning permission, which seeks to provide other works;
- Vacant buildings brought back into use (Regulation 40), where there is no net gain in floor space, provided a building has been in use for 6 continuous months during the last 3 years; and
- When a CIL charge is calculated as £50 or less, a CIL payment will not be charged by a Charging Authority.

## CIL and Existing Planning Permissions

CIL only applies to developments in the relevant district when the charging schedule is adopted by Chiltern District Council or South Bucks District Council. Development proposals that already have planning permission when a CIL Charging Schedule comes into force are not liable for CIL. This

includes any subsequent reserved matters applications following the granting of outline planning permission.

However, if proposed developments with planning permission are not started within the time limit stipulated on the decision notice, any subsequent application which in effect seeks a renewal may be liable to CIL where the Charging Schedule has been adopted.

Where an application is made under Section 73 of the Town and Country Planning Act 1990 for development without compliance with conditions which govern a planning permission, CIL is only chargeable on any additional floorspace over and above that approved by the original permission.

## CIL Preliminary Charging Schedule (PDCS) and Draft Charging Schedule (DCS) Consultations

The Councils consulted on a CIL PDCS during November and December 2018. The Councils then consulted on the CIL DCS during June to August 2019.

Comments on both consultations were received from Town & Parish Councils, residents' groups, agents, landowners, developers, statutory bodies and residents.

An Examination in Public took place on 5 November 2019 and the Examiners report was published on the 13 December.

## Infrastructure Delivery Plan & Funding Gap

An Infrastructure Delivery Plan has been prepared which sets out the infrastructure likely to be required to support the delivery of housing and commercial growth to 2036. This is a live document and will be occasionally updated.

An Infrastructure Funding Gap statement identifies that the likely CIL receipts from the anticipated new developments will be less than the costs of the infrastructure identified in the draft Infrastructure Delivery Plan. It confirms that CIL would contribute to, but not by itself, generate enough funds to pay for all the major infrastructure needs identified in the Infrastructure Delivery Plan.

## CIL and Local Plan Viability Assessment

Chiltern District Council and South Bucks District Council commissioned consultants to undertake a CIL viability assessment for housing and commercial development in Chiltern and South Bucks. The findings have informed the residential and commercial CIL rates set out in Tables 1 and 2, the Councils charging schedule.

The viability assessment indicates that it is appropriate for large sites to be CIL zero rated and should continue to rely on S106 planning obligations; this is due to the scale of site-specific development mitigation and infrastructure requirements from large sites, such as new schools and roads.

The assessment also considers that uniform CIL charging rates across both Chiltern and South Bucks should be levied at £150 per square metre for residential uses; £150 per square metre for retail and related uses; and £35 per square metre for commercial and other specific development categories.

## Adopted Charging Schedules

Tables 1 and 2 detail the residential, commercial and other CIL rates for Chiltern District Council and South Bucks District Council.

The CIL rates are presented for each Council area in accordance with the Government's CIL Regulations, which requires rates to be attributed to an individual Charging Authority. The administrative areas of the districts can be viewed in appendices 1 and 2. For Tables 1 and 2 below, see appendix 3 for a guide to the Use Classes.

Table 1: Chiltern District Council area CIL Rates

<b>Table 1: Chiltern District Council area CIL Rates</b>	
<b>Development type (Use Class)</b>	<b>CIL Rate/square metre</b>
A1 Shops	£150
A2 Finance and professional services	£150
A3 Restaurants and cafés	£150
A4 Drinking establishments	£150
A5 Hot food takeaways	£150
B1 Business	£35
B2 General industrial	£35
B8 Storage or distribution	£35
C1 Hotels	£35
C2 and C2A Residential institutions and Secure Residential Institutions	£35
C3 Dwelling homes*	£150
C4 Homes in multiple occupation	£150
D1 Non-residential institutions	£35
D2 Assembly and leisure	£35
Sui Generis	£35
All development types unless stated otherwise in this table	£35
Large sites of 400 homes or more (gross) or 10 hectares or more (gross) irrespective of land use**	£0
*C3 includes all self-contained accommodation, including elderly and sheltered accommodation and self-contained student accommodation.	
**Large Sites are defined as any site allocated in an emerging/adopted Local Plan with 400 homes or more (gross) or 10 hectares or more (gross), irrespective of land use and include any parcel within a Large Site irrespective of the size of the parcel.	

Table 2: South Bucks District Council area CIL Rates

<b>Table 2: South Bucks District Council area CIL Rates</b>	
<b>Development type (Use Class)</b>	<b>CIL Rate/square metre</b>
A1 Shops	£150
A2 Finance and professional services	£150
A3 Restaurants and cafés	£150
A4 Drinking establishments	£150
A5 Hot food takeaways	£150
B1 Business	£35
B2 General industrial	£35
B8 Storage or distribution	£35
C1 Hotels	£35
C2 and C2A Residential institutions and Secure Residential Institutions	£35
C3 Dwelling homes*	£150
C4 Homes in multiple occupation	£150
D1 Non-residential institutions	£35
D2 Assembly and leisure	£35
Sui Generis	£35
All development types unless stated otherwise in this table	£35
Large sites of 400 homes or more (gross) or 10 hectares or more (gross) irrespective of land use**	£0
*C3 includes all self-contained accommodation, including elderly and sheltered accommodation and self-contained student accommodation.	
**Large Sites are defined as any site allocated in an emerging/adopted Local Plan with 400 homes or more (gross) or 10 hectares or more (gross), irrespective of land use and include any parcel within a Large Site irrespective of the size of the parcel.	

### Annual Index linking of CIL Rates

CIL Regulation 40 enables charging authorities to make an annual index linked increase to their CIL rates at a set time of the year, which is normally from 1 January.

The CIL Regulations current method is to use the All-in Tender Price Index, published by the Building Cost Information Service (BCIS).

### Discretionary Relief from CIL

A charging authority can choose to offer discretionary relief to a charity landowner where the greater part of the chargeable development will be held as an investment, from which the profits are applied for charitable purposes (CIL regulation 44).

It can choose to offer exceptional circumstances relief (CIL regulation 55) where the charging of CIL would have an unacceptable impact on the economic viability of a development, and where the

exemption of a charitable institution from liability to pay CIL would constitute State Aid (CIL regulation 45) and would otherwise be exempt from liability under regulation 43.

Chiltern and South Bucks District Councils are not proposing to make available either discretionary charity relief or the exceptional circumstances relief (CIL regulations 44, 45 and 55).

### Payments in kind

In circumstances where the liable party and the Councils agree, payment of the levy may be made by transferring land or conducting works to an equivalent value. The agreement cannot form part of a planning obligation, and must be agreed before the chargeable development is commenced and is subject to fulfilling the following:

- the acquired land or works, is used to provide or facilitate the provision of infrastructure within the Districts;
- the land is acquired, or works are conducted, by the Councils or a person nominated by the Councils;
- the transfer of the land, where relevant, must be from a person who has assumed liability to pay CIL;
- the land must be valued by an independent person agreed by the Councils and the party liable to pay CIL, whereby the party liable to pay CIL meets the cost of the land valuation; and
- 'Land' includes existing buildings and other structures, land covered with water, and any estate, interest, easement, servitude or right in or over the land.

The Councils intend to consider payments in kind on a discretionary basis within the terms set out above.

### Payment of CIL and Instalments Policy

The CIL Regulations default position is that CIL payment is due within 60 days of the commencement of development. Charging Authorities can however set out an appropriate CIL payments instalments policy.

The Councils intend to operate a CIL Instalments policy according to the schedule set out by Appendix 4.

### CIL Administration Fee

The CIL Regulations allow the Councils to use up to 5% of total CIL receipts to refund and meet the costs associated with the establishment and on-going administration of CIL.



## Parish & Town Councils' Neighbourhood Portion

At least 15% of CIL receipts are allocated to Parish and Town Councils where CIL liable developments have taken place. This is known as the Neighbourhood Portion. If a Parish or Town Council area is covered by a 'made' Neighbourhood Plan, then the amount increases to 25% of CIL receipts from the area covered by the Neighbourhood Plan.

There is a cap of £100 (indexed) per council taxed home within a Parish or Town Council area per financial year, in areas without a made Neighbourhood Plan, but no cap if one is in place.

All Councils must pass over the Neighbourhood Portion of levy receipts from development to Parish or Town Councils if they are the accountable body. As the Chiltern and South Bucks areas are fully covered by Parish or Town Councils, the money (subject to any cap) will be passed to the relevant Parish or Town Council. CIL guidance recommends however that Charging Authorities and receiving Parish or Town Councils should engage and work closely to agree how best to spend these funds.

The CIL Regulations allow for the Neighbourhood Portion of levy receipts to be used for:

- The provision, improvement, replacement, operation or maintenance of infrastructure; or
- Anything else that is concerned with addressing the demands that development places on an area.

Provisions for the recovery of CIL monies by a Charging Authority are available, if Parish or Town Councils do not spend the Neighbourhood Portion of CIL receipts within five years of receiving it.

## Councils CIL Fund

The remaining funds, after administration and neighbourhood portion deductions will be allocated by the Councils to infrastructure projects. The Councils are required to publish on their website an Infrastructure Funding Statement; no later than the 31 December each calendar year which includes:

- a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies) ("the infrastructure list");
- a report about CIL, in relation to the previous financial year ("the reported year"), which includes the matters specified in paragraph 1 of Schedule 2 ("CIL report");
- a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule ("section 106 report").

## CIL and Section 106 Planning Obligations

CIL funds can be used to provide infrastructure to support the development of a whole area, whereas S106 obligations are used to make individual planning applications acceptable in planning terms.

Section 106 agreements and Section 278 highways agreements will continue to be used to secure site-specific mitigation and affordable housing.

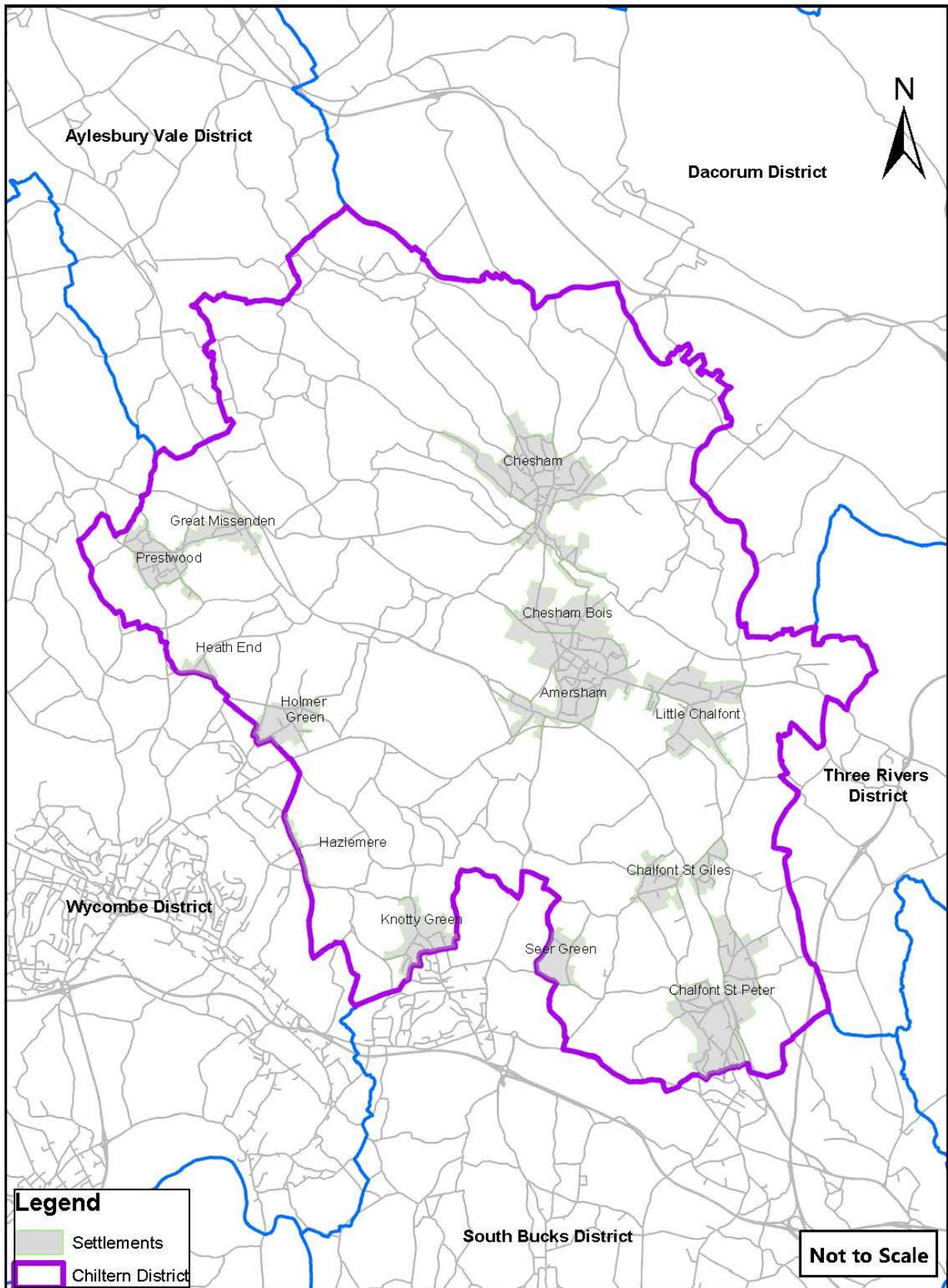
There are advantages and disadvantages in both S106 and CIL regimes. On the plus side, S106 contributions can be used to support the timely delivery of essential infrastructure, in support of specific developments. CIL funds can on the other hand be deployed with a greater degree of flexibility in supporting delivery of infrastructure across a wider area.

