

HAVANT BOROUGH COUNCIL
PUBLIC SERVICE PLAZA
CIVIC CENTRE ROAD
HAVANT
HAMPSHIRE P09 2AX



Havant
BOROUGH COUNCIL

Telephone: 023 9244 6019
Website: www.havant.gov.uk

Tuesday, 31 October 2023

SUMMONS

Dear Councillor

You are requested to attend the following meeting:

Meeting: Cabinet
Date: Wednesday 8 November 2023
Time: 6.00 pm
Venue: Hurstwood Room, Public Service Plaza, Civic Centre Road, Havant, Hampshire PO9 2AX

The business to be transacted is set out below:

Steve Jorden
Chief Executive

CABINET MEMBERSHIP

Chairman: Councillor Rennie

Councillors Robinson, Bowdell, Bowerman, Fairhurst and Lloyd

Contact Officer: Jenni Harding 02392 446234
Email: jenni.harding@havant.gov.uk

AGENDA

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PART 1 (Items open for public attendance)

1 Apologies for Absence

To receive and record any apologies for absence.

2 Declarations of Interests

To receive and record any declarations of interest from members present.

3	Minutes	1 - 6
	To confirm the minutes of the last meeting of Cabinet held on 06 September 2023.	
4	Chairman's Report	
	To receive a report from the Chairman.	
5	Councillor Questions under Standing Order 68.3	
	In accordance with standing order 68.3.1, to receive questions from the Chairman of the Overview & Scrutiny Committee and standing order 68.3.3, a period of 20 minutes is permitted to receive questions put to Cabinet by Councillors.	
6	Matters referred by Full Council or the Overview & Scrutiny Committee Under Standing Order 68.7.3	7 - 12
	In accordance with Standing Order 68.7.3, this item is reserved for matters referred by the Full Council or the Overview & Scrutiny Committee for consideration.	
	Referred by Full Council:	
	Meeting of 20 September 2023 - Motion: Making Space	
	Referred to by Overview & Scrutiny Committee:	
	None	
7	Cabinet Lead Delegated Decisions, Minutes from Meetings etc.	
	RECOMMENDED that the following Minutes of Meetings be noted:	
	1 Portchester Crematorium Joint Committee - Monday 25th September 2023	
	2 Langstone Harbour Board	
	o 08 September 2023	
	o 25 September 2023	
	3 Solent Freeport Consortium Board - 27 September 2023	
	Leader of the Council	
8	Town Twinning	13 - 18
	Cabinet Lead for Finance	
9	Strategic services commissioning – resources to implement	19 - 46
10	Update of Capital Strategy	47 - 70

Cabinet Lead for Planning, Environment and Water Quality

11	Climate Change & Environment Panel Quarterly Update	71 - 78
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Cabinet Lead for Coastal

12	Household Support Fund Round 4	79 - 84
13	Annual report on Overall governance, financial and performance arrangements for the Council's companies	85 - 108

PART 2 (Confidential items - closed to the public)

14 Exclusion of the Press and Public

The Cabinet is asked to consider whether to pass a resolution excluding the public from the meeting during consideration of any of the items on the agenda. If members wish to do so then this could be achieved by passing the following resolution. Members are not required to pass the resolution but the Solicitor to the Council recommends this as to the item set out below.

That the public be excluded from the meeting during consideration of the item headed and numbered as below because:

- (a) it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information of the descriptions specified in paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 shown against the heading in question; and
- (b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item 13

(Paragraphs 3)

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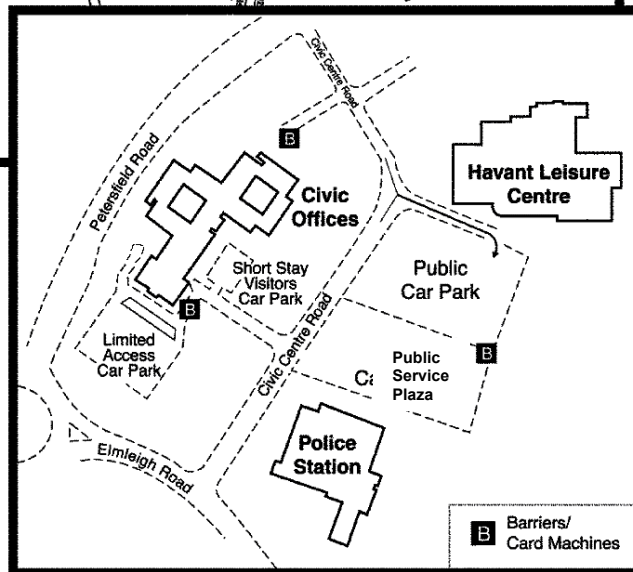
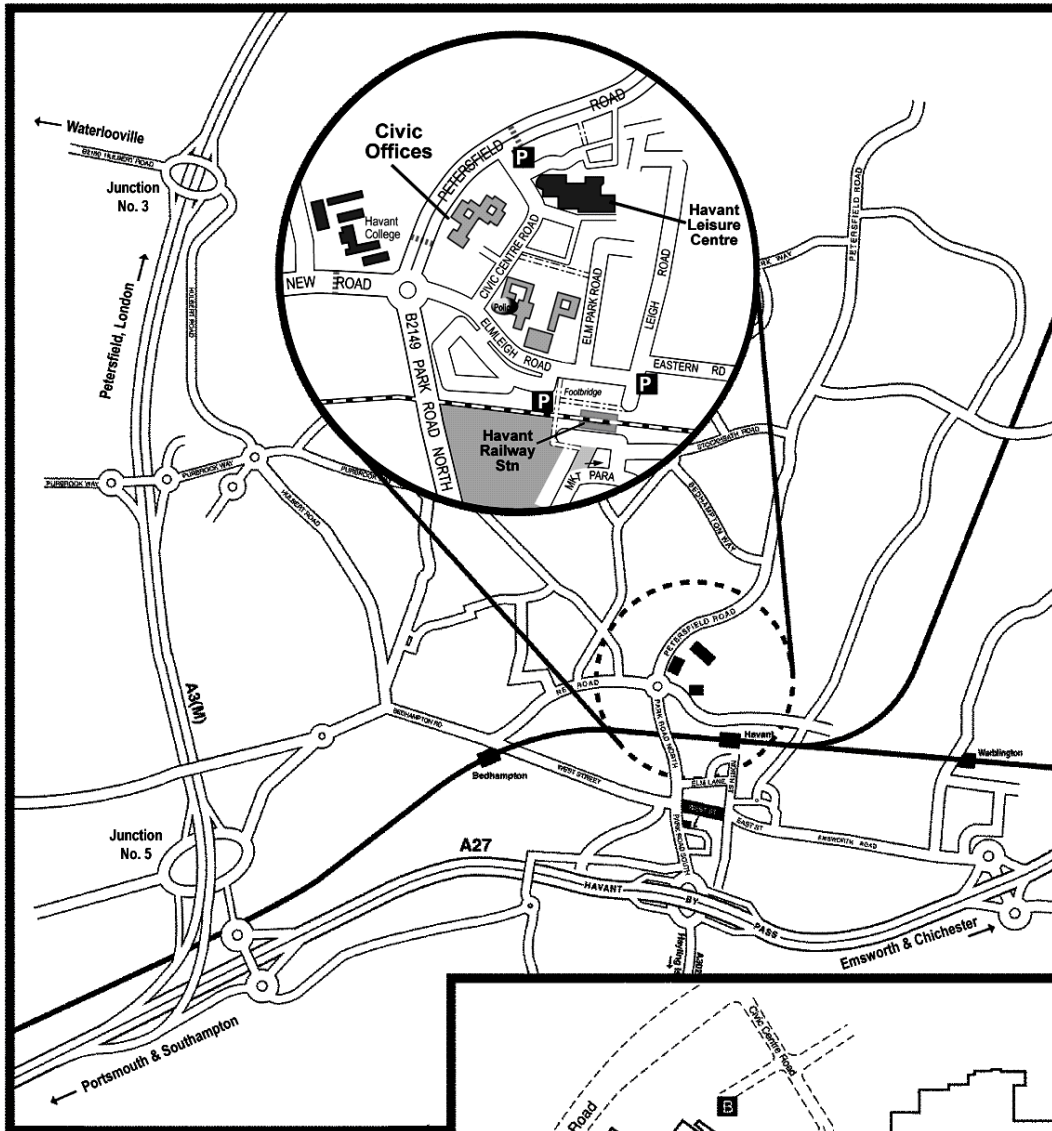
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HAVANT BOROUGH COUNCIL

At a meeting of the Cabinet held on 6 September 2023

Present

Councillor Rennie (Chairman)

Councillors Robinson (Vice-Chairman), Bowdell, Bowerman and Fairhurst

Other Councillors Present:

Councillor(s):

24 Apologies for Absence

Apologies for absence were received from Councillor Lloyd.

25 Declarations of Interests

There were no declarations of pecuniary interests relating to matters on the agenda.

26 Minutes

The minutes of the meeting of Cabinet held on 26 July 2023 were agreed as a true record.

27 Chairman's Report

The Chairman had nothing he wished to report at this meeting.

28 Councillor Questions under Standing Order 68.3

There were no questions from Councillors for members of the Cabinet.

29 Matters referred by Full Council or the Overview & Scrutiny Committee Under Standing Order 68.7.3

There were 2 matters for Cabinet to consider under the provision of this standing order, both being matters arising from the Overview & Scrutiny Committee.

The first matter for Cabinet's consideration related to the Regeneration Scheme following the committee meeting held on 09 June 2023.

Councillor Rennie confirmed he had been present at the Overview & Scrutiny Committee and his agreement to the request of the committee for members to receive regular performance data on the Regeneration Scheme, as detailed in the report.

A motion proposed by Councillor Rennie to agree the recommendation put forward by the committee as set out in the published report was seconded by Councillor Bowdell.

Following a vote, it was

RESOLVED

that Cabinet request that officers provide performance data, including a dashboard with RAG rating and timelines when submitting future regeneration updates.

The second matter for Cabinet's consideration arose from the meeting of the Overview & Scrutiny Committee held on 05 and 25 July 2023 and related to the Review of Portsmouth Water Company's Plans for Havant Thicket Reservoir.

The Leader informed members that a visit has been arranged for members of the committee to visit the reservoir site on 25 September 2023. Councillor Rennie further welcomed the committees report and work undertaken on this matter.

A motion proposed by Councillor Rennie to agree the recommendation put forward by the committee as set out in the published report was seconded by Councillor Fairhurst.

Following a vote, it was

RESOLVED

That Cabinet noted the serious concerns raised by the Overview and Scrutiny Committee about Portsmouth Water Company's support for Southern Water Authority's recycling scheme.

30 Cabinet Lead Delegated Decisions, Minutes from Meetings etc.

There were no delegated decisions or minutes from the following meetings since the last meeting of Cabinet, to be considered at this meeting:

- (1) Portchester Crematorium Joint Committee

- (2) Langstone Harbour Board
- (3) Solent Freeport Consortium Board

31 Local Authority Housing Fund (1&2)

Councillor Rennie introduced a report that appraises the Council of the Local Authority Housing Fund (LAHF) and which sought Cabinet approval to amend the Capital Programme and incur borrowing to meet the aims of the LAHF programme and grant conditions.

Councillor Rennie proposed a motion to accept the recommendations set out in the published report to purchase housing that can be used by Afghan and Ukrainian refugees in the first instance and then for Havant residents who present as statutory homeless. The purchase of these homes helps to deliver the Council's Corporate Strategy and longer term will benefit the residents of the borough and help ease the burden on the use of temporary accommodation.

Cabinet considered the motion in detail and options available. Councillor Rennie and officers responded to questions raised.

Seconded by Councillor Bowerman and following a debate, Cabinet voted to agree the recommendations set out in the report, therefore it was

RESOLVED

that Cabinet recommends to Full Council:

To accept and approve the spend of the additional allocation of Local Authority Housing Fund grant funding in the sum of £3.5m bringing the total sum to £4.2m.

To delegate authority for accepting and spending future Local Authority Housing Fund grant allocations to the Director of Regeneration and Economic Development, in consultation with the s.151 Officer and the Leader of the Council as Cabinet Member responsible for Regeneration.

To approve Public Works Loan Board borrowing up to £6m to provide match-funding for the Council's allocation of Local Authority Housing Fund grant subject to a satisfactory financial appraisal.

To delegate authority to the S151 Officer to amend the Council's Capital programme to reflect receipt of the additional Local Authority Housing Fund grant funding and the agreed Public Works Loan Board borrowing of up to £6m.

To delegate authority to the S151 Officer to amend the Council's Minimum Revenue Provision (MRP) policy and agrees that borrowing for the purposes of acquiring residential property is expensed over a 50 year period.

To delegate authority to the Executive Head of Regeneration and Economic Development in consultation with the Leader of the Council to enter into a contract with a Contractor to manage and maintain the Council's property portfolio purchased under this fund.

To delegate authority to the Monitoring Officer (or their delegate) to negotiate and agree all legal documents to give effect to the above recommendations.

32 2023-24 Quarter 1 Budget Monitoring & Performance

Councillor Bowdell as relevant Cabinet Lead introduced a report that provided members with detail of the Council's financial and performance position as at quarter 1 of the 2023/24 financial year.

Councillor Bowdell proposed a motion to accept the recommendations set out in the published report and noted the current projected overspend as well as mitigations and work being undertaken to closely monitor the Council's budget.

Cabinet considered the motion and options available set out in the report. Councillor Bowdell and officers responded to questions raised.

Seconded by Councillor Rennie and following a debate, Cabinet voted to agree the recommendations set out in the report, therefore it was

RESOLVED

that Cabinet noted:

- A. The revenue forecast outturn for Q1 2023/24 (Appendix A)
- B. Q1 2023/24 performance information (Appendix B)
- C. Q1 2023/24 Capital Programme monitoring (Appendix C)

33 Inter Authority Agreement for Waste

Councillor Bowerman as relevant Cabinet Lead introduced a report that primarily asked Cabinet to delegate authority to officers, in consultation with the Cabinet Lead for Environmental Services, to negotiate the new Inter Authority Agreement for the new waste disposal contract between Hampshire County Council and the districts in Hampshire.

Councillor Bowerman proposed a motion to accept the recommendations set out in the published report and noted the significant proposed changes around waste and recycling.

Cabinet considered the motion and options available set out in the report.

Seconded by Councillor Fairhurst and following a debate, Cabinet voted to agree the recommendations set out in the report, therefore Cabinet

RESOLVED

1. To note the Boroughs ambitions to significantly increase its recycling, reduce waste and improve its carbon performance, which will support tackling the Climate Emergency and creating a greener Borough.
2. To note that there will be a need to alter the current recycling collections to reflect national and regional requirements.
3. To note the current offer from Hampshire County Council of an Inter-Authority Agreement and the intention to work with Hampshire County Council to achieve a mutually affordable and sustainable solution so that the Council can respond to the offer by October 2023.
4. To delegate authority to the Executive Head of Commercial, in consultation with the Cabinet Lead for Environmental Services, the Section 151 and Monitoring Officers, to negotiate and agree the Inter Authority Agreement, in the best interests of Havant Borough Council.

34 Purchase of Temporary Accommodation

Councillor Robinson as relevant Cabinet Lead introduced a report that sought the agreement of Cabinet to implement a temporary accommodation purchase programme and delegated authority which would result in the Council being able to work in a more agile and commercial manner to purchase temporary accommodation.

Councillor Robinson proposed an amendment to the last recommendation outlined in the published report, which was to add that delegated authority, subject to a sound Financial Business Case be also in consultation with the Cabinet Lead for Housing.

