

# FINDINGS PACK

**Budget Scrutiny 2017/18**

**Budget Scrutiny and Policy Development Panel**

**HAVANT BOROUGH COUNCIL  
PUBLIC SERVICE PLAZA  
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**2016**

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# Introduction

(Budget Scrutiny 2017/18)

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## Introduction

The Budget Scrutiny and Policy Development Panel was established by the Scrutiny Board to review the Council's budget for 2017/18.

The approach adopted by the Panel was to analyse the list of services provided by the Council and determine which six should be selected for an 'initial thoughts' discussion with the Head of Service. A standard set of questions was provided to all Heads of Service in advance of the sessions. It was felt that early visibility of the questions would allow the Heads to be prepared for each of the panels and contribute to worthwhile engagements. Supplementary questions enabled clarification of specific outputs and an opportunity to better understand the service in question. It was the consensus of all of the Panel (including senior members) that the sessions were highly informative, educational and increased the broader understanding of all those present. A considerable number of 'non-panel' members attended many of the sessions; they were allowed to participate fully in the general discussions.

Following the 'Initial Thoughts' discussions, the Panel identified three services (Neighbourhood Support, Communications & Community Engagement and Economic Development) that would be subjected to a 'deeper dive'. The Panel met with the Leader and Head of Finance to understand the direction provided to the Heads of Service as they set about preparing the 2017/2018 budget.

Using the output from those discussions, a set of generic and service specific questions were prepared and forwarded to each Head of Service. It was also an opportunity to re-visit areas raised during the 'initial thoughts' discussions.

On many occasions, the Panel strayed into areas that were not necessarily 'budget' focussed. However, in doing so, we were able to better understand the complex issues that impact on service provision together with the opportunities and challenges that require careful consideration going forward. During our discussions, it was noted that some areas were subject to separate reviews (cemeteries, parking, community grants, business development grants etc) by different bodies. We deliberately chose not to delve into these subjects, preferring to allow the separate reviews to run their course and report their findings.

The Panel would like to place on record the candid and open atmosphere that was common throughout all discussions.

In undertaking this scrutiny, the Panel (and subsets) has met 12 times<sup>1</sup> I would like to thank my Panel for their support, commitment and willingness to challenge and

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<sup>1</sup> 27 June, 1 August, 3 August, 10 August, 23 August, 5 October, 13 October, 17 November, 22 November, 24 November, 29 November, 8 December,

enquire, as well as Democratic Services for the smooth running of the process and generation of supporting documentation.



Signed by Councillor Gary Hughes  
December 2016

# Recommendations

(Budget Scrutiny 2017/18)

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## RECOMMENDATIONS

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

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# Conclusions

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## **Conclusions**

### **Norse South East JVC**

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

### **Planning Services**

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

### **Community Team**

#### *Funding Officer*

The Panel was impressed with the work of the Community Team and in particular how this team use a small financial outlay to attract additional external funding for major schemes and events in the Borough e.g. Front Lawn Recreation Scheme.

The Panel consider that the work of the team could be improved further, if the Council appointed a full time or part time Funding Officer who could keep up to date with available external funding opportunities and identify groups/schemes that could benefit from these funds. Such a post would not only reduce the financial demands upon the Council, but benefit the community as a whole.

#### *Events*

The Panel endorses the transfer of the responsibilities and associated budgets for all current economic development events, to the Community Team together with the responsibility for the mayoral service. It was seen as a sensible move that would result in efficient use of limited resources and streamline internal responsibilities.

The Community Team no longer directly deliver the range of events it used to and has moved away from direct delivery, focussing instead on supporting community groups to manage local events or to commission partners to deliver on the Council's behalf. A similar approach to the economic development events will reduce the financial burden on the Council and benefit the community as a whole.

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

## **Neighbourhood Support**

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

## **Economic Development**

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

### **Investment in Major Schemes**

Although the Team has been investigating ways of improving town centres and other potential forms of development in the Borough, there has been no commitment to any one scheme. The Panel was concerned at the prospect of £50k-£100K outlay to determine the viability of the Brockhampton Farm site for development, believing such expenditure would be better spent revitalising the town centres. As a public sector body the Council is able to borrow at very attractive rates compared to external private organisations. This represents an advantage for the Council as a reduced cost of borrowing increases the profitability margin for investment.

Areas in need of development or redevelopment have been identified and the Panel consider that the Council should take advantage of the borrowing rates and invest in a major scheme in 2017/18 in one of these areas. It acknowledges the exploratory work to understand what has been achieved in other parts of the South. The Panel thought there was a need to establish partnerships with other outside bodies and developers to take this work forward at an increased tempo. Redevelopment of town centres that includes a residential element would reinvigorate those areas and help address the Objective Assessment of Housing Need (OAHN).

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

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

### **The Role of the Team**

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

# Panel Members

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# Budget Scrutiny and Policy Development Panel

## Scrutiny Lead:

Councillor Hughes

## Panel Members:

Councillors Hughes, Carpenter, Branson, K Smith, Cresswell and Lloyd

## Other Councillors Who Assisted the Review:

Councillors Davis, Francis, Pike and Ponsonby

## Cabinet Leads who Assisted in the Review:

Councillor Cheshire (Leader of the Council and Cabinet Lead for Finance)

Councillor Wilson (Cabinet Lead for Governance and Organisational Development)

Councillor Bains (Cabinet Lead for Marketing and Business Development and Five Councils)

Councillor Guest (Cabinet Lead for Economy, Planning, Development and Prosperity Havant)

The attendance record for meetings of the Panel is shown below:

## Attendance Record – Panel Members

Councillor	Total Expected Attendances	Present as Expected	Absences (Inc Apologies)
Councillor Branson (to 22/11/16)	12	11	1
Councillor Carpenter*	12	10	2
Councillor Cresswell	12	12	0
Councillor Hughes*	12	12	0
Councillor Lloyd	12	11	1
Councillor K Smith	12	7	5

## Attendance Record – Guests

Councillor	Total Attendances
Councillor Davis	2
Councillor Ponsonby	3
Councillor Pike	2
Councillor Francis	1

## Attendance Record – Cabinet Lead

Councillor	Total Attendances
Councillor Cheshire*	2
Councillor Bains	1
Councillor Guest	2
Councillor Wilson	3

#### **Attendance Record – Scrutiny Board Chairman**

Councillor	Total Attendances
Councillor Buckley*	5

\*Also attended a pre-meeting with the Leader of the Council and the Chief Finance Officer to discuss the budget process on 22 June 2016

# List of Contributors

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## Contributors to the Review

<b>Who?</b>	<b>Contribution</b>	<b>When?</b>
<b><i>Stuart McGregor / Craig Smith, Head of Finance and Assets</i></b>	Provided independent advice and information on the Budget setting process and suggestions for the way to tackle any issues raised in the review	Throughout the whole review
<b><i>Andrew Pritchard, Head of Environmental Services</i></b>	Attended 'early thoughts discussion' with the Panel, answered members questions and completed a brief overview of the services' finances.	1 August 2016
<b><i>Andrew Biltcliffe, Head of Planning</i></b>	Attended 'early thoughts discussion' with the Panel, answered members questions and completed a brief overview of the services' finances.	1 August 2016
<b><i>Claire Hughes, Head of Communications and Community Engagement</i></b>	Provided information throughout review, attended 'early thoughts discussion' and 'deep-dive interview', and answered members questions	Throughout the review
<b><i>Natalie Meagher, Head of Neighbourhood Support</i></b>	Provided information throughout review, attended 'early thoughts discussion' and 'deep-dive interview', and answered members questions	Throughout the review
<b><i>Julia Potter, Head of Development</i></b>	Provided information throughout review, attended 'early thoughts discussion' and 'deep-dive interview', and answered members questions	Throughout the review
<b><i>Dan Grindey, Business, Economy and Town Services Manager</i></b>	Provided information throughout review, attended 'early thoughts discussion' and 'deep-dive interview', and answered members questions	Throughout the review
<b><i>Nicki Conyard, Community Manager</i></b>	Provided information during the Community 'deep-dive interview', and answered members questions	22 November 2016

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# Methodology

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## **Scope**

To review the Council's plan for the 2017/18 Budget by interviewing selected Heads of Service on their financial strategies.

## **Links with the Corporate Strategy and Business Plans**

The project links with the key aim in the Corporate Strategy to ensure financial sustainability, with a focus on balanced finances and the continuation of services in an affordable way.

## **Benefits to the Council and its Residents**

Councillors will gain a better understanding of the budget setting process, the considerations that Heads of Service take into account when setting budgets and the overall aims of the final statement. This will ensure the wider contribution of Councillors outside of the Cabinet to the Budget 2017/18, and ensure robust challenging of the process to enable a thoroughly considered and sustainable budget to be produced.

## **Evidence to Support the Project**

1. Briefing notes from 'Early Thoughts Discussions' with six selected Heads of Service.
2. Briefing notes from 'Deep-Dive Interviews' with three selected Heads of Service.

## **The Project Included**

1. 'Early Thoughts Discussions' with six selected Heads of Service on their financial plans.
2. Interviews with the Chief Finance Officer and the Leader of the Council on the overall aims for the Budget 2016/17.
3. 'Deep-Dive Interviews' with three selected Heads of Service on their financial plans.

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# Panel Questions

(Budget Scrutiny 2017/18)

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## Questions Asked at the Early Thoughts Discussions

- Can you please explain how your service's spending plans for 2016/17 were developed and how these plans fit in with the Council's overall aims, objectives and priorities?
- What are the pressures on your expenditure targets for this financial year and are you on track to achieve these targets? If not, can you please explain what impact this will have on your service?
- Do you, at this early stage of the budget planning process, have any initial plans or thoughts regarding the development of your expenditure plans for 2017/18 and what factors will be taken into account e.g. constraints, opportunities, strategic direction etc.

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## **Budget Scrutiny 2017/18 - Deep Dive Session – 17 November 2016**

### **Development Services**

#### **Questions to be put to Julia Potter, Head of Development Services and Dan Grindey, Business, Economy and Town Services Manager**

1. What do you believe to be your direction of travel or aim, as given to you by the Leader and Chief Finance Officer, when preparing your 2017/18 budget?
2. What impact does that direction have on your budget when compared to this current FY?
3. What other factors are you having to take into consideration when preparing the 2017/2018 budget for your area?
4. What 'ambition' do you have for your area, which might affect how you prepare your budget?
5. What, if any, assumptions are you using when preparing the budget for your area?
6. What, based on the direction, ambition (if any) and assumptions, is the biggest financial threat/risk to your 2017/2018 budget?
7. Cabinet has approved a rationalization of the current approach to supporting and delivering events in the Borough. How will this be implemented within your budget?
8. How do you envisage small business grants in your budget for 2017/18?
9. How much of your budget will be for 'seed corn' purposes; spending a little to attract greater inward investment and how does this compare with last year?

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## **Budget Scrutiny 2017/18 - Deep Dive Session – 22 November 2016**

### **Communications and Community Engagement**

#### **Questions to be put to Claire Hughes, Head of Communications and Community Engagement**

1. What do you believe to be your direction of travel or aim, as given to you by the Leader and Chief Finance Officer, when preparing your 2017/18 budget?
2. What impact does that direction have on your budget when compared to this current FY?
3. What other factors are you having to take into consideration when preparing the 2017/2018 budget for your area?
4. What 'ambition' do you have for your area, which might affect how you prepare your budget?
5. What, if any, assumptions are you using when preparing the budget for your area?
6. What, based on the direction, ambition (if any) and assumptions, is the biggest financial threat/risk to your 2017/2018 budget?
7.
  - (a) What factors will determine how you apportion community grants?
  - (b) How will this impact on the various communities that currently benefit from these grants?
8. Cabinet has approved a rationalization of the current approach to supporting and delivering events in the Borough. How will this be implemented within your budget?

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## **Budget Scrutiny 2017/18 - Deep Dive Session – 24 November 2016**

### **Neighbourhood Support**

#### **Questions to be put to Natalie Meagher, Head of Neighbourhood Support**

1. What do you believe to be your direction of travel or aim, as given to you by the Leader and Chief Finance Officer, when preparing your 2017/18 budget?
2. What impact does that direction have on your budget when compared to this current FY?
3. What other factors are you having to take into consideration when preparing the 2017/2018 budget for your area?
4. What 'ambition' do you have for your area, which might affect how you prepare your budget?
5. What, if any, assumptions are you using when preparing the budget for your area?
6. What, based on the direction, ambition (if any) and assumptions, is the biggest financial threat/risk to your 2017/2018 budget?
7. What data is being provided by the new car parking machines and is it enabling you to better forecast income from their usage?
8. How will income from the new car parking machines be reflected in your 2017/18 business plan?
9. How will the new car parking strategy be reflected in your budget planning for 2017/18?
10. What income has been received for domestic pest control, is it in line with 2016/2017 forecasts and what is forecast for 2017/2018?
11. Are there any anticipated changes to the current arrangement with the Kingdom contract that will impact of income for 2017/2018?

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# Early Thoughts Discussions

(Budget Scrutiny 2017/18)

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## Planning Services Brief

### Services: Development Management Team; Policy Planning Team and Civil Engineering and Landscaping

Development Management		
<b>Income<sup>1</sup></b>		
	£	£
Planning Application Fees	385,000	
Condition Fees	20,000	
Pre-Application Fees	25,000	
<b>Total Income</b>	430,000	<b>430,000</b>
<b>Costs</b>		
Staff	671,920	
Misc.	81,200	
<b>Total Costs</b>	753,120	<b>753,120</b>
<b>Annual Deficit</b>		<b>323,120</b>
<b>Pressures on Targets</b>		
Restrictions on raising income		
<ul style="list-style-type: none"> <li>• Planning fees are set by Government and do not reflect the true costs of dealing with all applications</li> <li>• Dependent upon the receipt of planning applications which are dependant on the wider economy.</li> <li>• Increase in extensions applications, Publication of the draft Local Plan Housing Statement is likely to lead to an increase in large housing applications later in the years if it is approved.</li> </ul>		
<b>Actions / Initiatives</b>		
<ul style="list-style-type: none"> <li>• <i>Accredited Agent Scheme (AAS)</i> Scheme whereby Agents, who fulfil a strict requirement are accredited by the Council and receive fast track processing (applications validated within 24 hrs of receipt). Fee for accreditation £125</li> <li>• <i>Development Consultation Forums</i> Fees increased from £1500 to £3000 – no adverse reaction from developments so will consider increasing to £5000 for next year</li> <li>• <i>Pre Application Advice</i> Focussing on pre-application charging to increase income - Consulting with agents to improve the advice given</li> <li>• <i>HBC Commercial Limited</i> A private company created to enable staff to be seconded to public and private bodies on Planning Service Work during period when HBC workload is in a trough. Currently working with Terraquest to clear the backlog of planning applications for a nearby Council. Council receive a fee above the national planning fee to offset its costs</li> <li>• <i>Improvements in the Processes</i> Improving the development management process using time management data and admin staff to validate and process applications. Improvements in IT to help with the processing of application and preparation of reports. GIS improved.</li> </ul>		

<sup>1</sup> The work of the Development Management and Planning Policy Teams also helps the Council receive New Homes Bonus of £484,000 – 2nd highest increase in funding from last year in the country

### Planning Policy Team

#### Income<sup>2</sup>

	£	£
<b>Total Income</b>		<b>0</b>

#### Costs

Staff	271,147	
Evidence	177,500	
Misc.	20,000	
<b>Total Costs</b>		<b>468,647</b>
<b>Annual Deficit</b>		<b>468,647</b>

#### Pressures on Targets

- Currently no direct income for this statutory service. However, a local plan provides investment certainty which is critical to the Prosperity Havant agenda. The positive planning to meet housing need targets will maximise the New Homes Bonus (2016/17 = £1.81m).
- CIL: 2016/17 target = £760,500 – depends on development commencing

#### Actions/Initiatives

- Training programme introduced to ensure staff are well trained to improve the quality of the Team
- *Local Plan*: Housing Position Statement prepared for consultation – the adoption of this policy should encourage planning applications and thereby increase income for planning applications
- *HBC Commercial Limited*  
Should enable local planning staff to undertake work for other Councils

### Civil Engineering and Landscaping (CELT)

	£	£
<b>Income</b>		
Work for Other Authorities (EHDC,HCC)	466,176	
<b>Total Income</b>		<b>466,176</b>

#### Costs

**Staff = £426,179**  
**Misc – training, software, hardware = £20,00**

**Non fee cost – bus shelters, car park maintenance, signs, seats, cycleway maintenance, insurance**

62,000

<b>Total Costs</b>		<b>508,179</b>
<b>Annual Cost</b>		<b>42,003</b>

#### Pressures on Targets

Competition with some other Councils

<sup>2</sup> The work of the Development Management and Planning Policy Teams also helps the Council receive New Homes Bonus of £484,000 – 2nd highest increase in funding from last year in the country



Restrictions on raising income

- 80 Bus Shelters are owned and maintained by Clear Channel. The contract with Clear Channel prevents the Council from putting any advertising on its own 200 shelters.
- Non income projects divert engineers from fee earning but fulfil public and political needs – e.g. Emsworth wall design and manage, street nameplates, street furniture, noticeboards, cycleway maintenance, HBC land drainage, Planning application comments.

