

Supplementary Information

**HAVANT BOROUGH COUNCIL
EXTRAORDINARY CABINET
WEDNESDAY, 21ST SEPTEMBER, 2022**

Please note that the attached supplementary information was unavailable when the agenda was printed.

Agenda No Item

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NON-EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

21 September 2022

REFRESHED CORPORATE STRATEGY

RECOMMENDATION TO FULL COUNCIL

Portfolio Holder: Leader, Cllr Rennie

Key Decision: No

Report Number: HBC/077/2022

1. Purpose

- 1.1. This paper is submitted to Cabinet with the proposed new Corporate Strategy.
- 1.2. The new updated Corporate Strategy is required as a result of the continued work on the separation of the joint shared arrangements with East Hampshire District Council

2. Recommendation

- 2.1. Cabinet recommends to Full Council that it adopts the new Corporate Strategy
- 2.2. Cabinet asks full Council to note that the new Corporate Strategy will be brought back before Cabinet in December 2022 for further consideration following the course of public engagement referenced further in this Report

3. Executive Summary

- 3.1. Havant Borough Council must have a Corporate Strategy document which sets out the ambitions and proposed approach to delivery of the functions of the Council.

- 3.2. Any matters falling outside of the policy framework or the budget framework will require approval at Full Council. It is therefore important that the document covers all the proposed endeavours that the Council wishes to undertake through the executive function of Cabinet over the next few years.
- 3.3. The Corporate Strategy is the key policy framework document that should articulate at a high level what the Council aims to provide for residents and businesses in its area. Any matters within that policy framework do not need to return to full Council for decision and the framework therefore allows the Cabinet the freedom pursue goals on behalf of the Council in a timely and directed way.
- 3.4. This document represents a refreshed version of the Corporate Strategy to take account of the priorities that Cabinet wishes to focus as the authority moves away from the shared management arrangements that it currently has with East Hampshire District Council.
- 3.5. As well as empowering the Cabinet to act in accordance with the priorities decided by the Council, the Corporate Strategy has a regulatory function. It acts as a rudder for the Council which holds a course to achieve the overall ambitions that have been set.
- 3.6. The Executive and Officer core are greatly empowered by the setting of a direction and the ability to identify any proposal that falls outside of it. This becomes a key method to ensure that the limited resources of the authority are used effectively and efficiently, and that governance of the Council's activities remain robust.
- 3.7. The Corporate Strategy also gives important clarity to when any deviation from the Council's objectives is becoming sufficiently marked to require the Cabinet to return to full Council and justify the new approach. The Scrutiny function is required to remain alert to when the direction of travel is departing from the

Corporate Strategy and can call in a decision which the Committee believes may fall outside of the Corporate Strategy. If the Committee concludes the decision falls outside of the Corporate Strategy parameters, Scrutiny may and make reports or recommendations to full Council as it sees fit.

- 3.8. The draft Corporate Strategy set out in Appendix 1 has been developed with the Council's communications, insight and performance teams. In conjunction with an evidence based approach the refreshed document is reflective of the priorities and vision of the communities serve and provides a clear direction of travel for the Council's activities.
- 3.9. The Corporate Strategy is a living document with progress monitored throughout the year through a revised performance framework. We will set targets so that services are realigned to the priorities within the Corporate Strategy and those targets will be bound into a performance scorecard in which to monitor and report progress.
- 3.10. Following this initial update, the council will seek to actively engage with the public and invite ideas, thoughts and comments. This will be in anticipation of Cabinet reflecting on the results of that engagement when the Corporate Strategy comes back before it for further review in December 2022.

4. Additional Budgetary Implications

- 4.1. None

5. Background and relationship to Corporate Strategy and/or Business Plans

- 5.1. The document has been developed as an update to the existing Corporate Strategy.

6. Options considered

- 6.1. Option 1 – 'do nothing' – remain with the current Corporate Strategy 2020-2024

6.2. Option 2 – To approve the new Corporate Strategy to full Council for approval and adoption. This will facilitate a more modern, flexible approach for the functions and activities of the Council. A clear strategic document that is fully up to date, comprehensive and includes all the key elements of the objectives will give a high degree of ‘future proofing’ and clarify decision making. The document is designed to be simpler for Members and Officers with much clear Council objectives and priorities which will empower Cabinet and Scrutiny in making decisions which are aligned with the Council’s priorities.