The amendment was seconded by Councillor Rennie. Councillor Robinson and officers answered questions raised.

Following a vote, it was RESOLVED that the amendment form part of the substantive motion and would now read:

‘Delegate authority, subject to a sound Financial Business Case, to the S151 Officer, in consultation with the Leader, Cabinet Lead for Housing and the Cabinet Lead for Finance, to purchase property that will be used to provide temporary accommodation’.

Cabinet considered the new substantive motion and options available set out in the report.

Seconded by Councillor Fairhurst and following questions and debate, Cabinet voted to agree the recommendations which included the earlier amendment, therefore it was

RESOLVED

That Cabinet agree to implement a temporary accommodation purchase programme.

Cabinet recommends to Full Council:

- a) To borrow through the Public Works Loan Board (PWLB) as is required to purchase property for use as temporary accommodation up to a limit of £2m.
- b) To authorise the use of S106 Affordable Housing contributions to fund the purchase, adaptation and fit out, of property for use as temporary accommodation.
- c) To amend the Capital Programme for any purchase of property for use as temporary accommodation.
- d) Delegate authority, subject to a sound Financial Business Case, to the S151 Officer, in consultation with the Leader, Cabinet Lead for Housing and the Cabinet Lead for Finance, to purchase property that will be used to provide temporary accommodation.

The meeting commenced at 6.00 pm and concluded at 6.45 pm

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Chairman

Name of Committee:	Cabinet		
Committee Date:	8 November 2023		
Report Title:	Making Space - Motion Referred from Full Council on 20 September 2023		
Responsible Officer:	Patrick Lee, Executive Head of Housing and Communities		
Cabinet Lead:	Cllr Robinson, Cabinet Lead for Housing and Communities		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	None		
Background Papers:	Making Space Motion to Full Council		
Officer Contact:	Name: Patrick Lee Email: Patrick.lee@havant.gov.uk		
Report Number:	HBC/050/2023		

Corporate Priorities:

Pride in Place.

Executive Summary:

At full Council on 20 September 2023 a Motion was submitted by Councillor Redsull requesting that:

A) The explore financial capabilities to use £5000 per year for the next 5 years of Havant Borough Council money to support Making Space. And;

B) All members to agree that we prioritise this project for a bid onto the £150 million South Western Railways funding for local communities.

As this Motion required the Council to make a financial decision the Motion was referred to Cabinet.

Previously Making Space has been grant funded on two occasions by Havant Borough Council and both times Cabinet decisions were made to discontinue funding.

Recommendations:

Cabinet recommends to Council to:

A. Decline funding for Making Space but reiterate the offer to support the organisation with assistance in kind.

B. Recommend to Making Space that they bid for funding direct from the South Western Railways funding for local communities, and other funding bodies. Reiterate the offer to support the organisation with assistance in kind, including supporting the application process if necessary.

Introduction

- 1.1 Making Space is an arts-based charity located in Leigh Park, Havant.
- 1.2 The aims of the organisation are to make space for people and organisations involved in craft, through a programme of workshops and experiences that are co-created with community partners and through consultation with local people.

2.0 Background

- 2.1 In 2003 Cabinet agreed for the net rental income of £20,000 per annum from the Apex Centre to be allocated to supporting Making Space for core costs, however, in 2010 this decision was amended. It was considered that Making Space was now a mature organisation with strong corporate governance, professional management and a robust business plan. The Council amended the funding arrangement with Making Space to reduce funding over a period of no more than 4 years.
- 2.2 This tapering process over a maximum of four years gave Making Space time to review its business plan and operating costs. Negotiations were held at the time with the Making Space board and management together with Hampshire County Council who are also major stakeholders in this project to ensure that Making Space was able to manage the proposed grant reduction.
- 2.3 It should also be noted that the Council's Community Manager continued to grant fund Making Space from an arts budget that was held at that time.
- 2.4 In 2015 the council ceased grant funding to other organisations and a further decision was made by a former Cabinet Lead to cease grant funding to Making Space. Notification was sent to the then Director of Making Space in December 2016 giving a period of 5 years notice of

the council's intention, with the grant reducing by 20% per annum with effect from financial year 2017/18 reducing to zero by 2021/22.

- 2.5 On 13 February 2023, following a request for funding of £12k per annum for three years, the then Executive Head for Regeneration and Community wrote to Making Space to confirm that no further funding would be made by the Council but that the Council would continue to award Making Space the additional 20% discretionary business rate relief and can offer in kind support by Officers from the Regeneration & Community Service.

3.0 Options

- 3.1 Maintain the Council's decision that no further funding will be provided to Making Space but that the Council will continue to offer support in kind.
- 3.2 Provide funding, that, even if it is for a relatively small sum, is not included in the Council's revenue budget for this year and for subsequent years.

4.0 Relationship to the Corporate Strategy

- 4.1 The aims and objectives of Making Space aligns with the Pride in Place Council Corporate objective.

5.0 Conclusion

- 5.1 The Council does not have funding in place to support Making Space as proposed and previous Cabinet decisions have been to no longer provide financial support to the organisation.
- 5.2 This report outlines the risks and recommendations.
- 5.3 The Council remains ready to offer support in kind to Making Space.
- 5.4 Members are asked to review this report and provide a decision to officers.

6.0 Implications and Comments

- 6.1 Section 151 Officer Comments: Members should be aware that the Council has limited financial resources. The first call on these is to

support the delivery of statutory services and then the fund the discretionary services that they feel best support the Council's corporate strategy and corporate priorities. Furthermore, spending commitments are usually made via the annual budget setting process where the Council is required by law to approve a balanced budget. This motion asks the Council to commit £25,000 worth of Council spending over the next 5 years, and to do so outside of the annual budget setting process. To support the funding request within the motion, members would have to be comfortable that by doing so, they are preventing these funds from being spent in other service areas or with other 3rd parties/charities and that this charity's objectives support the Council's corporate strategy. Due to the current financial climate across local authorities, and the need to protect vital services, I support the recommendations in this report to reject the motion to fund £25,000 to the Making Space charity.

6.2 Monitoring Officer Comments:

Constitutionally, the Notice of Motion shall be considered by Cabinet who shall make a recommendation to Council. Any financial commitments considered outside the budgetary framework need to be agreed by Full Council.

6.3 Legal Implications: The Legal Team shall be consulted on any agreement should funding be provided to Making Space.

6.4 Equality and Diversity: Making Space works with a diverse range of people in the Borough.

6.5 Human Resources: There is no predicted HR impact related to this decision.

6.6 Information Governance: There are no specific information governance implications relating to this decision.

6.7 Climate and Environment: There are no specific climate and environment implications related to this decision.

7.0 Risks

7.1 Failure to fund Making Space could present a risk to the organisation's sustainability.

7.2 A decision to fund Making Space as proposed would impact on the Council's revenue and reserves.

8.0 Consultation

8.1 Public and/or stakeholder consultation is not planned.

9.0 Communications

9.1 The Communication Team will be updated on the decision.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Robinson, Cabinet Lead for Communities and Housing	30 October 2023
Executive Head:	Patrick Lee, Executive Head for Communities and Housing	30 October 2023
Monitoring Officer:	Jo McIntosh	31 October
Section151 Officer:	Steven Pink	30 October 2023

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Name of Committee:	Cabinet		
Committee Date:	8 November 2023		
Report Title:	Town Twinning - Yavoriv Raion (Асоціація побратимів).		
Responsible Officer:	Jo McIntosh, Chief Legal Officer and Monitoring Officer		
Cabinet Lead:	The Leader of the Council, Cllr Alex Rennie		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	None		
Background Papers:	None		
Officer Contact:	Name: Jo McIntosh Email: jo.mcintosh@havant.gov.uk		
Report Number:	HBC/054/2023		

Corporate Priorities:

The proposals for town twinning will see increased cultural links between the residents of both council areas which are helpful to enhancing community cohesion and understanding.

Executive Summary:

This report explains the historic role of town twinning between British towns, cities and councils and other similar locations across the world, and the benefits that stem from it. It then proposes that the Council should consider approving a proposal to twin with Yavoriv Raion Council (Асоціація побратимів).

Recommendations:

Recommend to Council that:-

1. The Borough Council agrees the proposed town twinning between the Council and Yavoriv Raion Council (Асоціація побратимів) and that the Leader shall facilitate the union.

1.0 Introduction

- 1.1 This report outlines the proposal to twin with Yavoriv Raion Council (Асоціація побратимів) in the Ukraine.

2.0 History of Town Twinning

- 2.1 The idea of town twinning originated after the Second World War in Europe as a way to bring people from different European countries closer together and helping reconciliation after the conflict.
- 2.2 This has usually been achieved by promoting links, better understanding of various cultures and challenging stereotypical images by developing cross-border projects for mutual benefit.
- 2.3 Local authorities may have twinning agreements with towns in one or more different countries in order to promote cultural understanding between the communities, which in turn help expand horizons of residents in both areas. This is often underpinned by local people arranging exchange visits between the residents of the twinned towns, often through a locally based town twinning association.
- 2.4 The aims of town twinning are:
 - 2.4.1 to encourage peace and friendship between people of different backgrounds and cultures and to encourage openness, fairness and inclusiveness
 - 2.4.2 to work in partnership with organisations in the community in building relationships links with communities abroad that will lead to mutual advantages in terms of learning about each other's cultures and enhancing the quality of life of the communities involved.
 - 2.4.3 to promote appreciation of heritage and the arts, and to promote a local community area as a place to be visited by tourists from its twin towns.
 - 2.4.4 to encourage organisations to take part in building up relationships with organisations and businesses in twin communities to bring advantage in learning from each other's methods of working and to promote trade between communities.

3.0 Proposal to Twin with Yavoriv Raion Council (Асоціація побратимів).

- 3.1 Havant is currently twinned with Landkreis Wesermarsch in Northern Germany.
- 3.2 The level of activity with this relationship has varied over time and the Council has recently contacted Landkreis Wesermarsch in Northern Germany to reinvigorate this relationship.
- 3.3 It is proposed to twin with Yavoriv Raion Council (Асоціація побратимів).
- 3.4 The Borough of Havant stands together with our friends in Ukraine. This Council has been moved by the strength of feeling in this country to support Ukraine and has previously passed a motion in March 2022 in support of Ukraine.
- 3.5 Yavoriv Raion is a district in Lviv Oblast (Lvivshchyna) in western Ukraine. Its administrative centre is Yavoriv. It was established in 1939. Its estimated population is 177,662 (2022 estimate). In 2020, as part of the administrative reform of Ukraine, the number of raions of Lviv Oblast was reduced to seven, and the area of Yavoriv Raion was significantly expanded. One abolished raion, Mostyska Raion, was merged into Yavoriv Raion. The January 2020 estimate of the raion population was 126,115 (2020 est.)
Nearby tourist attractions include a Museum of European Art, nature and wildlife areas and waterfalls. Not far from Yavoriv is the watering place of Shklo with sulphur springs.
- 3.6 If the Council agrees to the proposal to twin with Yavoriv Raion Council, the Mayor will be invited to sign a charter of town twinning between the two councils.

4.0 Town Twinning Association

- 4.1 There are no legal responsibilities which relate to town twinning agreements as the arrangements are not underpinned by any statute. However, different councils have different approaches to the extent of support they provide by the authorities themselves to their town twinning arrangements.

- 4.2 A popular practice and the one proposed is that after twinning has been agreed by the two councils involved, most further exchanges and events are organised by a dedicated town twinning organisation. This is a common approach adopted by many councils across the country.
- 4.3 The nature of the agreement is identified as being to foster and develop mutual understanding and respect between the residents of both council areas. Whilst these purposes are clearly stated, there is no commitment to undertake any specific programme of activities by the Council itself. Any such events and exchanges would be the responsibility of the Havant Town Twinning Association.

5.0 Options

- 5.1 To support the proposal to win will result in enhanced cultural links and mutual understanding.
- 5.2 If the Council choose to not support the proposal to twin there would be no such enhancement of these links.

6.0 Relationship to the Corporate Strategy

- 6.1 The proposals for town twinning will see increased cultural links between the residents of both council areas which are helpful to enhancing community cohesion and understanding.

7.0 Conclusion

- 7.1 The Borough Council is therefore asked to consider and agree the proposed recommendation to twin with the town and community of Yavoriv Raion Council (Асоціація побратимів). The Leader shall then facilitate the union with Yavoriv and a civic ceremony shall be arranged at an appropriate time to formally mark the occasion.

8.0 Implications and Comments

- 8.1 S151 Comments
- Members should be comfortable that the recommendations do not commit Havant Borough Council to any financial expenditure,

although it may lead to some additional costs in the future which would be planned and budgeted for in the normal manner.

8.2 Financial Implications

It is intended that the town twinning should not result in the Council having to fund any event, with the exception of any return invitation to the Mayor of Yavoriv Raion Council (Асоціація побратимів) to visit Havant. Such expenses would be borne by the mayoral budget for events in the usual way. No specific funding would be required.

8.3 Monitoring Officer Comments

The decision to twin is a matter for Full Council.

8.4 Legal Implications

The Local Government Act 1972 gives power to councils to enter into twinning arrangements and to expend money on them.

Town twinning itself is not underpinned by any statutory provisions. In addition the wording of the proposed charter of town twinning shall not seek to place any specific responsibilities on the Council. There are no limits on the number of towns with which an area can be twinned.

The Council would be able to terminate its twinning relationship in the future should it be considered appropriate to do so by the passing of a resolution at Borough Council.

Should the recommendation be agreed, any members or officers receiving gifts or hospitality would be required to declare these in accordance with the Council's procedures.

8.5 Equality and Diversity

None arising directly from this report.

8.6 Human Resources

None arising directly from this report.

8.7 Information Governance

None arising directly from this report.

8.8 Climate and Environment

None arising directly from this report.

9.0 Risks

9.1 There are risks stemming from the possibility that the Russia/Ukraine conflict shall result in increased Russian-borne cyberthreats to the Council as an ally of the Ukraine.

10.0 Consultation

10.1 There has been no consultation in relation to the recommendations in this report.

11.0 Communications

11.1 This report is a public report in the public domain. Should the Council decide to twin then that decision shall be communicated with residents.

Agreed and signed off by:		Date:
Cabinet Lead:	Alex Rennie	31 October 2023
Executive Head:	Matt Goodwin	31 October 2023
Monitoring Officer:	Jo McIntosh	31 October 2023
Section151 Officer:	Steve Pink	31 October 2023

Name of Committee:	Cabinet		
Committee Date:	8 November 2023		
Report Title:	Strategic services commissioning – resources to implement		
Responsible Officer:	Matt Goodwin, Acting Chief Executive		
Cabinet Lead:	Cllr Neil Bowdell, Cabinet Lead for Finance		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	Appendix 1 - Programme Business Case: resources to implement strategic services commissioning		
Background Papers:	Cabinet Paper - Future ICT Infrastructure and Security Provision Options Paper – January 2023		
Officer Contact:	Name: Will Jackson, Chief Policy Officer Email: william.jackson@havant.gov.uk		
Report Number:	HBC/055/2023		

Corporate Priorities:

The Council's Corporate Strategy is made up of the following three themes: wellbeing, pride in place and growth. Within the growth theme there is the stated ambition that the council will strive to improve the services we provide and to modernise with the aim of creating a responsive council with improved customer services and a digital council by implementing in full our Digital Strategy.

Executive Summary:

Over the next two years there are a number of projects that are being taken forward which require significant resource to implement. These projects broadly cover three areas of the council; Environmental Services, IT infrastructure including systems and customer facing services. Combined these three areas represent a common challenge as they cover all services, all residents and a significant portion of the revenue budget. In essence the services represent core council business and are therefore essential to ensure continued service delivery.