**Actions/Initiatives**

- *Additional Sources of Income* - Negotiating with West Sussex County Council
- *Bus Shelters* - Investigating the possibility of generating advertising income from all the Council's bus shelters

Source Meeting with Head of Planning Services on 1 August 2016 and Budget Scrutiny and Policy Development Panel

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# Environmental Services Brief

## Services: NORSE South East

### NORSE South East

#### Income to Council

Income	£ <b>98,000</b>
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#### Income to NORSE South East

from income streams incorporated into contract <sup>1</sup>	<b>1,855,000</b>
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Year 1 of 5-year business plan – transitional period

Head of Environmental Services meets with Norse South East Board representatives every month to discuss current figures/progress, ahead of quarterly full board meeting

#### Pressures on Targets

It is anticipated that Havant Borough Council may need to address any potential budget shortfall as a direct consequence of variable return of recyclable sales. This would have been a risk in any service delivery model. The opportunity exists for any fluctuation in return to be addressed by improved efficiency, income generation or new ways of working by Norse South East.. As a result it has become increasingly important that HBC deliver savings and efficiencies across its full suite of services whilst preserving existing levels of service.

Main cost pressures come from the value of recyclables. The original income target was £570,000 but NORSE South East is only expected to receive around a proportion of that due to reduced recyclable values. The £570,000 quoted consists of a number of income streams (MRF recyclables, glass, textiles, bulky waste and the sale of bins) the quoted figure of £230,000 was an approximation relating to the MRF recyclable income which makes up £300,000 of the £570,000 income target. .

Project Integra processes and sells all recyclable waste on behalf of HCC (& partners)

- Recyclable value at an historic low.
- Recycling rates in Havant at approx 32%-33%
  - Contaminated recycling waste, incurs costs to the Project Integra partners. The Council looks at all options for disposal before landfill, which brings the greatest cost.
  - **Is there a need to educate/remind residents of what CAN be recycled – in order to reduce contamination and costs?**
- Potential tech refresh of MRF 'might' reduce costs and enable more types of waste to be recycled.
  - 'Might' impact on HBC recycling strategy

#### Actions / Initiatives

Full review of cemeteries underway:

- Requirement to benchmark fees & charges.
  - HBC charges are lower than neighbouring authorities.
  - Relative costs of burial v cremation disproportionate and doesn't reflect true overheads.
  - Different costs for residents and non-residents.

**Need to align this piece of work with other ongoing 'scrutiny' activity.**

<sup>1</sup> The Council is committed to work with NORSE South East to enable the Council to achieve this Income Stream and is required to make up any shortfall

- Norse South East had been tasked to find efficiencies to help address the potential shortfall e.g. changes to collection rounds, working patterns, increasing green waste collection etc.

## **2017/18**

First assessment of Yr 1 performance not expected until end of Q2.

- Transitional arrangements impacting on payment streams, which require rebalancing.
- Output will feed into first draft of 2017/2018 Business plan (due Sep 16).
  - Focus will continue to allow NORSE SOUTH EAST to use their expertise to increase quality of service and income streams.
  - Draft budget in Feb/Mar 2017, including projection of income (to HBC from NORSE SOUTH EAST) for 2017/2018 (currently forecast at £96K).

Source Meeting with Head of Environmental Services on 1 August 2016 and Budget Scrutiny and Policy Development Panel

## Communications and Community Engagement Services Brief

Services: Community Development, Community Engagement, Communications and Marketing and Transformation and Families Programme

<b>Communications and Community Engagement Services</b>	
	£
<b>Income Target 2016/17</b>	<b>35,000</b>
Less Income Received (to date)	
Advertising	1,000
Survey Fees	3,000
Events Admin Charge (£220-£400 per event)	2,000
Selling Services to EHDC	5,500
<b>Total Income Received</b>	<b>11,000</b>
<b>Estimated Deficit</b>	<b>24,000</b>
Any shortfall in income deficit will have to be financed from savings	
<b>Transformation and Trouble Families Programme</b>	
	£
<b>Expenditure Budget</b>	<b>15,000</b>
Contribution to Transformation Project	
<b>Pressures on Targets</b>	
<ul style="list-style-type: none"> <li>• Success dependent on successful multi-agency working</li> <li>• Limited budget – although this is about better use of existing budgets</li> <li>• Influencing partner agencies to deliver to a shared agenda</li> <li>• True success will only be evidenced over time</li> <li>• Need for community volunteers to come forward</li> </ul>	
<b>Actions/Initiatives</b>	
<ul style="list-style-type: none"> <li>• <i>Troubled Families Scheme</i> A successful programme working with families who cost most to the public purse. HBC particularly successful.</li> <li>• <i>Transformation Project</i> Building on the Supporting Troubled Families Scheme, the pilot project will be focused on Wecock Farm using a multi agency approach to tackle the problems in the area. If successful this could lead to savings across all the agencies, including reducing costs at HBC (housing and revenues &amp; benefits). It could provide a unique selling proposition (USP) which could be sold to other Councils/Agencies.</li> </ul>	
<b>2017/18</b>	
Priorities for the forthcoming year are:	
<ul style="list-style-type: none"> <li>• On-going work on the Supporting Troubled Families programme</li> <li>• Evaluating the Wecock Transformation project and expanding into other areas in the borough</li> <li>• Deliver a Communications Strategy to target proactive communications work</li> </ul>	

## Community Development and Engagement Teams

£

### Expenditure Budget 2016/17

<b>Total Income</b>	<b>35,000</b>
<b>Total Expenditure</b>	<b>695,754</b>
<b>Annual Deficit</b>	<b>660,754</b>

### Pressures on Targets

- Small team (6 FTE) with a limited budget
- Limited opportunities to sell services
- Income generated is for investment in the borough – not Council
- Benefits to the borough are “quality of life” and difficult to quantify in financial terms
- Although some projects can be proactive, responding to community needs can be difficult to plan

### Actions/Initiatives

- *Service Level Agreements*  
Agreements to be reviewed to ensure organisations are delivering against community priorities as set out in the JSNA (Joint Strategic Needs Assessment – health). Those organisations are: CAB, Community First, Making Space and Spring Arts Centre; these organisations are monitored and audited by the Council.
- *MDA*  
Ongoing delivery of the MDA community work and facilities. Annual funding for MDA Community Officer of £35,000 from S106 payments, multi-million pound investment in community infrastructure to be delivered
- *Major Schemes*  
Secured £1.55m of outside funding<sup>1</sup> two major schemes.

Scheme	Source	£
Hayling Billy Trail	Heritage Lottery	40,000
Front Lawn Recreation Ground	Football Foundation	1,000,000
Front Lawn Recreation Ground	Sports England	265,000
Front Lawn Recreation Ground	S106 Funding	250,000
	<b>Total</b>	<b>1,555,000</b>

- *Havant Rugby Club*  
Working with Property Services, support the development of the Rugby club, including securing their maintenance and management of pitches currently maintained and managed by HBC.

### 2017/18

- Front Lawn Recreation Ground delivery (further details in Appendix 1)
- Supporting development of Havant Rugby Club
- Implementing the Lawn Tennis Association pilot project on Hayling Island
- Leisure Infrastructure – Phase 2 of the extension of the Horizon Leisure Centre in Waterlooville

<sup>1</sup> Funding ring fenced.

## Communications and Marketing Team

	£
<b>Expenditure Budget</b>	
<b>Total Income (2016/17 Budget)</b>	26,850
<b>Total Costs (2016/17 Budget)</b>	*370,690
<b>Annual Deficit/Profit</b>	<u>343,840</u>

### Pressures on Targets

- Although may be proactive in some areas mainly reactive so difficult to plan
- Less than 1 FTE currently employed in communications – other staff in Marketing Service
- Limited Expenditure Budget for communications
- Changes in personnel at the “News” – need to build up new relationships with this newspaper

### Actions/Initiatives

- *Devolution*  
Need to make residents aware of the proposed changes and the implications of these changes  
Planning press briefings and will also use all forms of social media – this work required to be undertaken this year and for the next year– will be factored into 2017/18 budget
- *Communications / Marketing Strategy*  
Setting out a strategic direction for pro-active communications and marketing. To be presented to Cabinet in the current financial year.

### 2017/18

- Devolution communications
- Delivering the Communications & Marketing Strategy and Action Plan

Source Meeting with Head of Communications and Community Engagement on 3 August 2016 and the Budget Scrutiny and Policy Development Panel

\* Further details on Marketing costs requested from Finance – will update when received

Front Lawn Recreation Ground

Our role with the FLR project has been:

- Securing the external funding (attending meetings, presentations, networking, influencing – officer time)
- Working with Architects to develop the design
- Obtaining Cabinet approval for the use of S106 funding
- Raising awareness of this opportunity with local partners

The only HBC costs associated with this part of the project are officer time (Senior Leisure Officer) and £8,000 (£6,000 from 2015/16 and £2,000 from 2016/17 HBC revenue budget) on feasibility work for the artificial pitch

From now onwards, our role will be:

- Undertaking the procurement exercise (Senior Leisure Officer and Strategic Procurement Manager time) for the project build and management of the facilities
- Overseeing the delivery of the build, including dealing with issues, queries, problems
- Working with the management organisation to maximise use of facilities from the outset
- Taking the client lead as the facility continues to be operated; we have written a client fee into the contract



## Neighbourhood Support Services Brief

Services: Planning Enforcement, Community Safety and Neighbourhood Quality, Car Parking and Traffic Management, Environmental Health<sup>1</sup>

Neighbourhood Support	
Income Target 2016/17	£ 30,000
Total Income	2,088,122
Total Costs	<u>2,417,581</u>
<b>Negative Variance</b>	<b><u>329,459</u></b>
Service currently balances income with costs due to car parking income	
<b>Pressures on Targets</b>	
Pressures to reduce costs and bring in efficiencies across service, with the possibility of selling service to other authorities	
Staff Working at full Capacity – little time to devote to new projects	
Planning Enforcement and Arboriculturalist Team	
Total Income	£ 1,100
Costs	
Staff	<u>124,032</u>
Total Costs	<b><u>124,032</u></b>
<b>Negative Variance</b>	<b><u>122,932</u></b>
<b>Pressures on Targets</b>	
As above for whole service	
<b>Actions / Initiatives</b>	
Negotiations with surrounding authorities to 'sell' Arboriculturalist services – highly specialised role that a number of authorities no longer have Possibility to sell 'suite' of services	
Cost analysis being undertaken to find inefficiencies and increase capacity	
<b>2017/18</b>	
Focus area for 2017/18 – negotiations to progress with surrounding authorities to 'sell' services	
Community Safety and Neighbourhood Quality	
Total Income	£ 192,800
Costs	
Staff	291,119
Total Costs	<u>230,110</u> <b><u>521,229</u></b>
<b>Negative Variance</b>	<b><u>328,429</u></b>
<b>Pressures on Targets</b>	
Although there may be a social return on some schemes it is difficult to quantify the benefit to the community (e.g., Kingdom Contract – measuring reduction in litter for eg	
Staff Working at full Capacity – little time to devote to new projects	
<b>Actions/Initiatives</b>	
<ul style="list-style-type: none"> <li>Kingdom Contract – Number of FPNs issued is declining slightly but intangible benefits (cleaner streets, improved image of Havant etc) – FPN's has reduced the amount of dumped litter collected but increased litter collection from bins,. Contract reviewed yearly and could cease when it reaches</li> </ul>	

<sup>1</sup> Figures subject to change

a point when there are no substantial benefits to the Council FPN collection rate in Quarterly Health Check documents does not clearly indicate late payments/rate of prosecutions – approx. 60% recorded, actual figure approx. 72%

- Cost analysis being undertaken to find inefficiencies and increase capacity

#### Environmental Health Team

	£	£
<b>Total Income</b>		<b>335,866</b>
<b>Costs</b>		
<b>Staff</b>	860,004	
<b>Other</b>	149,836	
<b>Total Costs</b>	1,009,840	
<b>Negative Variance</b>		<b>673,974</b>

#### Pressures on Targets

Pressures to reduce waste in terms of administrative processes and bring in efficiencies across service, with the possibility of selling service to other authorities

Area includes statutory responsibilities that the Council must fulfill

Front-line services – time/resource pressures

IT software.

#### Actions/Initiatives

Environmental Health Service Review completed at the end of the last calendar year, with the goal of creating a JVC in 5 years and selling the service to other authorities

- Short Term Actions: formal consultation underway with Team Leaders at both HBC and EHDC
- Medium Term Actions: Business Process Review (BPR) scheduled to identify costs, wastage and use of resource
- Long Term Actions: Market identification and selling a catalogue of services to other authorities (both statutory and non-statutory functions)

Charges for Pest Control – Charges not yet/only recently implemented due to technical issues – has this affected the income forecast?

#### 2017/18

Focus area for 2017/18 – progress initiatives to ‘sell’ service to other authorities

#### Car Parking and Traffic Management

	£	£
<b>Total Income</b>		1,558,356
<b>Costs</b>		
<b>Staff</b>	392,317	
<b>Other</b>	370,163	
<b>Total Costs</b>	762,480	
<b>Surplus Variance</b>		<b>795,876</b>

#### Pressures on Targets

Target achieved by service transferring to EHDC.

Area includes statutory responsibilities that the Council must fulfill

Defunct car parking machines do not allow for data collection used to analyse car park usage and income

Costs of car parks are off-set by income from (PCN's)

Front line service – time/resource pressures

#### Actions/Initiatives

- The shared parking service is now supplied by East Hampshire (EHDC) providing management and enforcement arrangements to Havant (HBC) for an agreed fee. Saving £50,000
- New car parking machines to be installed - allow for new payment methods and detailed analysis of car park

Car Parking Strategy – look to implement a new strategy which encompasses modern car parking trends, alternative uses of underused car parks, charges etc. (more residents are visiting retail parks than town centres)

Increase in PCN income – New ways of working (benchmarking between officers as opposed to PCN targets) and reduction in sickness.



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## Development Services Brief – Building Control Team

Services: Building Control Team and Business Economy and Town Services Team<sup>1</sup>

### Building Control

	£
<b>Total Income</b>	276,000
<b>Total Costs</b>	<u>295,000</u>
<b>Net cost of Service per annum</b>	<u><u>19,000</u></u>

**Building Control** Building Control plays a critical role in public safety; ensuring buildings are safe, well built and energy efficient. Unlike other Council regulatory services, building control has to compete for business with private sector Approved Inspectors.

Building Regulation Approval may be obtained from

- The Council
- A private Approved Inspector

Council have a 70% share of the market. Although the share of the market has fallen, income has remained static.