The Council is setting a threshold whereby developments of 400 homes or more or on sites of 10 hectares or more will be CIL zero rated. On these developments, financial contributions will be negotiated and legally bound through S106 and S278 agreements. Below these thresholds CIL will apply to all relevant development and the financial contributions will be based on the Charging Schedules. An exception to this is affordable housing which is legally required to be agreed through S106 agreements.

## CIL Administration

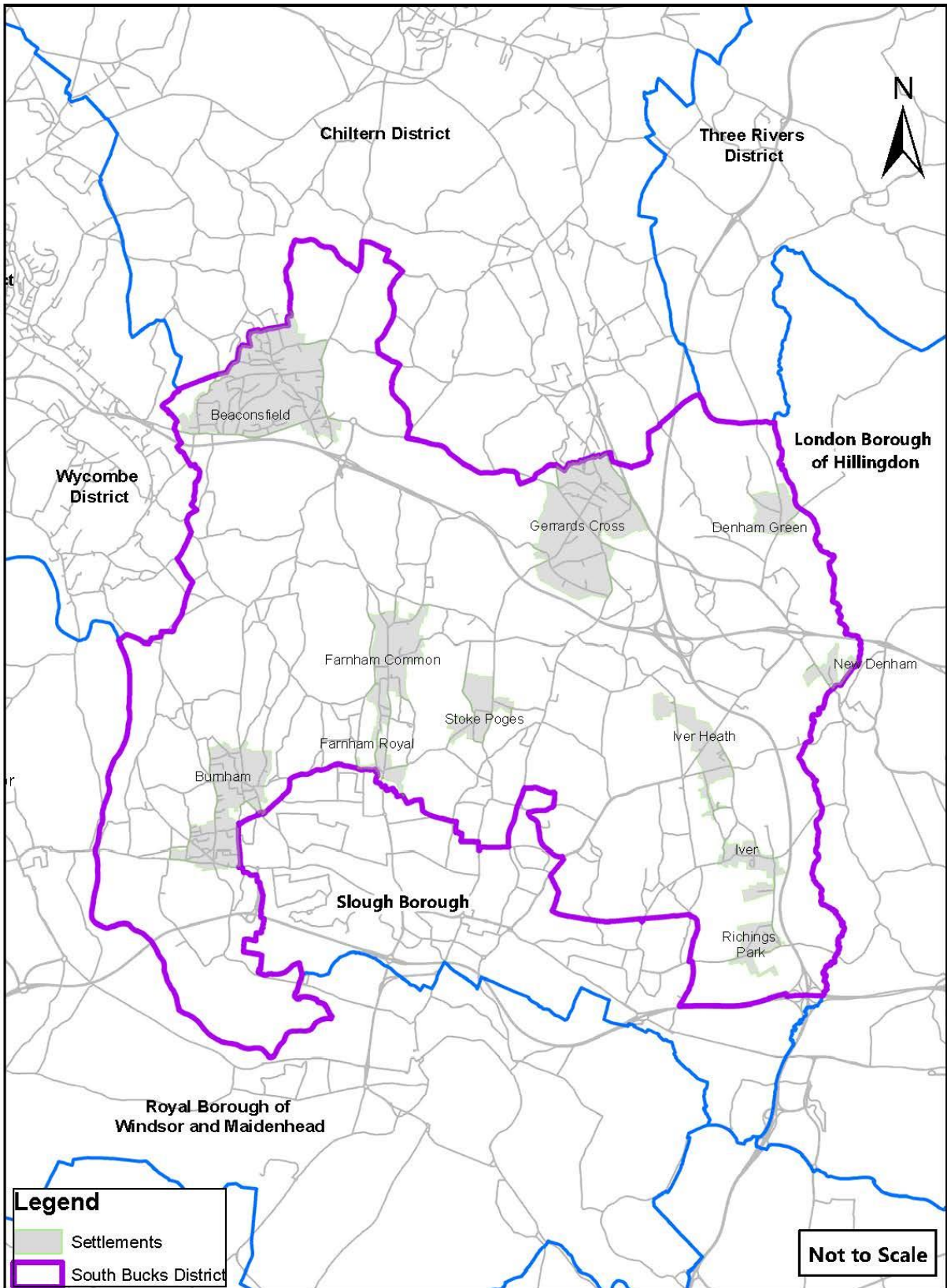
Appendix 5 provides further information on CIL administration and information for developers on some of the implementation issues that they will need to be aware of, in relation to CIL liable planning consents and permitted developments.

# Appendix 1: Chiltern District Council's CIL Charging Areas



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## Appendix 2: South Bucks District Council's CIL Charging Areas



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## Appendix 3: Guide to the Use Classes Order & Definitions

The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. The following list is based on the Government's guide to Use Classes. It is not a definitive source of legal information. The list gives an indication of the types of use which may fall within each use class. Please note it is for local planning authorities to determine the use class a particular use falls into.

### **Part A**

- **A1 Shops** - Shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices, pet shops, sandwich bars, showrooms, domestic hire shops, dry cleaners, funeral directors and internet cafés.
- **A2 Financial and professional services** - Financial services such as banks and building societies, professional services (other than health and medical services) and including estate and employment agencies. It does not include betting offices or pay day loan shops - these are now classed as "sui generis" uses (see below).
- **A3 Restaurants and cafés** - For the sale of food and drink for consumption on the premises - restaurants, snack bars and cafes.
- **A4 Drinking establishments** - Public houses, wine bars or other drinking establishments (but not night clubs) including drinking establishments with expanded food provision.
- **A5 Hot food takeaways** - For the sale of hot food for consumption off the premises.

### **Part B**

- **B1 Business** - Offices (other than those that fall within Class A2), research and development of products and processes, light industry appropriate in a residential area.
- **B2 General industrial** - Use for industrial processes other than those falling within Class B1 (excluding incineration purposes, chemical treatment or landfill or hazardous waste).
- **B8 Storage or distribution** - This class includes open air storage.

### **Part C**

- **C1 Hotels** - Hotels, boarding & guest houses where no significant element of care is provided (excludes hostels).
- **C2 Residential institutions** - Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.
- **C2A Secure Residential Institution** - Use for a provision of secure residential accommodation, including use as a prison, young offenders' institution, detention centre, secure training centre, custody centre, short term holding centre, secure hospital, secure local authority accommodation or use as a military barracks.
- **C3 Dwelling houses** - this class is formed of three parts:
  - C3 (a) covers use by a single person or a family (a couple whether married or not, a person related to one another with members of the family of one of the couple to be treated as members of the family of the other), an employer and certain domestic employees (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary and personal assistant), a carer and the person receiving the care and a foster parent and foster child.

- C3(b): up to six people living together as a single household and receiving care e.g. supported housing schemes such as those for people with learning disabilities or mental health problems.
- C3(c) allows for groups of people (up to six) living together as a single household. This allows for those groupings that do not fall within the C4 HMO definition, but which fell within the previous C3 use class, to be provided for i.e. a small religious community may fall into this section as could a homeowner who is living with a lodger.
- **C4 Houses in multiple occupation** - small shared houses occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.

#### **Part D**

- **D1 Non-residential institutions** - Clinics, health centres, crèches, day nurseries, day centres, schools, art galleries (other than for sale or hire), museums, libraries, halls, places of worship, church halls, law courts. Non-residential education and training centres.
- **D2 Assembly and leisure** - Cinemas, music and concert halls, bingo and dance halls (but not night clubs), swimming baths, skating rinks, gymnasiums or area for indoor or outdoor sports and recreations (except for motor sports, or where firearms are used).

#### **Sui Generis**

- Certain uses do not fall within any use class and are considered 'sui generis'. Such uses include betting offices/shops, pay day loan shops, theatres, larger houses in multiple occupation, hostels providing no significant element of care, scrap yards. Petrol filling stations and shops selling and/or displaying motor vehicles. Retail warehouse clubs, nightclubs, launderettes, taxi businesses and casinos.

This policy is made in line with Regulation 69B of the CIL (Amendment) Regulations 2011. The Councils will allow the payment of CIL as outlined in the points below:

1. Where the chargeable amount is less than £200,000, the chargeable amount will be required within 60 days of commencement.
2. Where the chargeable amount is between £200,000 and £2 million, the chargeable amount will be required as per the following four instalments:

1 <sup>st</sup> instalment	2 <sup>nd</sup> instalment	3 <sup>rd</sup> instalment	4 <sup>th</sup> instalment
25% within 60 days	25% within 160 days	25% within 260 days	25% within 360 days

3. Where the chargeable amount is over £2 million, the chargeable amount will be required as per the following four instalments:

1 <sup>st</sup> instalment	2 <sup>nd</sup> instalment	3 <sup>rd</sup> instalment	4 <sup>th</sup> instalment
25% within 60 days	25% By end of year 1	25% By end of year 2	25% By end of year 3

Commencement will be taken to be the date advised by the developer in the commencement notice under CIL Regulation 67.

**Notes:**

N1: When the Councils grant an outline planning permission which permits development to be implemented in phases, each phase of development is a separate chargeable development and the instalment policy will apply to each separate phase.

N2: This policy will not apply, and will be superseded by a default payment position allowed by the CIL Regulations, if:

- a) A commencement notice is not submitted prior to commencement of the chargeable development.
- b) Nobody has assumed liability to pay CIL in respect of the chargeable development prior to the intended day of commencement.
- c) Failure to notify the Council of a disqualifying event before the end of 14 days beginning with the day the disqualifying event occurs.
- d) An instalment payment has not been made in full after the end of the period of 30 days beginning with the day on which the instalment payment was due.

## Calculating the chargeable amount

The Councils will calculate the amount of CIL chargeable using the locally set rates multiplied by the gross internal area of the new buildings and enlargements to existing buildings, taking demolished floor space into account. The formal calculation methodology is set out by CIL Regulation 40, as follows:

**PART 5  
CHARGEABLE AMOUNT**

**Calculation of chargeable amount**

**40.**—(1) The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.

(2) The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.

(3) But where that amount is less than £50 the chargeable amount is deemed to be zero.

(4) The relevant rates are the rates, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.

(5) The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula—

$$\frac{R \times A \times I_p}{I_c}$$

where—

A = the deemed net area chargeable at rate R, calculated in accordance with paragraph (7);

$I_p$  = the index figure for the year in which planning permission was granted; and

$I_c$  = the index figure for the year in which the charging schedule containing rate R took effect.

