



NOTICE OF MEETING

Meeting:	Cabinet
Date and Time:	Thursday 5 January 2023 7.00 pm
Place:	Council Chamber
Enquiries to:	Committee Services Committeeservices@hart.gov.uk
Members:	Neighbour (Leader), Radley (Deputy Leader), Bailey, Clarke, Cockarill, Collins, Oliver and Quarterman

Chief Executive

CIVIC OFFICES, HARLINGTON WAY
FLEET, HAMPSHIRE GU51 4AE

AGENDA

This Agenda and associated appendices are provided in electronic form only and are published on the Hart District Council website.

Please download all papers through the Modern.Gov app before the meeting.

- **At the start of the meeting, the Lead Officer will confirm the Fire Evacuation Procedure.**

- **The Chairman will announce that this meeting will be recorded and that anyone remaining at the meeting had provided their consent to any such recording.**

1 MINUTES OF THE PREVIOUS MEETING 4 - 18

The minutes of the meeting held on 1 December 2022 are attached for confirmation and signature as a current record.

2 APOLOGIES FOR ABSENCE

To receive any apologies for absence from Members*.

**Note: Members are asked to email Committee services in advance of the meeting as soon as they become aware they will be absent.*

3 DECLARATIONS OF INTEREST

To declare disposable pecuniary, and any other interests*.

**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.*

4 CHAIRMAN'S ANNOUNCEMENTS

5 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

Anyone wishing to make a statement to the Committee should contact Committee Services at least two clear working days prior to the meeting. Further information can be found [online](#).

6 QUARTERLY PERFORMANCE PLAN REVIEW 19 - 35

To update Committee on the Council's performance indicator results for Quarter 2 of 2022/2023 (1 July 2022 – 30 September 2022).

RECOMMENDATION

That the performance report for Quarter 2 2022/23 is noted by Cabinet.

7 Q2 REVIEW AND CAPITAL OUTTURN TO SEPTEMBER 2022 36 - 44

Cabinet is being asked to note the financial report.

RECOMMENDATION

Cabinet notes:

- the projected Outturn at Q2
- the Capital Overview.
- the current Pressures/Savings

- the transfer of £212k of Climate Change spend to the capital programme.
- the Risks to the current 2022/23 current projected outturn.
- the rebasing exercise that has led to contingency budgets providing headroom for Medium Term Financial Planning

8 TREASURY MANAGEMENT STRATEGY - MID YEAR REVIEW 45 - 60

To report the Council's Treasury Management activities and performance during the first half of the 2022/23 financial year (April-September 2022).

RECOMMENDATION

Cabinet is asked to note the Treasury Management activities during the first half of the 2022/23. financial year.

9 CABINET WORK PROGRAMME 61 - 65

To consider and amend the Cabinet Work Programme.

10 EXCLUSION OF THE PUBLIC

The following item(s) contain exempt information.

RECOMMENDATION

Members must decide whether the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

It is suggested that, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to, on the grounds that they involve the likely disclosure of exempt information, as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11. LEASE OF THE HARLINGTON CENTRE 66 - 69

The purpose of this report is to agree the principle of a long-term, 'pepper corn' rent lease with Fleet Town Council (FTC) at The Harlington.

Date of Publication: Friday 23 December 2022

CABINET

Date and Time: Thursday 1 December 2022 at 7.00 pm

Place: Council Chamber

Present:

Neighbour (Leader), Bailey, Clarke, Cockarill, Collins, Oliver, Quarterman and Radley (remote)

In attendance: Axam, Butcher, Dorn (remote), Farmer, Forster, Kennett

Officers:

Daryl Phillips	Chief Executive
Graeme Clark	Executive Director, Corporate and S151 Officer
Adam Green	Countryside Manager
Daniel Hawes	Planning Policy and Economic Development Manager
Leigh Wallace	Visitor Services Manager - Leisure & Countryside
Gabrielle Ellen	Corporate Projects Officer
Sharon Black	Committee Services Manager

72 MINUTES OF THE PREVIOUS MEETING

The minutes of 3 November were confirmed and signed as a correct record.

73 APOLOGIES FOR ABSENCE

No apologies had been received.

Cllr Radley joined the meeting remotely and therefore would be unable to vote during the meeting.

74 CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that he would be reordering the agenda during the meeting.

75 DECLARATIONS OF INTEREST

Cllr Forster declared a non-pecuniary interest in agenda item 10 as a Hampshire County Councillor, as HCC had responsibility for the library.

76 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

Cllr Angela McFarlane from Odiham Parish Council would be participating in agenda item 9, Stakeholder Engagement Plan.

The statements from Cllr McFarlane, and Cllr Williams from Winchfield Parish are attached at Appendix A.

Cllr Adrian Page from Surrey Heath Borough Council was in attendance to speak during agenda item 7 relating to SANGS.

Statements from Cllrs McFarlane and Williams

77 2023/24 EMERGING BUDGET & MEDIUM FINANCIAL STRATEGY

Cllr Farmer declared a non-pecuniary interest in this item as Chair of Hart Swimming Club

Councillors were given the background to the 2023/24 emerging budget and noted:

- There was uncertainty at this stage about government funding for local governments this year
- Future inflation rates were also uncertain
- There was no indication whether retained business rates or new homes funding would be rolled forward
- That the January Overview & Scrutiny meeting had been put back to 17th January to allow final figures to be included in the budget report
- The Council presently had a budget gap that needed to be addressed before the final budget was presented
- Council tax increases for 2023/24 were to be capped at 3%

Councillors discussed

- Income from the leisure centre and potential increases in membership rates
- The budget gap and how this may be addressed
- Whether it was likely that the government funding figures mentioned in the presentation were likely to be over ambitious
- The effect of the 2023 pay increase, and what this was likely to be
- The updated MTFs and options for bridging budget gaps in future years
- The Council's position in comparison to other local government positions

DECISION

Cabinet noted:

- the emerging Medium Term Financial Strategy and recognised the challenges in preparation of the main budget setting process.

78 UPDATE ON SUITABLE ALTERNATIVE NATURAL GREENSPACE (SANG)

The purpose of this report was to update Cabinet on the amount of Suitable Alternative Natural Greenspace (SANG) available in Hart, to consider how it should best be used to meet Hart's and its neighbour's needs and ensure that sufficient funding was provided so that no financial burden fell on Hart.

Cllr Page from Surrey Heath Borough Council thanked Cabinet for considering the paper and explained the background to the request for continued support by the Council with SANG provision.

Cabinet considered:

- The fact that it was unlikely there would be much change to Government policy in the near future around duty to co-operate
- The reasons why we should continue to help neighbouring councils provide SANGs for future developments
- The timeframe for the 625 homes to be built by SHBC near Camberley town centre
- That Rushmoor Borough Council had not yet agreed to the arrangements;
- With the blocking of SANGS space for 1500 Rushmoor homes (the number the Council is holding for them under the original agreement), there is underfunding for Bramshot Park which will be an issue
- The need for updating the Memorandum of Agreement with Rushmoor to maintain a reduced SANG capacity and to consider ongoing revenue funding implications for Hart
- The need to update the Memorandum of Agreement with Surrey Heath Borough Council and to consider ongoing revenue funding implications for Hart

DECISION

Cabinet

- a) Noted the SANG monitoring figures at Appendix 1 of the report.
- b) Authorised the Chief Executive
 - i. to invoke Clause 9.1 of the 2017 Memorandum of Agreement between Hart District Council and Rushmoor Borough Council and authorised the Chief Executive to agree a revised Memorandum of Agreement with Rushmoor which, subject to agreement over mitigating the ongoing cost to Hart of maintaining reserved SANG capacity, makes SANG capacity available to deliver approximately 325 homes (780 persons) within Rushmoor.
 - ii. to agree a Memorandum of Agreement with Surrey Heath Borough Council which, subject to agreement over mitigating the ongoing cost to Hart of maintaining reserved SANG capacity, makes

available SANG capacity to deliver approximately 850 homes (2,125 persons) within Surrey Heath

- c) Authorised the Executive Director - Place to engage constructively, actively and on an ongoing basis with both Rushmoor Borough Council and Surrey Heath Brough Council to jointly look at cross boundary issue associated with jointly procuring future SANG capacity.

79 FLEET POND GREEN CORRIDOR AND HARTLAND PARK MITIGATION WORKS UPDATE

This report was to update Cabinet on expenditure and work completed to date on delivery of the Fleet Pond Green Corridor and Fleet Pond Mitigation Works for the Hartland Park Development; and to obtain approval for additions/amendment to the programme budget.

Cabinet noted:

- The update to the programme budget, including the increase in budget works for delivery of the Cove Road crossing
- That a fully costed strategy for the next phase of the works will be brought back to Cabinet in the new year
- The audit had been finished which showed that the project was completed on time and came in within budget
- The apparent discrepancies in some of the figures included in the report spreadsheet; some of which appeared to show significant underspend. A review of the figures, particularly the S106 figures, would be undertaken and a written update provided to Cabinet members.