#### Pressures on Targets

- Team is part of a new service created following the 2015/16 Resources Review
- Budget for this team and Business Economy and Town Services was set before this Service was created
- Competition from Private Approved Inspectors who
  - Are not constrained by the fees they charge
  - can offer more attractive recruitment packages
  - do not have to undertake low value or non fee earning work
- 30% of the work of team is non feeing earning work e.g. dealing with dangerous structures
- Dependent upon the receipt of building regulation applications/plan checking work which are dependant on the wider economy.
- The fees charged for services (70% of the work of the team) must be reasonable and cover the costs of the services i.e. they cannot be used to generate a profit
- Difficult to attract and retain staff due to competition from “Approved Inspectors”

#### Actions / Initiatives

- *Staffing and training requirements have been reviewed to try and introduce new fee earning streams*
- *Minimise the use of the non fee paying services to reduce expenditure*
- *Partnerships*  
*Looking into the possibility of forming a partnership with EHDC, Portsmouth CC, Fareham and Gosport Councils to achieve economies of scale*  
*Current partnership with EHDC enable the Services to divert resources form Council to another to manage peaks and troughs in the demand for service*
- *Private Trading Company*
  - *Looking into the advantages of setting up a private trading company which can be used to provide the service at a higher charge than the Council can impose.*

<sup>1</sup> A separate brief has been prepared for the Business, Economy and Town Services Team

- Cheshire East Council's Building Control service has been re branded as Civicance Ltd, a wholly owned company by Cheshire East Council. – Scheme has delivered income to the service
- If the Company obtained services from “in-house” sources.(“Teckal Principle”) the venture would be exempt from EU procurement rules e.g. Norse South East
- *Street Numbering and Naming Service*  
Investigating imposing charges for this service, which currently costs £10,000 e.g. £25 a property  
A number of Councils have already begun charging for this service e.g. Wiltshire Council

Source Meeting with Head of Development Services on 10 August 2016 and Budget Scrutiny and Policy Development Panel

# Development Services Brief – Business Economy and Town Services Team

Services: Building Control Team<sup>1</sup> and Business Economy and Town Services Team

<b>Business Economy and Town Services Team</b>	
	<b>£</b>
<b>Total Income</b>	140,000
<b>Total Costs</b>	370,000
<b>Annual Deficit</b>	<u>230,000</u>
Services Delivered:	
<b>Prosperity Havant</b>	
<ul style="list-style-type: none"> <li>• Identify and encourage development of major development sites               <ul style="list-style-type: none"> <li>➤ Waterlooville MDA</li> <li>➤ Dunsbury Hill Gateway</li> <li>➤ Transformation of Havant Town Centre</li> <li>➤ A27 Prosperity Corridor</li> <li>➤ Hayling Seafront</li> </ul> </li> <li>• Support businesses               <ul style="list-style-type: none"> <li>➤ Advice &amp; support Support inward investment and local business expansion in the Borough</li> <li>➤ identify and help attract external funding</li> <li>➤ small business grants</li> </ul> </li> <li>• Local skill agenda               <ul style="list-style-type: none"> <li>➤ SLA with Wheatsheaf Trust</li> <li>➤ S106 Employment and skills plans</li> </ul> </li> </ul>	
Grants to small business (Up to £1000 grants) - 80%-85% business which have received a grant are still trading	
Events Management – e.g. Virgin Kite Surfing Armada and Town Centre Events	
<b>Pressures on Targets</b>	
<ul style="list-style-type: none"> <li>• Town centres are changing – increase in on line shopping has led to less retail outlets in town centres and an increase in service/catering outlets</li> <li>• Budget for this team and Business Economy and Town Services was set before this Service was created</li> <li>• Depends upon the state of the economy</li> <li>• Competition for limited funding</li> <li>• Competition from other areas wishing to attract development within their areas</li> <li>• Developing effective networks between business and other</li> </ul>	
<b>Actions / Initiatives</b>	

<sup>1</sup> A separate brief has been prepared for the Building Control **Page 53**

- *Breakfast briefings with local businesses*
  - creates a secure and successful networking environment for members to cooperate and exchange referrals. Members actively seek and create opportunities for each other
  - raises profile of the Council.
  - Improve networking with major businesses
- *Development and inward investment – working with LEPs, investors and planning service*
  - encourage the development of strategic sites and other sites identified as suitable for development
  - *identify suitable sites for development e.g. underused car parks*
  - *attract external funding and inward investment*
- *Town Centres*
  - Shop Front Improvement Scheme
  - Building on success of recent Solent Road Retail Park extension
- *Devolution – Opportunities arising from the Solent Deal*
  - Reduction of Costs
  - Reviewing Grants
  - Reviewing Staff and other costs
  - Opportunities for Partnerships

Source Meeting with the Business Economy and Town Services Manager and the Head of Development Services on 10 August 2016 and Budget Scrutiny and Policy Development Panel



# Corporate Direction of Budget

(Budget Scrutiny 2017/18)

Budget Scrutiny and Policy Development Panel

2016

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## 2017/18 Budget Brief – Corporate Direction

<b>Current Financial Position<sup>1</sup></b>	
<b>Strong:</b>	Projected surplus of £0.530M for 2016/17
<b>Reserves:</b>	Approximately £6,000M
<b>Council Tax</b>	No increase
<b>2017/18 Direction</b>	
Service managers had been instructed to produce a collective £0.258M favourable variance. This saving had already been factored in the budget plans for each service.	
<b>2018/19</b>	
Predicted £0.5 million deficit due to the probability of a reduced New Homes Bonus Funding	
<b>2019/20</b>	
Predicted surplus of £0.125M	
<b>Issues</b>	
<ul style="list-style-type: none"><li>• Future year forecasts difficult to predict due to changes in funding e.g. the Revenue Support Grant, New Homes Bonus, business rates and Council Tax</li><li>• Council kept up to date on all possible opportunities for increased income (e.g. relaxation of austerity measures from new Chancellor of the Exchequer in relation to Devolved Combined Authorities)</li><li>• If any particular elements of a service were underperforming financially, new challenges would be set to make up the short fall in other areas</li><li>• The Council's financial position was monitored throughout the year through quarterly statements</li><li>• Business rates were a key concern as the Council received 9% of the rates collected, against the headline figure of 40%, due to Government Tariffs and Levies. The Council had responded to a Government consultation on 100% retention of business rates. The outcome of the review would be fiscally neutral, nationally, and aligned with the government's wider fiscal plan. The Council's response to the consultation had requested a higher share of rates and not to be worse off through any changes, while also asking for more information to understand the tariffs applied to rates</li><li>• The Valuation Office had revalued the rateable value of each business' property in the country. Currently the Council did not know in detail how this would affect the Council's finances but it had been estimated by all Councils in the county that it was unlikely this would have any significant impact.</li><li>• The Council's discretionary Business Rate incentives were aimed to encourage new build developments to secure major inward investment, employment growth, new business floor space and long term revenue growth in Havant Borough.</li><li>• A 1.99% increase in Council Tax would lead to an additional £120,000.</li></ul>	

Source Meeting with Leader of the Council, Chief Finance Office, Head of Finance and Assets on 5 October 2016 and the Budget Scrutiny and Policy Development Panel

<sup>1</sup>The current year out turn can fluctuate from month to month through to the end of year. The Council is also currently working through MTFS which will affect projected surplus/ deficits through future years but will not be in a position to confirm the latest position until early December when the matter is presented to Cabinet

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# Deep Dive Sessions

(Budget Scrutiny 2017/18)

Budget Scrutiny and Policy Development Panel

2016

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# Budget Scrutiny 2017/18

## Development Services Brief – Economic Development Service

<b>Business Economy and Town Services Team (2016/17 Budget)</b>		
	£	£
<b>Income</b>		
Street Market Contract	140,000	
<b>Total Income</b>		140,000
<b>Costs</b>		
<b>Staff</b>	190,000	
<b>Activity*</b>	180,000	
<b>Total Costs</b>		370,000
<b>Annual Deficit</b>		230,000
<p>Staff (3.5FTE):</p> <p>*Activity includes:</p> <ul style="list-style-type: none"> <li>Business start-up grants</li> <li>Business engagement</li> <li>Inward investment promotion</li> <li>Project development</li> <li>Event management (strategic and town centre events)</li> <li>Tourism promotion</li> <li>Employability support (Wheatsheaf Trust employment access centre)</li> </ul>		
<b>Status of the Service</b>		
Discretionary		
<b>Status of the Havant Economy</b>		
<p>Strong manufacturing and engineering presence in the Borough. Changes in shopping habits have led to a shift from town centres towards retail centres and online shopping. Recent examples include Solent Retail Park and Wellington Retail Park.</p>		
<b>Direction of Travel for 2017/18</b>		
<p>To concentrate on those activities which will bring a return on investment - prioritising those activities that bring;</p> <ul style="list-style-type: none"> <li>• a direct financial return to the council</li> <li>• lever additional public and private sector investment</li> <li>• deliver a clear economic return (jobs, commercial floorspace, productivity improvements)</li> </ul> <p>The development of Council's former landfill site Brockhampton West is as an example of a project that meets all of these criteria. The priorities of the service are led by the Corporate Strategy, the ED Business Plan and discussions with the Cabinet Lead.</p>		
<b>Proposed Changes for 2017/18</b>		
<p><u>The transfer of events administration to Community</u> – it has been agreed with Community that those events have a greater community benefit than economic and should be administered by Community e.g. Stockheath Common Fireworks Night. It is envisaged that ED will provide time-limited advice and support to the community team but will not transfer any staff to Community.</p> <p>This would reduce the budget of the Business Economy and Town Services Team by approximately £30,000 in 2017/18 (exact budget to be agreed between Dan Grindey and Claire Hughes).</p>		

### **Factors to be Taken into account when Preparing the 2017/18 Budget**

- Return on Investment, direct financial return to the Council
- The need to generate new investment in the Borough
- The need to create employment opportunities particularly for the long term unemployed (relatively high proportion in Havant)
- Potential job losses in the Borough e.g. Pfizers

### **Value of the Service**

Locally based team of professionals who:

- Identify and encourage development of suitable sites
- Support Businesses e.g. grants funding and enabling existing businesses to remain and grow by supporting their expansion locally
- Realise a return on investment on Council owned land

Successes in 2016/17

- P & I Generators – identified a new location for the business which enabled the business to grow within the Borough and not move outside the area
- Dunsbury Hill Farm – made the case for funding for infrastructure works which are now completed. This enabled the development to proceed
- Raised profile of the Borough's growth opportunity and organised 3 ministerial visits to the Borough.

Difficult to quantify the value of the service because:

- Some benefits not quantifiable and observable over the long term
- Not all the benefits accrues to the service e.g. the income from an increase in Business Rates does not accrue to the service's budget
- Jobs, new commercial floorspace and productivity represent the main economic measures

### **Ambitions for 2017/18**

- Reduction of the Annual Deficit
- Bring in new investment
- Enable the development of Brockhampton West (including securing external funding for site investigations) to generate income for the Council. This would likely cost between £50,000 and £100,000 and would need to be paid by the Council.
- Establish Havant as a "Centre of Excellence" e.g. publicising the Council's successes and grants given and funding secured
- Investigate profit share opportunities with developers
- Potential uses for Council-owned assets (e.g. car parks, toilet blocks) investigated.

If the service was presented with more funding, ED would look to bring in more resource to evaluate the Council-owned assets in the Borough and investigate different delivery models of using these sites.

### **Assumptions Used When Preparing the 2017/18 Budget**

- Flatlining with current costs – no additional expenditure
- Retain the existing levels of staff (3.5 FTE)
- The Service will have an annual cost
- Events will be transferred to Community (reduction in costs by approximately £30,000)
- There is not currently a contingency fund to enable the service to respond to issues e.g. the potential closure of Pfizers – the approach would be to co-ordinate with partners such as DWP, LEPs etc.
- Small Business Grants will be retained (£25,000) based on current allocation.



### **How Success Will be Gauged in 2017/18**

- Regeneration - secured external resources and completed site investigation works required to bring forward Brockhampton West. Developed and agreed financial model to deliver the scheme over the next 2 years to deliver around 200 new jobs.
- Business investment - secured in excess of 250,000 in external grant funding for local small businesses. Ensured local businesses take advantage of funded national and regional support programmes (including access to finance and exporting)
- Inward investment - promoted key development sites in Havant Borough to local, regional and national audiences. Brokered agreements between landowners and businesses to locate/ expand create new jobs, floor space & business rate receipts in the Borough.
- Skills - worked with Local Enterprise Partnerships, training providers and the private sector to ensure Havant benefits from funded skills programmes to support at least 50 unemployed residents into training and employment.

On a more general level, the teams work would contribute to improvements in economic measures including jobs growth, productivity, business retention & business base growth.

### **Methods for Achieving a Return on Investment**

- Purchase properties for rent/sale
- The use of Compulsory Purchase Orders to develop an area (is an option for major town centre schemes and would require strong input from planning colleagues)
- Local Asset Backed Vehicle or JV models could be considered
- Enable the development of Council Land for rent
- Support businesses to attract grant funding from LEPs and other organisations

### **Business Grants**

The current number of grant applications for 16/17 stands at 6. There is funding for a total of 22 grants of £1,000 and this will continue in the 2017/18 budget.

The survival rate for businesses receiving the grant is good.

LEP is also providing £250,000 of Havant specific funding for growth businesses in the Borough (minimum £10k per grant). ED will support the facilitation and implementation of the grant process.

### **Amount of Budget To be Used for Seed Corn Purposes**

£80,000 – this includes inward investment, start-up grants and funding to develop projects (e.g. Brockhampton West)

### **Discretionary Business Rate Incentives**

From September 2016 the Council has offered discretionary Business Rate incentives to new build developments to secure major inward investment, employment growth, new business floor space and long term revenue growth in Havant Borough. This is a specific lever that the Council can pull to be competitive in attracting inward investment.

### **Town Centres**

There is a move away from the traditional focus on town centre management to a focus on bringing investment to the Borough. ED have been in conversation with developers regarding the Borough's town centres and potential projects include conversion to residential properties. Developers were reluctant to invest in such sites unless there is a good chance that the value of any property is tripled by development. ED have visited other local authorities to understand models for investment in town centres (e.g. Local Asset Backed Vehicle or JV models).

Sources:

- 1) The Panel meeting with the Business Economy and Town Services Manager on 17 November 2016
- 2) The Panel meeting with the Head of Development and Business Economy and Town Services Manager on 29 November 2016.
- 3) Further information provided by the Business Economy and Town Services Manager

## Budget Scrutiny 2017/18

### Communications and Community Engagement – Community Service

#### Key Priorities of Community Service

The work of the service is driven by the following elements within the Corporate Strategy:

The priorities of the Community Service are:

1. Undertake and support community activity to enable communities to support themselves
2. Enhance community infrastructure to make Havant a great place to live
3. Work with partners to enable residents to be economically active

The service intend to develop a Community Strategy to set a broad framework for the work that is undertaken to improve the health, economic wellbeing and prosperity of communities within the Borough.

#### Examples of Community Work

Enhance community infrastructure:

- Developing a Playing Pitch and Open Spaces Strategy which will form part of the Local Plan
- MDA Facilities – Although a majority of the West of Waterlooville MDA lies with Winchester, it is acknowledge that the residents will access Waterlooville’s facilities and infrastructure, and eventually become a part of the Waterlooville community. Therefore the Council plays a leading role in ensuring community development at the MDA to ensure that the communities of the MDA and Waterlooville are fully integrated. To achieve this, the service employs a community development officer, who is funded from the S106 Agreement contributions (£350,000).
- Other projects underway include Front lawn Recreation Ground, Bidbury Mead pavilion, Bartons Green changing facilities and a pilot scheme to improve the Tennis courts on Hayling Island (with funding received from the Lawn Tennis Association Foundation).

Improve Community Wellbeing

- Developing a Community Strategy – this will shape the framework for business plans for the service.
- Investigating a Havant based lottery (similar to PCC example)
- Health Projects – Couch To 5K, Men’s Sheds
- Investigating the alternatives to providing services through SLAs e.g. commissioning services
- Leading a multiagency project to change the way services are delivered to improve community wellbeing

#### Grants

The Council currently gives 4 community grants to the following organisations. It is envisaged that the four grants the service provides will continue next year, but they may be reduced by a percentage (yet to be determined):

- Havant Citizens Advice – At £127,000, this is the Council’s biggest community grant. The service is looking to move from grant funding to commissioning, ensuring the service being commissioned focuses on advice services of particular relevance to HBC. The service is working towards April 2018 launch date. A decision on whether a commissioning process would lead to a reduction or increase in costs to the Council had not been decided.
- Spring Arts and Heritage Centre – Council grant pays for core services at the Centre. The service has worked with Centre improve its outreach programmes with a focus on health and wellbeing in the Borough. The Spring is the leading cultural organisation within the Borough.

- Community First – the organisation now works in a more creative and efficient way across 4 districts and maintains a solid relationship with the Council.
- Making Space – the grant to Making Space is under review due to ongoing costs and uncertainty on whether the project has fulfilled its original aims.

#### Further Grant Considerations

- The introduction of Councillor grants means communities have good access to funding for small scale local projects
- The service doesn't have a grant pot, however it does use its budget to provide match funding for bids for external funding. The service will generally only do this for projects which have long-term/sustainable outputs. The aim is to produce self-sustaining community projects / facilities within the Borough.
- Need to ensure that other departments do not duplicate grants

### **Supporting Outside Organisations**

#### **External Funding**

The service has a key role in adding weight to funding applications

The Communities Team Leader has a budget of £10,000 for use as match funding/contingency funds. This year's budget was used to help support the Leigh Park Community Centre

#### *Examples*

- The service provided £1800 of match funding to enable the Spring Centre to obtain £30,000 of external funding.

