

# **Supplementary Information**

HAVANT BOROUGH COUNCIL  
CABINET  
8 February 2017

Dear Councillor

I am now able to enclose, for consideration at meeting of the Cabinet, to be held on 8 February 2017 the following supplementary information that was unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
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8a	<u>Recommendations from the Scrutiny Board</u> (Pages 1 - 14)
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Report to follow.

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## HAVANT BOROUGH COUNCIL

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### CABINET

8 February 2017

## Revenue and Capital Budget 2017/2018 to 2012/22

Report by: Scrutiny Board

For recommendation

Key decision: no

Portfolio and Cabinet Lead: Councillor Michael Cheshire

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### 1.0 Purpose of the Report

1.1 To consider the recommendations of the Scrutiny Board in relation to the:

- (a) scrutiny undertaken by the Budget Scrutiny and Policy and Development Panel into the 2017/18 Budget; and
- (b) draft proposals for the Revenue and Capital Budget 2017/18 to 2021/22 submitted to the Scrutiny Board on 31 January 2017.

### 2.0 Recommendations

2.1 That the Cabinet be requested to recommend to Council:

- (a) The proposed Revenue & Capital Budgets for 2017/18, including a Council Tax rate of £192.78 at Band D, representing a 0% increase on the current charge and continuing the Council's freeze on its portion of the Council Tax since 2009/10.
- (b) The Treasury Management Strategy and Prudential indicators, and the Prices for Services subject to (i) to (iv) below,

Subject to:

- (i) paragraph 2.9 of Appendix E of the report being amended to require the approval of the Cabinet on all property purchases and to provide clarification on how much may be invested in this scheme any one year;
- (ii) the questions attached as Appendix A to this recommendation being referred to the relevant Heads of Services to provide the answers to these questions to all members of the Scrutiny Board;

- (iii) a briefing paper on the property investment proposals being sent to all Councillors to enable these Councillors to submit their concerns to the Chairman of the Scrutiny Board and Scrutiny Lead for the Budget Scrutiny and Policy Development Panel prior to the Cabinet Meeting to be held on 8 February 2017; and
- (iv) the Chairman of the Scrutiny Board and the Scrutiny Lead for the Budget Scrutiny and Policy Development Panel being given an opportunity to present the comments received in response to (iii) above to the meeting of the Cabinet to be held on 8 February and/or the Chairman of the Scrutiny Board calling in the property investment proposals for scrutiny with the intention of presenting the findings of this scrutiny to Council on 22 February 2017.

2.2 That the Cabinet be recommended to:

- 2.2.1 agree to the transfer of the responsibilities and associated budgets for all current economic development events and the responsibility for the mayoral service to the Community Team;
  - 2.2.2 consider the appointment of a full or part time Funding Officer within the Community Team with the aim that this post be self funding and to enable the Council to take greater advantage of external funding;
  - 2.2.3 consider committing the Council to a major investment scheme in 2017/18 that will act as the catalyst for town centre regeneration; and
  - 2.2.4 reinstate the regular economic status reports.
- 2.3 That the Cabinet be requested to ensure that in future years the Budget Scrutiny and Policy Development Panel be given ample opportunity to consider the budget prior to finalisation of the draft proposals

### **3.0 Summary**

#### **3.1 The Budget Scrutiny and Policy Development Panel's Budget Scrutiny 2017/18 Report**

- 3.1.1. At its meeting held on 21 December 2016, the Scrutiny Board considered a report (Appendix A) from the Budget Scrutiny and Policy Development Panel, setting out its findings and recommendations following a scrutiny of the 2017/18 budget.

#### **[Findings Pack](#)**

- 3.1.2 The Board endorsed the recommendations of the Panel

### **3.2 Draft Proposals for the Revenue and Capital Budget 2017/18 to 2021/22**

3.2.1 At its meeting held on 31 January 2017, The Board was given an opportunity to consider and comment upon the draft Revenue and Capital Budget 2017/18 to 2021/22.

3.2.2 The Board expressed concern that the Budget Scrutiny and Policy Development Panel had not been consulted on these proposals and that insufficient time and information had been given for members of the Board or other Councillors to give proper consider to these proposals. The Leader of the Council offered a number of options to the Board including:

- (i) holding a seminar; and
- (ii) rearranging the Cabinet timetable

to enable the Board to scrutinise these proposals prior to the Council meeting and/or all Councillors to consider the proposals and submit comments to the Cabinet via the Scrutiny Board Chairman and the Scrutiny Lead for the Budget Scrutiny and Policy Development Panel prior to the Council to be held on 22 February 2017.