The requirement for additional resource to implement these projects is in part due to the timescales involved as the majority of projects are inter-linked and driven by the deadline of September 2025 when the Capita contract is due to end. The Council's current IT systems and a range of other supporting software packages are hosted as part of the Capita 5Cs contract. The contract covers a number of essential services such as the Council's finance system, customer services, revenue and benefits, elections, environmental health and planning. The Council needs to ensure replacement systems are in place by this date to ensure these essential services can remain operational after

this date. Alongside this, decisions are required as to the next steps with respect to the customer services provision and any new systems that are required to support that decision. Any customer services decision is further linked to the work around Environmental Services and the future provision of that service and requirements to run.

This is a challenging programme of inter-linked projects to not only replace software for high profile and critical public services but also to make decisions about future service provision. It is therefore essential that the Council does everything it can to avoid interruption to services. It is not feasible, appropriate or economic to run these as separate programmes or projects and the council cannot compromise front line services and strategic commitments.

The Council does not have the expertise and capacity within the organisation to implement the new services and systems and it will require adequate financial provision to secure these key strategic services with minimal interruption to front line service provision. Therefore, a drawdown of up to £1,328,800 from the Council's reserves is being proposed to deliver the programme to be used over a three-year period. Use of this allocation will be rigorously tracked, and reviewed during budget setting, for each relevant financial year.

Recommendations:

Cabinet resolves to:

1. Approve the strategic commissioning of services, systems and software across the Council through a hybrid delivery model utilising both specialist external support and internal resource.

Cabinet recommends to Council to:

1. Approve the transfer of £1,328,800 from the Council's central reserves to a ringfenced reserve created for the strategic commissioning of services, systems and software across the Council; and
2. Approve the draw down of up to £1,328,800 from the ringfenced reserve to be used for the strategic commissioning of services, systems and software across the Council.

1.0 Introduction

1.1 This report sets out to Members the need to secure appropriate external resources to deliver a key organisational objective of the Council. The report requests the draw down of funding from the Council's reserves to ensure the delivery of a programme of projects covering Environmental Services, new IT infrastructure and software products and customer services. This will ensure the Council is able to operate key public services after the end of the Capita 5Cs contract which expires in September 2025.

2.0 Background

2.1 The Council is embarking on a significant programme that will deliver our vision by providing modern, online and mobile technology. Through this the Council is seeking to significantly improve how our services are delivered through more efficient processes with greater emphasis on automation, digitisation, access and data availability and it is likely to significantly change the shape of our organisation and how services are delivered.

2.2 The Council's current IT systems and a range of other supporting software packages are hosted as part of the Capita 5Cs contract which is due to end in September 2025. There are a number of distinct workstreams relating to the replacement of various IT and software systems, all of which need to be in place by the time the 5Cs contract ends. For clarity these are:

- ICT & Information Security
- Planning and Enforcement
- Environmental Health, Licensing and Grants
- Finance
- Elections
- Corporate telephony
- GIS, Street name and numbering

- Customer Services (Land Charges, Revenue and Benefits, Reception and Call Centre)
- Environmental Services
- Payroll & MyView replacement system

2.3 This covers a number of essential services and continuity of service is critical and the Council needs to ensure replacement systems are in place before the Capita 5Cs contract comes to an end. If these systems are not replaced and operational by the time the Capita 5Cs contract expires there is significant risk that the Council will be unable to deliver core services and/or will have to secure separate short term agreements with existing suppliers to continue to host services at significant cost.

2.4 The ending of the Capita 5Cs contract also requires a decision and implementation of any new proposed customer services provision. If the decision is to go with a new outsourced provider, the project will consist of a procurement, contracting and implementation project. If the decision is to return the services to within the council's service provision (bring back in house) or remain with the existing service provider for some or all of the customer services provision then the project focus is primarily on an implementation basis. This includes potential front of house (reception) services as well as supporting back office services such as a case management system.

2.5 In the case of Environmental Services there are a number of projects that are either in train or about to begin which will all lead to the re-letting of the contract when it ends in September 2026. A number of the projects, such as the digitisation of subscriptions for the garden waste service, beachlands and grounds maintenance all require project management support to implement including specialist support such as a customer solutions developer for application programming interface (API) development and integration with any customer services solution.

2.6 The above services are high profile and central to the Council's role as a service provider. It is therefore essential that the Council does everything it can to avoid interruption to services. Given the lead in times for such software systems and the concentration of products all being procured and implemented at the same time there are significant resourcing issues concentrating in a short period of time. Successful implementation requires expertise and capacity which currently does not exist in the Council. Therefore, it is proposed to secure specialist external resource as set out below.

3.0 Options

3.1 The following options have been considered:

3.2 **Option 1 - 'Internal Resource Delivery'**. Under this option the Council would seek to run the implementation of the programme within existing resource. This would largely be led from the Council's existing IT and Projects & Change Team but with significant 'hands on' support from within existing teams. This would be at no cost but it would lead to the significant depletion of staff involved in delivering front line services. It is likely that some backfilling would be required to ensure minimum service levels are maintained.

3.3 It is considered likely that the lack of capacity could lead to fragmented implementation. There are well founded concerns about specialist skills within teams which could also increase the risk of the programme not delivering in the required time or within necessary quality standards. It is highly likely that this option would result in a failure to deliver and implement the new services and systems in time. This would have a negative impact on service delivery across the council.

3.4 Indicative costs of Option 1 - £0.

- 3.5 Whilst it may appear to be cost neutral, there could be costs as a result of backfilling internal posts required to work on the programme.
- 3.6 **Option 2 - 'External Resource Delivery'**. This option involves creating a standalone team of external consultants covering specialist areas such as project managers, IT specialists and support staff who can focus unimpeded on the implementation of the programme. This recognises and addresses the current lack of highly specialist skills within individual teams to deliver the programme.
- 3.7 In this approach a standalone team would work independently across the Council coordinating the delivery of the project. Although some coordination with existing teams will inevitably be required it would allow existing staff within teams to continue to deliver services to residents and businesses, thereby reducing the impact on service delivery.
- 3.8 This approach would ensure faster implementation of modern software systems which will protect service delivery and realise the benefits that new software can provide to productivity and outcomes. However, there would be weaknesses with this approach such as being a significant cost which could increase, would only focus on implementation and not change management and there would likely be a lack of knowledge of council operations/processes.
- 3.9 Indicative costs of Option 2 - £1,800,000.
- 3.10 **Option 3 – 'Hybrid Resource Delivery'**.
- 3.11 This option is the preferred and recommended option.
- 3.12 This option would be a hybrid of the above options drawing in specialist external resource, as required, that is not available within the Council currently, as well as also providing some internal programme management support and team level support to ensure

smooth implementation. An overview of the resource required is as followings:

- Programme Manager (internal)
- Project Manager(s)/Customer Solutions Developer (external)
- Technical Support (external)
- ICT Solutions Architect (external)
- Support Officers (internal)
- Projects & Change team (internal)

3.13 This approach would provide a balance in ensuring additional capability and capacity is secured to oversee and implement the project. The council shall recruit specialist expertise which is not currently available within the Council, to work closely and be complemented by internal staff within teams.

3.14 Indicative costs of Option 3 - £1,328,800.

3.15 The Council will need to act in an agile way to secure the resource to ensure project deadlines are met but the Council will explore the recruitment of fixed term staff before seeking to onboard consultants.

3.16 **Outline Business Case.** The case at this stage is that the risk of not having appropriate software and services in place in which to deliver front line operations is compelling and would further create a significant reputational risk and as such option 1 is dismissed as too risky. Option 2 is not considered to be the most effective model. Although it would ensure implementation it is costly and would need support from officers in order to succeed. Option 3 is considered to be the most appropriate balance in providing both capacity and expertise, the necessary blended approach to implementation and required urgency. The costs of implementation of Option 3 are considered to be acceptable in light of the potential substantial disruption to service delivery and as such the Council's reputation.

- 3.17 A full business case with respect to the above is detailed at Appendix 1.
- 3.18 Detailed business cases will be developed as part of the procurement process for each project. These will set out in detail the case for selecting one option over another and the benefits that will be realised for each.
- 3.19 The case at this stage is that the costs of not investing as set out will be far outweighed by the potential substantial disruption to service delivery and as such the Council's reputational risk of not having appropriate systems and software in which to deliver front line services.

4.0 Relationship to the Corporate Strategy

- 4.1 The Council's Corporate Strategy is made up of the following three themes: wellbeing, pride in place and growth. The Council's ability to deliver the Corporate Strategy's priorities is contingent on having operational and effective organisational systems and processes. If the Council's key services do not have operational customer facing services in place with supporting IT and software systems then many aspects of the Council's Strategy will not be delivered, including essential public services.
- 4.2 In particular the Council aims to become a responsive Council by improving our customer services and all the services we deliver. In addition, the Council is also committed to becoming a digital council by implementing in full our Digital Strategy.

5.0 Conclusion

- 5.1 The Council's current IT systems and a range of other supporting software packages are hosted as part of the Capita 5Cs contract which is due to end in September 2025. This covers a number of

essential services such as the Council's finance system, customer services, revenue and benefits, elections, environmental health and planning. The Council needs to ensure replacement systems are in place by this date to ensure these essential services can remain operational after this date.

- 5.2 This is a challenging programme to replace software for high profile and critical public services. It is therefore essential that the Council does everything it can to avoid interruption to services. The Council does not have the expertise and capacity within the organisation to implement the new systems and as such a draw down of £1,328,800 from the Council's reserves is being proposed to deliver the project.

6.0 Implications and Comments

- 6.1 S151 Comments – Members should be comforted that the level of reserve required and associated expenditure, has long been planned for. Whilst no specific reserve has yet been created, savings had been made in prior years to build up enough reserves to cover the costs. The value requested is also in line with plans made by our fellow “5 Council” partners.
- 6.2 Whilst this paper agrees a reserve, and spending limit, it does not agree specific spending and the Executive officers are committed to delivering the programmes it funds in the most efficient and economic way, utilising existing resources where possible and finding cost effective solutions as a priority. All costs for each individual project/procurement will also be subject to an appropriate business case to be approved via the delegations. These will be subject to financial scrutiny and due diligence checks where appropriate.
- 6.3 Financial Implications – Indicative costs are included below with respect to the requirement. Those shaded grey would be in-house and therefore no extra cost. Dependent on the progression of the

projects the exact requirements for resources in terms of skills may change but will operate within the budget cost indicated below.

Role	Task	Qty	Day Rate	Months	Total Working Days (200 pa)	Cost
Programme Management*	> Oversight & Coordination	1	£-	24		£-
Project Manager	> Overseeing ICT and I&S > Planning, Environmental Health Licensing > Finance & Payment Systems	3	£500	24	400	£600,000
Project Manager/ Customer Solutions Developer	> Customer Services (inc. CRM, Revs & Bens, Front of House, GIS, Land Charges)	1	£500	24	400	£200,000
Technical Support	> Environmental Services Strategy	1	£675	24	400	£270,000
ICT Solutions Architect	> Providing programme level support	1	£647	24	400	£258,800
Admin/Support Officers*	> Planning, Environmental Health > Licensing data migration and integration.	2	£-	24		£-
Projects & Change Team*	> Change Management > Project Support	As required	£-	24		£-
					TOTAL	£1,328,800

*represents internal resource

Breakdown over the coming years is provided below

Role	Task	FY 23/24	FY24/25	FY25/26	Total
Programme Management*	> Oversight & Coordination	£-	£-	£-	£-
Project Manager	> Overseeing ICT and I&S > Planning, Environmental Health	£ 150,000	£ 300,000	£ 150,000	£ 600,000

	Licensing > Finance & Payment Systems				
Project Manager/ Customer Solutions Developer	> Customer Services (incl CRM, Revs & Bens, Front of House, GIS, Land Charges)	£ 50,000	£ 100,000	£ 50,000	£ 200,000
Technical Support	> Environmental Services Strategy	£ 135,000	£ 135,000	£ -	£ 270,000
ICT Solutions Architect	> Providing programme level support	£ 129,400	£ 129,400	£ -	£ 258,800
Admin/Support Officers*	> Planning, Environmental Health > Licensing data migration and integration.	£-	£-	£-	£-
Projects & Change Team*	> Change Management > Project Support	£-	£-	£-	£-
*represents internal resource		£ 464,400	£ 664,400	£ 200,000	£ 1,328,800

- 6.4 Actual costs will be subject to all necessary actions to minimise costs (including potential capitalisation). Detailed business cases for each project will be worked up as required and subject to a separate approval process.
- 6.5 Our reserves position was reported in February 2023 as per budget setting which stated that at the end of the current medium term financial strategy period (2023/24 to 2027/28) reserves would total an estimated £11.35m. Funding for this programme of work would come out of these reserves and would be reflected in the medium term financial strategy that will be updated as part of the 2024/25 budget setting round to be reported in February 2024.
- 6.6 Further information on costings is included within the business case at Appendix 1 of this report.
- 6.7 Monitoring Officer Comments – Full Council has authority to agree the use of reserves to fund this programme to implement new services, system and software across Council services.

Members are reminded that they are under an obligation to exercise their fiduciary duty carefully. The meaning of fiduciary duty can be

summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers.

- 6.8 Legal Implications - A local authority may do anything calculated to facilitate, conducive to or incidental to the discharge of any of its statutory functions by virtue of s.111 Local Government Act 1972. The procurement of software systems and delivery of the infrastructure projects as set out within this report are authorised by virtue of s.111 supplemented by s.1 Localism Act 2011 (the General Power of Competence). Any procurement will be required to comply with the relevant financial and contract standing Orders and UK procurement legislation. Implementation of new IT systems will be subject to a Data Impact Assessment and compliance with the Data Protection Act 2018.
- 6.9 Equality and Diversity - it is not considered that there are any equality or diversity implications of the noting of the report.
- 6.10 Human Resources – the adoption of option 3 would require HR support in order to recruit either fixed term or temporary resource in order to deliver the required programme of work. Internal resources will work with HR to draft required job specifications and role profiles in order to recruit as necessary and within the budgetary framework as proposed within this paper.
- 6.11 Information Governance – As part of the programme of work it is anticipated that simplifying the provision of ICT infrastructure and systems will allow the Information Governance Manager and Data Protection officer to implement wider controls far more efficiently without the need to agree with other Councils first, as currently exists within the 5Cs contract. A single tenancy, infrastructure as well as improved customer services solutions, will likely improve governance controls and configuration, for example, setting retention periods on documents and monitoring file usage.
- 6.12 Climate and Environment – none identified at this stage although it is anticipated that the potential of procuring cloud based solutions for

many of the council services could have the potential to reduce the overall footprint of equipment needed to support services.

7.0 Risks

- 7.1 There are several implications arising from the noting of the report.
- 7.2 Loss of Service – Once the Capita 5Cs contract expires in September 2025 the Council will lose access to a range of supporting software. By not having replacement systems there is a risk that critical public services will not be operational.
- 7.3 Impact on Business as Usual – In all options business as usual will be impacted as staff are assisting at some level in implementing the new software. The degree to which existing services are disrupted depends on the option.
- 7.4 Reputational damage for the Council – failure to deliver front line services and the potential for the loss of historic data will lead to significant reputational damage.
- 7.5 Potential costs of needing to extend the existing contracts - It is currently unclear if it would be possible to extend the existing contract once the Capita 5Cs contract ends. If it is (not the working assumption) then it is anticipated that this would incur a substantial annual penalty.
- 7.6 Potential failure to comply with our contract standing Orders and procurement requirements – failure to deliver a programme of work in line with the ending of certain contracts could result in the risk that we have not complied with the necessary contract standing Orders and procurement rules.