#### *Issues*

Although the service was very successful in identifying external funds, the employment of a Funding Officer could potentially help the Council obtain more funding: the previous funding officer post was lost following a restructuring exercise.

#### **Facilitator**

The service provides help and support to the community

#### *Examples*

- The service secured WeBigLocal lottery funding of £1m; (£100,000 a year for 10 years) for Wecock Farm. The area was identified by statistics (such as health profile, employment and deprivation data) as an area in need of community support and successfully applied for Lottery funding. The Council's role in influencing the project is limited by the terms imposed with the funding.
- The Havant Transformation Programme has been established to enable a multi-agency strategic group to help support residents in improving the Wecock Farm community. This programme links to the resident-led WeBigLocal programme.
- The service secured £1.3m external funding, match funded with £200k S106 funding, to undertake major improvements to Front Lawn Recreation Ground in Leigh Park. The service will take a client lead in the project going forward.
- The service secured over £90k public health funding to deliver initiatives across the borough. One of the projects, Couch 2 5K, is now self-sustaining and continuing at sites across the Borough. HCC have publically recognised this as one of the most successful health projects.

#### **Responding to Community Needs**

- Responding to Community Needs – the last survey on community facilities was carried out in 2009. This showed that Warblington was lacking in community facilities; this enabled the service to secure a community building through S106.
- The service also support community facilities in trouble e.g. Leigh Park Community Centre, where the Council provided funds / resource support to keep the centre open. In other cases, such as the West Leigh Hut, the service reviews usage and may not intervene in keeping the facility open.

- Ex St. John's Ambulance building on Hulbert Road – St. John's Ambulance vacated the premises in a state of disrepair. The service helped ensure the building was leased to TS Active, who received a small Council grant in order to rewire the building and ensure the Council was receiving rent.
- Men's Sheds – the service has supported the Men's Shed initiatives by providing seed funding to help them set up and identifying buildings for them to use.
- Community event management – the service currently provides support and help to community / charity event organisers to obtaining funding.

#### **Method to Identify Areas In Need of Support**

The service is able to draw upon various information sources to identify areas in need of support. For example; Mosaic data, employment figures, health data, index of deprivation and statistics provided by economic development are among the options available.

The services uses Mosaic data to identify areas and socio-economic groupings within the Borough in need of support. From this data, for example, the service identified a need for older persons in Stakes and lone parents in Leigh Park as groups in need of support and secured approximately £50,000 in funding to increase physical activity and reduce obesity. This work was due to begin imminently.

#### **Value of Service**

Aside from the returns gained from 'seed money', it was difficult to quantify returns on the work of the service as many are non-tangible and represent big social returns. The service is investigating an easy-to-use "social return on investment" calculator as developed by the University of York to quantify this work.

The service will also now report on the amount of external funding secured which has been enabled by the service providing match funding.

#### **Factors being taken into account in 2017/18 Budget**

The service will consider the parameters within which the budget is set and senior staff will consult on what services are needed for the coming year. This will include money for 'seed corn' purposes and project management, following the move of events from economic development to Community.

Events management – the responsibility for events to move to Community for the 2017/18 budget. This would involve £30,000 being moved from Business and Economic Support budget to Community budget and the transfer of the Mayor Secretary into the service. A review of the support provided to events to be undertaken with the aim of moving away from direct funding to enabling funding and support for these events.

The biggest risks to the service were internal budget cuts (which would result in the service being less able to bring in funding and with less resource to conduct work in the community) and legislation changes, which can change the way the service works and would need to be communicated to the community.

Source Meeting with the Head of Communications and Community Engagement and the Community Manager on 22 November 2016.

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Team	Date(s)	Organisation	Event	Location	HBC Budget	Depot costs	HBC Officer Time Hours	Cost @ £13.88 (scp 30) per hour	Facilities Driver Hours	Facilities Driver Costs @ £8.57 (scp 14)	Application administration and *SAG	Cost @ £10.05 (scp 20) per hour	Purpose		
Community Events	July	Bedhampton Summer Show	Bedhampton Summer Show	Bidbury Mead		£100.00	1.5	£20.82			3.0	£30.15	Community		
	May	Hayling Lions	Donkey Derby	Legion Field		£400.00	1.5	£20.82			5.0	£50.25	Charity		
	June	Armchair Pets	Lurcher SOS Fun Day	Jubile Park			1.5	£20.82			2.0	£20.10	Charity		
	June	Victory Athletic Club	Hayling Billy 5	Hayling Billy Line			1.5	£20.82			2.0	£20.10	Community		
	June	Hayling Island Community First Responders	999 Emergency Services Day	Beachlands		£200.00		1.5	£20.82			38.00*	£381.90	Community	
	July	Portsmouth Triathletes	Waterlooville Triathlon	Waterlooville				1.5	£20.82			2.0	£20.10	Charity	
	July	Hayling Community Centre	Summer Party	Hayling Park				1.5	£20.82			2.0	£20.10	Community	
	August	The Spring Arts and Heritage Centre	Imaginary Menagerie	Hayling Park (North West corner, outside the community centre)				1.5	£20.82			2.0	£20.10	Community	
	August	Portsmouth City Council	Picnic in the Park	Wakefords Way Play Park				1.5	£20.82			2.0	£20.10	Community	
	August	Waterlooville Community Forum	Waterlooville Summer Fete	Jubile Park		£200.00		1.5	£20.82			2.0	£20.10	Community	
	August	Hayling for St George	Hayling for St George	Eastoke Corner		£200.00			£20.82			1.0	£10.05	Community	
	September	The Rowans Hospice	Summer Fete	Purbrook Heath				1.5	£20.82			1.0	£10.05	Charity	
	September	JDRF South	JDRF South Walk for a cure	Hayling Sea Front				1.5	£20.82			2.0	£20.10	Charity	
	October	N/A	Firework Event	Emsworth Primary School								2.0	£20.10	Community	
	November	Purbrook Jr School	Firework Extravaganza	Purbrook Jr School								3.0	£30.15	Community	
	November	Hayling Athletic Club	Hayling 10 mile Road Race	Hayling Island								1.0	£10.05	Charity	
	December	Believe & Achieve Events Ltd	Portsmouth Marathon	Hayling Billy Line								1.0	£10.05	Charity	
	June	Circus World	Circus Wonderland	Stockheath Common		£50.00		1.5	£20.82			5.0	£50.25	Commercial	
	August	Havant Passion Play Ltd	Havant Passion Play - one off event	Havant Park				1.5	£20.82			3.0	£30.15	Community	
	May	Circus Zyair	BCR Entertainments Ltd	Havant Park		£50.00		1.5	£20.82			8.0	£80.40	Commercial	
	November	Hampshire Constabulary	Hayling Horror Walk	Eastoke Corner walking along to Funland, #1 Sea Front				1.5	£20.82			2.0	£20.10	Community	
	October	HBC, GEMS (SW)	Electric blanket testing event. Trial following HCC no longer delivering this event	Fire station Havant		£395.00		15.0	£208.20					Community	
	July	Leigh Park Community Led Planning	Leigh Park 'Clean Up For Summer Week'	Leigh Park			£600.00	12.0	£166.56			2.0	£20.10	Community	
	July	Family Church	Havant Family Fun Day	Havant Park			£100.00	1.5	£20.82			2.0	£20.10	Community	
	August	National Watersports Festival	National Watersports Festival and Watersports Taster Sessions for residents	Hayling Island		£7,500	£1,500.00	37.0	£513.56			32.00*	£321.60	Community	
	August	Emsworth Horticultural Society	The Emsworth Show	Recreation Ground, Emsworth			£1,000.00	1.5	£20.82			1.0	£10.05	Community	
	TOTALS						£7,895.00	£4,400.00	91.0	£1,283.90		56.0	£1,266.30		
	Economic Development	September	Emsworth Business Association	British Food Fortnight - Including Apple Pressing Day and Harvest Festival Service	St Peters Square Emsworth		£400.00	6.0	£83.28					Economic	
		February	Havant Borough Council & Waterlooville Business Association	Charity Pancake Race	Waterlooville Town Centre	£200	£400.00	3.0	£41.64					Economic	
		June	Havant Borough Council & Waterlooville Business Association	Waterlooville Music Festival	Waterlooville Town Centre	£2,200								Economic	
		July	Havant Borough Council	Waterlooville Classic Motor Show	Waterlooville Town Centre	£600	£200.00	20.0	£277.60					Economic	
		November	Havant Borough Council	HBC Bonfire and Firework Display	Stockheath Common	£7,880	£1,000.00	5.0	£69.40			2.0	£20.10	Community	
		April	Havant Borough Council	St Georges Day Parade	Emsworth	£500.00	£1,000.00	7.0	£97.16					Economic	
December		Waterlooville Events Team	Christmas Lights	Waterlooville Town Centre	£500		4.0	£139.80					Economic		
December		MBA / Havant Borough Council	Mengham Christmas Light	Hayling Island	£200	£1,000.00	2.0						Economic		
December		EBA / Havant Borough Council	Christmas Lights	Emsworth	£500		4.0						Economic		
May		LPBA / Havant Borough Council	999 Emergency Services event	Leigh Park			2.0	£27.76					Economic		
September		Havant Borough Council	Park Parade 60 <sup>th</sup> anniversary	Leigh Park	£400		3.0	£41.64					Economic		
June		Snow Camp	Virgin Kite Surfing Armada	Hayling Island Beachlands	£3,000	£1,500.00	6.0	£83.28				35.00*	£351.75	Economic	
January		Havant Borough Council	Holocaust Memorial Day Service	Plaza	£200		9.0	£124.92		3	£26.00			Civic	
TOTALS							£16,180	£5,500.00	71.0	£986.48	3	£26.00	37.0	£371.85	
Mayoral Events		April	Havant Borough Council	Mayor's Charity Classic Vehicle Run	Plaza and Fort Purbrook	£400.00		45.0	£624.60	8	£69.00			Charity	
		May	Havant Borough Council	Mayor Making Ceremony	Plaza	£1,000	£200.00	45.0	£624.60	14	£120.00			Civic	
	May	Havant Borough Council	Mayor's Banquet	Brookfield	£700		20.0	£277.60	5	£43.00			Civic		
	June	Havant Borough Council	Mayor's Civic Sunday Church Service St Mary's Church	Hayling Church	£200		20.0	£277.60	4	£34.00			Civic		
	June	Havant Borough Council	Armed Forces Day Flag Raising Ceremony with Parade and Veterans Reception /Waterloo	Plaza	£700		29.0	£402.52	3	£26.00			Civic		
	June	Havant Borough Council	Mayor's Charity Golf Day	Waterlooville Golf Club	£150		20.0	£277.60					Charity		
	August	Havant Borough Council	VJ Church Service of Thanksgiving, St Faith's Church	St Faith's Havant	£100		16.0	£222.08	3				Civic		
	September	Havant Borough Council	Mayor's Murder Mystery	Plaza	£200		12.0	£180.44					Charity		
	September	Havant Borough Council	Mayor's Civic Day	Around the Borough	£300		36.0	£499.68	8	£69.00			Civic		
	October	Havant Borough Council	Halloween Quiz Night	Plaza	£500		18.0	£249.84					Charity		
	November	Havant Borough Council	Remembrance Sunday Parade and Service	Havant + Hayling + Emsworth	£300	£1,000.00	34.0	£471.92	6	£51.00			Civic		
	December	Havant Borough Council	Mayor's Christmas Charity Ball	Hayling	£400		28.0	£388.64					Charity		
	February	Havant Borough Council	Valentine Quiz Night	Plaza	£500		18.0	£249.84					Charity		
	March	Havant Borough Council	Service of Dedication at War Memorial	St Faith's Church Havant,	£4,100		86.0	£1,194.00	3	£26.00			Civic		
	TOTALS						£9,550.00	£1,200.00	427.0	£5,940.96	54	£438.00			

Events in bold indicate HBC organised event

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## Budget Scrutiny 2017/18

### Neighbourhood Support

#### Key Priorities of Neighbourhood Support

The priorities of the Neighbourhood Support are:

1. value for money;
2. meeting the needs of the community; and
3. conforming with the Council's strategies and in particular the Corporate Strategy

2017/18 will be the first full year of the current service. One of the main objectives for 2016-2018 is to review all the teams added to the service following the restructuring review to ensure that work of the teams meet the objectives set out above and identify any changes they can make them more efficient and/or effective.

#### Restrictions on Income

Some of the services such as planning enforcement, Environmental Health and Arboricultural services are statutory functions which either cannot generate income or have minimum opportunity to charge for their services

#### Difference Between HBC and EHDC Approach Towards the Delivery of the Service

The two Councils complement each other.

**EHDC** Aims to be seen as a Centre of Excellence which owns the service it delivers to its community and sells these services to other bodies

**HBC** Less concerned about who delivers a service provided that it represents value for money and meets the needs of the community

#### Savings 2016/17

Two main areas of savings:

**Traffic Management** - The shared parking service is now supplied by East Hampshire (EHDC) providing management and enforcement arrangements to Havant (HBC) for an agreed fee. Saving £50,000.

**CCTV** Ceased in 2016/17

#### 2017/18 Budget

##### Assumptions

Keep the current staffing levels the same as 2016/17.

No change to car parking charges for 2017/18

Income from Penalty Charge Notices (PCNs) will continue to increase

Continue with litter enforcement contract – Contract is currently out to tender with responses due by 1 February 2017.

#### 2018/19 Budget

Realise the savings identified in the team reviews and car parking strategy to be completed in 2016/17.

Income from PCNs likely to reach a plateau

### Factors being taken into account in 2017/18 Budget

- The Service would explore ways of selling services to other Councils e.g. arboricultural services to undertake work for Hampshire County Council
- The reviews of the teams added to the service following the restructuring review will be completed in this financial year
- The service would seek to adopt a holistic approach to enforcement e.g. extending the current pilot of authorising Community Safety Officers to enforce against minor planning offences
- The car parking review to be completed by the end 2017/18

### Main Risk/Treats to 2017/18 Budget

Hampshire County Council's decision to

- **Reduce funding for the Traffic Agency Agreement by 40%** - It was assumed that shortfall would be subsidised by the Council. Work is in progress to seek ways to make up the shortfall e.g. require the developers to meet the costs of potential traffic management costs arising from development through the planning process.
- **Cease funding Disable Facilities Grants** - The current contract is due to end March 2017. Hampshire County Council has given a significant amount of funding towards these contracts to date, but from April 2017 HCC will no longer provide support and alternative funding arrangements will need to be sought. The Executive Board has agreed to continue with home improvement arrangements using 'better care funding' subject to caveats. This would enable the Council to retain the existing case worker and make a saving of £10,500.

### New Car Parking Machines

The new car parking machines were installed in August and the information provided by them has already enabled the Council to identify a more efficient frequency for the collection of cash from these machines and reduce its collection costs. By the end of next year the data from these machines will feed into the car parking review.

### Payments against PCNs

The figures below represent the period from 01/04/16 to 07/12/16

Total number of PCNs issued	4552
Total no. of payments made in 14 days	4015

Over the course of the same period 351 cases have been sent to the bailiffs the value of this debt is £24,000. To date £9.5k has been paid.

### Pest Control Charges

#### Discretionary Service.

However, The Prevention of Damage by Pests Act 1949 the Council is required "...to secure so far as practicable that their district is kept free from rats and mice"

The Council can take action against landowners to eradicate pests

2016/17 – To date received £5,000 income

	<b>Number of Rat Cases</b>	<b>Number of Mice Cases</b>	<b>Number of Flea Cases</b>
<b>2015/16</b>	<b>1232</b>	<b>326</b>	<b>69</b>
<b>2016/17 (to date)</b>	<b>812</b>	<b>172</b>	<b>54</b>

Charges for rat and mice treatments to be introduced from 5 December 2016 (no retrospective charges). The charge aims to encourage residents to take action to eradicate mice and rats before the Council has to take enforcement action against them (the cost of a pest control officer being less than an enforcement officer)

Source Meeting with the Head of Neighbourhood Support on 24 November 2016. Further information provided by the Head of Neighbourhood Support.