(6) In this regulation the index figure for a given year is -

(a) the figure for 1st November for the preceding year in the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors(1); or

(b) if the All-in Tender Price Index ceases to be published, the figure for 1st November for the preceding year in the retail prices index.

(7) The value of A must be calculated by applying the following formula—

$$G_R - K_R - \left( \frac{G_R \times E}{G} \right)$$

where—

G = the gross internal area of the chargeable development;

$G_R$  = the gross internal area of the part of the chargeable development chargeable at rate R;

$K_R$  = the aggregate of the gross internal areas of the following—

- (i) retained parts of in-use buildings, and
- (ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development;

E = the aggregate of the following—

- (i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and
- (ii) for the second and subsequent phases of a phased planning permission, the value  $E_x$  (as determined under paragraph (8)), unless  $E_x$  is negative, provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.



(8) The value  $E_x$  must be calculated by applying the following formula—

$$E_P - (G_P - K_{PR})$$

where—

$E_P$  = the value of E for the previously commenced phase of the planning permission;

$G_P$  = the value of G for the previously commenced phase of the planning permission; and

$K_{PR}$  = the total of the values of  $K_R$  for the previously commenced phase of the planning permission.

(9) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish that a relevant building is an in-use building, it may deem it not to be an in-use building.

(10) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—

(a) whether part of a building falls within a description in the definitions of  $K_R$  and E in paragraph (7); or

(b) the gross internal area of any part of a building falling within such a description, it may deem the gross internal area of the part in question to be zero.

(11) In this regulation—

“building” does not include—

(i) a building into which people do not normally go,

(ii) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery, or

(iii) a building for which planning permission was granted for a limited period;

“in-use building” means a building which—

(i) is a relevant building, and

(ii) contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development;

“new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings;

“relevant building” means a building which is situated on the relevant land on the day planning permission first permits the chargeable development;

“relevant charging schedules” means the charging schedules which are in effect—

(i) at the time planning permission first permits the chargeable development, and

(ii) in the area in which the chargeable development will be situated;

“retained part” means part of a building which will be—

(i) on the relevant land on completion of the chargeable development (excluding new build),

(ii) part of the chargeable development on completion, and

(iii) chargeable at rate R.”

## Appendix 6: Measuring CIL liable floor space

Calculating CIL liability depends on the amount of CIL liable floor space that forms part of a proposal, using Gross Internal Area (GIA) measured in accordance with the Royal Institute of Chartered Surveyors (RICS) Code of Measuring Practice. The table below is based on the RICS's Code of Measuring Practice (6th edition, with amendments). The full Code of Measuring Practice is available on the RICS website at [www.rics.org](http://www.rics.org)

GIA is the area of a building measured to the internal face of the perimeter walls at each floor level.

*Including:*

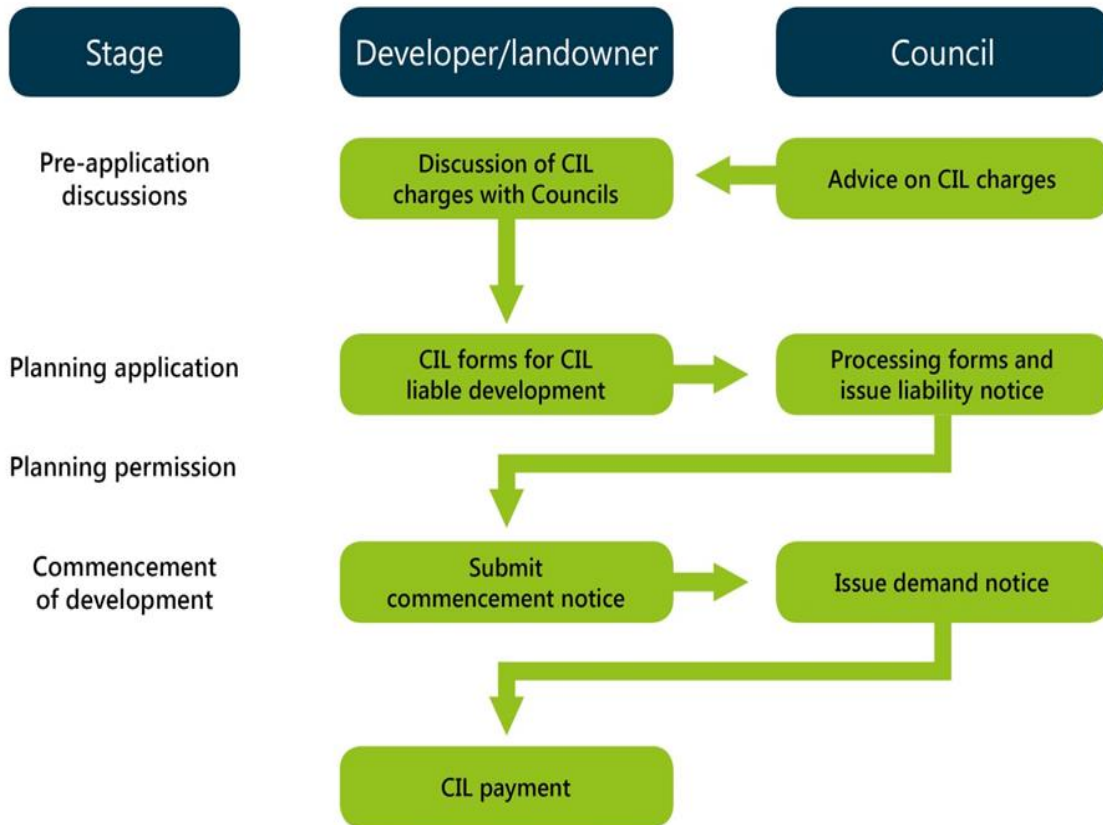
- Areas occupied by internal walls and partitions
- Columns, piers, chimney breasts, stairwells, lift-wells, other internal projections, vertical ducts, and the like
- Atria and entrance halls, with clear height above, measured at base level only
- Internal open-sided balconies, walkways, and the like
- Structural, raked or stepped floors are property to be treated as a level floor measured horizontally
- Horizontal floors, with permanent access, below structural, raked or stepped floors
- Corridors of a permanent essential nature (e.g. fire corridors, smoke lobbies)
- Mezzanine floor areas with permanent access
- Lift rooms, plant rooms, fuel stores, tank rooms which are housed in a covered structure of a permanent nature, whether or not above the main roof level
- Service accommodation such as toilets, toilet lobbies, bathrooms, showers, changing rooms, cleaners' rooms, and the like
- Projection rooms
- Voids over stairwells and lift shafts on upper floors
- Loading bays
- Areas with a headroom of less than 1.5m\*
- Pavement vaults
- Garages
- Conservatories

*Excluding:*

- Perimeter wall thicknesses and external projections
- External open-sided balconies, covered ways and fire escapes
- Canopies
- Voids over or under structural, raked or stepped floors
- Greenhouses, garden stores, fuel stores, and the like in residential

GIA is the basis of measurement in England and Wales for the rating of industrial buildings, warehouses, retail warehouses, department stores, variety stores, food superstores and many specialist classes valued by reference to building cost (areas with headroom of less than 1.5m being excluded except under stairs).

Once planning permission is granted, the CIL Regulations encourage any party, (such as a developer submitting a planning application, or a landowner), to assume liability to pay the CIL charge. CIL liability runs with the land. If no party assumes liability to pay before development commences, land owners will be liable to pay the levy. The Councils will put in place procedures that relate to establishing CIL liability and making the relevant payments, modelled on the flow-chart diagram below.



**Collection of CIL**

The Councils are to be the collecting authority for the purpose of Part 11 of the Planning Act 2008 and the CIL Regulations 2010 (as amended).

When planning permission is granted, the Councils will issue a liability notice setting out the amount of CIL payable, and the payment procedure.

In the case of development enabled under permitted development orders, the person(s) liable to pay will need to consider whether their proposed development is chargeable, and to issue the Councils with a notice of chargeable development.

The diagram above provides a summary of the collection process. A key trigger for collection of CIL is commencement of a development on site, with payment due thereafter in accordance with the Council’s CIL instalments policy.

**Appeals**

A liable person can request a review of the chargeable amount by the charging authority within 28 days from the issue of the liability notice. The CIL Regulations allow for appeals on:

- The calculation of the chargeable amount following a review of the calculation by the Councils.
- Disagreement with the Councils' apportioned liability to pay the charge.
- Any surcharges incurred on the basis that they were calculated incorrectly, that a liability notice was not served or the breach did not occur.
- A deemed commencement date if considered that the date has been determined incorrectly.
- Against a stop notice if a warning notice was not issued or the development has not yet commenced.

**DOCUMENT END**

## CABINET

**DATE OF MEETING:** 3 SEPTEMBER 2020

**TITLE OF REPORT:** 2020/21 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY

**Report of:** Head of Corporate Services

**Cabinet Member:** Councillor James Radley, Deputy Leader and Finance

### 1 PURPOSE OF REPORT

- 1.1 To allow a refresh of the Medium-Term Financial Strategy (MTFS) and to present a timetable for the setting of the budget for 2021-22.

### 2 OFFICER RECOMMENDATION

- 2.1 That Cabinet note the refresh of the Medium-Term Financial Strategy as outlined and the timetable for budget build for 2021-22 be agreed.

### 3 BACKGROUND

- 3.1 Members last reviewed the Medium-Term Financial Strategy as part of the budget approval process in February 2020. The purpose of this report is to remind Members of the medium-term financial challenges the Council faces and also lay out a clear timetable for approval of the 2021-22 budget.

- 3.2 Since that time, Members have been alerted to the potential impact of the Covid19 pandemic, when they received a report to Cabinet in July, covering Emergency and Urgent decisions taken in aiding the Councils response on behalf of our communities.

### 4 SIGNIFICANT FACTORS AFFECTING THE MEDIUM-TERM FINANCIAL STRATEGY

#### 4.1 Local Government Settlement

Hart District Council has not received any Revenue Support Grant since the 1 April 2018. When Revenue Support Grant was removed and Business Rates retention was introduced it was understood that Hart District Council would be liable to pay “negative RSG”. To date this has been funded by Central Government, however remains a future risk until we receive confirmation from Central Government as to whether it will be funded in December 2020.

#### 4.2 New Homes Bonus (NHB)

Historically the Council has relied on New Homes Bonus to fund the revenue budget. The Government made substantial changes to the NHB scheme from April 2017, as it diverted funding away from districts to counties and unitaries to fund adult social care pressures. Payment periods have also been reduced from 6 to 4 years and a baseline has been introduced. Prior to Covid-19 we

were expecting that threshold levels for this grant will be increased reducing Hart District Council's funding. This has yet to be confirmed by Central Government with further clarity confirmed in October 2020  
It is not clear whether there will be a replacement, nor whether Hart would qualify for any future payments. The MTFS assumes not.

#### 4.3 National Non-Domestic Rates (NNDR)

The new system of 75% business rates retention was delayed until 2021/22, however it is currently uncertain as to whether this will be introduced due to Covid-19, any new system is unlikely to increase revenue received by the Council.

#### 4.4 Fair Funding Review

The formulae the Government uses for calculating local government funding was due to be announced during this financial year but officers now believe this date has been delayed due to Covid-19.

#### 4.5 Other Budget Pressures including those relating to Covid-19

The Council faces a number of other potential budget pressures such as:

- Collection fund deficits on the NNDR account, particularly as the result of appeals and the impending recession.
- Continued reductions in funding by Hampshire County Council for a variety of agency and other services, including a £500,000 reduction in waste funding from 2021/22
- The Council had included significant commercial income in the MTFS for both 2021-22 and 2022-23. Due to the uncertainty around the economy this will need to be reviewed and recalculated in detail supported by sensitivity analysis.
- Covid-19 required our Leisure Centres to close which has brought a decrease in Management Fee payable to the Council by the operator; the speed of recovery to pre-Covid 19 management fees is not yet understood.