Cabinet considered:

- Whether the inclusion of “promotion” in the budget line for “professional and project fees” was an error; and also what the breakdown between internal and external was for the £178k spend. These issues would be checked and a written response given to Cabinet members.
- Whether LEP need to come back to check how we had spent the £1.4m grant we had received
- Whether there was any data available yet to show the number of people using the area

DECISION

Cabinet noted the programme structure chart and budget allocations at Appendix A and approved the following amendments/additions to the programme budget:

- Inclusion of a £65k budget and release of earmarked reserves to deliver the Green Grid Ancillary Works.

- Increase of budget allocation from £150k- £255k and release of earmarked reserves to deliver A3013 Cove Road Crossing.
- Inclusion of a £178k budget and release of earmarked reserves for project management, promotion, professional fees and legal charges for the Fleet Pond Mitigation works.
- Inclusion of a £10k budget and release of earmarked reserves for Green Grid/digital and Interpretation.
- Inclusion of a £125k budget and release of earmarked reserves to deliver the Fleet Pond Mitigation Works Strategy.
- Earmarking of a £843k budget to fund implementation of the Fleet Pond Mitigation Works Strategy once this has been approved.

80 STAKEHOLDER ENGAGEMENT PLAN

Cabinet was reminded that this item was an update addressing an area of concern raised when originally agreeing the Odiham Common Management Plan. However, the Stakeholder Engagement Plan was only a generic framework approach for all sites, not just Odiham Common. It would need to be tailored in discussion with the Parish Council's for individual sites.

Cabinet noted:

- The aim of the Plan was to positively and proactively engage with those Parish Councils whom had Council owned or administered green space in their area
- Each Parish would require a different approach with discussions tailored to each Parish Council dependant upon the type(s) of green space(s) they have in their Parish
- There was concern from some of the Parish Councils that there had been no consultation with them when the Plan had been developed
- There was also concern from the Parishes that they would become a buffer between residents and Hart but that they had no resources or authority to take any action
- That the proposed Plan related to land already managed by the Council

Cabinet discussed:

- Whether anyone could be appointed as the "representative" of a Parish Council
- Whether the Plan would apply to all Parishes who had green space
- That the Plan was a framework for discussions to take place individually with Parishes to agree a mutually beneficial way forward
- Who should be included in the list of Stakeholders
- Whether there would be channels for stakeholder engagement
- The question from Winchfield Parish regarding which wards certain locations fell into (AG to clarify and provide a written answer)

DECISION

Cabinet:

- approved the Stakeholder Engagement Plan.

81 CIVIC REGENERATION PROJECT

This report was to update Cabinet with regards to the work being undertaken by the Civic Quarter Regeneration Work Group and to seek Cabinet's approval to further funding for a financial report to determine viability of the scheme.

Cabinet noted:

- That there were regular meetings of the Civic Regen Group
- Discussion had taken place at the last meeting about whether it was prudent to move to the next phase but this would cost in the region of £300-£500k
- It had been decided by the Group that an assessment of the viability of the project should be undertaken in light of the current economic situation
- The cost of the assessment would be in the region of £15k

Cabinet discussed:

- The amount of public support for the project; details of the exact numbers who attended the engagement settings would be circulated via a written response
- The challenges being faced for rejuvenating the Harlington site
- That the report would allow a smaller number of options to be identified for further investigation
- What the original cost of the work was. This information to be provided as a written answer.

DECISION

Cabinet agreed:

- That 15K be allocated in the Council 22/23 budget, to fund consultancy costs, to refresh the viability report and produce a detailed cost projection to determine viability of the Civic Quarter Regeneration scheme.

82 CABINET WORK PROGRAMME

The work programme, as circulated with the agenda was discussed and updated as follows:

- The potential for a Shared Chief Executive with Rushmoor would be put back to June 2023 due to additional work required and the impact of budget setting and elections
- Climate change action plan to be deferred to March 2023, going to O&S in February

83 EXCLUSION OF THE PUBLIC

Cabinet discussed:

- The reasons why the items were being discussed in exempt session

DECISION

Cabinet agreed there was public interest in maintaining an exemption outweighed the public interest in disclosing the information for the following item.

It was therefore agreed that, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to for the next item, on the grounds that it involves the likely disclosure of exempt information, as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

84 REPRESENTATION ON HART HOUSING MAINTENANCE COMPANY BOARD

This item was dealt with as a Part II Exempt item.

SUMMARY DECISION

Cabinet agreed to amend the representation on the Board of the Hart Housing Maintenance Company to remove Patricia Hughes and Joanne Rayne, and replace them with Kirsty Jenkins and Neil Hince.

85 EXCLUSION OF THE PUBLIC

DECISION

Cabinet agreed there was public interest in maintaining an exemption outweighed the public interest in disclosing the information for the following item.

It was therefore agreed that, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to for the next item, on the grounds that it involves the likely disclosure of exempt information, as defined in paragraphs 1, 2 and 3 of Part 1

of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

86 THE SWAN INN, NORTH WARNBOROUGH

This item was dealt with as a Part II Exempt item.

SUMMARY DECISION

Cabinet agreed to put the Swan Inn, North Warnborough up for sale, for development, with the caveat that prospective purchasers were reminded that the building was a Grade II listed building.

87 EXCLUSION OF THE PUBLIC

DECISION

Cabinet agreed there was public interest in maintaining an exemption outweighed the public interest in disclosing the information for the following item.

It was therefore agreed that, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to for the next item, on the grounds that it involves the likely disclosure of exempt information, as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

88 FUNDING FOR POTENTIAL ACQUISITION OF 42 APARTMENTS FOR AFFORDABLE MARKET RENT

This item was dealt with as a Part II Exempt item.

SUMMARY DECISION

Cabinet agreed that a business case would be produced to agree funding mechanisms for the potential purchase of 42 apartments for affordable market rent.

Exempt Minutes

The meeting closed at 11.16 pm

By virtue of paragraph(s) 1, 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Exempt from Publication

Statement by Cllr Angela McFarlane, Odiham Parish Council Chair

Agenda Item 9

I would like to draw Cabinet's attention to the emails from myself on behalf of Odiham Parish Council and the Chair of Winchfield Parish Council. These express concerns on the proposed structure whereby the Parish Councils effectively become a buffer between residents and Hart officers on matters relating to management of common land, with no powers or resource to affect outcomes. We ask Cabinet to consider this matter carefully before adopting the engagement plan before any consultation with the PCs.

Agenda Item 15

The Swan Public House in North Warnborough.

We are pleased to see this is on your agenda although obviously we recognise the matter is exempt at this time.

Local residents have lived with the ruined building for over 10 years. There is a shortage of 2 and 3 bedroom homes for sale or rent in the Parish. We therefore ask if Hart can expedite the development of this site and provide the smaller homes the area requires.

Statement from Meyrick Williams, Winchfield Parish Council

Agenda Item 9

Winchfield Parish Council requests that our comments with regard to Item 9, Stakeholder Engagement Plan, are raised on our behalf at the Cabinet meeting on 1 Dec.

We welcome the proposal of a Stakeholder Engagement Plan for Odiham Common but we are disappointed that the Parish Council was not consulted before it was to be presented to Cabinet. The document has been written to address all 16 sites in the District and notes that each site has its own peculiarities. You will recall our conversation following the recent meeting in the Council offices with myself and Councillor Angela McFarlane of Odiham Parish Council regarding the proposed plan and the specific issues that are unique to Odiham Common. Totalling 115 hectares this is one of the few examples of wood pasture outside the New Forest.

The first observation is that Table 1, which lists the countryside sites in the parish they are within, is incorrect. Parts of Odiham Common lie within Winchfield parish. I have attached the map which illustrates the relationship between Odiham Common and the Winchfield parish boundary and it is evident that two other SSSIs, one in Bagwell Green and the other at Bailey's Farm are directly linked to the Odiham Common SSSI. This is further affirmed in that when the common land was designated as an SSSI in 1992 it was declared to be joined with Bagwell Green and Shaw SSSI which used to form part of Winchfield Common. The two Commons run side-by-side lining the route to Wilkes Water. Winchfield should therefore be declared as a joint parish area in Table 1 of the Plan along with Odiham.

We welcome the statement that “the area site ranger will formally meet with representatives from the parish council to discuss present and future works on site”. However there is an inherent danger that if these meetings are allowed to be less frequent than every quarter the whole process can begin to unravel. The dialogue will fail if both parties are not formally required to meet on a regular basis. We do not agree with the statement “We aim for these meetings to take place every quarter as a maximum but may be less if both parties agree”

Most importantly, the Plan makes no reference to how any actions that are decided by the District Council that impact the SSSI are debated and agreed with the Parish Councils. It is not satisfactory to publish the Engagement Plan without also preparing a Management Plan which specifies not only the District and Parish Council representations but also those specialist agencies that have a direct interest and a responsibility for the maintenance and upkeep of the SSSI and the terms of reference of such a forum. An Odiham Common Management plan should be published concurrently with the Stakeholder Engagement Plan.

We request that our comments are shared with all members of the Cabinet, copied in the minutes of the meeting, and that due weight is applied to our observations at the meeting.