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# Notes of Meetings

(Budget Scrutiny 2017/18)

Budget Scrutiny and Policy Development Panel

2016

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Notes of the Budget Scrutiny and Policy Development Panel held on Monday, 27 June 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell and Lloyd

Also Present:

Councillor: Councillor Michael Wilson  
Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Davis and Ponsonby

Apologies:

		<b>Action</b>
<b>1</b>	<b>APOLOGIES FOR ABSENCE</b>  No apologies for absence were received	
<b>2</b>	<b>SUCCESS CRITERIA FOR THE SCRUTINY FUNCTION FOR 2016/17</b>  The Panel discussed the success criteria for the Scrutiny Board and the proposed performance indicators for the scrutiny function.  It was AGREED that members would highlight any issues with the proposed success criteria to Democratic Services ahead of the next Scrutiny Board meeting on 19 July.	All members
<b>3</b>	<b>PRIORITISE PROPOSED TOPICS</b>  The Panel discussed the Scrutiny Topic Priority Matrix and the scoring of each topic against each statement.  It was AGREED that the Scrutiny Lead would score each statement against each topic and circulate amongst the members present for their comment.	All members
<b>4</b>	<b>FUTURE SCRUTINY TOPICS</b>  The Panel discussed possible future scrutiny topics to be	

added to the Scrutiny Topic Priority Matrix. The Scrutiny Lead suggested amending the grants scrutiny to include community, business development and housing grants.

It was AGREED that members would add any topics to the circulated Scrutiny Topic Priority Matrix.

All members

## 5 REVIEW THE FORWARD PLAN AND CABINET BUSINESS PLAN

The Cabinet Lead for Governance and Organisational Development introduced the departments within his portfolio to the Panel and advised the Panel on areas for possible scrutiny topics. Possible topics included:

- The on-going review of terms and conditions for staff
- New sickness and social media policies
- The use of workspace within the Plaza building

## 6 BUDGET SCRUTINY 2017/18

The Scrutiny Lead reported to the Panel the findings from a meeting with the Head of Finance, the Leader of the Council and Cabinet Lead for Corporate Strategy, Finance and Devolution and the Scrutiny Board Chairman. The findings included:

- The budget scrutiny would need to fit in with the officer timescale for the budget formation to form an effective scrutiny
- The Panel would select six Heads of Service to hold informal discussions with prior to the budget formation to gain an understanding of their budget thought process.
- These informal discussions would be held between July and early August
- In-depth reviews of three services selected by the Panel will follow in September and be similar to the challenge sessions given to Cabinet Briefing each year.

The Panel discussed the questions that would be given to each Head of Service and the proposed timeline for the scrutiny project.

It was AGREED that

- a) The following Heads of Service would be invited to an 'early thoughts discussion' to be held between July and

Democratic Services Team



early August:

- Head of Development
- Head of Communications and Community
- Head of Environmental Services
- Head of Planning
- Business, Economy and Town Services Manager
- Head of Neighbourhood Support;

- b) The questions to be given to each Head of Service would be circulated to Panel members for comment; and
- c) The Scrutiny Lead would contact the Leader of the Council and Scrutiny Board Chairman to seek agreement for special meetings of the Cabinet and Scrutiny Board respectively as per the agreed timeline.

Democratic Services Team

Councillor Gary Hughes

## 7 GRANTS SCRUTINY

The Panel discussed the grants scrutiny and it was agreed that this would wait until the findings of the Cabinet review of grants was completed.

**The meeting commenced at 5.00 pm and concluded at 6.30 pm**

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Notes of the Budget Scrutiny and Policy Development Panel held on Monday, 1 August 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell, Lloyd and Smith K

Also Present:

Councillor: Councillor David Guest

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Davis and Ponsonby

Apologies:

**8 APOLOGIES FOR ABSENCE**

No apologies for absence were received.

**9 MINUTES**

The Scrutiny Lead advised members that agreement for special meetings of the Cabinet and Scrutiny Board from the Leader of the Council and Scrutiny Board Chairman respectively would be sought when the timeline was agreed at a later date.

AGREED that the minutes of the meeting of the Budget Scrutiny and Policy Development Panel held on 27 June 2016 be approved as a correct record.

**10 QUARTERLY HEALTH CHECK**

Members noted the Quarterly Health Check documents.

**11 EARLY THOUGHTS DISCUSSION WITH HEAD OF ENVIRONMENTAL SERVICES**

The Head of Environmental Services discussed the budget formation process for the service area with the Panel and answered members' questions in relation to specific details.

**Action**

The discussions covered the service's spending plans for 2016/17, the pressures on expenditure targets and current progress, and initial thoughts regarding the development of the 2017/18 budget, as set out in Appendix A to these minutes.

## **12 EARLY THOUGHTS DISCUSSION WITH HEAD OF PLANNING**

The Head of Planning discussed the budget formation process for the service area with the Panel and answered members' questions in relation to specific details.

The discussions covered the service's spending plans for 2016/17, the pressures on expenditure targets and current progress, and initial thoughts regarding the development of the 2017/18 budget, as set out in Appendix B to these minutes.

**The meeting commenced at 4.30 pm and concluded at 6.19 pm**

# Environmental Services Brief

## Services: NORSE South East

### NORSE South East

#### Income to Council

	£
Income	98,000

#### Income to NORSE South East

from income streams incorporated into contract <sup>1</sup>	1,855,000
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Year 1 of 5-year business plan – transitional period

Head of Environmental Services meets with Norse South East Board representatives every month to discuss current figures/progress, ahead of quarterly full board meeting

#### Pressures on Targets

It is anticipated that Havant Borough Council may need to address any potential budget shortfall as a direct consequence of variable return of recyclable sales. This would have been a risk in any service delivery model. The opportunity exists for any fluctuation in return to be addressed by improved efficiency, income generation or new ways of working by Norse South East.. As a result it has become increasingly important that HBC deliver savings and efficiencies across its full suite of services whilst preserving existing levels of service.

Main cost pressures come from the value of recyclables. The original income target was £570,000 but NORSE South East is only expected to receive around a proportion of that due to reduced recyclable values. The £570,000 quoted consists of a number of income streams (MRF recyclables, glass, textiles, bulky waste and the sale of bins) the quoted figure of £230,000 was an approximation relating to the MRF recyclable income which makes up £300,000 of the £570,000 income target. .

Project Integra processes and sells all recyclable waste on behalf of HCC (& partners)

- Recyclable value at an historic low.
- Recycling rates in Havant at approx 32%-33%
  - Contaminated recycling waste, incurs costs to the Project Integra partners. The Council looks at all options for disposal before landfill, which brings the greatest cost.
  - **Is there a need to educate/remind residents of what CAN be recycled – in order to reduce contamination and costs?**
- Potential tech refresh of MRF 'might' reduce costs and enable more types of waste to be recycled.
  - 'Might' impact on HBC recycling strategy

#### Actions / Initiatives

Full review of cemeteries underway:

- Requirement to benchmark fees & charges.
  - HBC charges are lower than neighbouring authorities.
  - Relative costs of burial v cremation disproportionate and doesn't reflect true overheads.
  - Different costs for residents and non-residents.

**Need to align this piece of work with other ongoing 'scrutiny' activity.**

<sup>1</sup> The Council is committed to work with NORSE South East to enable them to achieve this Income Stream and is required to make up any shortfall

- Norse South East had been tasked to find efficiencies to help address the potential shortfall e.g. changes to collection rounds, working patterns, increasing green waste collection etc.

## **2017/18**

First assessment of Yr 1 performance not expected until end of Q2.

- Transitional arrangements impacting on payment streams, which require rebalancing.
- Output will feed into first draft of 2017/2018 Business plan (due Sep 16).
  - Focus will continue to allow NORSE SOUTH EAST to use their expertise to increase quality of service and income streams.
  - Draft budget in Feb/Mar 2017, including projection of income (to HBC from NORSE SOUTH EAST) for 2017/2018 (currently forecast at £96K).

Source Meeting with Head of Environmental Services on 1 August 2016 and Budget Scrutiny and Policy Development Panel

## Planning Services Brief

Services: Development Management Team; Policy Planning Team and Civil Engineering and Landscaping

Development Management		
<b>Income<sup>2</sup></b>		
	£	£
Planning Application Fees	385,000	
Condition Fees	20,000	
Pre-Application Fees	25,000	
<b>Total Income</b>	<b>430,000</b>	
<b>Costs</b>		
Staff	671,920	
Misc.	81,200	
<b>Total Costs</b>	<b>753,120</b>	
<b>Annual Deficit</b>		<b>323,120</b>
<b>Pressures on Targets</b>		
Restrictions on raising income		
<ul style="list-style-type: none"> <li>• Planning fees are set by Government and do not reflect the true costs of dealing with all applications</li> <li>• Dependent upon the receipt of planning applications which are dependant on the wider economy.</li> <li>• Increase in extensions applications, Publication of the draft Local Plan Housing Statement is likely to lead to an increase in large housing applications later in the years if it is approved.</li> </ul>		
<b>Actions / Initiatives</b>		
<ul style="list-style-type: none"> <li>• <i>Accredited Agent Scheme (AAS)</i> Scheme whereby Agents, who fulfil a strict requirement are accredited by the Council and receive fast track processing (applications validated within 24 hrs of receipt). Fee for accreditation £125</li> <li>• <i>Development Consultation Forums</i> Fees increased from £1500 to £3000 – no adverse reaction from developments so will consider increasing to £5000 for next year</li> <li>• <i>Pre Application Advice</i> Focussing on pre-application charging to increase income - Consulting with agents to improve the advice given</li> <li>• <i>HBC Commercial Limited</i> A private company created to enable staff to be seconded to public and private bodies on Planning Service Work during period when HBC workload is in a trough. Currently working with Terraquest to clear the backlog of planning applications for a nearby Council. Council receive a fee above the national planning fee to offset its costs</li> <li>• <i>Improvements in the Processes</i> Improving the development management process using time management data and admin staff to validate and process applications. Improvements in IT to help with the processing of application and preparation of reports. GIS improved.</li> </ul>		
Planning Policy Team		
<b>Income<sup>3</sup></b>		

<sup>2</sup> The work of the Development Management and Planning Policy Teams also helps the Council receive New Homes Bonus of £484,000 – 2nd highest increase in funding from last year in the country

	£	£
<b>Total Income</b>		<b>0</b>
<b>Costs</b>		
Staff	271,147	
Evidence	177,500	
Misc.	20,000	
<b>Total Costs</b>	<u>468,647</u>	
<b>Annual Deficit</b>		<b><u>468,647</u></b>

**Pressures on Targets**

- Currently no direct income for this statutory service. However, a local plan provides investment certainty which is critical to the Prosperity Havant agenda. The positive planning to meet housing need targets will maximise the New Homes Bonus (2016/17 = £1.81m).
- CIL: 2016/17 target = £760,500 – depends on development commencing

**Actions/Initiatives**

- Training programme introduced to ensure staff are well trained to improve the quality of the Team
- *Local Plan*: Housing Position Statement prepared for consultation – the adoption of this policy should encourage planning applications and thereby increase income for planning applications
- *HBC Commercial Limited*  
Should enable local planning staff to undertake work for other Councils

**Civil Engineering and Landscaping (CELT)**

	£	£
<b>Income</b>		
Work for Other Authorities (EHDC,HCC)	466,176	
<b>Total Income</b>	<u>466,176</u>	
<b>Costs</b>		
<b>Staff = £426,179</b>		
<b>Misc – training, software, hardware = £20,00</b>		
<b>Non fee cost – bus shelters, car park maintenance, signs, seats, cycleway maintenance, insurance</b>		62,000
<b>Total Costs</b>		<u>508,179</u>
<b>Annual Cost</b>		<b><u>42,003</u></b>

**Pressures on Targets**

Competition with some other Councils  
Restrictions on raising income

- 80 Bus Shelters are owned and maintained by Clear Channel. The contract with Clear Channel

<sup>3</sup> The work of the Development Management and Planning Policy Teams also helps the Council receive New Homes Bonus of £484,000 – 2nd highest increase in funding from last year in the country



prevents the Council from putting any advertising on its own 200 shelters.

- Non income projects divert engineers from fee earning but fulfil public and political needs – e.g. Emsworth wall design and manage, street nameplates, street furniture, noticeboards, cycleway maintenance, HBC land drainage, Planning application comments.

**Actions/Initiatives**

- *Additional Sources of Income* - Negotiating with West Sussex County Council
- *Bus Shelters* - Investigating the possibility of generating advertising income from all the Council's bus shelters

Source Meeting with Head of Planning Services on 1 August 2016 and Budget Scrutiny and Policy Development Panel

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Notes of the Budget Scrutiny and Policy Development Panel held on Wednesday, 3 August 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell, Lloyd and Smith K

Also Present:

Councillor Narinder Bains

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Apologies:

**Actions**

**13 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Davis.

**14 QUARTERLY HEALTH CHECK**

Members noted the Quarterly Health Check documents.

**15 EARLY THOUGHTS DISCUSSION WITH HEAD OF COMMUNICATIONS AND COMMUNITY ENGAGEMENT**

The Head of Communications and Community Engagement discussed the budget formation process for the service area with the Panel and answered members' questions in relation to specific details.

The discussions covered the service's spending plans for 2016/17, the pressures on expenditure targets and current progress, and initial thoughts regarding the development of the 2017/18 budget, as set out in Appendix A to these minutes.

**16 EARLY THOUGHTS DISCUSSION WITH HEAD OF NEIGHBOURHOOD SUPPORT**

The Head of Neighbourhood Support discussed the budget formation process for the service area with the Panel and

answered members' questions in relation to specific details.

The discussions covered the service's spending plans for 2016/17, the pressures on expenditure targets and current progress, and initial thoughts regarding the development of the 2017/18 budget, as set out in Appendix B to these minutes.

**The meeting commenced at 5.00 pm and concluded at 6.45 pm**

## Communications and Community Engagement Services Brief

Services: Community Development, Community Engagement, Communications and Marketing and Transformation and Families Programme

Communications and Community Engagement Services		
	£	£
<b>Income Target 2016/17</b>		<b>35,000</b>
Less Income Received (to date)		
Advertising	1,000	
Survey Fees	3,000	
Events Admin Charge (£220-£400 per event)	2,000	
Selling Services to EHDC	5,500	
<b>Total Income Received</b>	<u>11,000</u>	<u><b>11,000</b></u>
<b>Estimated Deficit</b>		<u><b>24,000</b></u>
Any shortfall in income deficit will have to be financed from savings		
Transformation and Trouble Families Programme		
	£	
<b>Expenditure Budget</b>	<b>15,000</b>	
Contribution to Transformation Project		
<b>Pressures on Targets</b>		
<ul style="list-style-type: none"> <li>• Success dependent on successful multi-agency working</li> <li>• Limited budget – although this is about better use of existing budgets</li> <li>• Influencing partner agencies to deliver to a shared agenda</li> <li>• True success will only be evidenced over time</li> <li>• Need for community volunteers to come forward</li> </ul>		
<b>Actions/Initiatives</b>		
<ul style="list-style-type: none"> <li>• <i>Troubled Families Scheme</i> A successful programme working with families who cost most to the public purse. HBC particularly successful.</li> <li>• <i>Transformation Project</i> Building on the Supporting Troubled Families Scheme, the pilot project will be focused on Wecock Farm using a multi agency approach to tackle the problems in the area. If successful this could lead to savings across all the agencies, including reducing costs at HBC (housing and revenues &amp; benefits). It could provide a unique selling proposition (USP) which could be sold to other Councils/Agencies.</li> </ul>		
<b>2017/18</b>		
Priorities for the forthcoming year are:		
<ul style="list-style-type: none"> <li>• On-going work on the Supporting Troubled Families programme</li> <li>• Evaluating the Wecock Transformation project and expanding into other areas in the borough</li> <li>• Deliver a Communications Strategy to target proactive communications work</li> </ul>		

## Community Development and Engagement Teams

£

### Expenditure Budget 2016/17

Total Income	35,000
Total Expenditure	695,754
Annual Deficit	660,754

### Pressures on Targets

- Small team (6 FTE) with a limited budget
- Limited opportunities to sell services
- Income generated is for investment in the borough – not Council
- Benefits to the borough are “quality of life” and difficult to quantify in financial terms
- Although some projects can be proactive, responding to community needs can be difficult to plan

### Actions/Initiatives

- *Service Level Agreements*  
Agreements to be reviewed to ensure organisations are delivering against community priorities as set out in the JSNA (Joint Strategic Needs Assessment – health). Those organisations are: CAB, Community First, Making Space and Spring Arts Centre; these organisations are monitored and audited by the Council.
- *MDA*  
Ongoing delivery of the MDA community work and facilities. Annual funding for MDA Community Officer of £35,000 from S106 payments, multi-million pound investment in community infrastructure to be delivered
- *Major Schemes*  
Secured £1.55m of outside funding<sup>1</sup> two major schemes.