## 5 REFRESH OF MEDIUM TERM FINANCIAL STRATEGY

	2020-21	2021-22	2022-23	2023-24
Net Cost of Services	10,612	10394	10600	10812
Less				
Debt Interest	12	12	12	12
New Homes Bonus	-2,377	-1171	-505	0
Net Budget Requirement	8,247	9235	10107	10824
Financed By				
Business Rates Retained	-1280	-1320	-1360	-1380
Collection Fund (Surplus) / Deficit	123	0	0	0
NNDR Reserve	0	0	0	0
Council Tax Income	-7286	-7362	-7648	-7939
£5 Increase in Council Tax		-205	-205	-207
S106 Receipts	-53	-53	-53	-53
SANG Receipts/	-220	-220	-220	-220
MRP / Loan Repayments	469	469	469	469

Commercial Income	0	-250	-700	-1200
Transfer (to) from Reserves	0	0	0	0
Forecast Budget Gap	0	294	390	294

- 5.1 The above Medium-Term Financial Strategy is based on the pre-existing principle of a Council Tax increase of £5 for a band D equivalent property.
- 5.2 The above table has been rolled forward to include another year to the strategy (2023/2024) and revisions have been made to reduce commercial income and contributions from New Homes Bonus
- 5.3 Whilst the earlier MTFs updated in February but shown in detail in December 2019 (shown in appendix 1) established a balanced budget, we are now reflecting a risk of deficit of around £1m up to and including 2023/2024
- 5.4 Future reports will be provided to Members to consider our approach to bridging this gap, including an update of the Commercial Strategy

## **6 RESERVES**

- 6.1 The Council is required to maintain a minimum level of General Fund Reserves that equates to approximately 10% of net expenditure (£1m in Hart's case). For the life of this strategy the reserve needs to be set at a minimum of £1m.
- 6.2 At the end of 2018/19 the reserves were over £5.5m, comfortably more than the minimum level required. The current level of reserves provides an opportunity to prepare for those future pressures without the need for sudden reductions in service levels.

## **7 COMMERCIAL STRATEGY**

- 7.1 The Council has already recognised the risk of losing New Homes Bonus and has adopted a Commercial Strategy to try to make good any such losses. However, the forecast recession is likely to reduce the number of Commercial Opportunities with short term gain and our investment strategy will need to be reviewed.
- 7.2 There is much risk involved in this approach, and there are no guarantees that sufficient profitable opportunities will be found and developed in the timescales required. This risk is heightened as we face a future recession as a result of Covid-19. To limit public sector borrowing, PWLB is becoming both more restrictive and expensive which has a negative effect on rates of return to the Council.

## **8 KEY MESSAGES**

- 8.1 It is uncertain whether the Government will be able to achieve planned changes to local government from the 1<sup>st</sup> April 2021; however it is unlikely that New Homes Bonus will continue beyond 2021/22 and that the fairer funding regime will be introduced on a delayed basis.



8.5 There will be a structured approach to the preparation of the Medium-Term Financial Strategy and budgets to enable us to be well prepared in advance of funding announcements and explore a wider range of options for savings whilst limiting growth wherever possible. Hart will continue to face significant financial challenge and returns on our investments are unlikely to significantly increase in the short term.

## **9 NEXT STEPS**

9.1 Officers will continue to work on the revised budget for 2020/21 presenting this to Cabinet in October, for approval by Council in November 2020.

9.2 Commercial Income will be reviewed for the next three years with a revised summary report provided for Cabinet in November 2020 supported by sensitivity analysis.

9.2 We expect to see a Consultation document for 2021/22 funding in October 2020, following the publication of this Members will be offered a series of budget briefings by the Section 151 Officer. Officers and Members will be invited to submit growth bids and savings plans during October and November 2020.

9.3 Fees and charges policies and a review of the Local Council Tax scheme will be brought to Members for review and approval in November 2020 alongside a revised Medium-Term Financial Strategy.

9.4 Early 2021-22 budget indications will be brought to Members in December 2020. The Council Tax base for 2021-22 will also be agreed by Members in December 2020. Final allocations of funding are expected late December 2020.

9.5 Final growth, savings and fees and charges will be considered by Overview and Scrutiny in January, Cabinet in February for approval and adoption by Council at the end of February, to enable sufficient time to complete the annual Council Tax billing process.

**Contact Details:** Emma Foy, email: [emma.foy@Hart.gov.uk](mailto:emma.foy@Hart.gov.uk)

### **Appendices:**

Appendix 1: Medium-Term Financial Strategy

**MEDIUM TERM FINANCIAL STRATEGY**

ORIGINAL MTFFS (December 2019, and referenced to Cabinet in an update report February 2020)

**APPENDIX 1**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Net Cost of Services	9826	10189	10394	10600
Less				
Debt Interest	12	12	12	12
New Homes Bonus	-2283	-2200	-1171	-505
Net Budget Requirement	7555	8001	9235	10107
Financed By				
Government Grant				
- Business Rates Retained	-1258	-1280	-1320	-1360
Collection Fund (Surplus) / Deficit	-24	0	0	0
NNDR Reserve	390	0	0	0
Council Tax Income	-6792	-7083	-7362	-7648
£5 Increase in Council Tax	-202	-203	-205	-205
S106 Receipts	-53	-53	-53	-53
SANG Receipts/Loan Repayments	-61	-220	-220	-220
Minimum Revenue Provision / Loan Repayments	445	469	469	469
Commercial Income Target	0	0	-544	-1090
Transfer (to) from Reserves to balance Revenue Ac	0	0	0	0
<b>Total</b>	<b>0</b>	<b>-369</b>	<b>0</b>	<b>0</b>

## **CABINET**

**DATE OF MEETING: 3 SEPTEMBER 2020**

**TITLE OF REPORT: TREASURY MANAGEMENT OUTTURN 2019/20**

**Report of: Head of Corporate Services & Section 151 Officer**

**Cabinet Member: Councillor James Radley, Deputy Leader and Finance**

### **1. Purpose of Report**

1.1 To report the Council's Treasury Management activities during the 2019/20 financial year.

### **2. Officer Recommendation**

2.1 To note the report and consider the Officer recommendation that further investigation be carried out by the Section 151 Officer to find alternative investment opportunities with higher returns and that options are brought back to Cabinet as part of a revised Treasury Management Strategy.

### **3. Background**

3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

3.2 During 2019/20 the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the year
- a mid-year (minimum) treasury update report
- an annual review following the end of the year describing the activity compared to the strategy (this report)

3.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

3.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Scrutiny Committee before they were reported to the full Council.

#### 4. The Council's Capital Expenditure and Financing

4.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators.

The table below shows the actual capital expenditure and how this was financed.

	2018/19 Actual £'000	2019/20 Budget £'000	2019/20 Actual £'000
Capital Expenditure	2,383	3,480	9,283
Financed in year	(7,286)	(1,048)	(2,141)
Unfinanced capital expenditure	(4,903)	2,432	7,142

#### 5. The Council's Overall Borrowing Need

5.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

5.2 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2019/20) plus the estimates of any additional capital financing requirement for the current (2020/21) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2019/20. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	2018/19 Actual £'000	2019/20 Budget £'000	2019/20 Actual £'000
Total CFR	16,263	23,783	23,405
Gross borrowing position	13,598	12,337	12,385
(Under) / over funding of CFR	(2,665)	(11,446)	(11,020)

- 5.3 **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within its authorised limit.
- 5.4 **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
- 5.5 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2019/20 £'000
Authorised limit	30,000
Maximum gross borrowing position during the year	13,648
Operational boundary	25,000
Average gross borrowing position	13,410
Financing costs as a proportion of net revenue stream	2.61%

## 6. Treasury Position as at 31 March 2020

- 6.1 At the beginning and the end of 2019/20 the Council’s treasury, (excluding borrowing by PFI and finance leases), position was as follows:

	2018/19 £'000	2019/20 £'000
Short-term Borrowing	(1,372)	(1,377)
Long-term Borrowing	(12,277)	(11,008)
Short-term Investments	12,000	11,000
Cash & Cash Equivalents	19,261	18,760

6.2 The maturity structure of the debt portfolio was as follows:

	2018/19 Actual £'000	2019/20 Actual £'000
Under 12 months	1,371	1,377
12 months and within 24 months	1,269	1,289
24 months and within 5 years	3,460	2,530
5 years and within 10 years	1,872	1,913
10 years and within 20 years	4,415	4,511
20 years and within 30 years	1,262	765

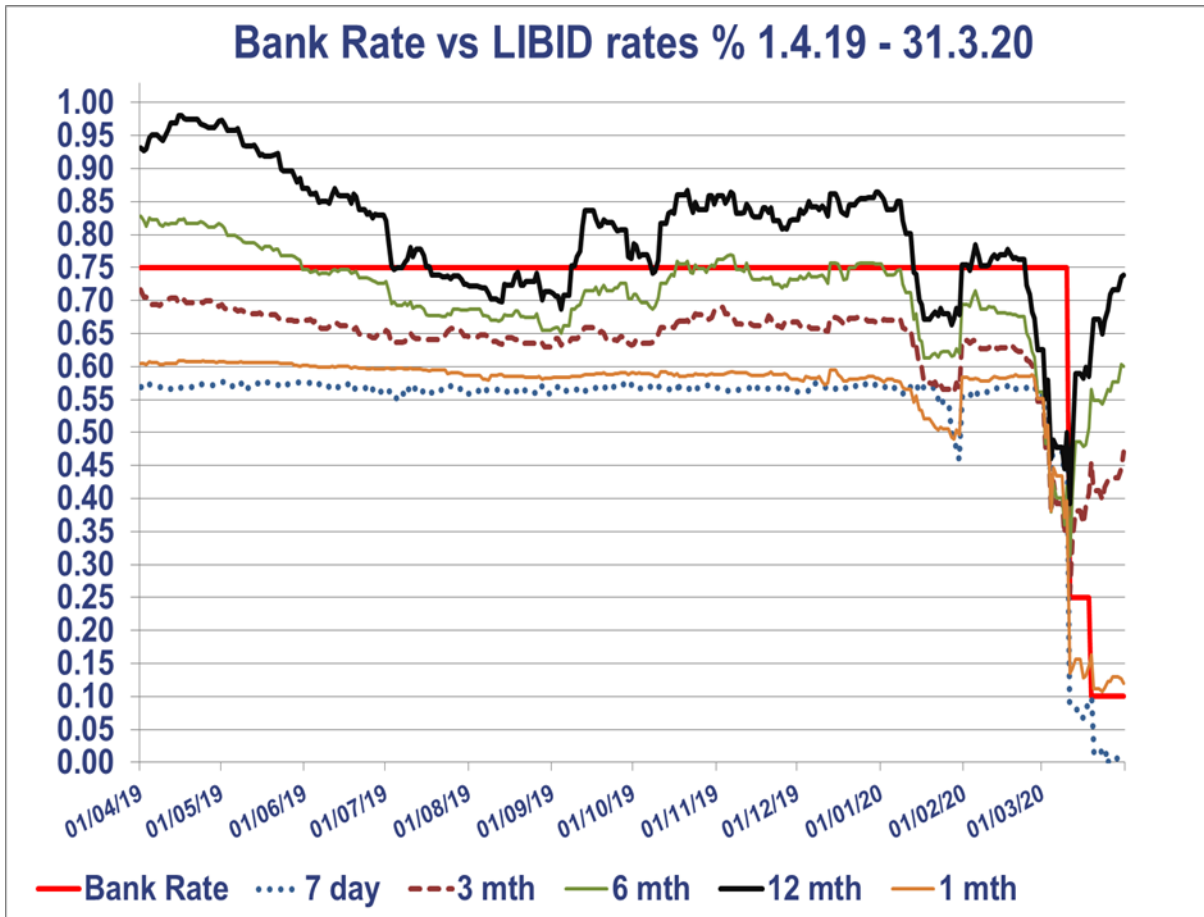
6.3 Investment portfolio:

Bank	Balance	Interest Rate (%)	Maturity (days)
Standard Chartered	2,000,000	0.72	92
Cheshire East Council	4,000,000	0.76	102
Fareham Borough Council	5,000,000	0.90	366
Mid Suffolk District Council	5,000,000	0.80	85
Bank of Scotland Call	1,000,000	0.25	116
Lloyds Bank	5,000,000	0.25	116
Bank of Scotland Call A/c	2,000,000	0.40	Instant
Santander	3,320,167	0.40	Instant
Barclays	2,320,541	0.05	Instant
	<u>29,640,707</u>		

## 7. The strategy for 2019/20

### 7.1 Investment strategy and control of interest rate risk

The below section has been provided by Link Asset Services; the Council's Treasury Management Advisors.