8.0 Consultation

- 8.1 The content of the report relates to internal organisational systems and processes and external public consultation has been considered unnecessary at this stage.

9.0 Communications

9.1 At this stage, the content of this report and programme relate to internal organisational system and processes and therefore is a matter for internal communications with the relevant teams involved.

9.2 During the course of the programme as systems and services are developed further engagement will be required and that would be for each individual project to take forward on a case by case basis. It would be expected that the Project Manager for each project would develop a communications plan, as required.

9.3 This report will be published on the council website

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Neil Bowdell, Cabinet Lead for Finance	25 October 2023
Executive Head:	Matt Goodwin, Executive Head of Internal Services	30 October 2023
Monitoring Officer:	Jo McIntosh, Monitoring Officer	31 October 2023
Section151 Officer:	Steven Pink, s151	30 October 2023

Strategic Services Commissioning – resources to implement

PROGRAMME BUSINESS CASE (PBC)

SRO:	Matt Goodwin
Programme Manager:	Nikki Reay
Organisation:	Havant Borough Council

	Name	Date
Prepared by:	Will Jackson	13.10.23
Approved by:	Matt Goodwin	30.10.23

Executive Summary

Over the next two years the Council is due to embark on an ambitious programme which requires significant resources to implement. The programme broadly covers three areas of the council, IT infrastructure including systems, Environmental Services and customer facing services. All three of these areas are linked and need appropriate resource to ensure they are successfully implemented, delivered to deadlines and managed accordingly.

In January 2023 a paper was approved by Cabinet regarding the future ICT infrastructure and security provision. The paper noted that the current ICT arrangements through the 5Cs Capita contract would end in September 2025. The systems currently hosted by Capita are considered legacy systems as they are inflexible and there are more modern alternatives available which would better support staff requirements and ways of working. The recommendation in that paper was to seek a new contract with a single supplier as the strategy for developing the future ICT infrastructure and security provision for the council. With the migration to a new ICT infrastructure there are knock on effects for a number of services in terms of the systems that they operate.

Going forward cloud-hosted Software-as-a-Service (SaaS – a standalone online service provision) is the preferred option for the Council's core services and systems. SaaS solutions would therefore be sought for Planning, Enforcement, Environmental Health, Licensing and Finance. Moving to SaaS has the potential to markedly reduce the maintenance required by Council staff and ensure that staff have access to the latest features and functionality. SaaS products also help reduce the service deliverability risk in Business Continuity Planning for wider infrastructure disruption scenarios.

Within Environmental Services there is currently a programme of work either in train or about to begin which all lead to the re-letting of the contract when it ends in September 2026. A number of projects such as the digitisation of subscriptions for the garden waste service, beachlands and grounds maintenance require specialist support in order to develop and be integrated into council systems, many of which, as described above are subject to change as part of the IT infrastructure and security plans.

The ending of the 5Cs contract also requires a decision and implementation of a new proposed customer services provision. This customer services provision will include services such as our customer services function (call centre and reception), revenue and benefits, Land Charges. Options for customer service provision could include a new outsourced provider, remaining with the current provider for some or all of the current services or bringing back in house. These options require potential procurement, contracting and/or implementation in order to progress and are tied into the above timetable for completion of September 2025.

Challenge

The Council does not have the capacity within the organisation to procure, contract and implement full new IT systems alongside customer service solutions for services that cover the majority of council operations against the timescales involved. This is a challenging programme to not only replace software for many services, such as Planning and Environmental Health, but also put in place new solutions for processes for Environmental Services, Revenue and Benefits and Customer Services. All these services impacted provide high profile and critical public services.

In order to move forward significant Project Management resource is required to ensure that those systems currently hosted by Capita and which would likely move to SaaS as well as the remaining ICT infrastructure and security are successfully migrated to new providers alongside the work required within Environmental Services and Customer Services. There are clear links and dependencies to ensure that all systems and services are moved in a controlled and effective way to minimise disruption to Council services. It is not feasible or economic to run these as separate programmes or projects and we cannot compromise front line services or strategic commitments. The programme will require adequate financial provision to secure the future of these key strategic services.

Corporate Strategy

The Council has a clear remit within the Corporate Strategy to improve the services we provide and to modernise. In doing this we are seeking to engage and work closely with our partners to reduce barriers, unnecessary interventions and enable growth.

The aims around the principle of improving our services are to create;

- a responsive council, improving our customer services and all the services that we provide;
- becoming a digital council by implementing in full our Digital Strategy; and
- maximising our relationships with our partners to help improve the area for our residents and businesses.

The expected benefits that we would seek to realise in this area are to have council services that are fit for purpose and fit for the future, while remaining cost effective, improved digital infrastructure and security and improved customer experience.

This business case is specifically focussed on the required resources to deliver the programme. It is not a business case for the individual products and/or services that are likely to be procured. Each procurement of either the ICT system, a SaaS system or decision on future service provision, would require a business case and associated procurement which would be run by the programme and project managers that this business case is seeking the funds to have in place.

Strategic Case

Strategic context/organisational overview

The current IT service model, hosted by Capita through the 5Cs contract is due to expire in September 2025. There are a number of dependencies of systems which all need to be re-procured by the time the 5Cs contract expires. In particular these areas are:

- ICT & Infrastructure & Security (ICST I&S)
- Planning and Enforcement
- Environmental Health, Licensing and Grants
- Finance
- Elections
- Corporate Telephony
- GIS, Street Name & Numbering
- Customer Services (Land charges, Revs and Bens, Reception, Call Centre)
- Environmental Services (digitisation of subscriptions and future service provision)
- Payroll & MyView replacement system

The programme of recruiting resources to deliver the above therefore supports significant critical council services which are required to be in place and which have a number of dependencies.

Case for change

The objectives of the programme are to have in place modern systems and services delivered through more efficient processes with greater emphasis on automation, digitisation and data availability across the whole council. Improvement in council systems and services will also allow for improved performance reporting of service delivery. The desired outcomes will therefore be; improved economy, efficiency and effectiveness.

The programme in place to replace services and systems above are highly technical; involving procurement, design and implementation. The procurements are likely to be of high value, requiring detailed contractual arrangements and with long periods of complex implementation. It is recommended that these projects require project managers with strong contractual, technical and subject-matter-based backgrounds, with experience of large-scale project implementations.

The rationale for proposed moves of the systems are detailed below:

System	Existing	Target	Rationale
Grants	Acolaid	Generic Case Mgt.	Relatively easily defined processes Procuring a SaaS generic Case Management.
Planning	Acolaid	Specialist SaaS	Complex system, Procuring a SaaS alternative
Planning Policy	Acolaid	Specialist SaaS	Complex system, Procuring a SaaS alternative
Environmental Health	Acolaid	Generic Case Mgt.	Relatively easily defined processes Procuring a SaaS generic Case Management.
Land Charges	Acolaid	Generic Case Mgt.	Relatively easily defined processes Procuring a SaaS generic Case Management
Licensing	Acolaid	Generic Case Mgt.	Relatively easily defined processes Procuring a SaaS generic Case Management.
Gazetteer	Acolaid	<tbc>	Complex system, look to procure a SaaS alternative
Revs & Bens	Capita	Other	Specialised system. Look to remain with existing system.
Elections	Xpress	Hosted Solution	Highly specialised system. Looking at alternative SaaS hosting
Finance	Integra	<tbc>	Not a prerequisite for the ICT/5Cs deadline but expected in the same timelines, Looking at alternative SaaS hosted products
Customer Services	Capita	<tbc>	Relatively easily defined processes Procuring a SaaS generic Case Management with integrations to Corporate Telephony
Environmental Services	Bartek	<tbc>	Specialised system to assist with the management of Environmental Services

The existing arrangements for project management resource to support council projects is through an established Projects & Change Team within the Strategy Unit. However, this team is focussed on the delivery of corporate strategy priorities and service improvement programmes. If the resource to manage the projects above were allocated from the existing Projects and Change Team, then no other

projects or improvements could be supported. In addition, the development of several of these cases, and associated procurement and mobilisation requirements, requires specialist knowledge, which has to be externally sourced.

By working alongside the external Project Managers, the Projects & Change team can act as 'Change Agents' to support staff and other stakeholders through the change that will be taking place to their ways of working. The role of a Change Agent is to represent the 'user' (be it staff or the customer/resident) and includes engaging, communicating, supporting and training – elements that will be key to the success of these projects. It is recommended that the Projects and Change Team are assigned as Change Agents to the programme, taking on the Change Management elements, in collaboration with the Project Managers.

Change agents will be involved throughout the programme at each phase of the project from design through to implementation. Change Management is a separate discipline from Project management. Project Management focuses more on the implementation of a tangible result – such as an IT system, whereas Change Management seeks to ensure the system is adopted and embedded by the people using it – the focus being more *leading people through a change*. There is much research regarding project success, with figures suggesting only 30-35% of projects are successful (Standish Group & PMI), and there are many reasons why this failure might occur, but one reason is because people impacted by the change (the project) are not led through the change in the right way.

The programme is dependent on all workstreams working together to ensure that services remain operational.

Economic Case

The critical success factor associated with this programme is achievability against a tight timescale and inter-dependencies. Providing the necessary resource will ensure that the programme is delivered on time and to allow for critical services being continually operated. It also provides the necessary level of skills required for successful delivery, those that are not currently available in-house.

Three options have been considered in terms of resourcing delivery of the programme with respective strengths and weaknesses outline below

Option 1 – Internal delivery

This option would be sourced through existing council resources.

Strengths

- Existing knowledge within council
- No extra cost

Weaknesses

- Capacity to deliver other council priorities
- Significant impact on existing programmes of work within the Council
- Lack of knowledge/ experience of detailed IT implementation programmes within the Projects & Change Team

Option 2 – External delivery

This option would see the entire programme management being resources from external resources in order to deliver

Strengths

- Standalone team solely dedicated to programme
- Experience of delivering procurement and contract negotiations
- No 'in-house' preconceived ideas of how solution should look
- Timings likely to be achieved with clear remit

Weaknesses

- Significant cost
- Lack of knowledge of Council operations / internal processes
- Would likely only focus on implementation and not change management

Option 3 – Hybrid delivery

This option would see specialist resource hired to work alongside existing council resource to deliver the programme

Strengths

- Specialist resource, where required
- Experience of delivering procurement and contract negotiations
- Work with existing officers to understand Council operations and opportunity to mentor in-house project managers
- Enables the council to continue delivering corporate priorities

Weaknesses

- Could be reliant on external specialist resource
- Cost to Council

To summarise the four options against the key critical success factors a comparison table below rates the expected 'quality of outcome for the council:

Criteria	Option 1 – Internal delivery	Option 2 – External delivery	Option 3 – Hybrid delivery
Value for money	HQ	LQ	AQ
Achievability	LQ	HQ	VHQ
Minimise risk	AQ	HQ	VHQ
Flexibility	AQ	AQ	HQ
Knowledge	LQ	HQ	VHQ

Key

- VHQ – Very High Quality of outcome
- HQ - High Quality of Outcome
- AQ – Average Quality of Outcome
- LQ – Low Quality of outcome

Risk assessment

All the options contain the following risks associated with the programme namely;

1. Not completing migration by the end of the 5Cs contract would result in an extension of the contract which could prove costly to the council
2. Not making the necessary decisions on service delivery well before the end of the 5Cs contract could result in an extension of the contract which could prove costly to the council
3. The time required for decisions and/or data migration may be underestimated or there may be additional complexities in the decision/data migration
4. Reliance on Capita and Idox for access to migrate systems
5. Procurement processes can be long which risks affecting the timeline
6. Running multiple service and system migration projects concurrently will put a significant strain on existing internal resources
7. Delay could result in significant increased costs and divert even more officer time away from other corporate priorities

Preferred option

The preferred option is option 3 – hybrid delivery as this will likely deliver the following benefits and mitigates the majority of the risks identified above.

- Most efficient use of resources
- Will allow the continuity once the implementation has been completed as existing officers can work with the specialist resource
- Council will still be in a position to deliver corporate strategy priorities and service improvement across services not just those linked with the new IT

software and infrastructure procurement.

- Will enable the opportunity to embed change management practices by utilising existing change management resources

Commercial Case

The project managers will be sourced through a recruitment campaign and will be hired on either Fixed Team or temporary contracts. Job descriptions and role profiles will be drafted to ensure the key competencies required for the role are met and interviews will be held with all prospective candidates to ensure necessary fit. HR support and procurement support will be utilised during the process of onboarding the necessary resources to take the programme of work forward.

If necessary, specialist recruitment agencies will be utilised to ensure the best possible candidates with the right skills are hired.

The contracts would be managed by the in-house programme manager who would oversee the development of the programme and to ensure that it remained on track to deliver. The internal programme manager will review the resources throughout the programme ensuring the necessary resource is only in place for the required time and in order to implement the programme as required.

Financial Case

Indicative costs are included below with respect to the requirement. Those shaded grey would be in-house and therefore no extra cost. Dependent on the progression of the projects the exact requirements for resources in terms of skills may change but will operate within the budget cost below.

Role	Task	Qty	Day Rate	Months	Total Working Days (200 pa)	Cost
Programme Management*	> Oversight & Coordination	1	£-	24		£-
Project Manager	> Overseeing ICT and I&S > Planning, Environmental Health Licensing > Finance & Payment Systems	3	£500	24	400	£600,000
Project Manager/ Customer Solutions Developer	> Customer Services (inc. CRM, Revs & Bens, Front of House, GIS, Land Charges)	1	£500	24	400	£200,000
Technical Support	> Environmental Services Strategy	1	£675	24	400	£270,000

ICT Solutions Architect	> Providing programme level support	1	£647	24	400	£258,800
Admin/Support Officers*	> Planning, Environmental Health > Licensing data migration and integration.	2	£-	24		£-
Projects & Change Team*	> Change Management > Project Support	As required	£-	24		£-
*represents internal resource					TOTAL	£1,328,800

Breakdown over the coming years is provided below

Role	Task	FY 23/24	FY24/25	FY25/26	Total
Programme Management*	> Oversight & Coordination	£-	£-	£-	£-
Project Manager	> Overseeing ICT and I&S > Planning, Environmental Health Licensing > Finance & Payment Systems	£ 150,000	£ 300,000	£ 150,000	£ 600,000
Project Manager/ Customer Solutions Developer	> Customer Services (incl CRM, Revs & Bens, Front of House, GIS, Land Charges)	£ 50,000	£ 100,000	£ 50,000	£ 200,000
Technical Support	> Environmental Services Strategy	£ 135,000	£ 135,000	£ -	£ 270,000
ICT Solutions Architect	> Providing programme level support	£ 129,400	£ 129,400	£ -	£ 258,800
Admin/Support Officers*	> Planning, Environmental Health > Licensing data migration and integration.	£-	£-	£-	£-
Projects & Change Team*	> Change Management > Project Support	£-	£-	£-	£-
*represents internal resource		£ 464,400	£ 664,400	£ 200,000	£ 1,328,800

Options for financing

The proposal is to utilise existing reserves to fund the extra resource in order to deliver the programme. The expectation is that during the course of the programme as requirements become clear there is a potential to make savings as some work packages could be delivered in-house. However, at this stage and until decisions on procurement of systems are made it is unclear exactly how much savings could be made.