CABINET MEETING, 1ST DECEMBER 2022

WRITTEN RESPONSES TO QUESTIONS ASKED

Fleet Pond Green Corridor and Hartland Park Mitigation Works Update (Adam Green)

The "original budget" line was from the start of the project period some 4 years ago now. This was showing a £655,000 funding shortfall in the budget at the time. Over the time and as major part were completed, we were able to reconcile the overall prediction to what it is today. Regular, updates being reported to Project Board so due process was followed at all times.

Specifically, to the promotions section. 4 years ago the promotion section showed an estimate of £90,000 for the Signage Strategy signs and £10,000 for various promotional materials at Fleet Pond.

Since concept, the signage Strategy was taken to Cabinet (September 22) as a separate project that included signs with a cost of £31,425. This is now recorded and contained in the signage strategy section of the budget leaving the remaining £10,000 for Fleet Pond in the original budget line.

Stakeholder Engagement Plan - to clarify which wards certain locations fall into (question from the statement by Meryck Williams, Winchfield Parish) (Adam Green)

We believe that all the Parish areas indicated in the report are correct. There is a highway verge and ditch that is within Winchfield Parish but this is maintained by our Grounds Maintenance Team and Hampshire Highways, so it does not fall into the current approved management plan for Odiham Common SSSI.

We are also only able to influence the management of our own land. The Sites of Special Scientific Interest (SSSI's) in Winchfeild that link to Odiham Common SSSI are all in private ownership and do not have public access, so we are not able to influence their management. If there are any concerns with their management then the correct point of contact is Natural England (NE). We are also in close contact with NE and they are able to advise on any opportunities for environmental networking.

We do recognise the importance of any Parish who wishes to comment on the management of our sites and we would welcome the opportunity to discuss this informally through our normal communication methods.

Civic Regen Programme – Level of Participation in Consultation (Gabrielle Ellen)

No. of feedback forms received – 251
No tally was taken of visitors at the drop in sessions

CABINET

DATE OF MEETING: THURSDAY, 5 JANUARY 2023

TITLE OF REPORT: QUARTERLY PERFORMANCE REPORTS

Report of: Chief Executive

Cabinet Portfolio: Leader and Strategic Direction and Partnerships

Key Decision: N

Confidentiality: Non-Exempt

PURPOSE OF REPORT

1. To update Cabinet on the Council's performance indicator results for Quarter 2 of 2022/2023 (1 July 2022 – 30 September 2022).

RECOMMENDATION

2. That the performance report for Quarter 2 2022/23 is noted.

BACKGROUND

3. Performance information reports play a key role in ensuring that the Council manages performance effectively across the services it delivers.
4. Overview and Scrutiny operates Service Panels. These review in detail progress against Service Plans and Risk Registers as well as service performance. This ensures regular scrutiny of the council's performance against key indicators.

MAIN ISSUES

5. The data will continue to be published under the four Heads of Service format until the end of the financial year.
6. Any issues or items of concern will have been raised by Overview and Scrutiny to the relevant Executive Director.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. Not applicable

CORPORATE GOVERNANCE CONSIDERATIONS

Relevance to the Corporate Plan and/or The Hart Vision 2040

8. Measuring success is a key part of the Corporate Plan, and performance reporting is an essential element of understanding how the services are performing in the context of the actions being undertaken in Service Plans

Legal and Constitutional Issues

9. None identified

Financial and Resource Implications

10. None identified

Risk Management

11. No direct risks identified from this report. Each of the Services has their own Risk Register which is considered at the quarterly Overview & Scrutiny Service Panel Review.

EQUALITIES

12. An equalities assessment is not required for this report

CLIMATE CHANGE IMPLICATIONS

13. No direct carbon/environmental impacts arising from the recommendations

ACTION

14. Cabinet is asked to note the performance report for Quarter 2 2022/23

Contact Details: Ashley Grist, ashley.grist@hart.gov.uk

Appendices

2022/23 Quarter 2 Performance indicator report

Background Papers

None

2022/23 Quarter 2

Performance indicator report

Introduction and guidance

The report has changed recently following feedback. As a quick guide to the changes, an example of the template followed for each indicator is provided below:

Reference - Title of the indicator [Previous reference]

Note providing further description or context

Q1	Q2	Q3	Q4	Annual Target / Target	Comment

Definitions:

Reference

Two letters followed by a number. Those used are; CP (Corporate Services), CS (Community Services), ET (Environmental and Technical Services), DM (Development Management), BC (Building Control), EH (Environmental Health) and PP (Planning Policy).

Title

Short title to describe the indicator.

Previous reference

Original references, where still used at Service Panels, to help show continuity.

Note

A note providing further detail about the indicator as well as any relevant context.

Q1-Q4

Values of the indicator for the financial year to which the report relates; Q1 (1 April to 30 June), Q2 (1 July to 30 September), Q3 (1 October to 31 December) and Q4 (1 January to 31 March). If these are 'year to date' figures that add together towards the target, it will be explained in the note.

Annual Target / Target

If the figures are 'year to date' or otherwise annual, this will be explained in the note and the Annual Target is provided to show progress towards this. In all other cases the quarterly values can be directly compared to the Target shown. Whether a higher or lower figure is better in terms of performance will also be explained in the note. Info only indicators have a '-' in this box.

Comment

This space is used for the service to provide descriptive commentary on the current performance of the service if this would be relevant or helpful (optional).

Corporate Services

CP1 - Percentage of the Audit Plan completed during the year

Year to date figures, values are cumulative (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
10%	13%			100%	There were four audits due to start in Q1 & Q2 out of a year total of 15. Two have been completed, hence the 13% and the other 2 are underway. The focus in Q1 and Q2 has been clearing four outstanding audits from 21/22. New contract being procured which will improve delivery.

CP2 - Percentage of high-risk audit recommendations implemented

Typically, the number of high-risk audit recommendations are low so the percentage changes can vary significantly. This will be explained in the comment section (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
100%	100%			100%	

CP3 - Quality of customer service call handling

This indicator is measured from the scoring of a recorded call against quality standards from a monitoring sample (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
98%	97%			90%	Performance checks focused on emails in Q2, consistently good scores, with only minor errors seen

CP4 - Implementation of savings schemes targets to meet MTFs requirements

This indicator will be measured on whether the savings targets have been met and typically result in the delivery of a balanced budget in Q3 (yes or no)

Q1	Q2	Q3	Q4	Annual Target	Comment
No	No			Yes	Balanced budget for 2023/24 to be set in Q3

CP5 - Percentage of telephone calls answered by the Contact Centre in 30 seconds

Percentage value given is as at end of the quarter (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
83%	73%			70%	Staff sickness for 4 days at the end of September brought the average down on an otherwise well above target period

CP6 - Percentage of Non-domestic Rates Collected

Year to date figures, values are cumulative (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
29.3%	58%			98%	Improvement over 44.2% at same time last year

CP7 - Percentage of Council Tax collected

Year to date figures, values are cumulative (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
29.5%	57.4%			98%	Improvement over 56.9% at same time last year

CP8 - Percentage uptime of key systems

Percentage value given is for the quarter and rounded to one decimal place (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
100%	99%			99%	Minor experienced outages during planned upgrade work this quarter.

CP9 - Percentage of uptime of Hart's website

Percentage value given is for the quarter and rounded to one decimal place (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
100%	100%			98%	Exceeded 99.99% uptime over the quarter

CP10 - Number of missed collections excluding garden waste (per 100,000)

Target aims to miss no more than 40 bins per 100,000 collected for all bin collections except garden . A missed collection is where a round has taken place and a bin (or bins) has been missed, this excludes any mutually pre-agreed suspension of service, usually applied where events are beyond the control of either the authorities' or their contractor. (lower is better)

Q1	Q2	Q3	Q4	Target	Comment
Waste April 7343 May 3707 June 1371 Recycling April 3253 May 10006 June 4314	Waste July 4319 Aug 3111 Sept 4340 Recycling July 11747 Aug 5441 Sept 9274			40	Figures for Q1 and Q2 are not yet ratified with Serco and are the Client team's assessment of the KPI whilst the final figures remain in dispute. Significant improvement seen in October (Waste 279, Recycling 823)

CP11 - Number of missed garden waste collections (per 100,000)

Target aims to miss no more than 250 bins per 100,000 collected for garden waste services. A missed collection is where a round has taken place and a bin (or bins) has been missed, this excludes any mutually pre-agreed suspension of service, usually applied where events are beyond the control of either the authorities' or their contractor. (lower is better)

Q1	Q2	Q3	Q4	Target	Comment
April: 102 May: 9181 June: 19860	July: 617 Aug: 19254 Sept: 54854			250	These figures are not yet ratified with Serco and are the Client team's assessment of the KPI whilst the final figures remain in dispute. For clarity the garden waste figures reported here are not per 100,000. Significant improvement seen in October (246)

CP12 - Overall cost of waste per household

Set annually based on the number of households served and reported in Q4. Calculated as net cost of HAWCLT, HAWCOM, HAWSTE for the 22/23 budget divided by the Council Tax Stock of properties produced by the [VOA](#) (lower is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
-	-			£25	Reported annually