3.2.3 The Chairman of the Scrutiny Board requested however that a briefing paper on the property investment proposals be circulated to all Councillors, to allow all members the opportunity to comment and submit concerns to the Chairman and the Scrutiny Lead to raise these to the Cabinet. The Leader of the Council agreed to this action.

### **Appendices**

Appendix A Questions Submitted by the Board

Appendix B Report by the Budget Scrutiny and Policy Development Panel and Supplementary Information submitted to the Scrutiny Board on 21 December 2017

### **Background Papers**

#### **[Findings Pack](#)**

The comments of the Head of Finance, Head of Legal and Leader of the Council on the Budget Scrutiny and Policy Development Panel are set out in Appendices of this report

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## Appendix A

### Questions to Be Referred to the Relevant Heads of Service

1. Appendix B of the submitted report - Row 2 'Business Hub' (proposed by Economic Development). During all of our lengthy discussions with Julia Potter and Dan Grindey, no mention was made of this Project. Where has this arisen from, what are the costs for and how will it be used?
2. Appendix E of the submitted report – **Schedule 1** - 3<sup>rd</sup> Paragraph. Question: 'There was external borrowing in place as at January 2017 of £3.7M' – for what?
3. Appendix F of the submitted report – **Environmental Services** - Allotments: What is the rationale for increasing the cost (per Sq Metre) by 1p? How much will this increase generate? How much officer time will be taken up adjusting the charges? Quite simply, is it necessary/beneficial?
4. Appendix F of the submitted report – **Refuse and Recycling**: What is the rationale for increasing (yet again) the cost of garden waste by a further 10% (year on year)? Supplementary – have letters already been sent out informing residents of this intent?
5. Appendix F of the submitted report – **Neighbourhood Support** - Cemeteries: It is assumed that these increases in charges are to bring them in line with other local authorities. Is this the case?
6. Appendix F of the submitted report – **Planning** - Planning Development: During the Budget Scrutiny – the Head of Planning intimated that there was a desire to increase the costs of holding a DCF. Why has this not been carried into the 2017/2018 budget?
7. Page 32 of the submitted report– is a duplicate of Page 26.
8. Appendix F of the submitted report – **Customer Services** - Elections – Are these charges set by legislation?
9. Appendix E of the submitted report – Para 1.4 indicates that the Council 'has held no external borrowing'. Question – Does this mean we are debt free on all of our current property investments?

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***Review of the Budget 2017/2018***

FOR RECOMMENDATION

KEY DECISION NO

REPORT BY: Budget Scrutiny and Policy Development Panel

**1.0 EXECUTIVE SUMMARY**

- 1.1 The review was established to analyse the formation process for the 2017/18 budget.

**2.0 RECOMMENDATIONS**

- 2.1 The Scrutiny Board recommend to Cabinet:
- 2.1.1 to agree to the transfer of the responsibilities and associated budgets for all current economic development events and the responsibility for the mayoral service to the Community Team;
- 2.1.2 to consider the appointment of a full or part time Funding Officer within the Community Team with the aim that this post be self funding and to enable the Council to take greater advantage of external funding;
- 2.1.3 to consider committing the Council to a major investment scheme in 2017/18 that will act as the catalyst for town centre regeneration; and
- 2.1.4 the regular economic status reports be reinstated.
- 2.2 The Scrutiny Board be recommended to adopt the budget scrutiny process undertaken this year as a model for future budget scrutiny projects.

**3.0 RESOURCES:**

- 3.1 The transfer of the responsibilities and associated budgets for all current economic development events, to the Community Team. Together with the responsibility for the mayoral service will not lead to additional staffing costs. This will reduce the costs of the Business Economy and Town Services Team by approximately £30,000 in 2017/18; the exact budget to be agreed between the two teams involved.
- 3.2 The appointment of a Funding Officer would have an additional financial cost and would need to be budgeted. However, the creation of this post will free

up officer time and has the potential to attract more external funding for community events, organisations or facilities, which should reduce the financial burden on the Council.

- 3.3 The production of regular updates on the economic status of the Borough will have small financial impact on the budget of the Business Economy and Town Services Team.

#### **4.0 LEGAL:**

- 4.1 In relation to the transfer of events and in order to ensure public safety, all large scale events are subject to a Safety Advisory Group meeting. The Council issues licences for events are arranged in liaison with the Estates team.