Current costings

The annual current costings for the systems amount to £4.4m and through a successful procurement programme run by experienced project managers with clear specification and scoping there is potential for savings to be made, but these savings will not be clear until we proceed with the procurement process.

If we do nothing, then the costs for the systems are likely to increase due to the contracts ending in 2025.

The table below shows the significant cost of the systems that are being procured and hence the required resources to take forward the programme of work reviewing these systems and costings.

System/service	Total annual spend (£)
Regulatory service systems including: <ul style="list-style-type: none"> • Environmental Health • Licensing • Gazetteer • Planning 	120,842
Capita 5Cs services including contract add ons <ul style="list-style-type: none"> • IT • Revenue & Benefits • Customer Services • Finance • Land Charges 	4,326,905
TOTAL	4,447,747

Management Case

The programme is to be managed by an experienced in-house programme manager who will have oversight of all the workstreams and the Digital Service Manager as technical oversight. The programme manager is expected to maintain all programme documentation and report regularly, using highlight reports and dashboards to the Senior Responsible Officers and when necessary, Executive Leadership Team.

The Digital Services Manger will oversee the delivery alongside the Programme Manager to ensure that dependency projects complete to allow the ICT I&S provision to successfully onboard in 2025. A dedicated Solutions Architect and Finance Business Partner will provide a high-level team for oversight at the Programme Level.

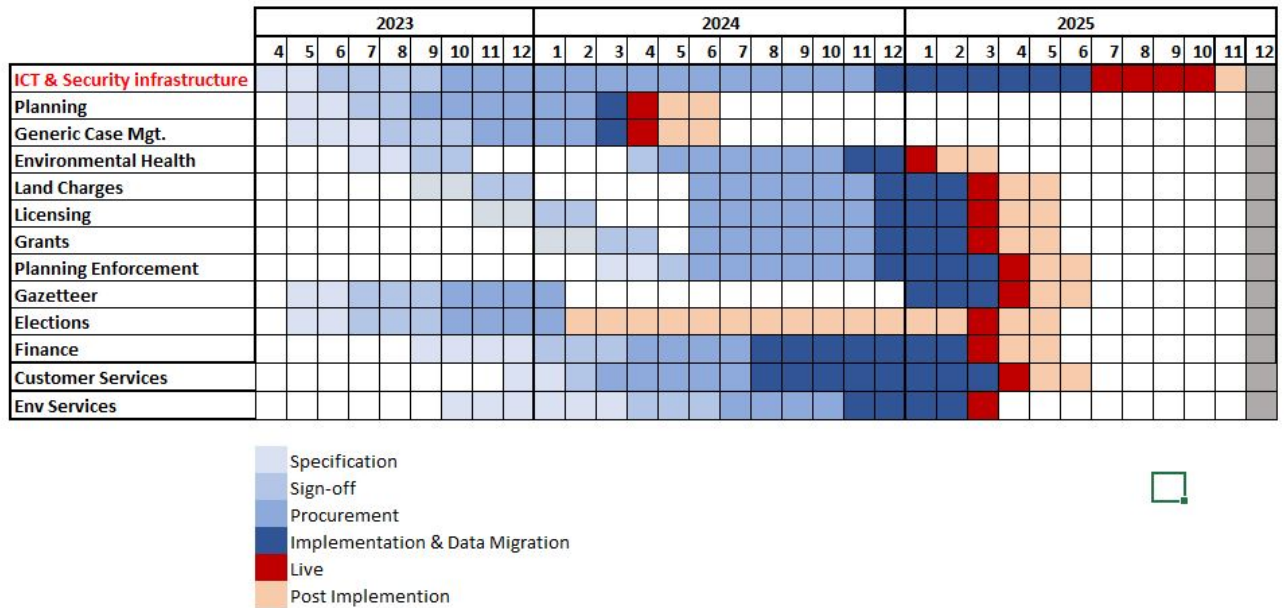
Due to the complexities and sums involved, regular updates will also be provided to Cabinet on the progression of the programme.

Within the programme, each project will have an assigned project manager who will

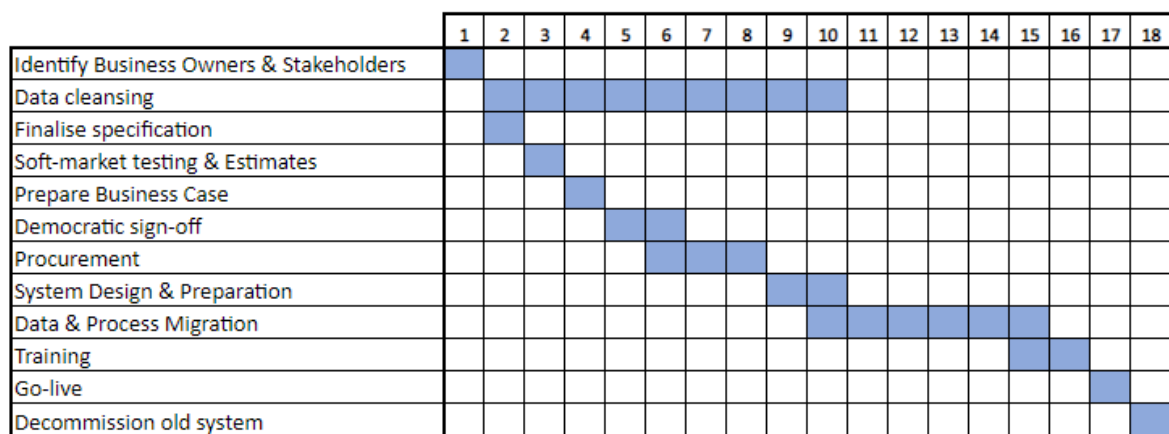
report to the programme manager. The project managers will similarly maintain all documentation and report regularly into the programme manager the progression of their individual projects.

The programme manager will be responsible for ensuring linkages, issues and risks associated with the entire programme are captured and reported/escalated as necessary.

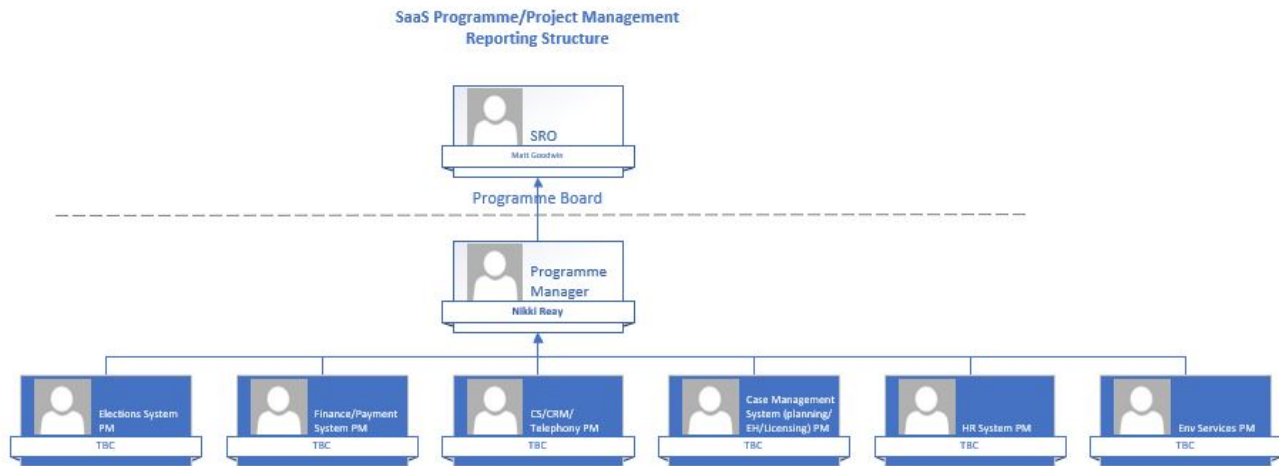
An outline of the proposed programme is included below:



For each service that is moved into a SaaS product then the below is required to be completed:



An outline of the proposed programme governance is attached.



Risks

- Timetable – budget and resources need to be appropriately managed
- Reliance on 3rd party suppliers
- Resource – needs to be identified for mobilization and deployment. There will still be a requirement for officers to undertake data cleansing, specification setting, testing, training and procurement evaluations
- Replacement of ICT system means that deadlines have to be achieved.

A detailed risk register will be developed and maintained by the Programme Manager for the programme of work.

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Name of Committee:	Cabinet		
Committee Date:	08 November 2023		
Report Title:	Update of Capital Strategy		
Responsible Officer:	Steve Pink – Chief Finance Officer		
Cabinet Lead:	Councillor Neil Bowdell		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	Appendix A – Capital Strategy (taken from Public Reports Pack Council 22/02/2023 referred to in those papers as Appendix F) Appendix B – CIL Spending Protocol		
Background Papers:	CIL Spending Protocol 2022: CIL Spending Protocol 2022_0.pdf (havant.gov.uk)		
Officer Contact:	Name: Steve Pink Email: Steve.Pink@havant.gov.uk		
Report Number:	HBC/052/2023		

Corporate Priorities:
<p>When decisions on both Capital Spending and CIL spending are made, whilst the latter must be in accordance with the CIL Regulations 2010 (as amended), any capital expenditure should support the delivery of the Corporate Strategy.</p> <p>The Corporate Strategy 2022-2026 concentrates on the following themes:</p> <ul style="list-style-type: none"> • Wellbeing – Health of our communities • Pride in Place – Creating a great place to live, work and enjoy • Growth – Building our future Corporate Strategy’.

Executive Summary:
<p>In March 2022 the Council adopted its Community Infrastructure Levy (CIL) Spending Protocol. In March 2023 the Council adopted the Capital Strategy amongst other finance and spending strategies. An unforeseen consequence of the adoption of the Capital Strategy in 2023 was that there now exists a divergence in the two spending regimes which could lead to confusion.</p> <p>This paper confirms that whilst CIL is a capital resource and will be aligned to the Capital spending process CIL spending will operate under the 2022 protocol and not as part of the Capital Strategy as adopted in 2023.</p>

Recommendations:

Cabinet is requested to recommend to Council:

The Capital Strategy be amended to confirm that CIL spending decisions are governed by the separate CIL Spending Protocol March 2022;

Authority be delegated to the Chief Finance Officer to amend the Capital Strategy.

Introduction

- 1.1 Havant Borough Council is responsible for making the final decision on the allocation of funding raised through the Community Infrastructure Levy (CIL) in its area. The current mechanism for this is the CIL Spending Protocol March 2022, implemented 1 April 2022. The Council adopted a Capital Strategy in March 2023 outlining its Strategy for all capital spend. CIL is a capital resource and as such CIL expenditure falls within the remit of both documents.

2.0 Background

- 2.1 When the Capital Strategy was adopted in March 2023 it inadvertently created a divergence between from CIL Spending Protocol March 2022 and the Capital Strategy. As capital spend it is important to clarify, in the presence of ambiguity, which document shall govern the expenditure.
- 2.2 Whilst CIL is a capital resource and will be aligned to the Capital spending process CIL spending will operate under the 2022 protocol and not as part of the Capital Strategy as adopted in 2023.
- 2.3 CIL expenditure is governed by The CIL Regulations 2010 (as amended). Separating the CIL from the remainder of Capital Expenditure (using the CIL Spending Protocol) allows the Council to ensure this is the case and allows a more agile approach to be taken towards the allocation of Neighbourhood CIL funds. The CIL Spending Protocol 2022 is the culmination of the experience gained in spending CIL since the Charging Schedule was first implemented in 2013. It is therefore considered important to distinguish the spending of CIL from other Capital spends.

3.0 Options

- 3.1 It is important for good governance and decision making to have clear and concise policy documents which support each other. Retaining the documents as drafted could lead to confusion and undermine the decision making process in the spending of CIL
- 3.2 Make a change in the Capital Strategy to recognise the separate, albeit linked, CIL Spending Protocol and the nuances in the way CIL is spent. Acknowledging that CIL is a capital resource and will be aligned to the Council's Capital spending process.

4.0 Proposed change to the Capital Spending Strategy

- 4.1 To recognise that spending decisions on CIL are governed by the CIL Spending Protocol and that this will continue to operate alongside the Capital Strategy.
- 4.2 Notwithstanding the above spending decisions on CIL will be aligned with the capital spending programme (in accordance with the Capital Spending Strategy 2023/4 to 2027/8 agreed at Council on 22/2/2023) to ensure both regimes support the Council's Corporate Strategy, the Infrastructure Delivery Plan, the Havant Borough Local Plan and the Havant Regeneration Strategy.

5.0 Relationship to the Corporate Strategy

- 5.1 When decisions on both Capital Spending and CIL spending are made, whilst the latter must be in accordance with the CIL Regulations 2010 (as amended), any capital expenditure should support the delivery of the Corporate Strategy. The Corporate Strategy 2022-2026 concentrates on the following themes:
- Wellbeing – Health of our communities
 - Pride in Place – Creating a great place to live, work and enjoy
 - Growth – Building our future Corporate Strategy.

6.0 Conclusion

- 6.1 The confirmation of the Council's position and amendment of the Capital Strategy shall provide clarity and certainty of process. It shall

ensure that clear and robust decision-making processes are in place in respect of the Council's CIL expenditure.

7.0 Implications and Comments

- 7.1 Financial Implications & S151 Comments –
- 7.2 Members should be aware that CIL is a capital resource and plays a vital part in funding and delivering any capital programme. The purpose of the 2022 protocol is not to restrict the use of CIL monies, but to allow the Council to be agile in delivering key projects on a local level. The delegation limits protect the Council's limited capital resources from being depleted significantly and all proposals will be reviewed with regard to the wider capital funding picture.
- 7.3 Monitoring Officer Comments –
- 7.4 It is important that the Council has clear and robust governance procedures in place; that Council policies and procedures support each other and that any inconsistencies are resolved through continuous review and refinement of policies and procedures.
- 7.5 Legal Implications - The collection and spend of CIL is governed by The Community Infrastructure Levy Regulations 2010 as amended. The Protocol is in line with these provisions and the Capital Spending Strategy CIPFA rules.
- 7.6 Equality and Diversity - This decision has no direct equality impact. Due regard to the Public Sector Equality Duty will need to be given in the development of infrastructure schemes.
- 7.7 Human Resources – N/A.
- 7.8 Information Governance – no direct affect.
- 7.9 Climate and Environment – This decision has no direct impact on climate change or the environment. These will need to be considered as infrastructure schemes are developed.

8 Risks

- 8.1 Risks to the Council as a result of this report are minimal. It will ensure that two separate council documents will be aligned rather than remaining disparate.

9 Consultation

9.1 No public consultation is proposed.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Neil Bowdell	31/10/23
Monitoring Officer:	Jo McIntosh	31/10/23
Section 151 Officer and Executive Head of Finance:	Steven Pink	31/10/23

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Capital Strategy

Havant Borough Council

2023/24 to 2027/28

1.0 Introduction

1.1 The Capital Strategy is a key policy document for the Council and provides guidance on the Capital Programme and the use of capital resources and Asset Management Plans. The strategy reflects the links to other Council plans, in particular the Regeneration Strategy as well as the Medium Term Financial Strategy (MTFS). The Capital Strategy is written following guidance included in the Prudential Code (2018) and is required to be approved by Full Council.

1.2 The objectives of the Capital Strategy are to:

- Provide an overview of the governance process for approval and monitoring of capital expenditure;
- Provide a longer-term view of capital expenditure plans;
- Provide an overview of asset management planning;
- Provide expectations around debt and use of internal borrowing to support capital expenditure;
- Define the authority's approach to commercial activities including due diligence and risk appetite;
- Defines the available knowledge and skills to the authority in relation to capital investment activities.