Scheme	Source	£
Hayling Billy Trail	Heritage Lottery	40,000
Front Lawn Recreation Ground	Football Foundation	1,000,000
Front Lawn Recreation Ground	Sports England	265,000
Front Lawn Recreation Ground	S106 Funding	250,000
	<b>Total</b>	<b>1,555,000</b>

- *Havant Rugby Club*  
Working with Property Services, support the development of the Rugby club, including securing their maintenance and management of pitches currently maintained and managed by HBC.

### 2017/18

- Front Lawn Recreation Ground delivery (further details in Appendix 1)
- Supporting development of Havant Rugby Club
- Implementing the Lawn Tennis Association pilot project on Hayling Island
- Leisure Infrastructure – Phase 2 of the extension of the Horizon Leisure Centre in Waterlooville

<sup>1</sup> Funding ring fenced.

## Communications and Marketing Team

	£
<b>Expenditure Budget</b>	
<b>Total Income (2016/17 Budget)</b>	26,850
<b>Total Costs (2016/17 Budget)</b>	*370,690
<b>Annual Deficit/Profit</b>	<u>343,840</u>

### Pressures on Targets

- Although may be proactive in some areas mainly reactive so difficult to plan
- Less than 1 FTE currently employed in communications – other staff in Marketing Service
- Limited Expenditure Budget for communications
- Changes in personnel at the “News” – need to build up new relationships with this newspaper

### Actions/Initiatives

- *Devolution*  
Need to make residents aware of the proposed changes and the implications of these changes  
Planning press briefings and will also use all forms of social media – this work required to be undertaken this year and for the next year– will be factored into 2017/18 budget
- *Communications / Marketing Strategy*  
Setting out a strategic direction for pro-active communications and marketing. To be presented to Cabinet in the current financial year.

### 2017/18

- Devolution communications
- Delivering the Communications & Marketing Strategy and Action Plan

Source Meeting with Head of Communications and Community Engagement on 3 August 2016 and the Budget Scrutiny and Policy Development Panel

\* Further details on Marketing costs requested from Finance – will update when received

Front Lawn Recreation Ground

Our role with the FLR project has been:

- Securing the external funding (attending meetings, presentations, networking, influencing – officer time)
- Working with Architects to develop the design
- Obtaining Cabinet approval for the use of S106 funding
- Raising awareness of this opportunity with local partners

The only HBC costs associated with this part of the project are officer time (Senior Leisure Officer) and £8,000 (£6,000 from 2015/16 and £2,000 from 2016/17 HBC revenue budget) on feasibility work for the artificial pitch

From now onwards, our role will be:

- Undertaking the procurement exercise (Senior Leisure Officer and Strategic Procurement Manager time) for the project build and management of the facilities
- Overseeing the delivery of the build, including dealing with issues, queries, problems
- Working with the management organisation to maximise use of facilities from the outset
- Taking the client lead as the facility continues to be operated; we have written a client fee into the contract



## Neighbourhood Support Services Brief

Services: Planning Enforcement, Community Safety and Neighbourhood Quality, Car Parking and Traffic Management, Environmental Health

Neighbourhood Support		
	£	
<b>Income Target 2016/17</b>	<b>30,000</b>	
Income from Traffic Management Project		
Staff Savings	30,000	
IT Savings (due to be implemented)	20,000	
<b>Total Income</b>	1,500,000	approx.
<b>Associated staffing Costs</b>	1,500,000	approx.
<b>Annual Deficit/Profit</b>	£0	
Service currently balances income with costs due to car parking income		
<b>Pressures on Targets</b>		
Pressures to reduce costs and bring in efficiencies across service, with the possibility of selling service to other authorities		
Staff Working at full Capacity – little time to devote to new projects		
Planning Enforcement and Arboriculturalist Team		
	£	£
<b>Total Income</b>		
<b>Costs</b>		
<b>Total Costs</b>		
<b>Annual Deficit/Profit</b>		
<b>Pressures on Targets</b>		
As above for whole service		
<b>Actions / Initiatives</b>		
Negotiations with surrounding authorities to 'sell' Arboriculturalist services – highly specialised role that a number of authorities no longer have Possibility to sell 'suite' of services		
Cost analysis being undertaken to find inefficiencies and increase capacity		
<b>2017/18</b>		
Focus area for 2017/18 – negotiations to progress with surrounding authorities to 'sell' services		
Community Safety and Neighbourhood Quality		
	£	£
<b>Total Income</b>		
<b>Costs</b>		
<b>Total Costs</b>		
<b>Annual Profit / Deficit</b>		
<b>Pressures on Targets</b>		
Although there may be a social return on some schemes it is difficult to quantify the benefit to the community (e.g., Kingdom Contract – measuring reduction in litter for eg		
Staff Working at full Capacity – little time to devote to new projects		
<b>Actions/Initiatives</b>		
<ul style="list-style-type: none"> <li>Kingdom Contract – Number of FPNs issued is declining slightly but intangible benefits (cleaner streets, improved image of Havant etc) – FPN's has reduced the amount of dumped litter collected but increased litter collection from bins,. Contract reviewed yearly and could cease when it reaches a point when there are no substantial benefits to the Council FPN collection rate in Quarterly Health Check documents does not clearly indicate late payments/rate of prosecutions – approx. 60% recorded, actual figure</li> </ul>		

approx. 72%

- Cost analysis being undertaken to find inefficiencies and increase capacity

### Environmental Health Team

£

**Total Income** 200,000 – 300,000

#### Costs

**Total Costs**

**Annual Surplus**

#### Pressures on Targets

Pressures to reduce waste in terms of administrative processes and bring in efficiencies across service, with the possibility of selling service to other authorities

Area includes statutory responsibilities that the Council must fulfill

Front-line services – time/resource pressures

IT software

#### Actions/Initiatives

Environmental Health Service Review completed at the end of the last calendar year, with the goal of creating a JVC in 5 years and selling the service to other authorities

- Short Term Actions: formal consultation underway with Team Leaders at both HBC and EHDC
- Medium Term Actions: Business Process Review (BPR) scheduled to identify costs, wastage and use of resource
- Long Term Actions: Market identification and selling a catalogue of services to other authorities (both statutory and non-statutory functions)

Charges for Pest Control – Charges not yet/only recently implemented due to technical issues – has this affected the income forecast?

#### 2017/18

Focus area for 2017/18 – progress initiatives to 'sell' service to other authorities

### Car Parking and Traffic Management

#### Income

£

**Total Income**

**Total Costs**

**Annual Deficit**

#### Pressures on Targets

Target achieved by service transferring to EHDC.

Area includes statutory responsibilities that the Council must fulfill

Defunct car parking machines do not allow for data collection used to analyse car park usage and income

Costs of car parks are off-set by income from (PCN's)

Front line service – time/resource pressures

#### Actions/Initiatives

- The shared parking service is now supplied by East Hampshire (EHDC) providing management and enforcement arrangements to Havant (HBC) for an agreed fee. Saving £50,000
- New car parking machines to be installed - allow for new payment methods and detailed analysis of car park  
Car Parking Strategy – look to implement a new strategy which encompasses modern car parking trends, alternative uses of underused car parks, charges etc. (more residents are visiting retail parks than town centres)
- Increase in PCN income – New ways of working (benchmarking between officers as opposed to PCN targets) and reduction in sickness.

Source Meeting with Head of Neighbourhood Support on 3 August 2016 and the Budget Scrutiny and Policy Development Panel

Notes of the Budget Scrutiny and Policy Development Panel held on Wednesday, 10 August 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell, Lloyd and Smith K

Also Present:

Councillor Michael Cheshire MBE, Councillor David Guest and Councillor Michael Wilson

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Apologies:

**Actions**

**1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Ponsonby and Councillor Davis.

**2 QUARTERLY HEALTH CHECK**

Members noted the Quarterly Health Check documents.

**3 EARLY THOUGHTS DISCUSSIONS WITH HEAD OF DEVELOPMENT**

The Head of Development discussed the budget formation process for the service area with the Panel and answered members' questions in relation to specific details.

The discussions covered the service's spending plans for 2016/17, the pressures on expenditure targets and current progress, and initial thoughts regarding the development of the 2017/18 budget, as set out in Appendix A to these minutes.

**4 EARLY THOUGHTS DISCUSSIONS WITH BUSINESS, ECONOMY AND TOWN SERVICES MANAGER**

The Business, Economy and Town Services Manager discussed the budget formation process for the service area with the Panel and answered members' questions in relation to specific details.

The discussions covered the service's spending plans for 2016/17, the pressures on expenditure targets and current progress, and initial thoughts regarding the development of the 2017/18 budget, as set out in Appendix B to these minutes.

**The meeting commenced at 5.00 pm and concluded at 6.21 pm**

## Development Services Brief – Building Control Team

Services: Building Control Team and Business Economy and Town Services Team<sup>1</sup>

### Building Control

	£
<b>Total Income</b>	276,000
<b>Total Costs</b>	295,000
<b>Net cost of Service per annum</b>	19,000

**Building Control** Building Control plays a critical role in public safety; ensuring buildings are safe, well built and energy efficient. Unlike other Council regulatory services, building control has to compete for business with private sector Approved Inspectors.

Building Regulation Approval may be obtained from

- The Council
- A private Approved Inspector

Council have a 70% share of the market. Although the share of the market has fallen, income has remained static.

#### Pressures on Targets

- Team is part of a new service created following the 2015/16 Resources Review
- Budget for this team and Business Economy and Town Services was set before this Service was created
- Competition from Private Approved Inspectors who
  - > Are not constrained by the fees they charge
  - > can offer more attractive recruitment packages
  - > do not have to undertake low value or non fee earning work
- 30% of the work of team is non feeing earning work e.g. dealing with dangerous structures
- Dependent upon the receipt of building regulation applications/plan checking work which are dependant on the wider economy.
- The fees charged for services (70% of the work of the team) must be reasonable and cover the costs of the services i.e. they cannot be used to generate a profit
- Difficult to attract and retain staff due to competition from “Approved Inspectors”

#### Actions / Initiatives

- *Staffing and training requirements have been reviewed to try and introduce new fee earning streams*
- *Minimise the use of the non fee paying services to reduce expenditure*
- *Partnerships*
- *Looking into the possibility of forming a partnership with EHDC, Portsmouth CC, Fareham and Gosport Councils to achieve economies of scale*
- *Current partnership with EHDC enable the Services to divert resources form Council to another to manage peaks and troughs in the demand for service*
- *Private Trading Company*
  - > *Looking into the advantages of setting up a private trading company which can be used to provide the service at a higher charge than the Council can impose.*

<sup>1</sup> A separate brief has been prepared for the Business, Economy and Town Services Team

- > Cheshire East Council's Building Control service has been re branded as Civicance Ltd, a wholly owned company by Cheshire East Council. – Scheme has delivered income to the service
- > If the Company obtained services from “in-house” sources.(“Teckal Principle”) the venture would be exempt from EU procurement rules e.g. Norse South East  *Street Numbering and Naming Service*

Investigating imposing charges for this service, which currently costs £10,000 e.g. £25 a property

A number of Councils have already begun charging for this service e.g. Wiltshire Council

Source Meeting with Head of Development Services on 10 August 2016 and Budget Scrutiny and Policy Development Panel

# Development Services Brief – Business Economy and Town Services Team

Services: Building Control Team<sup>1</sup> and Business Economy and Town Services Team

## Business Economy and Town Services Team

	£
<b>Total Income</b>	140,000
<b>Total Costs</b>	370,000
<b>Annual Deficit</b>	230,000

Services Delivered:

### Prosperity Havant

- Identify and encourage development of major development sites >
  - Waterlooville MDA
    - > Dunsbury Hill Gateway
    - > Transformation of Havant Town Centre
    - > A27 Prosperity Corridor
    - > Hayling Seafront
- Support businesses
  - > Advice & support Support inward investment and local business expansion in the Borough
  - > identify and help attract external funding
  - > small business grants
- Local skill agenda
  - > SLA with Wheatsheaf Trust
  - > S106 Employment and skills plans

Grants to small business (Up to £1000 grants) - 80%-85% business which have received a grant are still trading

Events Management – e.g. Virgin Kite Surfing Armada and Town Centre Events

### Pressures on Targets

- Town centres are changing – increase in on line shopping has led to less retail outlets in town centres and an increase in service/catering outlets
- Budget for this team and Business Economy and Town Services was set before this Service was created
- Depends upon the state of the economy
- Competition for limited funding
- Competition from other areas wishing to attract development within their areas
- Developing effective networks between business and other

<sup>1</sup> A separate brief has been prepared for the Building Control Team

## Actions / Initiatives

- *Breakfast briefings with local businesses*
  - creates a secure and successful networking environment for members to cooperate and exchange referrals. Members actively seek and create opportunities for each other raises profile of the Council.
  - Improve networking with major businesses
- *Development and inward investment – working with LEPs, investors and planning service*
  - > encourage the development of strategic sites and other sites identified as suitable for development
  - > *identify suitable sites for development e.g. underused car parks*
  - > *attract external funding and inward investment • Town Centres*
  - > Shop Front Improvement Scheme
  - > Building on success of recent Solent Road Retail Park extension
- *Devolution – Opportunities arising from the Solent Deal*
  - > Reduction of Costs
  - > Reviewing Grants
  - > Reviewing Staff and other costs
  - > Opportunities for Partnerships

Source Meeting with the Business Economy and Town Services Manager and the Head of Development Services on 10 August 2016 and Budget Scrutiny and Policy Development Panel



Notes of the Budget Scrutiny and Policy Development Panel held on Tuesday, 23 August 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell, Lloyd and Smith K

Also Present:

Councillor:

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Buckley

Apologies:

**1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Ponsonby and Councillor Davis.

**2 DISCUSS "EARLY THOUGHT DISCUSSION" BRIEFS**

Panel members discussed the briefing notes from the 'Early Thoughts Discussions' with the six Heads of Services interviewed.

Further information was requested for:

- A breakdown of costs for the Civil Engineering and Landscaping Team (CELT) as detailed in the Planning Services Brief.
- A breakdown of costs for the Communications and Marketing Team as detailed in the Communications and Community Engagement Services Brief.
- More details on the Council's role and the costs of the Front Lawn Recreation Ground delivery as detailed in the Communications and Community Engagement Services Brief.
- A breakdown of costs for Neighbourhood Support and more financial information on the services detailed on the draft Neighbourhood Support Services Brief (information requested from Finance).

It was AGREED that;

- a) The following services' budget plans would be

**Action**

scrutinised further:

- i. Communications and Community Engagement  
Neighbourhood Support
  - ii. Development Services (including Building Control /  
Business, Economy and Town Services)
- b) Heads of the above services would be contacted to ask for the most convenient time to meet for a further review of budget plans;
  - c) A meeting be arranged with the Leader of the Council and the Head of Finance to discuss overarching budget plans for 2017/18; and
  - d) The Panel meet prior to in-depth meetings to agree on the questions for the selected Heads of Service.

### **3 BUDGET PROGRESS REPORT - 16 AUGUST 2016**

Panel members noted the Budget Panel Progress Report.

**The meeting commenced at 4.00 pm and concluded at 5.02 pm**

Notes of the Budget Scrutiny and Policy Development Panel held on Wednesday, 5 October 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell, Lloyd and Smith K

Also Present:

Councillor Michael Cheshire MBE and Councillor Michael Wilson Mark Gregory (Democratic Services Officer), Stuart McGregor, Nicholas Rogers (Democratic Services Assistant) and Craig Smith

Apologies:

## Actions

### 4 APOLOGIES FOR ABSENCE

There were no apologies for absence.

### 5 MINUTES

It was AGREED that the minutes of the Budget Scrutiny and Policy Development Panel meeting on 23 August 2016 be approved as a correct record.

### 6 BUDGET 2017/18

The Panel invited the Leader of the Council, the Chief Finance Officer and the Head of Finance and Assets to provide details on the overarching financial plans for the budget formation for 2017/18.