7.1.2 Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.

7.1.3 Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.

- 7.1.4 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 7.1.5 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

## **7.2 Borrowing strategy and control of Interest rate risk**

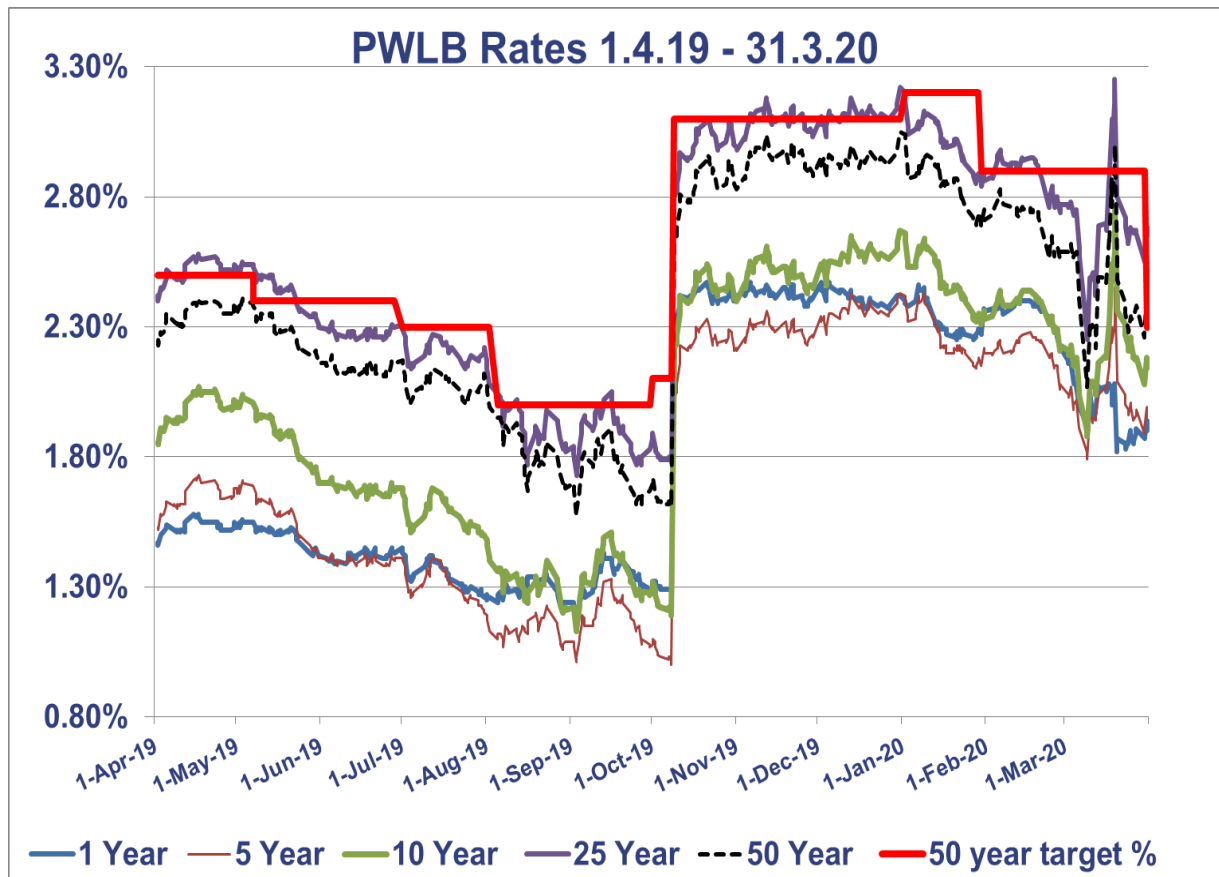
- 7.2.1 During 2019-20, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 7.2.2 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 7.2.3 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 7.2.4 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:
- if it had been 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 would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
  - if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks,



then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

7.2.5 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 31.1.20													
	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	0.90	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.30	2.40	2.40	2.50	2.60	2.70	2.80	2.50	2.60	2.70	2.80	3.10
10yr PWLB Rate	2.50	2.50	2.60	2.60	2.70	2.80	2.90	3.00	2.70	2.80	2.90	3.00	3.30
25yr PWLB Rate	3.00	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.30	3.40	3.50	3.60	3.90
50yr PWLB Rate	2.90	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.20	3.30	3.40	3.50	3.80



7.2.6 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M. Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China,

together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

7.2.7 Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.

7.2.8 However, HM Treasury has imposed **two changes in the margins over gilt yields for PWLB rates** in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ends on 4 June. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

7.2.9 Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

PWLB Standard Rate is gilt plus 200 basis points (G+200bps)  
PWLB Certainty Rate is gilt plus 180 basis points (G+180bps)  
PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)  
PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)  
Local Infrastructure Rate is gilt plus 60bps (G+60bps)

7.2.10 There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

## 8. Borrowing Outturn

8.1 **Treasury Borrowing** – breakdown of borrowing at 31<sup>st</sup> March 2020:

Lender	Balance (£'000)	Type	Interest Rate	Maturity
PWLB	8,954	Fixed Rate	2.19%	23 years
Hampshire County Council	3,431	Fixed Rate	0.00%	7 years

8.2 **Borrowing** – Due to sufficient cash balances no new borrowing was undertaken during the year.

8.3 **Borrowing in advance of need** – The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

## 9. Investment Outturn

9.1 **Investment Policy** – the Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 28/02/2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

9.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties

9.3 **Resources** – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources	2018/19	2019/20
Balances:	£'000	£'000
Earmark Reserves	(13,682)	(15,730)
Provisions	(334)	(302)
Usable Capital Receipts	(746)	(595)
<b>Total</b>	<b>(14,762)</b>	<b>(16,627)</b>

9.3 **Investments held by the Council** – at the end of the financial year the Council held the funds detailed in 6.3 which were managed internally.

The total investment income for 2019/20 was £334k compared to a budget of £200k

## **10. Other Issues**

- 10.1 **Non-treasury management investments.** In March 2020 Hart District Council bought an investment property for £6.28m. This will provide a revenue return in 20/21 and in future years to support the budget shortfalls due to ceased central government funding.
- 10.2 **Counter Party Limits.** The council temporarily extended the counterparty limit to £10m by activating emergency treasury management measures due to receiving significant grants from central government relating to covid-19.

## **11. CONCLUSION**

- 11.1 This report provides Members with information on the level of investment and interest earned during the last financial year and demonstrates the council's compliance with the Treasury Management Strategy.

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## **BACKGROUND PAPERS:**

APPENDIX 1 - Treasury Management Strategy Statement (Feb 2019)

## Prudential and Treasury Indicators

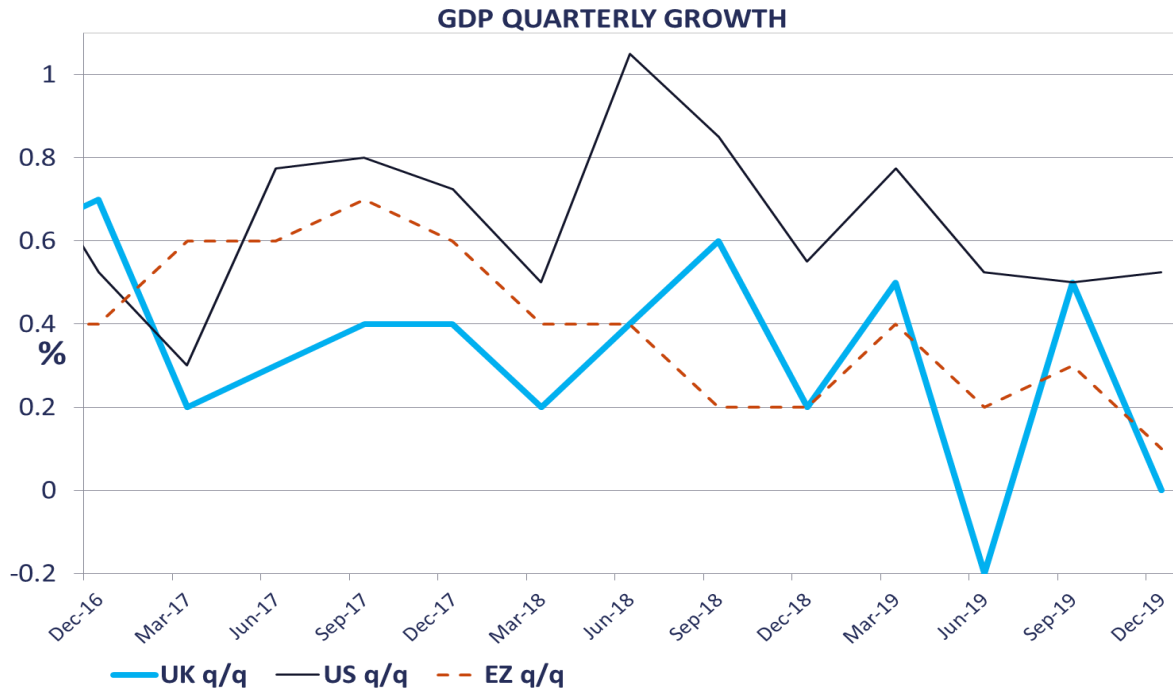
During 2019/20, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

PRUDENTIAL INDICATORS	2018/19	2019/20	2019/20
	Actual	Original	Actual
	£'000	£'000	£'000
Capital Expenditure	2,383	3,480	9,283
Gross Debt	13,598	12,337	12,385
<b>Capital Financing Requirement (CFR)</b>			
Brought Forward 1 April	21,165	16,263	16,263
Carried Forward 31 March	16,263	23,783	23,405
Change in CFR	(4,902)	7,520	7,142
<b>Incremental impact of capital investment decisions</b>	£ p	£ p	£ p
Increase in council tax (band D) per annum	(3.61)	(5.08)	(3.68)