1.3 Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes. The Council's policy on capitalisation is included in the Accounting Policies of the Statement of Accounts. The policy states that only assets with a value over £15,000 will be capitalised and therefore expenditure under these limits is deemed to be a revenue cost.

Current Asset Portfolio

1.4 The Council holds assets split across two categories as detailed below:

- **Investment Property (Non-Operational)**

These assets include Industrial Estates, land held for capital appreciation and rental income.

- **Property, Plant & Equipment**

These are operational properties, land, vehicles, infrastructure and community assets that are used to deliver council services and include Council

- 1.5 The Council holds an investment portfolio that supports both its operational activities and non-operational activities from which it receives an element of rental income. For the year ended 31 March 2022 the value of investment property rental income £2.2m which represents a gross yield of 6.1% on the value of the investment property assets held.

Asset Category	Valuation 31/03/22 £000	Rental Income £000
Investment Property	36,571	£2,231
Property Plant and Equipment	63,319	
Assets Under Construction	8	
TOTAL	99,898	

2.0 Financial Principles supporting the Capital Strategy

- 2.1 Capital expenditure is to be incurred in line with Financial Procedure Rules as follows:

- The Chief Finance Officer is responsible for ensuring that a capital programme is prepared for consideration by the Cabinet before submission to Full Council. New Capital projects should be identified by Executive Heads of Service to the Chief Finance Officer, as part of the Budget Planning Process, for inclusion in the Capital Programme.
- Capital schemes may only be committed after:
 - An assessment in the agreed standard format including an estimate of the associated revenue expenditure and income has been approved by the Cabinet; and
 - Appropriate finance has been made available.
- Where it appears that any scheme in the capital programme will be overspent by 10% of £50,000, whichever is the greater, a report shall be made to the Cabinet. The Chief Finance Officer will advise the Cabinet whether or how requests for additional capital finance can be achieved within

the overall capital programme. The Chief Finance Officer is authorised to approve virements within the capital programme as outlined in Standing Order 63.

2.2 The key principles to be applied to the Capital Strategy are set out below:

- Capital resources are held corporately and are allocated according to the priorities set out in the Corporate Strategy (i.e. there is no automatic ring-fencing of resources for specific purposes other than Disabled Facilities Grants);
- Capital receipts will be allocated in accordance with Council priorities;
- The Council will seek to maximise the use of grants and external funding;
- The Council is committed to deliver capital investment with partners to maximise benefits where this fits with Council priorities;
- Redirection of capital resources from one project to another will be contained within existing budgets, unless increases can be justified through the budget process;
- Capital budgets are generally cash-limited i.e. no provision is made for inflation which effectively means that over time there is a real reduction in the value of resources allocated to specific capital projects;
- Review of capital financing decisions which will likely have a revenue budget impact due to lack of capital resources (e.g. through reprofiling of capital receipts and borrowing);
- Revisit the Asset Management Plan to see if any asset can be sold;
- In order to reduce the exposure of the council to a borrowing requirement the following steps should continue to be examined:
 - Fundamental review of existing capital programme to ensure that schemes are still required and are accurate;
 - Maximisation of the use of grants and contributions from external sources;
 - Providing a recurring revenue contribution to the capital programme;
 - Invest to save schemes that can repay the capital investment over a period of time.

Capital Investment Assumptions:

- The current capital programme uses a combination of financing including capital receipts, grants & contributions, reserves and borrowing.
- The proposed Capital programme includes some of the projects as outlined in the Regeneration Strategy, approved at Council. The Strategy covers key regeneration areas in the borough:
 - Town Centre redevelopments
 - Borough strategic employment sites
 - Hayling Island seafront

2.3 The Corporate Strategy forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

2.4 The Capital Strategy must both support and inform the Council's vision for the Havant area and the strategic direction set out in the Corporate Strategy. This is to enable resources to be matched against the agreed priorities and any other supporting needs.

2.5 The Capital Strategy takes account of other Council Plans and Strategies which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies:

- The Medium Term Financial Strategy, which provides information on the proposed revenue budget and considerations that will impact on future budgets.
- The Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- Local Plan/Local Development Framework.
- Regeneration Strategy
- There are also a number of other strategies, which set out policy direction for other key Council priorities.

3.0 Capital Expenditure

Capital Investment Priorities

- 3.1 The Capital Strategy needs to ensure that any capital investment decisions are both affordable and achieve the priorities as set out in the Havant Corporate Strategy; any such investment in assets is likely to have implications on the revenue budget.
- 3.2 The Capital Strategy must therefore recognise the implications of capital investment decisions and ensure that they are in line with Council priorities and financing requirements are robustly evaluated and understood.
- 3.3 The capital programme does not currently include all provisions for investment to progress the regeneration in the Havant borough as it will be subject to individual business case approval. Other capital investment opportunities may present themselves over the lifetime of the MTFs, and each will be subject to further business cases on investment opportunities and the benefits that could be made from those investments.
- 3.4 All business cases will be subject to the usual due diligence to ensure that they afford the best value for money for the Council, align with its core priorities and do not expose the Council to unnecessary risk that could put future delivery of services in jeopardy.

Capital Expenditure Forecasts

- 3.5 The Council's forecasts for the period 2023/24 to 2027/28 are shown below, the more detailed Capital Programme can be found as an Appendix C with the Council's approved Capital Budget.

	£'s
Executive Head of Regeneration and Communities	3,131,000
Executive Head of Commercial	655,000
Executive Head of Place	10,018,000
Coastal Defence Partnership Manager	10,995,000
Total Capital Expenditure	24,799,000
Funded By:	
Grants	21,395,000
Community Infrastructure Levy	3,165,000
Section 106 Contributions	79,000
Corporate reserves	160,000
Total resources	24,799,000

Current Resource Forecasts

- 3.6 The Council's capital programme will be financed (or paid for) through a variety of sources and the Chief Finance Officer will make recommendations on the most effective way of financing the Capital programme to optimise the overall use of resources. The Capital Programme is detailed at Appendix C.

Capital grants

- 3.7 The Council receives one primary capital grant from central Government to support its role in providing Disabled Facilities Grants; for 2023/24 the Council has been allocated £1.628M. The grant is distributed through the County Council as part of the wider Better Care Fund and, as such, future year's allocations may therefore be subject to change.

Revenue contributions and reserves

- 3.8 The capital programme can also be financed through the use of reserves (both capital and revenue) although revenue contributions will have an overall effect on the General Fund revenue budget.

Capital receipts

- 3.9 Capital receipts arise principally from the sale of Council capital assets. The sales of assets are utilised to support the Capital programme in the Capital Strategy. The usable capital receipts reserve contains a current balance of £10.321M

Borrowing requirement

- 3.10 The borrowing requirements have been updated to reflect the potential financing needs to support the HBC Corporate and Regeneration Strategies.

4.0 Treasury Management Strategy

- 4.1 The Capital Strategy is an accompaniment to the Treasury Management Strategy. The latter sets out the required Prudential Indicators for Treasury Management and Capital Expenditure, and includes a Policy Statement for the Minimum Revenue Provision (MRP) for borrowing.

5.0 Commercial activity

- 5.1 Whilst the Council does currently receive income from investment properties it does not actively seek to generate additional revenue income through the purchase of investment properties.

6.0 Knowledge and Skills

- 6.1 The Council utilises the knowledge and skills of its internal officers when considering capital investment decisions and where necessary it also relies on the expert knowledge of specialist external advisors.
- 6.2 The Council employs professionally qualified legal, finance and property officers who are able to offer advice and guidance when considering any capital investment decisions.

Finance

- 6.3 The Section 151 Officer and Head of Corporate Finance (Deputy S151) are professionally qualified to advise the Council on all financial aspects of capital decisions. They also have numerous years of experience of how Councils work, and also undertake Continuous Professional Development. In addition, they maintain knowledge and skills through regular technical updates from appropriate bodies.

Property

- 6.4 The Council's in-house property team is made up of a number of Chartered Surveyors who advise the Council on all property matters. They are all members of the Royal Institution of Chartered Surveyors (RICS) and comply with the RICS's rules in relation to Continuing Professional Development. The Property Services Manager is also an RICS Registered Valuer.

Legal

- 6.5 Legal Staff are professionally qualified as either solicitors or legal executives and are regulated by their respective professional bodies (Solicitors Regulation Body/Institute of Legal Executives). The staff undertake Continuing Professional Development and their rules of conduct require that they have an appropriate level of skill and expertise. All staff are aware of the operational structure of the Council. The Council will also use external specialist legal advice on more complex transactions as and when required.

External Advice

- 6.6 The Council uses external advisors where necessary in order to complement the knowledge its own officers hold. Some of these advisors are contracted on long term contracts or are appointed on an ad-hoc basis when necessary.



Community Infrastructure Levy (CIL) Spending Protocol

Revised 2022

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1. Introduction & Overview

What is the Community Infrastructure Levy?

- 1.1. The Community Infrastructure Levy (CIL) is a charge which new development in Havant Borough has to pay. The CIL charging schedule sets out the rates of CIL that apply to Havant Borough. Further guidance on the charging regime is available at www.havant.gov.uk/planning-policy/community-infrastructure-levy-cil.
- 1.2. The Community Infrastructure Levy system recognises that new development places pressure on the Borough's infrastructure networks, necessitating expansion and improvement of existing assets and the provision of new infrastructure. CIL funds gathered must be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.
- 1.3. The majority (80%) of CIL funds collected must be used for strategic projects. A further 15%¹ is set aside for the Neighbourhood Portion. The remaining 5% of CIL funds are used for administration of the service. Different processes and principles govern the spending of the Strategic CIL funds and the Neighbourhood Portion, as set out in sections 3 and 4 of this protocol.
- 1.4. CIL is an important tool for the Council to use to help deliver the infrastructure needed to support the Corporate Strategy, including its supporting place-making strategies, namely the Local Plan² and the Havant Regeneration Strategy³. There is, however, a 'funding gap' between what can reasonably be acquired through CIL and other developer contributions and the full requirements for the expansion of local infrastructure networks. As a result, CIL should only be considered to be one of many, rather than a single reliable source of funding for infrastructure, and most projects will be funded only in part through CIL.

Status of this document

- 1.5. This document sets out Havant Borough Council's policy framework governing the spending of CIL and how this will be used to improve and expand the Borough's infrastructure. A set of more detailed process notes accompanies the protocol in order to guide bidding and spending bodies and Council departments through the process.
- 1.6. The protocol will be reviewed periodically and updated if necessary to take account of lessons learnt in its implementation, changes to priorities in the Borough's development strategy or amendments to national regulations or guidance.

¹ The Neighbourhood Portion rise to 25% in areas which are covered by a made Neighbourhood Plan.

² www.havant.gov.uk/localplan

³ www.havant.gov.uk/have-with-havant

2. Guiding principles

Funding Infrastructure to support development

- 2.1 For the purposes of CIL Infrastructure includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces⁴ (NB this is not an exhaustive list). Infrastructure is defined for the purposes of this Spending Protocol as the “services necessary for development to take place and which play a critical role in supporting new development”.
- 2.2 In line with the regulations, CIL funds will be spent in Havant on *the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.*⁵ The levy can be used to fund new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure, as long as the spend is necessary to support development.
- 2.3 Havant Borough Council, as a guiding principle, will use its CIL to implement its Corporate Strategy and the supporting strategies concerning the development and place making of Havant Borough, namely, the Havant Borough Local Plan and the Havant Regeneration Strategy. CIL will be used to support development through the improvement of the Borough’s existing infrastructure network and the provision of new infrastructure. All CIL funded projects must contribute to this aim.

Best use of Funds

- 2.4 In order to ensure that CIL funds are used to best effect, projects will only be funded if they meet the following conditions:
- a) The project relates to fixed infrastructure / 'immovable' items
 - b) The project goes beyond pure maintenance to improve an asset or provide a new asset
 - c) The proposal is a capital project (although associated revenue funding to maintain the capital project is also permissible)
 - d) The project delivers clear and significant benefits to users / the community
 - e) The project is in line with the Council’s Corporate Strategy, including any relevant supporting strategies such as the Regeneration Strategy, Local Plan and Climate Change and Environment Strategy
 - f) The benefits would last long term (minimum 10 years) without having to be replaced or upgraded
 - g) The funding sought is for project delivery, rather than solely project development or feasibility
 - h) The Council is not aware of other dedicated funding or delivery mechanisms for the project

⁴ S216 Planning Act 2008 <https://www.legislation.gov.uk/ukpga/2008/29/section/216>

⁵ The Community Infrastructure Levy Regulations 2010, as amended in 2012

<https://www.legislation.gov.uk/uksi/2010/948/regulation/59/made> and

<https://www.legislation.gov.uk/uksi/2012/2975/regulation/7/made>;

see also CIL Guidance <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

Maximising the reach of CIL

- 2.5 The Council is committed to improving the Borough's infrastructure network. The Infrastructure Delivery Plan highlights that there is a 'funding gap' between what can reasonably be acquired through CIL and other developer contributions and the full requirements for the expansion of infrastructure networks.
- 2.6 As a result, CIL is unlikely to fund projects in full. The Council expects delivery teams and organisations to identify and bring to the table other sources of funding that will contribute to the delivery of the projects seeking CIL funding.
- 2.7 Similarly, CIL is a suitable pot of money to be used as match funding for external bids for infrastructure funding.

3. Strategic CIL

Principles of Strategic CIL spend

- 3.1 The Strategic (or 'main') CIL Pot, approximately 80% of collected funds, will be used by Havant Borough Council to deliver infrastructure that supports the whole Borough. Projects should be of a scale which offer wider than purely local benefits for parts of the Borough.
- 3.2 Strategic funds will be prioritised to address identified infrastructure priorities including those outlined in the Local Plan, and the adopted Corporate and Regeneration Strategy Documents, and address the impacts of development.
- 3.3 There is no requirement to tie the expenditure of any particular CIL receipt to a particular location or development. Since the funds will be used for strategic infrastructure projects, these are considered to benefit the whole borough.

Annual Strategic CIL Funding Proposal

- 3.4 Once a year, stakeholders involved in development and in delivery of infrastructure, will be invited to put forward projects for funding through CIL. While it is expected that Havant Borough Council Services will be the main bidders and beneficiaries, external organisations are also key deliverers of infrastructure to support development, and bidding rounds are open to these organisations. The Council is particularly keen to hear from organisations with the responsibility and/or ability to deliver the projects identified in the Council's Development Strategies ⁶.
- 3.5 Proposals will be considered against the guiding principles in Section 2 and assessed competitively against each other to form the basis of an annual Strategic CIL Funding Proposal. Criteria used for this assessment will be made available to bidders and decision makers.
- 3.6 The Strategic CIL Funding Proposal will be presented to the Planning Policy Committee for consideration before being agreed by the Cabinet.
- 3.7 Once funding to a project is confirmed, funds will be retained by the council until that project is delivered, and funds transferred once proof of successful delivery is received by the CIL Team. This is to safeguard against misuse of CIL funds.
- 3.8 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

⁶ **The Local Plan** (adopted and emerging); **The Local Plan Evidence Base** (for example Transport Assessments; Open Space, Sport & Recreation Strategy; Coastal Strategies and Studies etc); **The Infrastructure Delivery Plan**; **The Council's Regeneration Strategy**

4. Neighbourhood Portion

Principles of Neighbourhood Portion CIL spend

- 4.1 The Neighbourhood Portion, 15% of collected funds (see further below), will be used by Havant Borough Council to deliver infrastructure at a neighbourhood and community scale.
- 4.2 National CIL regulations require the neighbourhood portion to be used to support the development of the area by funding
- a. *the provision, improvement, replacement, operation or maintenance of infrastructure; or*
 - b. *anything else that is concerned with addressing the demands that development places on an area.*⁷
- 4.3 The focus of the neighbourhood portion funds will be on improving and expanding the capacity and quality of infrastructure assets owned and managed by Havant Borough Council⁸. This will deliver substantial improvements to local infrastructure assets that area used by a wide variety of residents and groups.