The following points were discussed:

- The Council's financial position was strong with a predicted surplus of £0.530M for the 2016/17 financial year. The Council also had reserves of approximately £6.000M.
- For the 2017/18 financial year, service managers had been tasked to produce a collective £0.258M favourable variance. This saving had already been factored in to the budget plans for each service.
- For the 2018/19 financial year, the Council was predicting a £0.5million deficit due to the probability of

- reduced New Homes Bonus funding.
- For the 2019/20 financial year, the Council was predicting a £0.125M surplus.
- The future year financial forecasts were difficult to predict due to changes in funding, e.g. the Revenue Support Grant (likely to be £0 by 2019/20), New Homes Bonus, business rates and Council Tax (the Council chose not to increase the Council tax levels for this Council at the last budget).
- The Panel were assured that the Council was keeping informed on all possible opportunities for increased income (e.g. relaxation of austerity measures from the new Chancellor, Devolution, Combined Authorities).
- If any particular elements of a service were underperforming financially, new challenges would be set to make up the short-fall in other areas.
- A quarterly financial statement was provided to Cabinet Briefing to monitor the Council's financial position.
- Business rates were a key concern as the Council received 9% of the rates collected, against the headline figure of 40%, due to Government Tariffs and Levies. The Council had responded to a Government consultation on 100% retention of business rates. The CFO advised that the outcome of the review would be fiscally neutral, nationally, and aligned with the government's wider fiscal plan. The Council's response to the consultation had requested a higher share of rates and not to be worse off through any changes, while also asking for more information to understand the tariffs applied to rates.
- The Valuation Office had revalued the rateable value of each business' property in the country. Currently the Council did not know in detail how this would affect the Council's finances but it had been estimated by all Councils in the county that it was unlikely this would have any significant impact.
- The Council's discretionary Business Rate incentives were aimed to encourage new build developments to secure major inward investment, employment growth, new business floor space and long term revenue growth in Havant Borough.
- Panel members discussed that it was possible that the Council could consider an increase Council Tax in its mid-term financial planning. It was estimated that a 1.99% increase would lead to an additional £120,000. The Panel discussed whether it would be appropriate to raise Council Tax.

It was AGREED that a chart detailing business rate relief

thresholds would be circulated to the Panel.

## **7 UPDATES ON PREVIOUS REVIEWS**

### **7a Update on Elections Arrangements Review**

The Panel received the Recommendations Update Form on the Review of Electoral Arrangements.

The Panel requested the Cabinet Lead investigate the use of an alternative microphone at the next election, as the issue on feedback when the Council's PA system was used at the Havant Leisure Centre was still a concern.

### **7b Update on Lone Working Procedure Review**

The Panel received the Recommendations Update Form for the Lone Working Procedure.

The Cabinet Lead emphasised the need for Councillors to meet with residents accompanied or in a neutral environment if possible.

### **7c Update on IDOX Review**

The Panel received the Recommendations Update Form on the IDOX Report.

The Cabinet Lead highlighted the transfer of IT services to Capita may clash with existing IT system contracts and suggested the migration of existing IT systems be a project that the Panel consider for a future scrutiny review.

## **8 FUTURE SCRUTINY PROJECTS**

The Cabinet Lead advised that following a report on the grants that the Council provides, the Panel might wish to look into the Havant Citizens Advice Bureau, as the outside body received the largest single non-statutory grant from the Council.

It was AGREED that the Panel would view the Cabinet report on Council grants before deciding on whether to undertake a scrutiny review on grants.

## **9 BUDGET 2017/18**

### **9a Progress Report 23 August to 5 October 2016**

The Panel noted the Budget Scrutiny Progress Report.

**9b** To Agree Next Date of Panel - Week Commencing 10 October 2016

The Panel discussed the dates for the deep-dive interviews with the three selected Heads of Service. The Panel also considered the need to provide questions for the Heads of Service ahead of the interviews.

It was AGREED that;

- a) A meeting be arranged on Thursday 13 October at 3.30pm for the Panel to discuss the questions for the deep-dive interviews; and
- b) The dates for the deep-dive sessions be sent to all Panel members.

**The meeting commenced at 4.30 pm and concluded at 5.41 pm**

Notes of the Budget Scrutiny and Policy Development Panel held on Thursday, 13 October 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson and Cresswell

Also Present:

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Ponsonby

Apologies: Councillor(s): Carpenter, Lloyd and Smith K

**10 MINUTES**

The minutes of the meeting of the Panel held on 5 October were agreed as a true record.

**11 DISCUSSION OF QUESTIONS FOR DEEP-DIVE INTERVIEWS**

The Panel considered questions submitted by Councillor Hughes to be asked at the deep dive sessions to be held in November 2016.

The Panel considered that an additional question should be added to ascertain the impact of the apportionment of community grants in 2017/18 would have in community groups that received these grants.

It was Agreed that the questions attached as an appendix to these minutes be circulated to all members of the Panel for their comments.

**The meeting commenced at 3.30 pm and concluded at 4.00 pm**

**Action**

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## PROPOSED GENERIC QUESTIONS:

1. Do you understand the direction that has been given to you (from Leader/CFO) in preparing the 2017/2018 budget for your area?
2. What impact does that direction have on your budget when compared to this current FY?
3. What other factors are you having to take into consideration when preparing the 2017/2018 budget for your area?
4. What 'ambition' do you have for your area, which might affect how you prepare your budget?
5. What, if any, assumptions are you using when preparing the budget for your area?
6. What, based on the direction, ambition (if any) and assumptions, is the biggest financial threat/risk to your 2017/2018 budget?

## PROPOSED SPECIFIC QUESTIONS:

### - Community and Community Engagement

7. (a) What factors will determine how you apportion community grants?  
(b) How will this impact on the various communities that currently benefit from these grants?
8. Cabinet has approved a rationalization of the current approach to supporting and delivering events in the Borough. How will this be implemented within your budget?

### - Neighbourhood support

9. Are the new car parking machines providing sufficient initial data to enable you to better forecast income based on usage?
10. If so, will this be fed into your 2017/2018 business plan, enabling you to achieve the efficiencies?
11. Will the new Car Parking Strategy feed into your budget planning for 2017/2018?
12. What income has been received for domestic pest control, is it in line with 2016/2017 forecasts and what is forecast for 2017/2018?

13 Are there any anticipated changes to the current arrangement with the Kingdom contract that will impact of income for 2017/2018?

- Development services

14 Cabinet has approved a rationalization of the current approach to supporting and delivering events in the Borough. How will this be implemented within your budget?

15 Do you envisage continuing with the small business grants?

16 How much of your budget will be for 'seed corn' purposes; spending a little to attract greater inward investment and how does this compare with last year?

Notes of the Budget Scrutiny and Policy Development Panel held on Thursday, 17 November 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell, Lloyd and Smith K

Also Present:

Mark Gregory (Democratic Services Officer), Dan Grindey (Business, Economy and Town Services Manager) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Francis and Pike

	<b>Action</b>
<p><b>12</b> MINUTES</p> <p>The Minutes of the meeting of the Panel held on 13 October 2016 were agreed as a correct record subject to the inclusion of Councillor Lloyd in the list of Apologies.</p>	
<p><b>13</b> DEEP DIVE DISCUSSION - BUSINESS ECONOMY AND TOWN SERVICES TEAM</p> <p>The Business Economy and Team Leader discussed plans for Development and Business, Economy and Town Services 2017/18 budget and answered members questions in relation to specific details.</p> <p>The discussions covered potential income and savings for 2017/18, the direction of the economic development service, the value of the service to the Council as set out in the attached Appendix to these minutes.</p> <p>It was agreed that the following information would be provided to the Panel:</p> <ol style="list-style-type: none"><li>1. The amount of small business grants given to date and the amount set aside for this purpose; and</li><li>2. The percentage of business rates received by the Council.</li></ol>	<p>Dan Grindey</p> <p>Dan Grindey</p>

**The meeting commenced at 2.00 pm and concluded at 3.25 pm**

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**Budget Scrutiny 2017/18**  
**Development Services Brief – Economic Development Service**

**Business Economy and Town Services Team (2016/17 Budget)**

	£	£
<b>Income</b>		
Street Market Contract	140,000	
<b>Total Income</b>		140,000
<b>Costs</b>		
<b>Staff</b>	190,000	
<b>Activity*</b>	180,000	
<b>Total Costs</b>		370,000
<b>Annual Deficit</b>		230,000

Staff (3FTE):

\*Activity includes:

- Business start-up grants
- Business engagement
- Inward investment promotion
- Project development
- Event management (strategic and town centre events)
- Tourism promotion
- Employability support (Wheatsheaf Trust employment access centre)

**Status of the Service**

Discretionary

**Direction of Travel for 2017/18**

To concentrate on those activities which will bring a return on investment – prioritising those activities that bring;

- a direct financial return to the council
- lever additional public and private sector investment
- deliver a clear economic return (jobs, commercial floorspace, productivity improvements)

e.g. The development of Council's former landfill site Brockhampton West is a project that meets all of these criteria.

**Proposed Changes for 2017/18**

The transfer of events administration to Community – it has been agreed with Community that the events have a greater community benefit than economic and should be administered by Community e.g. Stockheath Common Fireworks Night. It is envisaged that the ED service will provide time-limited advice and support to the community team but will not transfer any staff to Community.

This will reduce the costs of the Business Economy and Town Services Team by approximately £30,000 in 2017/18, exact budget to be agreed between Dan Grindey and Claire Hughes

### **Factors to be Taken into account when Preparing the 2017/18 Budget**

- Return on Investment, direct financial return to the Council
- The need to generate new investment in the Borough
- The need to create employment opportunities particularly for the long term unemployed (relatively high proportion in Havant)
- Potential job losses in the Borough e.g. Pfizers

### **Value of the Service**

Locally based team of professionals who:

- Identify and encourage development of suitable sites
- Support Businesses e.g. grants funding and enabling existing businesses to remain and grow by supporting their expansion locally
- Realise a return on investment on Council owned land

Successes in 2016/17

- P & I Generators – identified a new location for the business which enabled the business to grow within the Borough and not move outside the area
- Dunsbury Hill Farm – made the case for funding for infrastructure works which are now completed. This enabled the development to proceed
- Raised profile of the Borough's growth opportunity and organised 3 ministerial visits to the Borough

Difficult to quantify the value of the service because:

- Some benefits not quantifiable and observable over the long term
- Not all the benefits accrues to the service e.g. the income from an increase in Business Rates does not accrue to the service's budget
- Jobs, new commercial floorspace and productivity represent the main economic measures

### **Ambitions for 2017/18**

- Reduction of the Annual Deficit
- Bring in new Investment
- Enable the development of Brockhampton West (including securing external funding for site investigations) to generate income for the council
- Establish Havant as a "Centre of Excellence" e.g. publicising the Council's successes, grants given and funding secured

### **Assumptions Used When Preparing the 2017/18 Budget**

- Retain the existing levels of staff (3 FTE)
- The Service will have an Annual cost
- Events will be transferred to Community (reduction in costs by approximately £30,000)
- There is not currently a contingency fund to enable the service to respond to issues e.g. the potential closure of Pfizer – the approach would be to co-ordinate with partners such as DWP, LEPs etc
- Small Business Grants will be retained (£25,000) based on current allocation

### **Methods for Achieving a Return on Investment**

- Purchase properties for rent/sale

- The use of Compulsory Purchase Orders to develop an area (is an option for major town centre schemes and would require strong input from planning colleagues)
- Local Asset Backed Vehicle or JV models could be considered
- Enable the development of Council Land for rent
- Support businesses to attract grant funding from LEPs and other organisations

#### **Small Business Grants**

Currently 10 applications have been submitted. The survival rate for businesses receiving the grant is good.

#### **Amount of Budget To be Used for Seed Corn Purposes**

£80,000 – this includes inward investment, start-up grants and funding to develop projects (eg: Brockhampton West)

#### **Discretionary Business Rate Incentives**

From September 2016 the Council has offered discretionary Business Rate incentives to new build developments to secure major inward investment, employment growth, new business floor space and long term revenue growth in Havant Borough. This is a specific lever that the council can pull to be competitive in attracting inward investment.

Source:

Meeting with the Business Economy and Town Services Manager on 17 November 2016

Information provided by the Business Economy and Town Services Manager 28 November 2016

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Notes of the Budget Scrutiny and Policy Development Panel held on Tuesday, 22 November 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell and Lloyd

Also Present:

Nicki Conyard (Community Manager), Mark Gregory (Democratic Services Officer), Claire Hughes (Head of Communication and Community Engagement) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Buckley and Pike

Apologies: Councillor(s): Smith K

**14 DEEP DIVE DISCUSSION**

The Head of Communications and Community Engagement and the Community Manager discussed the plans for the 2017/18 budget for the service and answered members questions in relation to specific details.

The discussions covered the direction of the Community service, factors under consideration when formulating the 2017/18 budget and the value of the service to the Council as set out in the attached appendix to these minutes.

It was AGREED that the following information would be provided to the Panel:

1. The list of events provided / supported by the Council in 2015/16

**Action**

Nicki Conyard,  
Claire Hughes

**The meeting commenced at 2.00 pm and concluded at 3.40 pm**

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## Budget Scrutiny 2017/18

### Communications and Community Engagement – Community Service

#### Key Priorities of Community Service

The work of the service is driven by the following elements within the Corporate Strategy:

The priorities of the Community Service are:

1. Undertake and support community activity to enable communities to support themselves
2. Enhance community infrastructure to make Havant a great place to live
3. Work with partners to enable residents to be economically active

The service intend to develop a Community Strategy to set a broad framework for the work that is undertaken to improve the health, economic wellbeing and prosperity of communities within the Borough.

#### Examples of Community Work

Enhance community infrastructure:

- Developing a Playing Pitch and Open Spaces Strategy which will form part of the Local Plan
- MDA Facilities – Although a majority of the West of Waterlooville MDA lies with Winchester, it is acknowledge that the residents will access Waterlooville’s facilities and infrastructure, and eventually become a part of the Waterlooville community. Therefore the Council plays a leading role in ensuring community development at the MDA to ensure that the communities of the MDA and Waterlooville are fully integrated. To achieve this, the service employs a community development officer, who is funded from the S106 Agreement contributions (£350,000).
- Other projects underway include Front lawn Recreation Ground, Bidbury Mead pavilion, Bartons Green changing facilities and a pilot scheme to improve the Tennis courts on Hayling Island (with funding received from the Lawn Tennis Association Foundation).

Improve Community Wellbeing

- Developing a Community Strategy – this will shape the framework for business plans for the service.
- Investigating a Havant based lottery (similar to PCC example)
- Health Projects – Couch To 5K, Men’s Sheds
- Investigating the alternatives to providing services through SLAs e.g. commissioning services
- Leading a multi=agency project to change the way services are delivered to improve community wellbeing

#### Grants

The Council currently gives 4 community grants to the following organisations. It is envisaged that the four grants the service provides will continue next year, but they may be reduced by a percentage (yet to be determined):

- Havant Citizens Advice – At £127,000, this is the Council’s biggest community grant. The service is looking to move from grant funding to commissioning, ensuring the service being commissioned focuses on advice services of particular relevance to HBC. The service is working towards April 2018 launch date. A decision on whether a commissioning process would lead to a reduction or increase in costs to the Council had not been decided.
- Spring Arts and Heritage Centre – Council grant pays for core services at the Centre. The service has worked with Centre improve its outreach programmes with a focus on health and wellbeing in the Borough. The Spring is the leading cultural organisation within the Borough.

- Community First – the organisation now works in a more creative and efficient way across 4 districts and maintains a solid relationship with the Council.
- Making Space – the grant to Making Space is under review due to ongoing costs and uncertainty on whether the project has fulfilled its original aims.

#### Further Grant Considerations

- The introduction of Councillor grants means communities have good access to funding for small scale local projects
- The service doesn't have a grant pot, however it does use its budget to provide match funding for bids for external funding. The service will generally only do this for projects which have long-term/sustainable outputs. The aim is to produce self-sustaining community projects / facilities within the Borough.
- Need to ensure that other departments do not duplicate grants

### **Supporting Outside Organisations**

#### **External Funding**

The service has a key role in adding weight to funding applications

The Communities Team Leader has a budget of £10,000 for use as match funding/contingency funds. This year's budget was used to help support the Leigh Park Community Centre

#### *Examples*

- The service provided £1800 of match funding to enable the Spring Centre to obtain £30,000 of external funding.

#### *Issues*

Although the service was very successful in identifying external funds, the employment of a Funding Officer could potentially help the Council obtain more funding: the previous funding officer post was lost following a restructuring exercise.

#### **Facilitator**

The service provides help and support to the community

#### *Examples*

- The service secured WeBigLocal lottery funding of £1m; (£100,000 a year for 10 years) for Wecock Farm. The area was identified by statistics (such as health profile, employment and deprivation data) as an area in need of community support and successfully applied for Lottery funding. The Council's role in influencing the project is limited by the terms imposed with the funding.
- The Havant Transformation Programme has been established to enable a multi-agency strategic group to help support residents in improving the Wecock Farm community. This programme links to the resident-led WeBigLocal programme.
- The service secured £1.3m external funding, match funded with £200k S106 funding, to undertake major improvements to Front Lawn Recreation Ground in Leigh Park. The service will take a client lead in the project going forward.
- The service secured over £90k public health funding to deliver initiatives across the borough. One of the projects, Couch 2 5K, is now self-sustaining and continuing at sites across the Borough. HCC have publically recognised this as one of the most successful health projects.