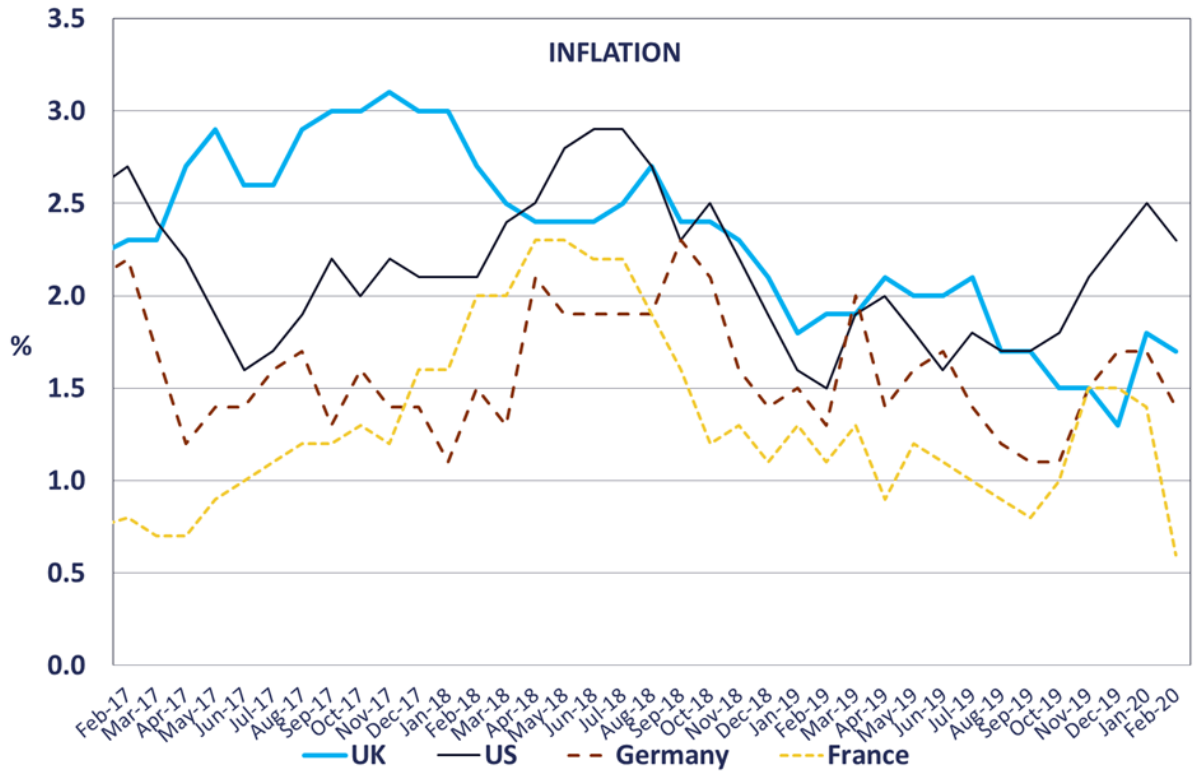
TREASURY MANAGEMENT INDICATORS	2018/19	2019/20	2019/20
	Actual	Original	Actual
	£'000	£'000	£'000
<b>Authorised Limit for External Debt</b>			
Borrowing	30,000	30,000	30,000
<b>Operational Boundary for External Debt</b>			
Borrowing	25,000	25,000	25,000
<b>Actual External Debt</b>	13,598	12,337	12,385

Maturity structure of borrowing during 2019/20	Lower %	Upper %
Under 12 months	0	50
12 months to 2 years	0	50
2 years to 5 years	0	50
5 years to 10 years	0	50
10 years to 20 years	0	50
20 years to 30 years	0	50
30 years to 40 years	0	50
40 years to 50 years	0	50

UK, US and EZ GDP growth

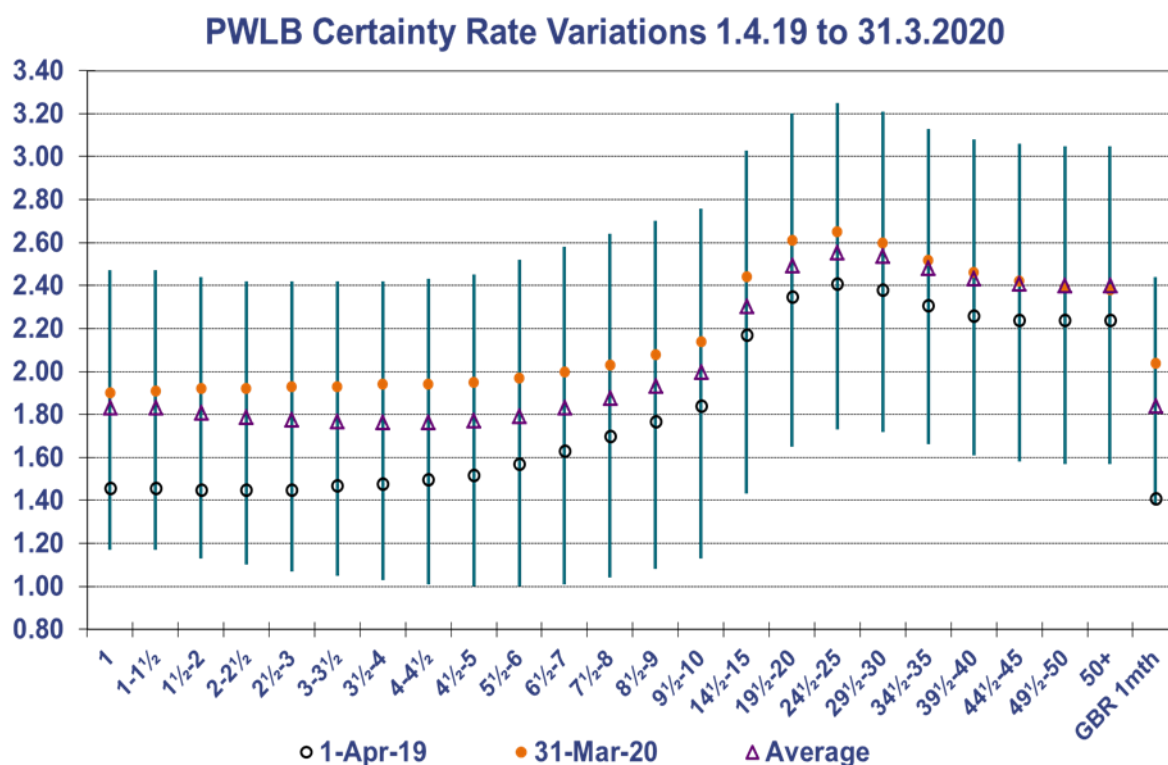


Inflation UK, US, Germany and France



Borrowing and investment rates

a) PWLB borrowing rates



	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	1.46%	1.52%	1.84%	2.41%	2.24%
31/03/2020	1.90%	1.95%	2.14%	2.65%	2.39%
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.45%	2.76%	3.25%	3.05%
Date	21/10/2019	19/03/2020	19/03/2020	19/03/2020	31/12/2019
Average	1.83%	1.77%	2.00%	2.56%	2.40%

Money Market and investment rates 2019/20.

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	0.66%	0.72%	1.04%	1.61%	1.44%
31/03/2020	0.10%	0.15%	0.34%	0.85%	0.59%
Low	0.02%	-0.01%	0.08%	0.45%	0.27%
Date	20/03/2020	09/03/2020	09/03/2020	09/03/2020	09/03/2020
High	0.78%	0.93%	1.27%	1.78%	1.61%
Date	15/04/2019	17/04/2019	17/04/2019	17/04/2019	17/04/2019
Average	0.55%	0.49%	0.72%	1.28%	1.12%



## **CABINET**

**DATE OF MEETING: 3 SEPTEMBER 2020**

**TITLE OF REPORT: 2019/20 OUTTURN POSITION**

**Report of: Head of Corporate Services & Section 151 Officer**

**Cabinet member: Councillor James Radley, Deputy Leader and Finance**

### **1 PURPOSE OF REPORT**

- 1.1 This report contains details of the final position on the Council's net expenditure for 2019/20.
- 1.2 The Council's Overview and Scrutiny Committee reviewed this report and made requests for additional explanations. These are provided in Appendix 1 to this report.

### **2 OFFICER RECOMMENDATIONS**

- 2.1 That Cabinet note the 2019/20 outturn position, including the underspend of £847K after transfers and accounting adjustments for the General Fund Revenue Account.
- 2.2 Further, that Cabinet endorses the approach that the £847K be used to increase the General Fund Reserve.
- 2.3 That Cabinet approves the carry forward of the unspent revenue budgets as detailed in paragraph 6.

### **3 TIMETABLE**

- 3.1 The draft Statement of Accounts has been produced by the accountancy team at Mendip District Council. The deadline for publication of the draft statements is the 31<sup>st</sup> August 2020. Hart District Council are planning on publishing their statements week commencing 24<sup>th</sup> August 2020.
- 3.2 The Audit Committee is due to receive the audited Statement of Accounts together with the Annual Governance Report for signing and approval at its meeting in November 2020.

### **4 PROVISIONAL REVENUE POSITION**

- 4.1 When the Council set its budget for 2019/20, it anticipated that the result would be a balanced budget; In the event the total underspend on services after adjustments and transfers is £847k.

- 4.2 The following table shows the revenue position for all service areas at the end of March 2020 after carry-forwards and before accounting adjustments required to prepare the Statement of Accounts.

Service Area	Original Budget £'000	Period11 Forecasted Expenditure	Year End Actuals	Performance against Budget	Performance against Forecast
<b>Corporate Services</b>	4,747	4,621	4,625	(122)	4
<b>Community Services</b>	2,148	2,170	1,776	(372)	394
<b>Place Services</b>	1,655	1,940	1,955	300	15
<b>Environment and Technical Services</b>	3,709	3,704	2,452	(1,257)	(1,252)
<b>Other operating expenditure and Financing and Investment Income, Adjustments and Transfers</b>	3,246	3,246	3,850	604	626
<b>Totals</b>	15,505	15,681	14,658	(847)	176

#### 4.3 Corporate Services

Whilst Corporate Services does not have a significant variance against original budget or forecast the total number does include some variances of note. Within total actual expenditure are four key elements of note, amongst other smaller variances:

- Significant underspend of £847K against budget on garden communities due to delay in project.
- Additional costs of £484K compare with budget incurred in the novation of the Accountancy, HR, and Payroll contracts.
- Additional costs of £93K relating to the purchase of the Pavilion, this project was not planned when the budget was set.
- Additional costs of £62K relating to Covid-19 which is made up software, IT equipment and mobile telephones.

#### 4.4 Community Services

The underspend against budget is due to two additional grants received, one of £287K for Social Inclusion and £123K of additional S106. contributions for affordable housing

#### 4.5 Place Services

The reduction in service expenditure of £300K is made up of a reduction of planning income of £265K and many very small underspends and overspends.

#### 4.6 Environmental and Technical Services

Much of the underspend in this area was due to additional income received from the waste contract of £665K and a further £142K saved on the waste contract by round changes.

#### 4.7 Other Operating Expenditure and Financing and Investment Income

This balance is made up of depreciation charges, pension provision requirements and other accounting adjustments required as year-end adjustments.

### 5 CAPITAL POSITION

5.1 Total capital spending in 2019/20 was £9,283k, an overspend of £5,532K against the approved budget of £6,995k. The following table summarises the position by service area. The table overleaf provides the expenditure by service area:

	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Variation</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Services	497	7,406	6,909
Community	530	1,256	726
Place	0	40	40
Environment and Technical	2,724	581	(2,143)
<b>Total capital programme</b>	<b>3,751</b>	<b>9,283</b>	<b>5,532</b>

5.2 The key variances in the table above are provided below by service area:

#### 5.2.1 Corporate Services

The significant variation is due to the deposit paid on the commercial development at Edenbrook and the purchase of the Pavilion offices in Southampton.

#### 5.2.2 Community Services

The variation in expenditure is due to overperformance on the delivery of Disabled Facilities grant. This was expected and was funded by previous year's carry forward creating an earmarked reserve.

#### 5.2.3 Place Services

During the year, an opportunity was provided to purchase the MFDs (multi-functional devices for scanning, photocopying, and printing) rather than leasing. A value for money decision demonstrated it was better value to purchase.

#### 5.2.4 Environment and Technical Services

There is a significant underspend of £2.1m in this service area. Most of this underspend is made up of four key projects:

- Bramshott Country Park underspent by £1,044K due to delays in delivery caused by adverse weather.
- A budget of £220K was provided for waste vehicles which was not spent in year.

- There were delays in delivering the Edenbrook Skate and Bike Part which had a £220K budget allocated to it.
- Budgets were set aside to deliver £268K of works which will now be delivered as part of the Green corridor project so were not delivered in year.

## 6 REVENUE BUDGET CARRY FORWARDS

- 6.1 Officers have requested that several unspent budgets in 2019/20 are carried forward to the current year to allow them to complete planned expenditure programmes. The amounts requested to be carried forward are detailed below and have been included in the draft statement of accounts provided to the external auditors. The Head of Corporate Services is happy that these are justified slippages.