Neighbourhood Portion Distribution

- 4.4 Havant Borough is unparished, and therefore the Borough Council retains the CIL Neighbourhood Funds and allocates it to community scale projects.
- 4.5 Regulations do not set out at what geographical scale funding allocations in non-parished areas should be made. In Havant, the Council has decided to allocate these funds across the whole Borough. It means that funding can be used in the areas of most need and projects prioritised on their merits rather than geographical availability of funding.
- 4.6 One exception must be noted to the Borough-wide approach: In any area that has an adopted Neighbourhood plan, some funding will be ringfenced. This is because CIL regulations require 25% (instead of 15%) of funds in areas with adopted Neighbourhood Plans to benefit that area.
- 4.7 In any area with an adopted neighbourhood plan⁹ 15% of the funds raised will be considered as part of the area wide allocation, and an additional 10% will be ringfenced specifically for Emsworth. The Council will work with the Neighbourhood

⁷ Regulation 59C of The Community Infrastructure Levy (Amendment) Regulations 2013 <https://www.legislation.gov.uk/ukxi/2013/982/regulation/8/made>; see also CIL guidance at <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

⁸ In some cases, particularly in Leigh Park, the facilities may be owned and operated by Portsmouth City Council

⁹ At the time of writing, this applies only to Emsworth

Forum, or appropriate other local groups if the Neighbourhood Forum no longer exists, to consider how to spend that 10% in the Neighbourhood Area.

Annual Funding Awards

4.8 The Neighbourhood Portion will be made available on an annual basis to project delivery teams in line with the table below:

Infrastructure Asset Theme	Proportion of funds
Parks, play, open spaces, sport and leisure	50%
Public realm and public facilities in urban areas	25%
Community Centres	12.5%
Walking and cycling paths and public transport facilities	12.5%

4.9 This distribution will be kept under review (see section 6).

4.10 The amount of neighbourhood portion available will be confirmed as part of the budget setting process. This will also include confirmation of the amount of unspent Neighbourhood Portion from previous years, which delivery teams may roll over year on year, enabling pot building for larger projects if desired.

4.11 Despite funds being 'made available' through the budget process, delivery teams will have to make funding requests for specific projects to the CIL Team. The decision on funding will be made by the Community Infrastructure Officer, in discussion with the Head of Planning and the Cabinet Lead. Eligibility of the project for CIL funding will then be confirmed. As an additional safeguard for the appropriate use of funds, CIL monies will not be released until proof of successful delivery has been received by the CIL Team.

4.12 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

5. Interim Spending Decisions

Provisions for Strategic CIL Interim Spends

- 5.1 In exceptional circumstances, it may be expedient to propose a spend from the Strategic CIL fund outside of the annual funding cycle. Interim spends must remain exceptional and must not be a way to avoid competing against other projects through the annual funding proposal process. Therefore, any such spend would only be acceptable where the proposed spend meets the criteria for CIL spend as set out in the regulations and this protocol, and where:
- a) It would be financially expedient (for example, where CIL could be used as match funding to bid for grant funding from another body such as central government) and the decision cannot wait until the next annual allocation of funds;
- or
- b) Funding is needed to cover a minor overspend on an ongoing CIL funded project.
- 5.2 Where it becomes expedient for a decision to be made outside of the annual preparation of the annual CIL Strategic Funding Proposal, and the above criteria are met, interim spends may be authorised according to the following delegations:
- Up to £10,000 may be authorised by the Community Infrastructure Officer, in discussion with the Head of Planning and the Cabinet Lead.
 - Any spend above this amount must be authorised through a delegated report to the Cabinet Lead; and
 - where the amount exceeds £50,000, a delegated report to the Cabinet Lead, with consideration by the Planning Policy Committee.
- 5.3 In some circumstances, only the principle of future CIL spend will need to be established, for example to support bids for external funding or to aid project planning and feasibility work. In place of actual spending decisions, the CIL Team can assess proposals and provide advice on whether the scheme would be suitable for CIL funding. The CIL funding would still need to be bid for formally through the next bidding round.

Provision for Neighbourhood CIL Interim Spends

- 5.4 In the case of the neighbourhood portion, interim spends are not envisaged, as the full amount of available funding will have been allocated through the budget each year.
- 5.5 However, similar to the Strategic CIL, the CIL Team can at any point in the year assess proposals and provide advice on whether the scheme would be suitable for neighbourhood CIL funding. Officers will also be able to give broad estimates as to the possible CIL allocation for each budget in the coming year. Relevant delivery teams can then use this information on the availability of CIL, for example to support bids for external funding.

6. Monitoring and Reporting

- 6.1 The Council will monitor CIL receipts and spends and the sum remaining in the fund each year. The CIL Regulations require the Council to produce and publish an Infrastructure Funding Statement annually with this information.
- 6.2 Following the allocation of CIL funds to a project the Council will expect delivery of that project to the agreed timescales. This applies whether funding comes from the Strategic CIL or the Neighbourhood Portion. Project leads are expected to report their progress on delivery to the CIL Team.
- 6.3 Where projects are not delivered to the agreed timescale or are unlikely to be delivered due to a change in circumstances the funds will be returned for reallocation to other projects.
- 6.4 In addition to ongoing monitoring by officers, the Council's spending of CIL will be scrutinised at least annually by the Planning Policy Committee. This will examine the projects coming forward to review whether they are fully in line with the Council's guiding principles (section 2) and other requirements in this protocol, whether the funding distribution for the Neighbourhood Portion set out in this protocol remains appropriate, and most importantly, whether delivery of projects using CIL funds is ensuring that the Borough's infrastructure capacity is being expanded in line with new development coming forward.

Name of Committee:	Cabinet		
Committee Date:	8 November 2023		
Report Title:	Quarterly update on the work of the Climate Change and Environment Panel		
Responsible Officer:	Alex Robinson – Executive Head for Place		
Cabinet Lead:	Cabinet Lead for Planning, Environment and Water Quality		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	None		
Background Papers:	Havant Climate Change Strategy ¹ Minutes of Cabinet on 15 December 2021 ²		
Officer Contact:	Name: David Hayward Email: david.hayward @havant.gov.uk		
Report Number:	HBC/047/2023		

Corporate Priorities:

The delivery of the Climate Change and Environment Strategy is specifically highlighted as an initiative in the Corporate Strategy.

Executive Summary:

At this point in the municipal year, two meetings of the Climate Change and Environment Panel have taken place. This report assesses progress against the Action Plan priorities which the Cabinet identified in July 2022.

This demonstrates that implementation of all of these priorities is either complete or significantly underway. Moving forwards, the training and workshops workstream will ensure that further priorities are identified and resourced in order to ensure that continuous progress is being made in this area.

Recommendations:

Members are requested to:

- i. Note the work of the Climate Change and Environment Panel to date, including the progress against the priorities identified by the Cabinet on 13 July 2022
- ii. Vary resolution 30 D of the Climate Liaison Panel report to Cabinet of 15 December 2021 to read “decide that the Climate Change & Environment Panel will bring annual update reports to Cabinet”.

¹ www.havant.gov.uk/climate-change-and-environment

² <https://havant.moderngov.co.uk/ieListDocuments.aspx?CId=128&MId=11334&Ver=4>

1.0 Introduction

- 1.1 The Council's Climate Change and Environment Strategy was adopted on 22 September 2021 with the aim of reducing carbon emissions to net-zero on all Council services by 2050 in line with the Climate Change Act and to influence and support the Borough's residents and enterprises to reduce carbon emissions to net zero by 2050 as well. On the environment, the strategy sets out that the ecosystem services provided by the natural environment represent a life-support system we all rely on and so Havant Borough Council works in partnership to protect, improve and enhance our natural environment locally for biodiversity net gain.
- 1.2 Subsequently, the Action Plan was adopted on 13 July 2022 setting out the measures needed to achieve the vision of the strategy with specific priorities for the 2022/23 year endorsed.
- 1.3 As part of the adoption of the Action Plan, the governance structure to shape and steer the action plan was also noted, through the Climate Change and Environment Panel.
- 1.4 The Panel is chaired by the Cabinet Lead. The panel is currently comprised of the members below:
 - Cllr Elizabeth Lloyd (chair)
 - Cllr Neil Bowdell
 - Cllr Lulu Bowerman
 - Cllr Caren Diamond
 - Cllr Paul Gray
 - Cllr Phil Munday
 - Cllr Grainne Rason
 - Cllr Richard Stone
 - Cllr Liz Fairhurst (standing deputy)
 - Cllr Alex Rennie (standing deputy)
- 1.5 This report forms the first quarterly report to the Cabinet confirming the work of the panel and progress being made in implementing the Action Plan.

2.0 Background

- 2.1 At the time of writing, two meetings of the Climate Change and Environment Panel has taken place in the current municipal year, on 29th June and 24th August 2023 with a further meeting planned for December.
- 2.2 On 13 July 2022, the Cabinet identified five priority actions for the next 12 months. Progress against each is reported below. During the 2023 municipal year, further work is taking place reviewing the Action Plan as set out in more detail in paragraph 2.7. As such, further priorities will be established through this process in due course.
- 2.3 **Priority A - incorporating strong policies in the new local plan –** The Building a Better Future Local Plan consultation which took place in Autumn 2022 set out key proposed policies to address climate change. These included:
- Low carbon design in new housing developments
 - Sustainable construction
 - Drainage and waste
 - Installation of EV charging points in new developments
 - Protecting existing trees, woodland and hedgerows
 - Protecting all existing green infrastructure
- 2.4 The results of the consultation were reported to the Planning Policy Committee on 30 May 2023 and showed that residents also gave clear priority to climate change and the natural environment.
- 2.5 **Priority B - reducing carbon emissions from transport and travel is a priority. Therefore the inclusion of a priority to work with Hampshire County Council (and Transport for the South East, as appropriate) to add specific actions for Active Travel –** a number of projects being led by the Council's Civil Engineering and Landscape Team, funded through Section 106 and Community Infrastructure Levy from new development are being taken forward including:
- Milton Road – extend and connect the cycle routes along Milton Road

- Bushy Lease – upgrading of existing footpath network with aim to create a direct Havant-Waterlooville active travel route
 - Elmleigh Road – segregated cycle infrastructure linking Havant and South Downs College to the town centre
 - Future of the Hayling Billy Trail – resurfacing and widening to make the trail more accessible
- 2.6 A total of 10 projects are currently being worked on at either feasibility or delivery which all link with the 2036 Aspirational Cycle Map and the Local Cycling and Walking Infrastructure Plan.
- 2.7 **Priority C - internally it is important that the impact of decisions in relation to the climate and environment are considered properly, so a Climate Awareness Programme – Training for staff and Cllrs –** Ashden Climate Solutions has been procured to design and deliver a series of workshops with both officers and members to inform the Action Plan priorities which should be the focus for future years. This includes potentially informing an update of the current strategy and action plan. At the time of writing, these workshops are currently taking place.
- 2.8 The Council's Corporate Performance Scorecard measures the following environmental metrics:
- Percentage of residents who travel to work by foot or bike
 - Available electrical charging points in the Borough
 - Waste contamination rates and percentage of waste sent for recycling
 - Business miles travelled by staff and energy usage in Council offices
- 2.9 **Priority D - Templates for business cases and decision papers should include a heading and guidance for evaluating climate and environment impacts, and their mitigation as appropriate –** Committee templates have been updated to include a mandatory section to complete entitled 'climate and environment' where the implications of the report in question should be highlighted so that informed decisions can be made. This encourages reports to highlight:

- whether the report is likely to reduce greenhouse gas emissions, and if not, why not
- whether it is possible to use renewable energy as part of the proposal
- whether the proposal involves any contracts or procurement and if so whether environmental provisions can be included
- if the proposal involves transport, whether active travel or public transport can be used
- whether the proposal can use equipment or resources that the Council already has

2.10 **Priority E - to ensure pension investments made by Hampshire County Council on behalf of employees are 'climate -friendly'. The aim is to lobby for direct and indirect investments in pension funds are managed to divest from high carbon options eg. fossil fuels** – The Hampshire Pensions Fund, Hampshire Investment Strategy Statement 2022 principles include the following:

- A belief in the importance of Responsible Investment (RI) to include consideration of social, economic, environmental and corporate governance factors
- The Pension Fund commits to the aim for its investments to have net-zero greenhouse gas emissions by 2050 at the latest.
- The Pension Fund is working with its specialist RI advisor to develop a plan and trajectory for how it can achieve its net-zero aim.

Reporting frequency

2.11 The work of the Climate Change and Environment Panel is driving forward a key priority in the Corporate Strategy namely the delivery of the Climate Change and Environment Strategy. There needs to be an appropriate balance struck between the need for updates to the Cabinet on the panel's work and the resourcing of such updates.

2.12 Bearing this in mind, it is proposed that a single report is brought to the Cabinet towards the end of the Municipal year (typically between January and March). This would enable the panel to report back to

the Cabinet on the work and achievements during the municipal year which would be coming to a close and propose priorities for the panel's work during the upcoming municipal year.

- 2.13 Whilst this would reduce the number of formal update reports, it should be noted that updates would continue to be provided on a regular basis through the Cabinet Lead updates to the Full Council.

3.0 Options

- 3.1 The report is for noting. As such, there are no options presented.

4.0 Relationship to the Corporate Strategy

- 4.1 The delivery of the Climate Change and Environment Strategy is a specific initiative under the 'Pride in Place' theme, whilst under the 'Growth' theme, referring to measures the Council can take itself, an aim of the Strategy is that *"We will aim to lead our Borough by example in the fight against climate change by reducing our carbon emissions, increasing use of green energy, and improving our buildings and infrastructure"*.

5.0 Conclusion

- 5.1 At this point, the Climate Change Action Plan is a year old. Reassuringly, the priority actions endorsed in July 2022 are either complete or well underway.
- 5.2 Moving forwards, the focus on responding to the climate and ecological crises will continue through the work of the Panel in identifying areas where further focus is needed in 2023 and 2024.
- 5.3 Further quarterly reports will update the Cabinet further on the implementation of the Action Plan.

6.0 Implications and Comments

- 6.1 S151 Comments - The contents of this report have no direct financial implications. However, members should be cognisant of any impacts around Priority E on the Pension Fund investments, the authority we have to enforce this position and any potential it has to restrict the performance of the fund. Neither of these are of any significant concern to me, but we should remain aware of the risks, no matter how small or unlikely.

- 6.2 Remaining on top of climate change and environmental issues could have consequences financially and economically, both negative and positive. Performance and/or conditions, requirements or restrictions in the area could either attract or detract different businesses from investing in our economy. It could impact tourism, housing and/or our ability to secure grant funding. Members should continue to seek evidence and clarity when making associated decisions as to any potential financial or economic impacts.
- 6.3 Financial Implications - it is not considered that there are any financial implications arising from the noting of the report.
- 6.4 Monitoring Officer Comments
- 6.5 The contents of this report have no direct legal or governance implications.
- 6.6 This report does not have any significant legal implications. As each initiative is brought forward for implementation, any specific legal implications will be addressed in the appropriate reports.
- 6.7 Equality and Diversity – it is not considered that there are any equality or diversity implications of the noting of the report.
- 6.8 Human Resources - it is not considered that there are any human resource implications arising from the noting of the report.
- 6.9 Information Governance – it is not considered that there are any information governance implications arising from the noting of the report.
- 6.10 Climate and Environment – the Climate Change and Environment Panel is the mechanism to ensure the delivery and monitoring of the Council’s Climate Change Action Plan. The workstreams of the panel form the basis of the Council’s response to the climate and ecological crises.