CP13 - Total recycling rate

Percentage value given is for the quarter (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
-	-			46%	Figures not yet ratified with Serco

Community Services

CS1 - Number of applicants for whom homelessness is relieved or prevented

Revised indicator, values reported from Q3. The target is for over 50% of those presenting as homeless to have their homelessness relieved or prevented (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
50%	59%			50%	

CS2 - Households living in Temporary Accommodation

The target is to have less than 30 households living in temporary accommodation at any one time (lower is better)

Q1	Q2	Q3	Q4	Target	Comment
23	29			30	

CS3 - Number of families in B&B for more than 6 weeks

The council aims to avoid any families temporarily being housed in B&B accommodation except for emergencies, and especially not for more than 6 weeks (lower is better)

Q1	Q2	Q3	Q4	Target	Comment
0	0			0	

CS4 - Number housed into the Private Rental Sector

Revised indicator, values reported from Q3. Year to date number of households who have been secured an Assured Shorthold Tenancy in the private rental sector (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
9	19			30	

CS5 - Gross number of affordable homes delivered

Year to date figures, values are cumulative (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
44	77			100	

CS6 - Number of Hart residents assisted into employment or training each year through the Hart into Employment

Year to date figures, values are cumulative (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
10	9			20	

CS7 - Percentage of Disabled Facilities Grant spent against budget

Year to date values. The spend tends to be cyclical with completions concentrated towards the of the financial year end (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
16%	27%			100%	

CS8 - Number of Disabled Facilities and Prevention Grants completed

Year to date values. The target is for between 65 and 70 to be completed a year (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
20	30			65	Q1 correction: 20 completed in Q1, not 17 as previously reported due to 3 backdated completions

CS9 - Number of gypsy / traveller illegal encampments

Number of cases reported on a quarterly basis (info only)

Q1	Q2	Q3	Q4	Target	Comment
0	3			-	

CS10 - Community Trigger reviews to be carried out

Case review process available to residents who have raised more than three antisocial behaviour (ASB) complaints in a six-month period and are unhappy with the action taken.

Q1	Q2	Q3	Q4	Target	Comment
0	2			1	

CS11 - Increase Community Safety Newsletter distribution

Revised indicator, values reported from Q4. Year to date values. Target set based on a benchmark of increasing by 20% (higher is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
12%	37%			20%	

Environmental and Technical Services

ET1 - Number of Green Flags held [ET03]

The countryside service aims to achieve and retain Green Flag awards on suitable countryside sites managed by the council (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
3	3			3	

ET2 - Number of service requests received for Street Cleaning [ET04]

Number of Street Cleaning service requests received on a quarterly basis (info only although benchmark figure provided. The commentary splits the requests into Justified and Unjustified:

Justified - where the service request is the council's responsibility to action.

Unjustified - where the service request is either: 1. a duplicate request, 2. it is not the council's responsibility to action, or 3. inspection shows that the work is not required.

Q1	Q2	Q3	Q4	Target	Comment
263	264			1200	Q2 detail: 221 Justified 43 unjustified

ET3 - Number of service requests received for Grounds Maintenance [ET05]

Number of Grounds Maintenance service requests received on a quarterly basis (info only although benchmark figure provided) The commentary splits the requests into Justified and Unjustified:

Justified - where the service request is the council's responsibility to action.

Unjustified - where the service request is either: 1. a duplicate request, 2. it is not the council's responsibility to action, or 3. inspection shows that the work is not required.

Q1	Q2	Q3	Q4	Target	Comment
73	64			600	Q2 detail: 17 Justified 47 unjustified

ET4 - Carbon footprint for Council operations [ET10]

Data for this indicator is compiled annually, usually in September, with the target set lower than the previous year's outturn. Outturn for 20/21 was 1088.96 t/CO2e (lower is better)

Q1	Q2	Q3	Q4	Annual Target	Comment
-	-			1088.96	Reported annually

ET5 - Number of days of CCTV camera downtime [ET11]

Number of days of downtime on a quarterly basis taken as a monthly average (lower is better)

Q1	Q2	Q3	Q4	Target	Comment
68	251			10 days	Q1 correction: 68 not 23 as previously reported.

ET6 - Average number of man days of litter enforcement work carried out per month [ET12]

Shows number as a monthly average for that quarter (higher is better). Target is for the year as a whole.

Q1	Q2	Q3	Q4	Target	Comment
2.3	8			16	

Place Services

DM1 - Major development application decisions [R07]

Percentage of major development application decisions made in the quarter within the statutory determination period including extensions of time (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
87.5%	66.7%			60%	

DM2 - Minor development application decisions [R08]

Percentage of minor development application decisions made in the quarter within the statutory determination period including extensions of time (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
90%	71.4%			70%	

DM3 – Other application decisions [R09]

Percentage of other applications decisions made in the quarter within the statutory determination period including extensions of time (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
96%	82.3%			85%	

DM4 - Percentage of Tree Preservation Order works applications determined within eight weeks [R11]

Percentage of minor development application decisions made in the quarter within eight weeks (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
40%	40%			90%	

DM5 - Planning application fee income [P01]

Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Target	Comment
£267,796	£48,644			-	

DM6 - Income from Pre-Application Advice and PPAs (including LBCs) [P02]

Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Target	Comment
£37,588	£8,336			-	

BC1 - Number of Building Control Applications Received [P03]

Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Annual Target	Comment
339	226			-	

BC2 - Building Control income [P04]

Values only collated from Q2. Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Annual Target	Comment
£146,635	£37,252			-	

EH1 - Percentage of scheduled/proactive Food Safety inspections undertaken within time. [P05]

Values only collated from Q3 (info only)

Q1	Q2	Q3	Q4	Target	Comment
81%	77%			-	

EH2 - Percentage of Environmental Protections service requests (including noise, statutory nuisance and public health) responded within time [P07]

Values only collated from Q3 (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
86%	86%			80%	

EH3 - Percentage of Food and Health & Safety service requests (including RIDDORs, HSADV, food poisoning investigations) responded to within time [P08]

Values only collated from Q3 (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
81%	85%			80%	

EH4 - Percentage of formal consultation responses made within time (including Planning and Licensing) [P09]

Values only collated from Q3 (higher is better)

Q1	Q2	Q3	Q4	Target	Comment
93%	94%			80%	

EH5 - Number of fly-tipping service requests received by service. [P10]

Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Annual Target	Comment
11	18			-	

EH6 - Number of fly-tipping enforcement actions [R12]

Values are number of actions taken per quarter (info only)

Q1	Q2	Q3	Q4	Target	Comment
1	2			-	

EH7 - Environmental Health Commercial fee income [P11]

Values only collated from Q3. Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Target	Comment
£9,137	£1,793			-	

EH8 - Environmental Health Protection fee income [P12]

Values only collated from Q3. Year to date figures, values are cumulative (info only)

Q1	Q2	Q3	Q4	Annual Target	Comment
£5,933	£247			-	

PP1 - Housing Land Supply Position Statement [P13]

Identifies whether the Council has at least a 5-year supply of land for housing, which is a requirement of national planning policy. To be published by 30 September each year. (On track or Not on track)

Q1	Q2	Q3	Q4	Annual Target	Comment
On track	On track			On track	Published August 2022 (with 10.9 years housing land supply) Housing Trajectory was published at same time

PP2 - Brownfield Register [P14]

Statutory Duty to publish annually an update to the register of previously developed land that has been deemed as suitable for residential development. To be published by 31 December each year. (On track or Not on track)

Q1	Q2	Q3	Q4	Annual Target	Comment
On track	On track			On track	No deadlines in Q1 / Q2

PP3 - Authority Monitoring Report (AMR) [P15]

Statutory duty to publish annually, reporting on matters including local plan policy formulation and implementation, duty to cooperate activity and Neighbourhood Plans. To be published by 31 December each year. (On track or Not on track)

Q1	Q2	Q3	Q4	Annual Target	Comment
On track	On track			On track	A draft of the AMR is scheduled to go to O&S in December 2022

PP4 - Infrastructure Funding Statement (IFS) [P16]

Statutory duty to publish annually, reporting on s106 and where relevant CIL monies secured, received, allocated and spent. To be published by 31 December each year. (On track or Not on track)

Q1	Q2	Q3	Q4	Annual Target	Comment
On track	On track			On track	No deadlines in Q1 / Q2

PP5 - Statutory returns to Government [P17]

Collation and submission of data relating to housing delivery and self-build including Housing Flows Reconciliation (HFR), Housing Delivery Test information, Self and Custom Build. To be published at various times through each year. (On track or Not on track)

Q1	Q2	Q3	Q4	Annual Target	Comment
On track	On track			On track	Q2: September saw returns submitted for Housing Flows Reconciliation and Housing Delivery Test



Budget Monitoring – Period end 30th Sep 2022

Cabinet

Date 5th January 2023

Recommendations

- Note the projected Outturn at Q2.
- Note the Capital Overview.
- Note the current Pressures/Savings
- Note the transfer of £212k of Climate Change spend to the capital programme.
- Note the Risks to the current 2022/23 current projected outturn.
- Note the rebasing exercise that has led to contingency budgets providing headroom for Medium Term Financial Planning.