#### **Responding to Community Needs**

- Responding to Community Needs – the last survey on community facilities was carried out in 2009. This showed that Warblington was lacking in community facilities; this enabled the service to secure a community building through S106.
- The service also support community facilities in trouble e.g. Leigh Park Community Centre, where the Council provided funds / resource support to keep the centre open. In other cases, such as the West Leigh Hut, the service reviews usage and may not intervene in keeping the facility open.

- Ex St. John's Ambulance building on Hulbert Road – St. John's Ambulance vacated the premises in a state of disrepair. The service helped ensure the building was leased to TS Active, who received a small Council grant in order to rewire the building and ensure the Council was receiving rent.
- Men's Sheds – the service has supported the Men's Shed initiatives by providing seed funding to help them set up and identifying buildings for them to use.
- Community event management – the service currently provides support and help to community / charity event organisers to obtaining funding.

#### **Method to Identify Areas In Need of Support**

The service is able to draw upon various information sources to identify areas in need of support. For example; Mosaic data, employment figures, health data, index of deprivation and statistics provided by economic development are among the options available.

The services uses Mosaic data to identify areas and socio-economic groupings within the Borough in need of support. From this data, for example, the service identified a need for older persons in Stakes and lone parents in Leigh Park as groups in need of support and secured approximately £50,000 in funding to increase physical activity and reduce obesity. This work was due to begin imminently.

#### **Value of Service**

Aside from the returns gained from 'seed money', it was difficult to quantify returns on the work of the service as many are non-tangible and represent big social returns. The service is investigating an easy-to-use "social return on investment" calculator as developed by the University of York to quantify this work.

The service will also now report on the amount of external funding secured which has been enabled by the service providing match funding.

#### **Factors being taken into account in 2017/18 Budget**

The service will consider the parameters within which the budget is set and senior staff will consult on what services are needed for the coming year. This will include money for 'seed corn' purposes and project management, following the move of events from economic development to Community.

Events management – the responsibility for events to move to Community for the 2017/18 budget. This would involve £30,000 being moved from Business and Economic Support budget to Community budget and the transfer of the Mayor Secretary into the service. A review of the support provided to events to be undertaken with the aim of moving away from direct funding to enabling funding and support for these events.

The biggest risks to the service were internal budget cuts (which would result in the service being less able to bring in funding and with less resource to conduct work in the community) and legislation changes, which can change the way the service works and would need to be communicated to the community.

Source Meeting with the Head of Communications and Community Engagement and the Community Manager on 22 November 2016.

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Notes of the Budget Scrutiny and Policy Development Panel held on Thursday, 24 November 2016

Present

Councillor: Hughes (Chairman)

Councillors: Cresswell, Lloyd and Smith K

Also Present:

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Apologies: Branson and Carpenter

## Actions

### 1 DEEP DIVE SESSIONS

The Head of Neighbourhood Support discussed the plans for the 2017/18 budget for the service and answered members questions in relation to specific details.

The discussions covered the direction of the Neighbourhood Support Service, factors under consideration when formulating the 2017/18 budget and the value of the service to the Council as set out in the attached appendix to these minutes.

Draft estimates of the 2016/17 income and expenditure were circulated to the Panel prior to the meeting. The Panel was advised that these were draft estimates and were subject to change.

It was AGREED that the following information would be provided to the Panel:

1. details of the amount of parking fines collected within 14 days, those that went uncollected and those that required court action.

Natalie Meagher

**The meeting commenced at 4.30 pm and concluded at 6.01 pm**

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## Budget Scrutiny 2017/18

### Neighbourhood Support

#### Key Priorities of Neighbourhood Support

The priorities of the Neighbourhood Support are:

1. value for money;
2. meeting the needs of the community; and
3. conforming with the Council's strategies and in particular the Corporate Strategy

2017/18 will be the first full year of the current service. One of the main objectives for 2016-2018 is to review all the teams added to the service following the restructuring review to ensure that work of the teams meet the objectives set out above and identify any changes they can make them more efficient and/or effective.

#### Restrictions on Income

Some of the services such as planning enforcement, Environmental Health and Arboricultural services are statutory functions which either cannot generate income or have minimum opportunity to charge for their services

#### Difference Between HBC and EHDC Approach Towards the Delivery of the Service

The two Councils complement each other.

**EHDC** Aims to be seen as a Centre of Excellence which owns the service it delivers to its community and sells these services to other bodies

**HBC** Less concerned about who delivers a service provided that it represents value for money and meets the needs of the community

#### Savings 2016/17

Two main areas of savings:

**Traffic Management** - The shared parking service is now supplied by East Hampshire (EHDC) providing management and enforcement arrangements to Havant (HBC) for an agreed fee. Saving £50,000.

**CCTV** Ceased in 2016/17

#### 2017/18 Budget

##### Assumptions

Keep the current staffing levels the same as 2016/17.

No change to car parking charges for 2017/18

Income from Penalty Charge Notices (PCNs) will continue to increase

Continue with litter enforcement contract – Contract is currently out to tender with responses due by 1 February 2017.

#### 2018/19 Budget

Realise the savings identified in the team reviews and car parking strategy to be completed in 2016/17.

Income from PCNs likely to reach a plateau

#### Factors being taken into account in 2017/18 Budget

- The Service would explore ways of selling services to other Councils e.g. arboricultural services to undertake work for Hampshire County Council
- The reviews of the teams added to the service following the restructuring review will be completed in this financial year
- The service would seek to adopt a holistic approach to enforcement e.g. extending the current pilot of authorising Community Safety Officers to enforce against minor planning offences
- The car parking review to be completed by the end 2017/18

#### Main Risk/Treats to 2017/18 Budget

Hampshire County Council's decision to

- **Reduce funding for the Traffic Agency Agreement by 40%** - It was assumed that shortfall would be subsidised by the Council. Work is in progress to seek ways to make up the shortfall e.g. require the developers to meet the costs of potential traffic management costs arising from development through the planning process.
- **Cease funding Disable Facilities Grants** - The current contract is due to end March 2017. Hampshire County Council has given a significant amount of funding towards these contracts to date, but from April 2017 HCC will no longer provide support and alternative funding arrangements will need to be sought. The Executive Board has agreed to continue with home improvement arrangements using 'better care funding' subject to caveats. This would enable the Council to retain the existing case worker and make a saving of £10,500.

#### New Car Parking Machines

The new car parking machines were installed in August and the information provided by them has already enabled the Council to identify a more efficient frequency for the collection of cash from these machines and reduce its collection costs. By the end of next year the data from these machines will feed into the car parking review.

#### Pest Control Charges

##### Discretionary Service.

However, The Prevention of Damage by Pests Act 1949 the Council is required "...to secure so far as practicable that their district is kept free from rats and mice"

The Council can take action against landowners to eradicate pests

2016/17 – To date received £5,000 income

	Number of Rat Cases	Number of Mice Cases	Number of Flea Cases
2015/16	1232	326	69
2016/17 (to date)	812	172	54

Charges for rat and mice treatments to be introduced from 5 December 2016 (no retrospective charges). The charge aims to encourage residents to take action to eradicate mice and rats before the Council has to take enforcement action against them (the cost of a pest control officer being less than an enforcement officer)



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Notes of the Budget Scrutiny and Policy Development Panel held on Tuesday, 29 November 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Carpenter, Cresswell and Lloyd

Also Present:

Councillor:

Mark Gregory (Democratic Services Officer), Dan Grindey (Business, Economy and Town Services Manager), Mrs Julia Potter (Head of Development) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Pike and Ponsonby

Apologies: Councillor(s):

		<b>Action</b>
<b>2</b>	<b>APOLOGIES FOR ABSENCE</b>  There were no apologies for absence.	
<b>3</b>	<b>DEEP DIVE DISCUSSION - HEAD OF DEVELOPMENT</b>  The Head of Development and the Business Economy and Town Services Manager discussed plans for the 2017/18 budget for their services and answered members questions in relation to specific details.  The discussions covered the direction of the economic development service and the activities that the service undertakes as set out in the attached appendix to these minutes.  It was AGREED that;  1. Panel members would forward their conclusions following the deep-dive discussions to the Scrutiny Lead and Democratic Services for inclusion in the final report; and  2. a Panel meeting be arranged for 3pm on Thursday 8 December to discuss the final report.	

**4** NOTES FROM PREVIOUS MEETINGS

The Panel received the notes of the Panel meetings on 17 November 2016 and 22 November 2016.

**The meeting commenced at 2.00 pm and concluded at 3.47 pm**

# Budget Scrutiny 2017/18

## Development Services Brief – Economic Development Service

<b>Business Economy and Town Services Team (2016/17 Budget)</b>		
	£	£
<b>Income</b>		
Street Market Contract	140,000	
<b>Total Income</b>		140,000
<b>Costs</b>		
<b>Staff</b>	190,000	
<b>Activity*</b>	180,000	
<b>Total Costs</b>		370,000
<b>Annual Deficit</b>		230,000
<p>Staff (3.5FTE):</p> <ul style="list-style-type: none"> <li>Business start-up grants</li> <li>Business engagement</li> <li>Inward investment promotion</li> <li>Project development</li> <li>Event management (strategic and town centre events)</li> <li>Tourism promotion</li> <li>Employability support (Wheatsheaf Trust employment access centre)</li> </ul>		
<b>Status of the Service</b>		
Discretionary		
<b>Status of the Havant Economy</b>		
<p>Strong manufacturing and engineering presence in the Borough. Changes in shopping habits have led to a shift from town centres towards retail centres and online shopping. Recent examples include Solent Retail Park and Wellington Retail Park.</p>		
<b>Direction of Travel for 2017/18</b>		
<p>To concentrate on those activities which will bring a return on investment - prioritising those activities that bring;</p> <ul style="list-style-type: none"> <li>• a direct financial return to the council</li> <li>• lever additional public and private sector investment</li> <li>• deliver a clear economic return (jobs, commercial floorspace, productivity improvements)</li> </ul> <p>The development of Council's former landfill site Brockhampton West is as an example of a project that meets all of these criteria. The priorities of the service are led by the Corporate Strategy, the ED Business Plan and discussions with the Cabinet Lead.</p>		
<b>Proposed Changes for 2017/18</b>		
<p>The transfer of events administration to Community – it has been agreed with Community that those events have a greater community benefit than economic and should be administered by Community e.g. Stockheath Common Fireworks Night. It is envisaged that ED will provide time-limited advice and support to the community team but will not transfer any staff to Community.</p> <p>This would reduce the budget of the Business Economy and Town Services Team by approximately £30,000 in 2017/18 (exact budget to be agreed between Dan Grindey and Claire Hughes).</p>		
<b>Factors to be Taken into account when Preparing the 2017/18 Budget</b>		

- Return on Investment, direct financial return to the Council
- The need to generate new investment in the Borough
- The need to create employment opportunities particularly for the long term unemployed (relatively high proportion in Havant)
- Potential job losses in the Borough e.g. Pfizers

#### **Value of the Service**

Locally based team of professionals who:

- Identify and encourage development of suitable sites
- Support Businesses e.g. grants funding and enabling existing businesses to remain and grow by supporting their expansion locally
- Realise a return on investment on Council owned land

Successes in 2016/17

- P & I Generators – identified a new location for the business which enabled the business to grow within the Borough and not move outside the area
- Dunsbury Hill Farm – made the case for funding for infrastructure works which are now completed. This enabled the development to proceed
- Raised profile of the Borough's growth opportunity and organised 3 ministerial visits to the Borough.

Difficult to quantify the value of the service because:

- Some benefits not quantifiable and observable over the long term
- Not all the benefits accrues to the service e.g. the income from an increase in Business Rates does not accrue to the service's budget
- Jobs, new commercial floorspace and productivity represent the main economic measures

#### **Ambitions for 2017/18**

- Reduction of the Annual Deficit
- Bring in new investment
- Enable the development of Brockhampton West (including securing external funding for site investigations) to generate income for the Council. This would likely cost between £50,000 and £100,000 and would need to be paid by the Council.
- Establish Havant as a "Centre of Excellence" e.g. publicising the Council's successes and grants given and funding secured
- Investigate profit share opportunities with developers
- Potential uses for Council-owned assets (e.g. car parks, toilet blocks) investigated.

If the service was presented with more funding, ED would look to bring in more resource to evaluate the Council-owned assets in the Borough and investigate different delivery models of using these sites.

#### **Assumptions Used When Preparing the 2017/18 Budget**

- Flatlining with current costs – no additional expenditure
- Retain the existing levels of staff (3.5 FTE)
- The Service will have an annual cost
- Events will be transferred to Community (reduction in costs by approximately £30,000)
- There is not currently a contingency fund to enable the service to respond to issues e.g. the potential closure of Pfizers – the approach would be to co-ordinate with partners such as DWP, LEPs etc.
- Small Business Grants will be retained (£25,000) based on current allocation.

#### **How Success Will be Gauged in 2017/18**

- Regeneration - secured external resources and completed site investigation works



required to bring forward Brockhampton West. Developed and agreed financial model to deliver the scheme over the next 2 years to deliver around 200 new jobs.

- Business investment - secured in excess of 250,000 in external grant funding for local small businesses. Ensured local businesses take advantage of funded national and regional support programmes (including access to finance and exporting)
- Inward investment - promoted key development sites in Havant Borough to local, regional and national audiences. Brokered agreements between landowners and businesses to locate/ expand create new jobs, floor space & business rate receipts in the Borough.
- Skills - worked with Local Enterprise Partnerships, training providers and the private sector to ensure Havant benefits from funded skills programmes to support at least 50 unemployed residents into training and employment.

On a more general level, the teams work would contribute to improvements in economic measures including jobs growth, productivity, business retention & business base growth.

#### **Methods for Achieving a Return on Investment**

- Purchase properties for rent/sale
- The use of Compulsory Purchase Orders to develop an area (is an option for major town centre schemes and would require strong input from planning colleagues)
- Local Asset Backed Vehicle or JV models could be considered
- Enable the development of Council Land for rent
- Support businesses to attract grant funding from LEPs and other organisations

#### **Business Grants**

The current number of grant applications for 16/17 stands at 6. There is funding for a total of 22 grants of £1,000 and this will continue in the 2017/18 budget.

The survival rate for businesses receiving the grant is good.

LEP is also providing £250,000 of Havant specific funding for growth businesses in the Borough (minimum £10k per grant). ED will support the facilitation and implementation of the grant process.

#### **Amount of Budget To be Used for Seed Corn Purposes**

£80,000 – this includes inward investment, start-up grants and funding to develop projects (e.g. Brockhampton West)

#### **Discretionary Business Rate Incentives**

From September 2016 the Council has offered discretionary Business Rate incentives to new build developments to secure major inward investment, employment growth, new business floor space and long term revenue growth in Havant Borough. This is a specific lever that the Council can pull to be competitive in attracting inward investment.

#### **Town Centres**

There is a move away from the traditional focus on town centre management to a focus on bringing investment to the Borough. ED have been in conversation with developers regarding the Borough's town centres and potential projects include conversion to residential properties. Developers were reluctant to invest in such sites unless there is a good chance that the value of any property is tripled by development. ED have visited other local authorities to understand models for investment in town centres (e.g. Local Asset Backed Vehicle or JV models).

Sources:

- 1) The Panel meeting with the Business Economy and Town Services Manager on 17 November 2016
- 2) The Panel meeting with the Head of Development and Business Economy and Town Services Manager on 29 November 2016.
- 3) Further information provided by the Business Economy and Town Services Manager

Notes of the Budget Scrutiny and Policy Development Panel held on Thursday, 8 December 2016

Present

Councillor: Hughes (Chairman)

Councillors: Branson, Cresswell and Lloyd

Also Present:

Mark Gregory (Democratic Services Officer) and Nicholas Rogers (Democratic Services Assistant)

Councillors: Buckley

Apologies: Councillor(s): Carpenter and Smith K

**5** BUDGET 2017/2018

The Panel considered the draft report for the scrutiny of the 2017/18 budget.

RESOLVED that the draft report be approved as submitted subject to the following amendments:

- (a) Paragraph 2.1 to be amended to read  
“to consider the appointment of a full or part time Funding Officer within the Community Team with the aim that this post be self funding and to enable the Council to take greater advantage of external funding”
- (b) Paragraph 10.5.5 – delete the last sentence.

**The meeting commenced at 3.00 pm and concluded at 3.45 pm**

**Action**

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