#### **5.0 STRATEGY:**

- 5.1 The delivery of financially sustainable services is a key commitment in the Councils' Corporate Strategy.

#### **6.0 RISKS:**

- 6.1 In relation to the transfer of events, risks associated with large scale events are covered at the Safety Advisory Group and advice and guidance given to the event organiser.

#### **7.0 COMMUNICATIONS:**

- 7.1 Events enable positive news stories for the Council. At this time all communication regarding this report has remained an internal process.

#### **8.0 FOR THE COMMUNITY:**

- 8.1 Events are often well attended by local residents and can increase visitor numbers. The delivery of financially sustainable services, which are affordable for customers will benefit the community.

#### **9.0 METHODOLOGY**

- 9.1 This review was undertaken to review the budget proposals for 2017/18. It was agreed that the review would be carried out investigating a sample of services as follows:

- a) Early thoughts discussions' with six services.
- b) Discussion with the Leader of the Council and the Chief Finance Officer on the strategic direction for the budget 2017/18.
- c) Deep Dive' sessions with three of the services reviewed at a) above.

- 9.2 Full details of the methodology of the project are set out in a separate Findings Pack.

## **10.0 KEY FINDINGS**

### **10.1 Norse South East JVC**

The Norse South East JVC had only been operational since April 2016 and time is needed to enable the working practices between the Council and the Norse JVC to become fully efficient and effective before a detailed investigation into the Environmental Services budget is undertaken. In the meantime the Operations, Environmental Services and Norse South East Scrutiny and Policy and Development Panel can monitor progress and make recommendations to the Scrutiny Board.

### **10.2 Planning Services**

The Panel was pleased to learn that despite restrictions placed on how Planning Services could raise income, a number of innovative actions and initiatives had been put in place to generate more income and reduce the financial burden of this service upon the Council.

### **10.3 Community Team**

#### *Funding Officer*

- 10.3.1 The Panel was impressed with the work of the Community Team and in particular how this team use a small financial outlay to attract additional external funding for major schemes and events in the Borough e.g. Front Lawn Recreation Scheme.
- 10.3.2 The Panel consider that the work of the team could be improved further, if the Council appointed a full time or part time Funding Officer who could keep up to date with available external funding opportunities and identify groups/schemes that could benefit from these funds. Such a post would not only reduce the financial demands upon the Council, but benefit the community as a whole.

#### *Events*

- 10.3.3 The Panel endorses the transfer of the responsibilities and associated budgets for all current economic development events, to the Community Team together with the responsibility for the mayoral service. It was seen as a sensible move that would result in efficient use of limited resources and streamline internal responsibilities.
- 10.3.4 The Community Team no longer directly deliver the range of events it used to and has moved away from direct delivery, focussing instead on supporting community groups to manage local events or to commission partners to deliver on the Council's behalf. A similar approach to the economic

development events will reduce the financial burden on the Council and benefit the community as a whole.

- 10.3.5 This transfer will also enable the economic development service to focus on delivering the Prosperity Havant agenda.

#### **10.4 Neighbourhood Support**

- 10.4.1 The Panel was impressed with the work of the Neighbourhood Support Service and endorses their direction of travel for 2017/18 towards more efficient and effective ways of working. The Panel in particular acknowledges that car parking charges will not increase in 2017/18, until a review of the service has been completed including a full analysis of data received from new car parking payment machines.

#### **10.5 Economic Development**

- 10.5.1 The Panel consider that there is room for improvement in the following areas:

##### **Investment in Major Schemes**

- 10.5.2 Although the Team has been investigating ways of improving town centres and other potential forms of development in the Borough, there has been no commitment to any one scheme. The Panel was concerned at the prospect of £50k-£100K outlay to determine the viability of the Brockhampton Farm site for development, believing such expenditure would be better spent revitalising the town centres. As a public sector body the Council is able to borrow at very attractive rates compared to external private organisations. This represents an advantage for the Council as a reduced cost of borrowing increases the profitability margin for investment.
- 10.5.3 Areas in need of development or redevelopment have been identified and the Panel consider that the Council should take advantage of the borrowing rates and invest in a major scheme in 2017/18 in one of these areas. It acknowledges the exploratory work to understand what has been achieved in other parts of the South. The Panel thought there was a need to establish partnerships with other outside bodies and developers to take this work forward at an increased tempo. Redevelopment of town centres that includes a residential element would reinvigorate those areas and help address the Objective Assessment of Housing Need (OAHN).