Projected Revenue Outturn

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Service Area	Total Budget	Total Projected Outturn	Outturn before EMR	Cont. (from)/to EMR	Variance from Budget	Projected Outturn
	£000	£000	£0	£000	£000	£000
Community Services	719	512	(207)	200	(7)	712
Corporate Services	6,844	8,351	1,507	(1,031)	476	7,320
Technical & Environmental Services	3,083	2,070	(1,013)	712	(301)	2,783
Place Services	2,320	2,097	(222)	110	(112)	2,207
Central Costs	(1,005)	(1,242)	(237)	0	(237)	(1,242)
Net Cost of Services	11,961	11,789	(172)	(9)	(181)	11,780

Capital Overview

Service Area	C/F Budget 2021/22	2022-23 Budget	Total 2022-23 Budget	2022-23 Forecast	Transfer to/(from) Reserves	Total Variance from Budget
	£000	£000	£000	£000	£000	£000
Community	0	1,817	1,817	1,821	0	4
Corporate Services	0	90	90	326	(236)	0
Place	0	0	0	0	0	0
Technical & Environment	536	1,636	2,173	1,513	0	(660)
Total Capital	536	3,543	4,080	3,660	(236)	(656)

C/F = Carried Forward

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Current Pressures/ (Savings)

Inflation – currently ~10%. Waste contract impacted in 2022/23 +£110k

Energy prices –2022/23 impact +£86k

Staff Costs – Vacancies – (£241k), Pay Award +£110K. Net (£131k)

Income pressures +£55k

Sensitivities

Contracts subject to RPI increases:
Total Contract Value £6M.

Every 1% increase in RPI = £60k

Staff Costs = £5.9M.

Every 1% increase in staff costs = £59k

Energy Bills.

2021/22 Gas & Electricity = £58k.

2022/23 estimated cost = £130k

Revenue

- The council is forecasting an overall underspend of £181k against the 2022-23 revenue budget of £11.96m*.
**the budget included planned Tier 2 savings of £202k.*
- Included in the outturn are £9k net contributions from Earmarked Reserves (EMR)
 - The largest contribution from EMRs is £964k to replace the shortfall in the leisure centre management fee income target. (*Approved at Cabinet October 2021*)
 - A contribution to EMR of £110k represents a payment award from a Health & Safety Fatality Court Case.
 - S106 contributions to EMR at the end of Q2 total £760k

Summary Revenue









Summary Capital

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Capital

- SANG capital projects have been put 'on hold' pending a review of the S106 reserves. The forecast Capital spend in 2022-23 is £3.4M a reduction of £0.7M. The budget includes budget carried forward from 2021/22.

2022-23 Tier 2 Savings

SERVICE	BUDGET	FORECAST	RISK	RAG
Corporate Service Restructure	62	62	0	
Senior Management Team Review	52	52	0	
Member & Staff Allowances	4	4	0	
Internal Audit	15	0	15	
Dog Warden Service	3	3	0	
Planning Development	28	0	28	
Place Service efficiencies	21	0	21	
Technical & Environmental – resource review	17	17	0	
	202	138	64	

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The Tier 2 savings are included in the £11,960k – Net Cost of Service

CABINET

DATE OF MEETING: 5 JANUARY 2023

**TITLE OF REPORT: TREASURY MANAGEMENT STRATEGY STATEMENT
HALF-YEAR REVIEW REPORT 2022/23**

Report of: Head of Corporate Services & Section 151 Officer

Cabinet Portfolio: Finance

Key Decision: No

Confidentiality: Non-Exempt

PURPOSE OF REPORT

1. To report the Council's Treasury Management activities and performance during the first half of the 2022/23 financial year (April-September 2022).

RECOMMENDATION

2. To note the Treasury Management activities during the first half of the 2022/23 financial year.

BACKGROUND

Capital Strategy

3. The Chartered Institute of Public Finance and Accountancy (CIPFA)'s Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy which is to provide the following:
 - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
 - an overview of how the associated risk is managed.
 - the implications for future financial sustainability.

The Capital Strategy is updated annually and reviewed and approved by Cabinet as part of the annual budget setting process.

Treasury management

4. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of our Treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity, before considering optimising investment return.
5. The second main function of the Treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing

need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

6. Treasury management is defined as: The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

INTRODUCTION

7. This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. The primary requirements of the Code are as follows:
 - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Overview and Scrutiny Committee.

8. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
 - An economic update for the first half of the 2022/23 financial year.
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
 - The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators.
 - A review of the Council's investment portfolio for 2022/23.
 - A review of the Council's borrowing strategy for 2022/23.
 - A review of any debt rescheduling undertaken during 2022/23.
 - A review of compliance with Treasury and Prudential Limits for 2022/23.

ECONOMICS AND INTEREST RATES

Interest rate forecasts

9. The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.
10. The latest forecast on 27th September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.
11. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.
12. Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UPDATE

13. The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by the Council on 24th February 2022.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Prudential Indicator	2022/23	2022/23
	Original £'000	Revised £'000
Authorised Limit	30,000	30,000
Operational Boundary	25,000	25,000
Capital Financing Requirement	40,509	40,522

THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

14. This part of the report is structured to update:

- The Council's capital expenditure plans.
- How these plans are being financed.
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow.
- Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

15. This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2022/23	Current	2022/23
	Original Estimate £'000	Position 30/09/22 £'000	Revised Estimate £'000
Corporate Services	90	27	367
Community Services	1,817	235	1,817
Environmental and Technical Services	1,636	1,169	2,370
Total capital expenditure	3,543	1,431	4,554

Changes to the Financing of the Capital Programme

16. The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2022/23 Original Estimate £'000	Current Position 30/09/22 £'000	2022/23 Revised Estimate £'000
Total capital expenditure	3,543	1,431	4,554
Financed by:			
Capital grants	2,503	1,420	3,362
Capital receipts	90	6	241
Revenue	950	5	951
Total financing	3,543	1,431	4,554
Borrowing requirement	0	0	0

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

17. The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement. Original forecasted Capital Financing Requirement increased in line with change in Capital expenditure.

Prudential Indicator – the Operational Boundary for external debt

Operational Boundary for external debt	2022/23 Original £'000	2022/23 Revised £'000
CFR	40,509	40,522
Borrowing	16,333	16,333

Limits to Borrowing Activity

18. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose*. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

Operational Boundary for External debt	2022/23	2022/23
	Original £'000	Revised £'000
Operational Boundary	25,000	25,000
Borrowing	16,333	16,333

The Director of Corporate Services reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised Limit for External Debt	2022/23	2022/23
	Original £'000	Revised £'000
Authorised Limit	30,000	30,000
Borrowing	16,333	16,333

BORROWING

19. The Council's capital financing requirement (CFR) for 2022/23 is £40.5m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in the event that any upside risk to gilt yields prevails.

PWLB maturity certainty rates (gilts plus 80bps) year to date to 30th September 2022 – information provided by treasury advisors, Link

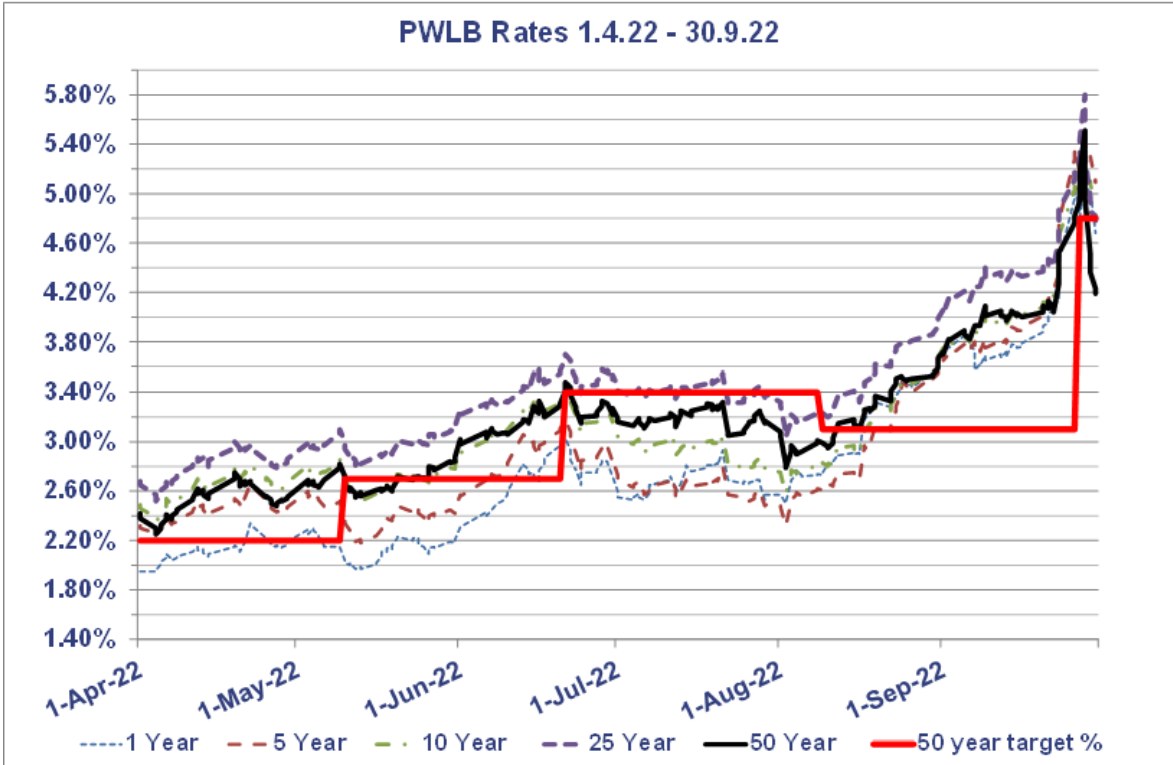
20. Gilt yields and PWLB rates were on a generally rising trend throughout H1 2022, the exception being a short rally in gilts in July/August. However, they rose sharply towards the end of September.