Type of Expenditure	Amount £'000	Reason
Rural Payments Agency grant funding	28	Funding arrived very late in year and adverse weather prevented expenditure.
Underspend across budgets	7	To contribute to an electric vehicle for the Dog Warden
S106 and SANG criteria	2,048	S106 Developer Contributions
Central Government Funding	547	Earmarked Grant Funding arriving late in year.
Roundabout Sponsorship	47	Additional income
Council Chamber – upgrade of AV equipment to allow streaming	50	Unspent funds
Unspent requirement to deliver overflow at Fleet pond	369	Unspent funds approved by Cabinet July 18

## 7 GENERAL FUND RESERVE

- 7.1 The General Fund Reserve at 31 March 2019 was £5,537K. This is a modest balance and necessary because there is still much uncertainty around future financial settlements from the Government. The General Fund Reserve is further supported by earmarked reserves of approximately £16m at year end. These reserves have been put in place to enable further financial protection and stability and to fund key projects such as our SANGs, provide protections against reductions in business rates income and provide the IT infrastructure and digital transformation for the Council.

- 7.2 A summary of the estimated movement on the Hart General Fund Balance is:

	£000
Balance at 1 April 2019	5,537
Underspend on service budgets transferred to general reserve after accounting adjustments	847
Balance at 31 March 2020	6,380

The above table reflects the opening balance at 1 April 2019, the underspend in year which has been transferred to General Fund in 2019-20; and the closing General Fund balance for 2019-20.

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**BACKGROUND PAPERS**

**APPENDIX 1 – Capital Budget Monitoring**

## Appendix One

The purpose of this Appendix is to address a number of the queries raised as the Overview and Scrutiny Committee meeting held on the 18<sup>th</sup> August

### Capital Budget Monitoring

The detailed Capital Budget monitoring table has been provided below:

Description	Budget 2019/20	Year End Position 2019/20		Notes
	Original Budget	Actuals	Variance	
IT Upgrade	497,170	0	-497,170	No spend has occurred as yet. It has been deferred into the 2020/2021 financial year.
Investment Property (Edenbrook Apartments)	0	755,368	755,368	Executive Decision and has since been reported to Council.
Frogmore Leisure Centre Investment	0	367,537	367,537	Executive Decision taken by Joint Chief Executives and S151 to improve and develop
The Pavilion, Southampton	0	6,283,095	6,283,095	Purchased was made by Executive Decision and has since been reported to Council.
<b>Capital Corporate Services</b>	<b>497,170</b>	<b>7,406,000</b>	<b>6,908,830</b>	
Disabled Facilities Grant (DFG) - Mandatory	500,000	926,673	426,673	Needs based expenditure - overspend this year but is funded from reserve underspend in prior years.
Private Sector Renewal	30,000	5,154	-24,846	Needs based and requests for assistance has been reduced in 2019/2020.
Grants for Affordable Housing	0	325,000	325,000	Council decision – funding granted by Council to Vivid to purchase a bungalow for disabled adaptation.
<b>Capital Community Services</b>	<b>530,000</b>	<b>1,256,827</b>	<b>726,827</b>	
Dog Warden Van	0	0	0	£13k initially allocated but insufficient to purchase new van. Top up funding to be arranged to allow for purchase in future financial years.
Printers/ Photocopiers	0	39,440	39,440	Did not have an original budget but it was decided by S151 and Joint Chief Executives that this was a good idea to purchase as less costly than current leasing arrangement – net saving l.
<b>Regulatory Services (now renamed Place services)</b>	<b>0</b>	<b>39,440</b>	<b>39,440</b>	
Odiham Common	6,000	0	-6,000	£6k of work carried forward into later financial years due to timing of the work and adverse weather conditions meant that the work could not occur.

Fleet Pond Visitor Enhancement	106,000	0	-106,000	£106k of work deferred as it will form part of the green corridor project.
HW Cent Common Enhancements	17,000	0	-17,000	£17k of work carried forward into later financial years due to timing to do the work and adverse weather conditions meant that the work could not occur.
Bramshot Farm	1,312,750	269,025	-1,043,725	£1,044k of work delayed into future financial years due to timing and adverse weather conditions.
Phoenix Green, Hartley Wintney	21,500	7,180	-14,320	£14k of work to carry forward into future financial years. Only the work that is to be done in year will be shown in the budget and not the whole budget as is in this financial year.
Mill Corner, North Warnborough	35,030	6,510	-28,520	£29k of work to carry forward into future financial years. Only the work that is to be done in year will be shown in the budget and not the whole budget as is in this financial year.
Church Road Car Park Improvements	0	13,892	13,892	£14k of additional works carried over from the prior year for extension of electric charging bays and BT alterations to their plant in the car park and finally the last valuation fees and safety audit.
Kingsway Flood Alleviation Scheme	109,500	34,502	-74,998	£69k of work to carry forward into future financial years. Only the work that is to be done in year will be shown in the budget and not the whole budget as is in this financial year.
CCTV Upgrade	34,000	0	-34,000	£34k of work to carry forward into future financial years as project to renew/ add cameras was put on hold pending review.
S106 Leisure Parish	6,780	31,410	24,630	Spend is dependent upon Parish needs and available funds. £25k of additional spend in this year.
Fleet Pond Nat Reserve	12,000	0	-12,000	£12k of work deferred as it will form part of the green corridor project.
Fleet Pond Access Track	140,320	0	-140,320	£140k of work deferred as it will form part of the green corridor project.
Hazeley Heath Grazing Project	80,000	2,250	-77,750	£77k of work to carry forward into future financial years due to delay awaiting DEFRA decision about approved fencing types.
Hazeley Hth, Dilly Ln Notice Boards	15,000	6,365	-8,635	£9k of work to carry forward into 2020/2021 to finalise the work.
Hazeley Hth Access Improvement	77,000	23,626	-53,374	£53k of work to carry forward into future financial years. Work delayed by available time to do the work and adverse weather conditions.
Hartley Wintney Central Common Access Improve	80,000	0	-80,000	£80k of work to carry forward into future financial years. Work delayed due to adverse weather.
Hartley Wintney QEII Fields	35,000	31,612	-3,388	£3k of work to carry forward into future financial years to finalise the project.
Edenbrook Country Park Play Tree	30,000	0	-30,000	£30k of work to carry forward into future financial years due to late adoption of the site.
Edenbrook Country Park History Walk	20,000	0	-20,000	£20k of work to carry forward into future financial years due to late adoption of the site.
Service Vehicles	0	5,673	5,673	£6k additional spend from an under accrual from last financial year.

Edenbrook Country Park - Skate/Bike Park	220,000	0	-220,000	£220k of work to carry forward into future financial years due to late adoption of the site.
Edenbrook Country Park - Teen Health	65,000	0	-65,000	£65k of work to carry forward into future financial years due to late adoption of the site.
Edenbrook Country Park - Visitor Improvements	73,000	0	-73,000	£86k of work to carry forward into future financial years due to late adoption of the site.
Fleet Pond Fencing	35,000	16,310	-18,690	£19k of work to carry forward into future financial years. Work was done in 2019/2020 but quality is unsatisfactory and so may need to be re-done. The work will be re-done or rectified in 2020/2021 (no further cost to the Council).
S106 NEHTS Parish	3,000	7,564	4,564	Executive Decision. Funding used to aid crossing at Ancells Farm with HCC. £5k above budget.
Refuse Vehicle Purchase	183,000	80,537	-102,463	£102k underspent this year but this may be spent in future financial years.
Replacement CEO handheld units	7,700	7,694	-6	Decision to purchase the new handheld was made during the 2019/2020 financial year when old units no longer functioned. This was approved by council. These were funded from savings in both HAPKOF and HAPKON revenue budgets.
Fleet Pond Green Grid Engineering	0	37,695	37,695	Work began towards the end of the 2019/2020 financial year. There is more work to do in future financial years and will be funded by M3 LEP grant and £500k S106 contributions from Hartland Park.
<b>Capital Environmental and Technical Services</b>	<b>2,724,580</b>	<b>581,847</b>	<b>2,142,733</b>	
	<b>3,531,750</b>	<b>9,284,115</b>	<b>5,532,365</b>	

At the Overview and Scrutiny Committee meeting specific reference was made to the underspends on Bramshot Farm and Fleet Pond. The Countryside Manager has confirmed that some works on Fleet Pond were delayed in order to take advantage of the Green Corridor engineering work funding by M3LEP and that these are now in progress. With respect of Bramshot Farm, the original capital budget was highly ambitious for the year and the works that did not take place in 2019/20 have been moved forwards into future years. This is noted for future budgeting purposes and in 2021/22 capital budgets will be based on deliverability at the Council.

### Revenue Monitoring Net Service Expenditure Reconciliation

Since the budget was agreed by Council in Feb 2019, there has been a restructure of services within the Council. Officers have therefore prepared some additional information below both to reconcile to the original budget set and to also provide details of the variances.

The report itself reports variances after all of the year-end adjustments and recharges have been done. Examples of this are internal recharges and applications of credit notes.

The below table does look different from the expenditure after all of the year-end adjustments reversed out but the purpose of it is to provide the main variances which are not later reversed out. However this has been designed to inform Members of the key variances



in year which are then not adjusted out through accountancy recharges like for example the large waste income number is then adjusted out as year-end credit note when preparing the accounts.

	Budget	Actual	Variance
Corporate Services	4,899	4,652	-247
Community Services	990	528	-462
Place	1,610	1,543	-67
Technical and Environmental Maintenance	2,327	2,256	-71
	<b>9,826</b>	<b>8,979</b>	<b>-847</b>

The key variances on a net expenditure level are detailed below. Please note this will be different from the information in the report due to accounting adjustments, gross expenditure, recharges and transfers.

Charges to exit Capita services	484
New Settlement - Expenditure removed from budget	-856
Additional revenue Investment in Frogmore	129
Domestic Abuse Grant - Additional income	-462
Waste Contract - round changes and other savings	-200
SANGS revenue costs which couldn't be capitalised	130

I have also provided an explanation of the line in the main report titled Other operating expenditure and Financing and Investment Income, Adjustments and Transfers so that Members can understand what is included within that line.

**Other Operating Expenditure** - This is where we enter the accounting profit or loss on disposals of the Authority's Fixed Assets.

**Financing and Investment Income** – This is our investment income which in 19/20 was approximately £420K. This was above budget (£220K) but as detailed in our Treasury Management Strategy remains at much lower levels than enjoyed a number of years ago.

**Adjustments and Transfers** – These adjustments relate to cost of depreciation and adjustments required to comply with the pensions accounting standard and internal recharges. There are also adjustments here made for late accruals, credit notes and carry forwards.



## Civic Campus Regeneration Working Group

### Minutes

14<sup>th</sup> July 2020

10:00 – Virtual Teams Call

#### Attendees

Cllr Richard Quarterman

Cllr Chris Dorn

Cllr Wendy Makepeace-Browne

Cllr Bob Schofield (Fleet Town Council)

Glyn Lloyd

Martina Duffin

Apologies: Patricia Hughes, Cllr Anne Crampton, Cllr David Neighbour, Cllr James Radley

#### Items

1. **Introduction (RQ / all)**

- Minutes from WG interviews on 07 July 2020 approved.

2. **GL to provide update following interviews from 7<sup>th</sup> July 2020. WG to discuss on preferred way forward.**

- GL advised the WG that respondent 4 have been requested to provide terms of engagement for review. GL requested a reduced fee of £42,000 and recommended WG accept this.
- Respondent 3 were disappointed not to be engaged at this point as they thought their low cost quote had been competitive and attractive. Respondent 3 would like to be involved and were given more time to

see what their approach could be. Cllrs expressed the importance of community involvement and the value of both company's approaches.

- GL requested that the WG consider giving the Chairman the capacity to make the final decision on the Terms of Engagement, subject to recommendation by GL as Commercialisation manager. WG agreed in order to keep momentum with the project.

### **3. WG to consider paper prepared by GL regarding 'Joint Venture' partnerships**

- GL provided an overview of the JV paper.
- WG then queried and discussed what this would mean for this project.
- WG considered the positives and negatives taking on board that the paper was hypothetical and in practice, Joint Venture partnerships are complicated and require detailed thought and negotiation.
- WG agreed that this had been a useful discussion about a JV scheme, which will be looked at again further down the line once the WG have investigated current opportunities in the site.
- GL to provide a business plan / flow chart of both approaches for WG to consider at a later date.