7.0 Risks

- 7.1 There are not considered to be any risks arising out of the noting of this report.

8.0 Consultation

- 8.1 No consultation is specifically necessary as a result of the noting of this report. Nonetheless, consultation and engagement are likely to be

required on workstreams which the Panel will be undertaking in due course.

9.0 Communications

9.1 There are no communications implications specifically arising out of the noting of this report. Nonetheless, communications on climate change and the environment frequently form part of the Council's communications and social media.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Elizabeth Lloyd	23 August 2023
Executive Head:	Alex Robinson	15 September 2023
Monitoring Officer:	Jo McIntosh	16 October 2023
Section151 Officer:	Steven Pink	26 October 2023

Name of Committee:	Cabinet		
Committee Date:	8 November 2023		
Report Title:	Household Support Fund Discretionary Fund 2023-2024		
Responsible Officer:	Michelle Green		
Cabinet Lead:	Councillor Liz Fairhurst		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	Yes
Appendices:	N/A		
Background Papers:	N/A		
Officer Contact:	Name: Michelle Green Email: michelle.green@havant.gov.uk		
Report Number:	HBC/053/2023		

Corporate Priorities:

This initiative links with the Councils Wellbeing Priority and will help to prevent homelessness and support the distribution of grants and funds received by the Council.

Executive Summary:

The Council have been allocated £140,000 of funding from the DWP under the 4th Household Support Grant scheme.

The recommended option is to use the funding to clear rent arrears for residents as was carried out successfully in round 3.

There is evidence from the housing associations to support this, and they have supplied us with a possible spend of over £147,000.

An application process will assess those that are eligible for assistance.

Recommendations:

Members are requested to:

1. Approve that the discretionary element of the Household Support Fund of £140,000 is used to support residents with rent arrears to allow them to sustain a tenancy, prevent homelessness or enable a move to a more sustainable tenancy.

1.0 Introduction

- 1.1 The Department for Work and Pensions (DWP) has allocated £842m to County Councils and Unitary Authorities in England to support those most in need of help with global inflationary challenges and the significantly rising cost of living. This is the 4th round of the Household Support Fund (HSF) and covers the period 1 April 2023 to 31 March 2024 inclusive.
- 1.2 Havant Borough Council have been allocated £609,210.43 in total. With £449,240 allocated for Food Vouchers and £140,000 for the discretionary Exceptional Housing Element of the fund. The remaining £19,970.43 is to assist administering the scheme. Authorities have the flexibility within the discretionary element of the fund to identify which vulnerable households are in most need of support and apply their own discretion when identifying eligibility. There is guidance issued and we have spoken to Hampshire County Council regarding conditions for spend.
- 1.3 The expectation is that The Fund should be used to support households in the most need; particularly those who may not be eligible for the other support government has recently made available but who are nevertheless in need and who require crisis support.

2.0 Background

- 2.1 The Household Support Grant (round 4) is split into 2 areas: Funding for Food Vouchers and Exceptional Housing (Discretionary element where councils can use the remaining funds as they see best fit)
- 2.2 Funding for Food Vouchers is non-discretionary. Officers have completed the background analysis and are finalising the distribution and communications channels.
- 2.3 The Household Support Fund guidance states that *'In exceptional cases of genuine emergency, where existing housing support schemes do not meet this exceptional need, The Fund can be used to support housing costs. Where eligible, ongoing housing support for rent must be provided through the Housing cost element of Universal Credit and Housing Benefit rather than The Fund. In addition,*

eligibility for Discretionary Housing Payments must first be considered before emergency housing support is offered through The Fund'. In exceptional cases of genuine emergency, households in receipt of Housing Benefit, Universal Credit, or Discretionary Housing Payments can still receive housing cost support through The Fund if it is deemed necessary by their Authority. However, The Fund should not be used to provide housing support on an ongoing basis or to support unsustainable tenancies.

3.0 Options

- 3.1 **White Goods** - The option of funding white goods was explored but dismissed as a costly, time consuming and difficult option to administer and deliver on the ground. Concerns included the scope of white goods covered, how residents evidence their need and the application and supply processes. In addition, there is little or no data available on the likely demand/need which could lead to a significant underspend or excess demand the council would be unable to meet.
- 3.2 **Food Vouchers** - The guidance does not allow for us to use this element of the funding for this purpose.
- 3.3 **Rent Arrears** – The last round of Household Support Fund was used for clearing rent arrears for those that met the criteria. The process was seen as efficient and fair. Liaising with local Housing Associations, Guinness, Vivid and Two Saints it is apparent there are many in the Borough that are in desperate need of support with rent arrears and that it could help sustain a tenancy for many. We are aware that we have claimants that have rent arrears and potentially could lose their home. We have residents within our borough that have total estimated rent arrears to the total value of £147,856.32. Support in helping sustain tenancies will help avoid costs to the Council downstream relating to Bed and Breakfast payments and homelessness. Noting the Council receives a minimal subsidy or grant for temporary accommodation.

4.0 Relationship to the Corporate Strategy

- 4.1 This initiative links with the Councils Wellbeing Priority, helping to support families suffering from the cost-of-living crisis. Supporting those under pressure to retain their homes, prevent homelessness and the reduce the associated financial pressure on the Council.

5.0 Conclusion

- 5.1 Several options were considered but the recommended option to support residents with rent arrears satisfies the criteria for the discretionary element of The Fund and the represents the most effective and efficient approach for the Council to distribute the funds.

6.0 Implications and Comments

6.1 S151 Comments

As the scheme is fully funded, I have no financial concerns and there are no financial risks. Members may wish to assure themselves that this is the best use of the available grant funding. However, given the current cost of living crisis, this would be a sensible use of the funds to support our residents and help in preventing them falling into further financial difficulties.

6.2 Financial Implications

There are no financial implications to the Council as the scheme is funded.

6.3 Monitoring Officer Comments

Constitutionally, the receipt and expenditure of grant funding is a matter for determination by the Cabinet.

6.4 Legal Implications

The Council has a general power under section 1 of the Localism Act 2011 to do anything an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act. Therefore, the

Council is able to receive and accept the grant and utilise it as per the contents of the report and in line with the principles set out in government guidance.

6.5 Equality and Diversity

All groups will be included in the application process for the funding.

6.6 Human Resources

There are no HR implications.

6.7 Information Governance

The proposed approach will operate within existing Information governance and GDPR protocols and policies.

6.8 Climate and Environment

There are no climate or environmental implications

7.0 Risks

- 7.1 There is a risk we will have unused delegated funds by March 2024. This will be mitigated by working with the relevant housing associations, asking for the details of those in need of the fund and ensuring people are fully aware of their ability to apply for these funds. This will be via the Housing Association and web pages and social media communications.

8.0 Consultation

- 8.1 Consultation has taken place between Hampshire County Council and the local Housing Associations and landlords.

9.0 Communications

- 9.1 For those eligible there will be an application process. Some will be identified via the Client team and requests for discretionary payments.

Agreed and signed off by:	Date:
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Cabinet Lead:		
Executive Head:		
Monitoring Officer:		
Section151 Officer:		

Name of Committee:	Cabinet		
Committee Date:	08 November 2023		
Report Title:	Shareholder Sub-Committee Report to Cabinet on the Norse SE Business Plan 2023/2024		
Responsible Officer:	Officer comments are attributed throughout the report.		
Status:	Part-Exempt (Commercial-in-Confidence)		
Urgent Decision:	No	Key Decision:	No
Appendices:	Norse SE Business Plan 2023/2024 (Exempt)		
Background Papers:	HBC/NSE Service Agreement dated 23 March 2016		
Officer Contact:	Name: Chris Bradley Email: chris.brdaley@havant.gov.uk		
Report Number:	HBC/ 051/2023		

Corporate Priorities:

The Cabinet tasks the Shareholder Sub-Committee to provide strategic oversight of and support to the Council's companies. Providing assurance to the Cabinet that these companies are:

- a. Compliant with the Council's constitution, rules and procedures; achieving best value; and are fit for purpose.
- b. Delivering the Council's strategic objectives in line with the Council's regulations, ambitions, and corporate priorities.

Executive Summary:

On behalf of the Cabinet, the Shareholder Sub Committee can confirm that its Joint Venture, Norse South East Limited (NSE), is compliant with the Council's constitution, rules and procedures, and its Annual Business Plan for Financial Y 2023-2024 aims to deliver the Council's strategic objectives in line with the Council's regulations, ambitions, and corporate priorities.

The NSE Budget was approved by Full Council in March 2023. Following the appointment of a new Managing Director in April 2023, the Shareholder Sub Committee and NSE agreed to review and resubmit the Annual Business Plan 2023/24. The revised Business Plan has been reviewed, does not impact upon the agreed budget and is considered fit for purpose and represents current best value.

Recommendations:

That Cabinet resolves to:

- I. Approve the revised Norse South East Ltd Business Plan 2023/2024

1.0 Introduction

- 1.1 The Cabinet tasks the Shareholder Sub-Committee to provide strategic oversight of and support to the Council's companies. Providing assurance to the Cabinet that these companies are:

- 1.1.1 Compliant with the Council's constitution, rules and procedures; achieving best value; and are fit for purpose.

- 1.1.2 Delivering the Council's strategic objectives in line with the Council's regulations, ambitions, and corporate priorities.

- 1.2 The Shareholder Sub Committee can confirm the Joint Venture, Norse South East Limited (NSE) is compliant with the Council's constitution, rules and procedures, and its Annual Business Plan for Financial Year 2023-2024 aims to deliver the Council's strategic objectives in line with the Council's regulations, ambitions, and corporate priorities.

- 1.3 The NSE Budget was approved by Full Council in March 2023. Following the appointment of a new Managing Director in April 2023, the Shareholder Sub Committee and NSE agreed to review and resubmit the Annual Business Plan 2023/24. The revised Business Plan has been reviewed, does not impact upon the approved budget and is considered fit for purpose and represents current best value.

- 1.4 The shareholder sub-committee considered this report at its meeting of 27 November 2023 where it support the approval of the business plan.

2.0 Norse SE – Key Partnership Objectives

The Executive Head of Commercial comments on the Business Plan are as follows:

- 2.1 The Key Partnership Objectives and Deliverables within this Business Plan reflect the strategic direction provided to NSE by the Council's Budget Working Group. The Budget FY 23/24 was approved by Full Council.
- 2.2 Since the appointment of the new Managing Director of the JV, we have seen a steady and consistent improvement in services towards the achievement of the deliverables.
- 2.3 To improve performance delivery, monitoring and benchmarking a draft set of revised KPIs for services is included in Appendix 1 of the Business Plan. These KPI's are being developed and tested collaboratively by HBC and NSE, prior to a demonstration to Cabinet. Once approved by HBC and NSE these KPI's will form an amendment to the Service Agreement.
- 2.4 This Business Plan represents a robustness and suitable platform for the delivery of Environmental Services to HBC and future planning for FY24/25.

3.0 Financial Considerations

The Council's S151 Officer comments on the Business Plan are as follows:

- 3.1 Members should satisfy themselves that the revised business plan supports the delivery of the Council's corporate strategy in a financially efficient manner and that should be achievable within agreed budgets.
- 3.2 The Key Objectives mention a "sound financial basis" and "value for money" and that they can be evidenced at all times. It is important to ensure that the financial impacts of any changes to operational objectives or allocation of resources are considered within the

business plan.

- 3.3 Members will also want assurance that the new KPIs include appropriate metrics for reporting on and measuring financial performance both year on year and with the ability to benchmark across the sector.
- 3.4 The delivery of the third garden waste round is revenue generating and a welcome addition both for our residents and financially for the company and the Council.
- 3.5 The profitability review of commercial services is a welcome step. This should allow Norse South East to isolate areas that are not cost effective and also to explore both new commercial opportunities and potential commercial efficiencies.
- 3.6 The creation of a capital programme will be vital to the long-term affordability of the waste collection service. The programme will help support prudent financial planning for the sourcing and maintenance of the service's fleet and mitigate the risks of unexpected cost pressures or potential negative impacts to service delivery through unexpected issues with the fleet.

4.0 Legal and Governance Considerations

The Council's Monitoring Officer comments on the Business Plan are as follows:

- 4.1 Norse South East should have an annual business plan which sets out its objectives and how the objectives are to be resourced and achieved. This business plan is overdue and needs timely attention.
- 4.2 The business plan and business planning process are critical parts of governance culture and environment. The business plan is one of the key documents which governs the relationship between the Council and the company

- 4.3 The business plan should be challenged and monitored by the Shareholder function. The purpose of the Shareholder Sub-Committee is to approve and oversee the Council's strategic objectives across the Council's companies and to support the development of these companies in line with the Council's regulation and ambitions. It is also to hold the Council's companies to account, providing strategic oversight of the arrangements with the companies including the delivery by the companies of the Council's policy aims.
- 4.4 As part of this process, it shall be consulted on the business plan and make recommendations to the Cabinet including recommendations on the robustness and suitability of the business plan.
- 4.5 The approval of the business plan is reserved to the Council as shareholder under the shareholder agreement. The rights and duties as a member of the company (as shareholder) almost always fall to be exercised as an executive function. This means that decisions to be taken by the Council as a shareholder fall to be decided by Cabinet. The Shareholder Sub-Committee shall therefore make recommendations to Cabinet to approve the business plan.
- 4.6 It important that the business plan is challenged and monitored by the Shareholder function. This process ensures that the business plan is robust and suitable for approval by the Council as shareholder.

5.0 Risk

The Executive Head of Commercial comments on the Business Plan risks are as follows:

- 5.1 Future legislative changes driven by the Environment Act and the challenges of working with the Waste Disposal Authority carry risks which lay outside the current work programme. These changes will however impact the delivery of services and HBC will need to draw

upon the expertise and support of NSE to address them once they emerge and become clearer.

- 5.2 The continued financial sustainability and viability of the venture, within Revenue and Capital funding envelopes the Authority can afford over the MTFS period. This will need to effectively balance emerging costs pressures in a wide range of volatile areas (wages, fuel prices, vehicles, costs of borrowing), with what the Authority can afford and what represents a reasonable ask in terms of Council Tax.
- 5.3 Maintaining a clear balance between business as usual, the emerging priorities of the Council, and changes occasioned by Statute and County Council Plans. This requires a clear forward look, and the agility to respond.
- 5.4 Continued focus on the experiences and perceptions of residents, so as to maintain a strong service reputation and deliver clear aspirations to have Pride in Place.

6.0 Options

- 6.1 Options for service efficiencies were considered by the Council's Budget Working Group, incorporated into the Budget, approved by Full Council, and reflected in this Business Plan. Approval of the Norse SE Business Plan 2023/24 is therefore the recommended option.

7.0 Conclusion

- 7.1 It is considered that the Business Plan is robust and suitable for approval.

Agreed and signed off by:		Date:
Executive Head:	Chris Bradley, Executive Head of Commercial	19/09/2023
Executive Head:	Matt Goodwin, Executive Head of Internal Services	19/09/2023
Monitoring Officer:	Jo McIntosh, Chief Legal Officer & Monitoring Officer	19/09/2023
Section151 Officer:	Steven Pink, Chief Finance Officer	19/09/2023

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

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