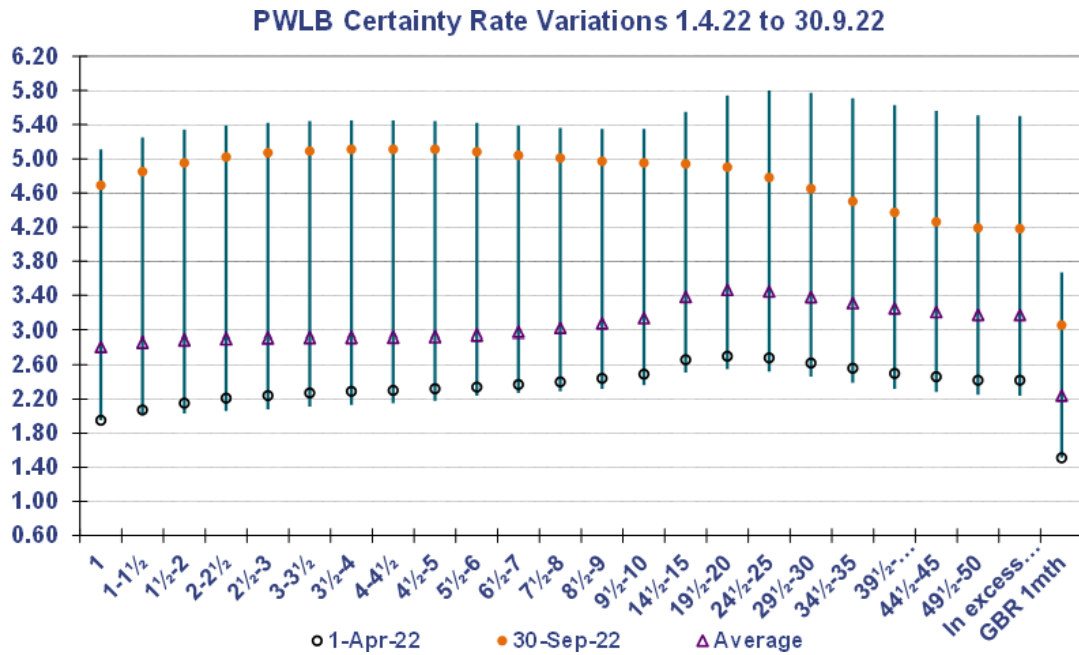
The 50-year PWLB target certainty rate for new long-term borrowing started 2022/23 at 2.20% and finished the half year at 4.80%, albeit we forecast rates to fall back to 3.10% by the end of September 2025.

The current PWLB rates are set as margins over gilt yields as follows:

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

PWLB RATES 01.04.22 - 30.09.22





HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.22 – 30.09.22

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

The current PWLB rates are set as margins over gilt yields as follows:

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

DEBT RESCHEDULING

21. Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

However, now that the whole of the yield curve has shifted higher there may be better opportunities in the future, although only prudent and affordable debt rescheduling will be considered.

COMPLIANCE WITH TREASURY AND PRUDENTIAL LIMITS

22. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits, (affordable capital expenditure limits – Scottish local authorities). During the half year ended 30th September 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2022/23. The Director of Corporate Services reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

ANNUAL INVESTMENT STRATEGY

23. The Treasury Management Strategy Statement (TMSS) for 2022/23, which includes the Annual Investment Strategy, was approved by the Council on 24th February 2022. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

24. Following the Government's fiscal event on 23rd September, both S&P and Fitch have placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and the economic outlook.

Investment Counterparty criteria

25. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

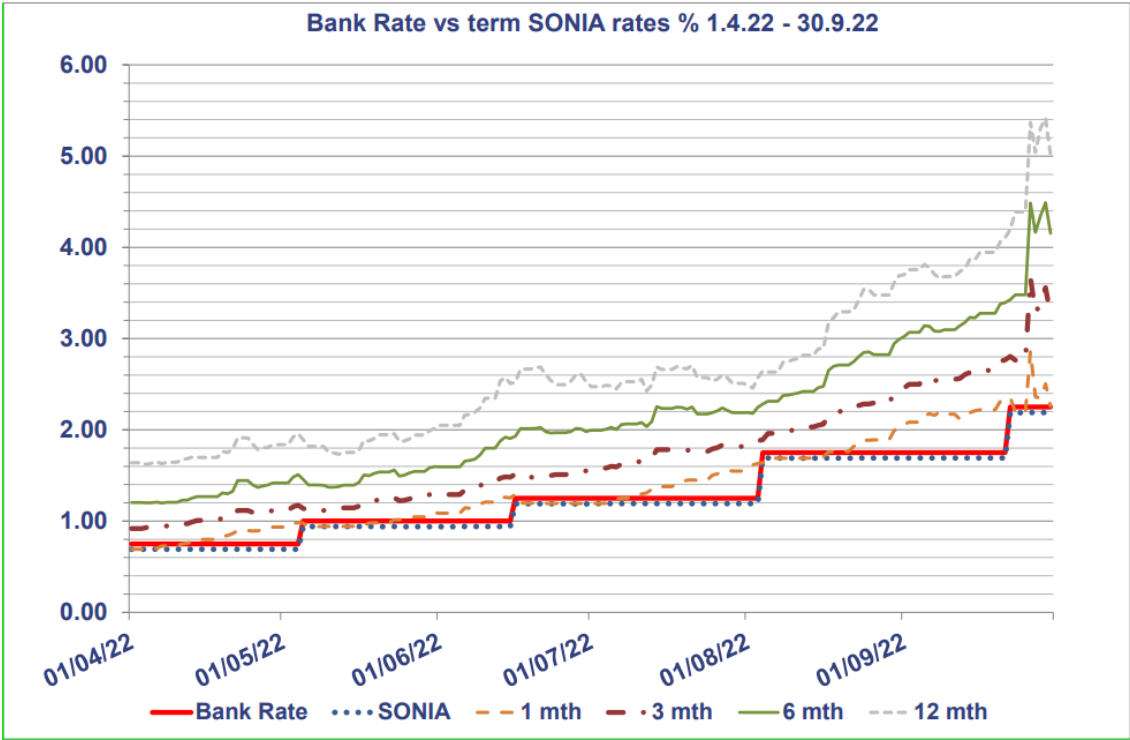
CDS prices

26. It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

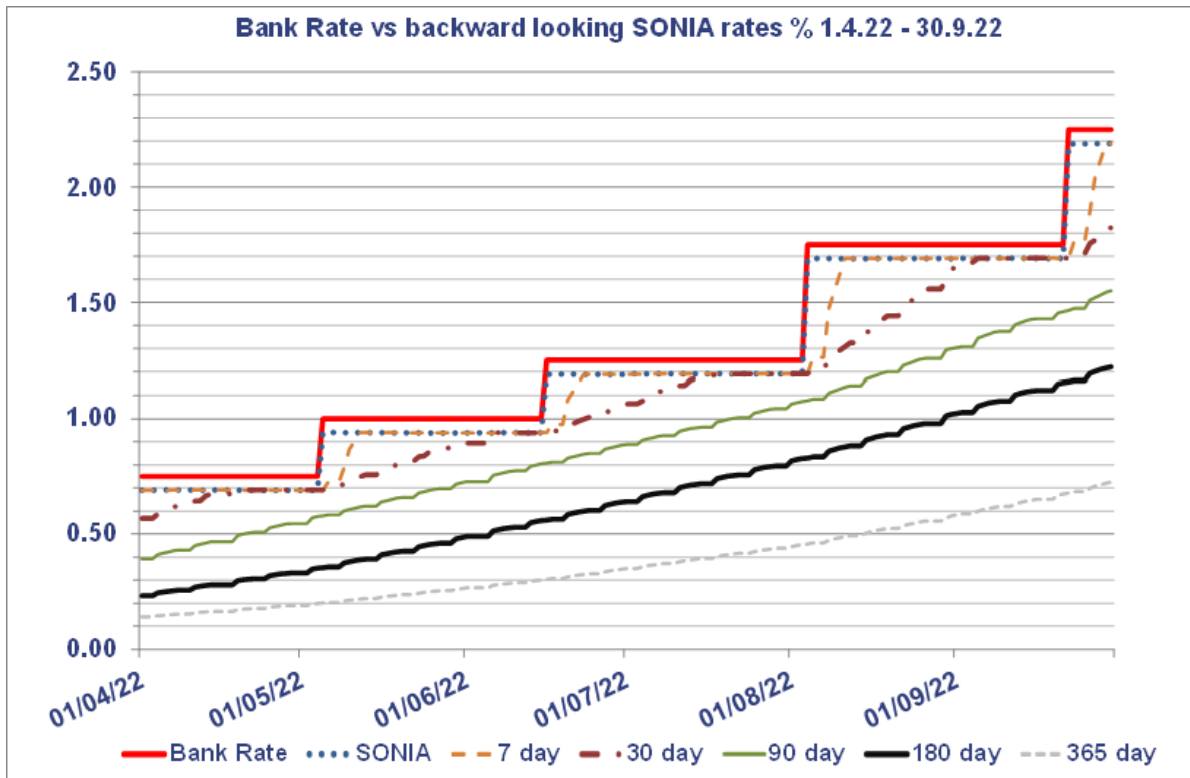
27. The average level of funds available for investment purposes during the first half of the financial year was £35m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