##### **Economic Status of the Borough**

- 10.5.4 The Council has ceased providing updates on the economic status of the Borough. These updates proved valuable across the Council and it is the view of the Panel that they should be reinstated at the earliest opportunity using the resource that has been freed up by the transfer of economic development events to the Community Team.

## The Role of the Team

- 10.5.5 The Panel strongly endorses the current review into the role of the team by the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel. Despite having three meetings (one 'early thoughts' and two 'deep dives') comprising almost six hours of discussion, the Panel still remain unsure as to what they do. There was no indication of priorities and there did not appear to be clear targets.

## Appendices

Appendix – Comments on Final Report

## Background Papers

[Findings Pack](#)

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## APPENDIX A

### **Comments On Final Report and Findings Pack**

**Councillor Cheshire – Leader of the Council**

*Recommendation 2.1.2*

“The appointment of a Funding Officer would have an additional financial cost and would need to be budgeted. However, the creation of this post will free up officer time and has the potential to attract more external funding for community events, organisations or facilities, which should reduce the financial burden on the Council. This is a Staffing function and if there is a need for such an appointment it would be considered if proper terms of reference and the like were to be tabled – I would support such an appointment if it were cost neutral and there was a real job for this person, either full time or part time. Another consideration would be for another member of existing staff to take this role on if there was the capacity to do so.”

**Abe Ezekiel – Head of Legal**

No comments

**Claire Hughes – Head of Community and Community Engagement**

No comments

## **Additional Comments on Final Report and Findings Pack**

### **Chief Finance Officer**

“Happy with this”

### **Business, Economy and Town Services Manager**

#### **“The Role of the team**

The panel’s draft report (p12) states;

*The Panel strongly endorses the current review into the role of the team by the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel. Despite having three meetings (one ‘early thoughts’ and two ‘deep dives’) comprising almost six hours of discussion, the Panel still remain unsure as to what they do. There was no indication of priorities and there did not appear to be clear targets.*

The role of the team and priorities are detailed on p51-52 and the information below supplements that already provided.

The team’s main role is the Leadership and co-ordination of the Prosperity Havant agenda with the following priorities;

#### **Identify and encourage development of major development sites**

- Dunsbury Hill Business Gateway
- Transformation of Havant Town Centre
- A27 Prosperity Corridor, including council owned employment site at Brockhampton West
- Hayling Seafront
- Waterloo MDA
- Identify and attract external funding and investment to deliver these priorities

#### **Support businesses**

- Support inward investment and local business expansion in the Borough
- Identify and help businesses access external funding
- Small business grants - (Up to £1000 grants) - 80%-85% business which have received a grant are still trading

#### **Local skills agenda**

- SLA with Wreaths Trust for employment support services delivered through the employment access centre in Havant
- S106 Employment and skills plans – securing opportunities in the construction sector for local people on major development sites

#### **Events Management**

- Support delivery of events programme across the borough including National events such as the Virgin Kite Surfing Armada, Town Centre Events, Emsworth

Food fortnight and Stockheath Common bonfire. This function to move to Community service in April 2017.

In terms of the panel's previous question on how we would measure success, I previously provided a response on this point which is expanded below;

The teams work contributes to the following economic outcomes;

- Jobs growth
- New commercial floorspace
- Business rate receipts
- Productivity improvements
- Retention of businesses in the borough
- Increase in the number of businesses in the borough

Specific successes/ achievements over the next 12 months are anticipated as follows;

- **Brockhampton West**
  - Complete site investigation works required to bring the site forward for development (including bids for external resources)
  - Developed and agreed a financial model to deliver the scheme over the next 2 years
  - The first phase of the project has potential to deliver 30,000 sq ft of new business floorspace, 150 new jobs and over £200,000 per year in rental income to HBC
- **Business support**
  - The team will have
    - assisted local small businesses to secure in excess of £250,000 in external grant funding
    - Linked local businesses with funded national and regional advice and support programmes provided by Government and Local Enterprise Partnerships (including access to finance and exporting)
- **Inward investment**
  - Promoted key development sites in Havant Borough to local, regional and national investors.
  - Provided support to new and local businesses investing in the borough including introduction to site owners, business rate relief and assistance with the planning process
- **Skills**
  - The team will have secured external funding to support at least 50 unemployed residents into training and employment “