### **4. AOB**

- GL asked WG to consider Mark Jaggard and his role as Head of Place, asking when the WG would like him to be invited to be involved in the project. WG members agreed that MJ should be brought onboard ASAP.
- Current diarised meetings clash with Leadership team meetings, therefore at present the Leader, JCX, EF and MJ can't attend. Cllrs agreed to move the meeting time. GL to ask SW to help reschedule. Tuesday afternoon was suggested as an alternative.
- RQ may be away in September. It was proposed that Cllr WM-B chair the meeting in September. Agreed by members.

**5. RQ / GL to provide WG with an update on Harlington occupational Lease**

- WG was provided with an update to negotiations. Outstanding items still remain. RQ has been asked by Cabinet members to continue negotiations where possible to a successful conclusion.
- RQ/GL to seek a meeting with FTC and their legal representatives to discuss the final outstanding points.

Meeting closed at 11.06am

## **Civic Campus Regeneration Working Group**

**4<sup>th</sup> August 2020**

### **Virtual Teams Call**

#### **External Attendees (Advisory Group)**

Montagu Evans - Simon Hope and Matt Dickman

Gleeds – Guy Bonser

H & M Architects – Richard O’Neil and Olivia Paine

Create Streets – David Milner and Nada Eifeuturi

#### **Hart District Council**

Cllr Chris Dorn, Cllr Wendy Makepeace-Browne, Cllr Richard Quartermain (Chair)

#### **Officers**

Patricia Hughes

Mark Jaggard

Glyn Lloyd

Notes: Celia Wood

#### **Apologies:**

Cllrs Bob Schofield (Fleet Town Council), Cllr Anne Crampton, Cllr David Neighbour,

Cllr James Radley, Emma Foy

## **Items**

### **1. Introductions: Project Team**

Members of the HDC working group and the Advisory Committee introduced their role to the group.

- This is the first meeting of the second phase and the purpose is to give the advisory group an opportunity to ask any questions they may have before they start detailed work on design.
- Councillors who would prefer to have 1-1 sessions with the Advisory group please email Glyn Lloyd.
- Any questions not answered today please email Glyn and he will go back to the Advisory Group for the answers.
- Going forward we will have a detailed Project Plan of outputs for the working group in September, October, November and December.

Simon Hope (ME) summarised the key things for consideration:

- We will look at the baseline initially, to see how the different buildings operate and collate background information
- We do appreciate conversations are yet to take place with other stakeholders – getting to understand roles and responsibilities and sketch around what the delivery strategies will be key.
- High level financial outcomes and affordability will then be produced by October/November.
- Use August to collate information which gives us a good foundation for coming back to the working group in September with some initial ideas to use as a test bed. For today, we can go through the range of questions and level of engagement with the stakeholders (HCC, FTC HDC)

David and Nada's role introduced - Create Streets – invited to assist with creative thinking.

### **2. Group discussion**

Centered on various potential uses for the site with input from individual working group members.

Points discussed:

- Update on what activities will take place to make people aware of what is being discussed on-line and for people in the Hart area who use Fleet but may not have access to IT.

- Office space – post Covid-19. Potential of moving into mobile and agile digital working to potentially reduce floor plan.
- Detailed project plan centered around working group meetings, each item will be detailed with the delivery dates.
- Public engagement with good lead times for clear comms.
- Main topic for next month's meeting will be around communications, timeframes, milestones for public engagement.
- Discussion on the work from the Advisory Team.
- 1<sup>st</sup> draft of the plan – to be emailed in the next couple of weeks to speed things up.
- Confidence that we have a viable proposal before speaking to the public and think through the correct sequence of events - the viability for the site.
- Opportunity to have a combined facility could be financially beneficial to stakeholders so early consultation would be key to allow all three parties to reduce annual overheads. Capitalize on potential savings for the different parties.
- Impact of the pandemic on perceived objectives...individual sessions or a group session in include people not here today. Follow up conversations with key stakeholders. 1-1 discussions are key for this to get to a picture of objectives and then have a workshop.
- Liaise with FTC and look at business model of the Harlington. WG to request detailed financial information.
- Analysis of the opportunities and constraints of the site and what can be delivered in terms of mass, benefits, car parking, use opportunities
- The project manager and advisory team will capture potential users / interested parties from the public and private sectors.

Design perspective this would go in tandem with sustainability objectives to feed into design and critical success factors to come up with a criteria list with different success factors and assess each opportunity to ensure we are capturing and match the design with viability and stakeholders.

- Car parking influence on town centre and what that means in terms of revenue – an impact on the town centre and longer term, the shopping centre.
- Look at the role of the HDC building – if you redevelop or retain. Sustainability will be a key consideration.
- Post covid-19 needs testing – working patterns have changed and this may have changed for the town centre. Recovery phase is going through currently and an economic assessment is underway - analysis being undertaken.
- Harlington Theatre drives a lot of interest so everyone should be conscious of that. 60 + community groups use the facility so there are a lot of different requirements and that angle should be captured. Cultural as well as Civic hub – sounds more exciting. Bold decisions may have to be made and we may have to



find alternative venues. Essential to work as a multi-functional space which can be used for entertainment / leisure activities, adaptable space for community needs.

- Post - Covid – is an unknown factor in the way we work so we need a plan with resilience within it.
- Viability is the key issue – reasonable expectations to underpin things.
- Council chamber - can be space hungry – needs to be more flexible and appealing – create more options such as committee rooms to come off it.
- **\*\*Note of caution\*\*** - clarification - constraints with our Contracts mean that we should not compete against ourselves, such as gym / leisure use when we have best in class facilities at Hart Leisure Centre.

The above points can now be summarized and taken offline with 1-1 sessions. Grasped what is most important – site as a whole – what can we get on the site.

The existing theatre is run by FTC. The Fleet Neighbourhood Plan contains a policy stating support for a replacement performance/community facility in the event of a redevelopment project.

- Democratic space needs must take priority.
- There may be some practical difficulties with sharing accommodation between Hart and Fleet Councils, although we should explore simple options such as use by different Councils on designated days of the week
- FTC have previously stated they wish to have a clear separation between FTC and HDC.

We need to understand what these different requirements are and HDC will aim to work collaboratively with FTC to produce the most practical and viable solution.

FTC currently would not want to have their offices linked to Hart District offices which could be too confusing for the public. We would need to be better at advertising who does what.

- Link FTC webpage to be sent to everyone on the call for financial information needed to assist with viability. (GL action – to send link to the Consultant's on the call.

Collaborative approach will be essential to get this generational opportunity right, significance in the place-making around Ghurka Square – link it through to the views through day to evening mixed use diversity of function. Refurbishment of existing offices – collaborative use for greater efficiency of space opportunity and public sector engagements.

Harlington centre must be multi-functional. Library – once modernised then links into business and all combined with market interventions and link back to Town Centre – appropriate to the character of the town.

Drawings – 1-1 sessions are best time to do it to get feedback from each of the stakeholders – to understand better where we are all coming from and what our requirements are and to make sure all potential partners are covered off - as long as we are seen to have open conversations with everyone would we are seen to be inclusive and there may be other things we haven't thought of.

Consider every possible + private sector as well and there may be others – how do we capture those opportunities.

Fleet Bid are included as potential stakeholders, and a conversation with Fleet Bid would be beneficial.

Shuttle bus – social trips for elderly people – we could explore this with businesses who would also benefit for a shuttlebus – this could be a good opportunity.

Private sector opportunities with carparks – look at those constraints and opportunities.

GL will work on 1-1 sessions and coordinate diaries.

### **3. AOB**

- Items to note – Following an introduction by PH, GL is currently trying to organise a meeting with HCC officers to discuss the Library.
- Harlington lease – Bob and Janet (FTC) have been contacted on 21<sup>st</sup> July 2020 following last meeting to request a meeting with their legal advisors chat about the final bits on the Harlington Lease. HDC yet to have a response from FTC with an available time. For next month's meeting.
- Unitarisation – if that change comes through we would have to be prepared for this.

Next working group meeting Tuesday 1<sup>st</sup> at 11am – thereafter, the first week of every month.

## CABINET

### KEY DECISIONS/ WORK PROGRAMME, AND EXECUTIVE DECISIONS MADE

#### Sep 2020 – Version 2

Cabinet is required to publish its Key Decisions and forward work programme to inform the public of issues on which it intends to make policy or decisions. The Overview and Scrutiny Committee also notes the Programme, which is subject to regular revision.

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
Medium Term Financial Strategy	May 20	Post Consideration by Overview and Scrutiny to consider the Medium-Term Financial Strategy	Sep 20			JR	F	
Food Safety Plan	Annual	To recommend to Council that the annual Food Safety Plan be adopted	Jun 20	Sep 20		SK	RS	
Outturn Position 2019/20	Annual	Post consideration by Overview & Scrutiny Committee, to consider the Annual report on outturn	Sep 20			JR	F	
Treasury Management 2019/20(Annual Report)	Annual	Post consideration by Overview & Scrutiny Committee, to consider the Annual report on Treasury Management Activities 2019/20	Sep 20			JR	F	

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
Community Infrastructure Levy (CIL)	Apr 19	Post consideration by Overview and Scrutiny to consider if it is beneficial to introduce CIL rather than retain the current S106 arrangements	Feb 20	Sep 20		GC	P	
Suitable Alternative Natural Green Space (SANG)	Sep 20	To update Cabinet on the amount of SANG available in Hart	Oct 20			JR	P	
Fleet Road Pedestrianisation	Jul 20	An update on the progress of pedestrianisation of the High Street	Sep 20	Oct 20		JR	CP	
Harlington Roof Repairs	Jul 20	Post consideration by Cabinet in August for updates to future works	Sep 20	Oct 20	Y	RQ	CS	
5 Councils' Contract	Jul 20	To receive feedback from the Five Councils Corporate Services Joint Committee	Oct 20		Y	JR	F	Y
Planning Management Development Peer Review	Aug 19	Post consideration by Overview and Scrutiny in November to consider the Action Plan for Planning Management post the Peer Review	Feb 20	Dec 20		GC	P	

Report Title	Date item agreed for report	Outline/Reason for Report/Comments	Original Due Date	Revised Due Date	Key Decision Y? Note 1	Cabinet Member (Note 2)	Service (Note 3)	* This item may contain Exempt Information
Treasury Management 2019/20 (Half Year Report)	Annual	Post consideration by Overview & Scrutiny Committee, to consider a Half Year review report on Treasury Management Strategy 2019/20	Dec 20			JR	F	
Draft 2020/21 Revenue Budget, Capital Programme and Council Tax Proposals	Annual	Post consideration by Overview & Scrutiny Committee, to agree to recommend to Council the 2020/21 Revenue Budget, Capital Programme and Council Tax Proposals	Feb 21			JR	F	
Draft 2020/21 Capital Strategy, Treasury Management Strategy Statement and Asset Management Plan	Annual	Post consideration by Overview & Scrutiny Committee, to agree to recommend to Council the 2020/21 draft Capital Strategy, the 2020/21 Treasury Management Strategy Statement and Asset Management Plan	Feb 21			JR	F	

**Note 1**

A “key decision” means an executive decision which, is likely to -

- a) result in Council incurring expenditure or the making of savings which amount to £30,000 or 25% (whichever is the larger) of the budget for the service or function to which the decision relates; or

b) be significant in terms of its effects on communities living or working in an area comprising two or more wards within the area of the district of Hart.

**Note 2**

**Cabinet Members**

DN	Leader	SA	Digital	RQ	Commercialisation (Cn)	SB	Community
						(Cy)	
SK	Regulatory	AO	Environment	JR	Finance and Corporate Services	GC	Place

**Note 3**

**Service:**

JCX	Joint Chief Executive	CS	Corporate Services	P	Place Services
CS	Community Safety	PP	Planning Policy	TS	Environmental & Technical Services
F	Finance	H	Community Services		
SLS	Shared Legal Services	MO	Monitoring Officer		

**Note 4**

\* **This item may contain Exempt Information** - Regulation 5 of the Local Authority (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

**EXECUTIVE DECISIONS**

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