Investment performance year to date as of 30th September 2022



*The table above, for completeness, covers both the first and second quarters of 2022/23.
 *SONIA = Stirling Overnight Index Average

QUARTER ENDED 30/9/2022						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	2.25	2.19	2.86	3.67	4.49	5.41
High Date	22/09/2022	30/09/2022	26/09/2022	26/09/2022	29/09/2022	29/09/2022
Low	0.75	0.69	0.69	0.92	1.20	1.62
Low Date	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
Average	1.28	1.22	1.39	1.70	2.12	2.62
Spread	1.50	1.50	2.17	2.75	3.29	3.79



QUARTER ENDED 30/9/2022							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	2.25	2.19	2.19	1.82	1.55	1.22	0.73
High Date	22/09/2022	30/09/2022	30/09/2022	30/09/2022	30/09/2022	30/09/2022	30/09/2022
Low	0.75	0.69	0.69	0.57	0.39	0.23	0.14
Low Date	01/04/2022	28/04/2022	29/04/2022	01/04/2022	01/04/2022	01/04/2022	01/04/2022
Average	1.28	1.22	1.19	1.11	0.91	0.67	0.37
Spread	1.50	1.50	1.50	1.26	1.16	0.99	0.58

*The table above, for completeness, covers both the first and second quarters of 2022/23.

Investment performance year to date as of 30th September 2022

Period	SONIA	Council performance
up to 7 days	1.19%	1.03%-1.66%
3-6 months	0.91%	2.3%-2.99%

As illustrated, the Council outperformed the benchmark. The Council's budgeted investment return for 2022/23 is £100k, and performance for the year to date is above the budget. Investment income up to 30th September is £225k. This has been estimated for the full financial year and included in the latest budget monitoring forecast reported to committee.

Approved limits

28. The Director of Corporate Services can confirm that the approved limits within the Annual Investment Strategy were not breached during the 6-month period ended 30th September 2022.

OTHER

Changes in risk appetite

There is no change in risk appetite as the security of the Council's funds is paramount and will continue to follow Link Services advice placing funds in line with The Treasury Management Strategy Statement.

EQUALITIES

All activity will comply with the authority's statutory duties.

CLIMATE CHANGE

These strategies will work alongside the council's ambition to become a carbon neutral authority by 2035. There are no direct carbon/environmental impacts arising from the recommendations. We are however, starting to move to a more sensitive and sustainable investment strategy.

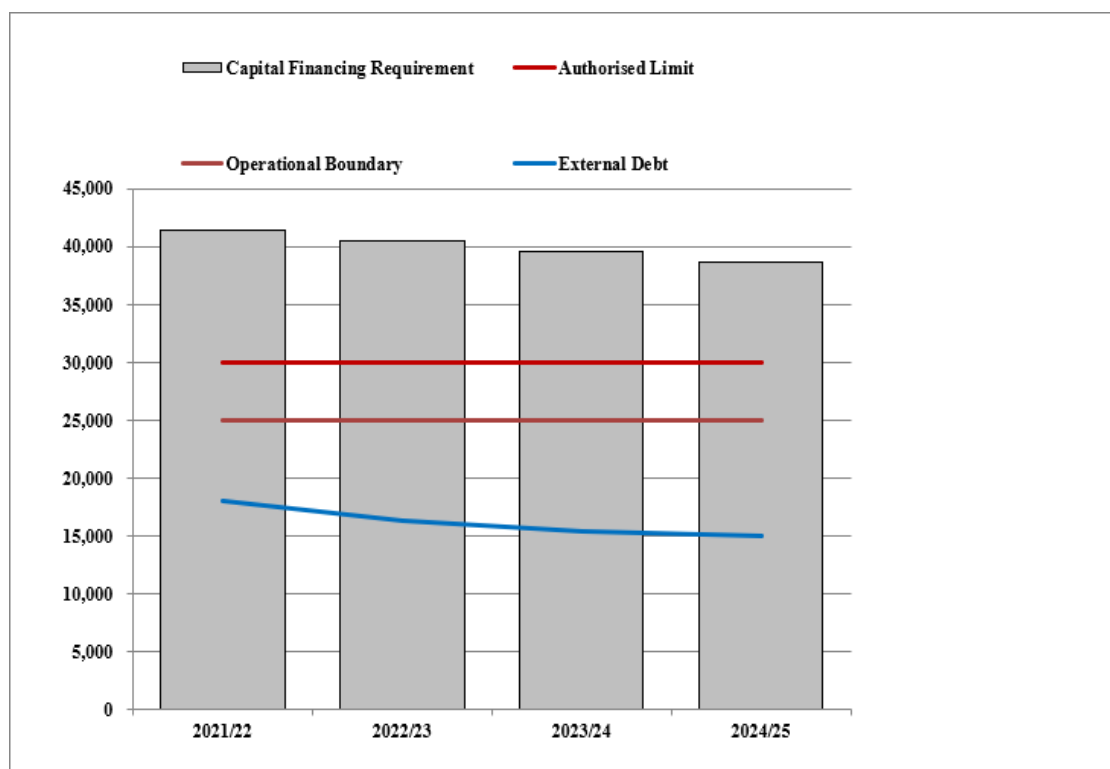
Contact details: Graeme Clark, email: Graeme.Clark@hart.gov.uk

Appendices

- Appendix 1 – The CFR and Borrowing
- Appendix 2– Investment Portfolio
- Appendix 3 – Approved countries for investments as at 30th September 2022

APPENDIX 1: The CFR and Borrowing

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Authorised Limit	30,000	30,000	30,000	30,000
Operational Boundary	25,000	25,000	25,000	25,000
Capital Financing Requirement	41,450	40,522	39,593	38,665
External Debt	18,088	16,333	15,441	15,080
Under/(over) borrowing	23,362	24,189	24,152	23,585
Change in External Debt	6,553	-1,755	-892	-361



APPENDIX 2: Investment Portfolio

Investments held as of 30th September 2022 compared to counterparty list:

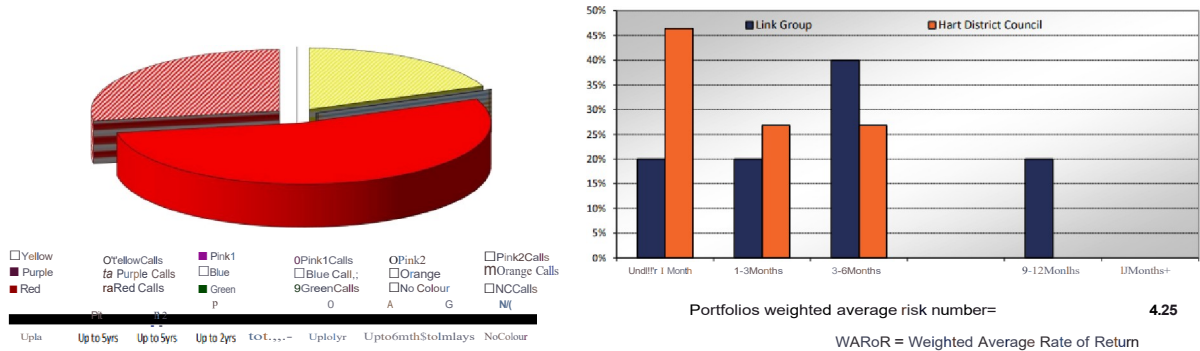
Counterparty	Amount Invested	Counterparty Limit	Terms	Rate %
Barclays - Call account	390,035		Call	0.25%
Barclays - Green Account	5,000,000		95d notice	2.30%
Barclays total	5,390,035	10mil		
Santander	4,908,256	5mil	Call	1.03%
Bank of New York Mellon - Federated	2,000,000	5mil	MMF	2.08%
Aberdeen Liquidity- Standard Life	5,000,000	5mil	MMF	2.13%
Lloyds Bank Corporate Markets	5,000,000	5mil	Fixed	1.60%
Qatar National Bank	5,000,000	5mil	Fixed	2.05%
Standard Chartered sustainable	5,000,000	5mil	Fixed	2.23%
Bayerische Landesbank	5,000,000	5mil	Fixed	2.99%
Total	37,298,292			

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
Barclays Bank Plc (NRFB)	390,035	0.25%		Call	A	0.000%
Santander UK PLC	4,908,257	1.03%		Call	A	0.000%
MMF Aberdeen Standard Investments	5,000,000	1.54%		MMF	AAAm	
MMF Federated Investors (UK)	2,000,000	1.88%		MMF	AAAm	
Lloyds Bank Corporate Markets Plc (NRFB)	5,000,000	1.60%	01/07/2022	14/10/2022	A	0.002%
Qatar National Bank	5,000,000	2.05%	13/07/2022	16/11/2022	A	0.006%
Standard Chartered Bank (ESG)	5,000,000	2.23%	16/08/2022	16/12/2022	A+	0.010%
Barclays Bank Plc (NRFB)	5,000,000	2.30%		Call95	A	0.012%
Bayerische Landesbank	5,000,000	2.99%	16/09/2022	16/01/2023	A-	0.014%
Total Investments	£37,298,292	1.94%				0.007%

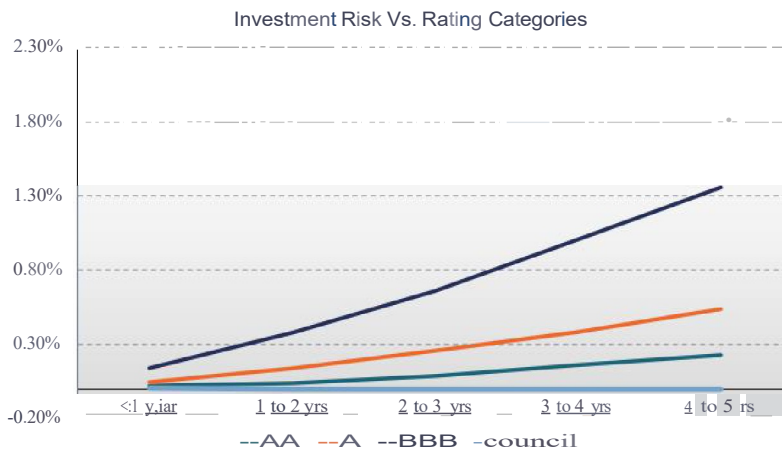
Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

Portfolio Composition by Link Group's Suggested Lending Criteria

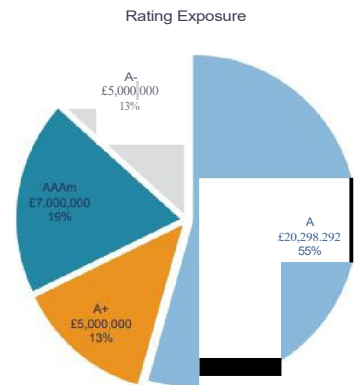


	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	WAM Excluding Calls/MMFs/USDBFs	WAM at Execution Excluding Calls/MMFs/USDBFs
Yellow	18.77%	£7,000,000	100.00%	£7,000,000	18.77%	1.64%	0	0	0	0
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Rod	33.99%	£30,298,292	33.99%	£30,298,292	27.61%	56	56	62	62	62
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£37,298,292	46.38%	£17,298,292	46.38%	1.94%	46	62	62	62

Investment Risk and Rating Exposure



Rating/Years	Historic Risk of Default				
	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.09%	0.16%	0.23%
A	0.05%	0.14%	0.26%	0.38%	0.54%
BBB	0.14%	0.38%	0.66%	1.01%	1.36%
Council	0.01%	0.00%	0.00%	0.00%	0.00%



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for AA, A and BBB rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

APPENDIX 3: Approved countries for investments as at 30th September 2022.

Based on lowest available rating

AAA

- *Australia*
- *Denmark*
- *Germany*
- *Luxembourg*
- *Netherlands*
- *Norway*
- *Singapore*
- *Sweden*
- *Switzerland*

AA+

- *Canada*
- *Finland*
- *U.S.A.*

AA

- *Abu Dhabi (UAE)*
- *France*

AA-

- *Belgium*
- *Hong Kong*
- *Qatar*
- *U.K.*

CABINET

KEY DECISIONS / WORK PROGRAMME AND EXECUTIVE DECISIONS MADE

January 2023

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	Outline/Reason for Report/Comments	Due Date	Original Due Date	Key Decision Y? (Note 1)	Cabinet Member (Note 2)	Service (Note 3)	*This item may contain Exempt information
Q2 Review and Capital Outturn to September 2022	Post consideration by Overview and Scrutiny	5 Jan 2023		No	JR	F	
Lease of the Harlington Centre	To propose an updated lease for the Harlington Centre.	5 Jan 2023		No	DN	CS	Fully exempt
Treasury Management Strategy - Mid Year Review	Post consideration by Overview and Scrutiny	5 Jan 2023		No	JR	F	
Q2 Performance Plan Review		5 Jan 2023 3 Mar 2023 1 Jun 2023 7 Sep 2023		No	RQ	CS	
Review of Finance Regs and Contract Standing Orders	Post consideration by Overview & Scrutiny	2 Feb 2023		No	JR	F	

Report Title	Outline/Reason for Report/Comments	Due Date	Original Due Date	Key Decision Y? (Note 1)	Cabinet Member (Note 2)	Service (Note 3)	*This item may contain Exempt information
Budget Report for 2023/24	Post consideration by Overview and Scrutiny	2 Feb 2023		No	JR	F	
Draft Treasury Management Strategy Statement	Post consideration by Overview and Scrutiny	2 Feb 2023		No	JR	F	
Corporate Plan	To recommend the draft to Council of the new Corporate Plan.	2 Feb 2023		No	DN	CS	
2023 Forecast 2022/23 Capital and Revenue Outturn	Post consideration by Overview and Scrutiny	2 Mar 2023		No	JR	F	
Climate Change Action Plan	Cabinet to receive the proposed Action Plan to facilitate Hart's Carbon Pathway for endorsement	TBC when resource available		No	DN	CS	
Draft Service Plans 2023/24	To consider the draft service plans for 2023/24	6 Apr 2023		No	ALL	ALL	
Risk Management Strategy	To ask Cabinet to approve the Council's updated risk management strategy	6 Apr 2023		No	RQ	CS	
Corporate Risk Register	To ask Cabinet to review and approve the updates made to the Corporate Risk Register	6 Apr 2023		No	RQ	CS	

Report Title	Outline/Reason for Report/Comments	Due Date	Original Due Date	Key Decision Y? (Note 1)	Cabinet Member (Note 2)	Service (Note 3)	*This item may contain Exempt information
Potential for a Shared Chief Executive with Rushmoor Borough Council	Consideration of a business case for a Shared Chief Executive between Hart District Council and Rushmoor Borough Council	1 Jun 2023		No	DN	CS	
Feedback from Outside Bodies	To receive feedback reports from Members who are representatives on Outside Bodies	1 Jun 2023		No	RQ	CS	
Revenue and Capital Outturn 2023/24		3 Aug 2023		No	JR	F	
MTFS and Capital Strategy		7 Sep 2023		No	JR	F	
Corporate Risk Register (Half Yearly Review)		7 Sep 2023 4 Apr 2024		No	RQ	CS	
Treasury Management Strategy and Asset Management Plan		5 Oct 2023		No	JR	F	
Draft Budget 2024/25	Cabinet to approve the 2024/25 budget submission	1 Feb 2024		No	JR	F	
Q3 Forecast 2023/24 and Revenue Outturn		1 Feb 2024		No	JR	F	
Draft Service Plans 2024/25		7 Mar 2024		No	ALL	ALL	

Report Title	Outline/Reason for Report/Comments	Due Date	Original Due Date	Key Decision Y? (Note 1)	Cabinet Member (Note 2)	Service (Note 3)	*This item may contain Exempt information
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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

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

Note 3

Service:

CX Chief Executive	CS Corporate Services	PL Place Services
CSF Community Safety	PP Planning Policy	
FI Finance	COM 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

Report Title	Outline/Reason for Report/Comments	Due Date	Original Due Date	Key Decision Y? (Note 1)	Cabinet Member (Note 2)	Service (Note 3)	*This item may contain Exempt information
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EXECUTIVE DECISIONS

Cllr Neighbour	Release of S106 Funding for Dogmersfield's Healthy Walks project and village green project	No Call Ins				
Cllr Neighbour	Release of £5,512 S106 funding for the provision of underfloor heating at Yateley United Community Sports and Welfare Centre	No Call Ins				
Cllr Neighbour	Release of £25,500 S106 funding for improvements to Winchfield Village Hall	Call in period ends 29 December 2022				

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Exempt from Publication