7. **Resource Implications**

Financial Implications

7.1. The Corporate Strategy makes no budgetary commitments but informs the budgetary framework and the Medium Term Financial Strategy.

Section 151 Officer comments

Date: 8 September 2022

The revised Corporate Strategy will be considered when setting the 2023/24 revenue budget, and updated Medium Term Financial Strategy, in February 2023. Any specific project outside of the current budgetary framework will be subject to a relevant business case which will include the identification of required funding.

7.2. *Human Resources Implications* - none

7.3. *Information Governance Implications* – none

Other resource implications

7.4. The Strategy does not commit resources in itself but provides the framework for the allocation of resources by Cabinet.

8. **Legal Implications**

8.1. There is a legal requirement for the council to have a policy framework of which the Corporate Strategy will form a central plank.

- 8.2. Other than there are no immediate legal implications arising from this report, although the implementation of the specific actions or projects may result in the need for legal input which will be considered on a case by case basis.

Monitoring Officer comments

Date: 15th September 2022

The strategy is part of a golden thread that links team, service and corporate performance to the things that matter most to the organisation. It represents the objectives and outcomes that the Council's performance will be judged against and as such is a vital component of the Council's performance and policy framework.

A good corporate strategy is driven by a strong vision and ambitious goals. which are vital for promoting the opportunities for any local authority in terms of both investment and engagement.

It will influence the allocation and distribution of resources ensuring that the organisation commits its limited resources in accordance with its stated priorities.

9. Risks

- 9.1. The 'do-nothing' option means the Corporate Strategy becomes more and more dated and less relevant.
- 9.2. The Council is looking towards a new and vibrant active future to meet the challenges around development, regeneration, the green agenda, business growth and the health and wellbeing of our communities. The new Corporate Strategy sets out the immediate priorities which the Cabinet will be focussed on delivering.

10. Climate & Environmental implications

- 10.1. The new Corporate Strategy has a strong link with our Environment and Climate Strategy and supports delivery of that strategy. All the themes within the new Strategy will consider and contribute to the Council's commitments on the

environment and all decisions will consider environmental implications going forward.

11. Consultation

- 11.1. The new Corporate Strategy has been prepared in consultation with the Leader and Cabinet. All staff have also been involved with an all staff meeting held over the summer to discuss the emerging vision, mission and purpose of the Council.

12. Communication

- 12.1. The new Corporate Strategy will be published on our website and used for further engagement.
- 12.2. Quarterly monitoring of the performance against the strategy will be routinely reported to Councillors and published on website.

13. Appendices

- 13.1. Appendix 1 – Corporate Strategy.

14. Background papers

- 14.1. None

Agreed and signed off by:

Leader: 15th September 2022

CEO: 9th September 2022

Monitoring Officer: 15th September 2022

Section 151 Officer: 8th September 2022

DRAFT

Havant Borough Council Corporate Strategy

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2022 - 2026

Havant
BOROUGH COUNCIL

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Introduction



Cllr Alex Rennie
Leader of Havant
Borough Council

I am proud to present this refreshed Corporate Strategy for Havant Borough Council.

At the start of 2022, we brought forward a fresh vision for the borough, reflecting the ambition of my Cabinet to make it a better place to live, work and visit. Much has changed in that time, including taking the decisive step to end our shared partnership with East Hampshire District Council, ensuring we place our residents first in all our decision making.

Significant events have also happened nationally, hugely changing the political and socioeconomic landscape, from the war in Ukraine to increased inflation impacting the costs of our everyday lives. We are also entering a new Carolean Age, following the passing away of our beloved Queen Elizabeth II, with a new Prime Minister in Liz Truss.

I am confident, though, that there will be fantastic opportunities emerging for the borough in the years ahead. The Solent Freeport has the potential to unlock thousands of high skilled jobs and I'm determined to make the government's efforts to level-up the whole country felt here in Havant by delivering on our ambitions for regeneration, healthier lives and skills.

This new strategy is therefore structured around three themes that will deliver tangible benefits to our communities in the borough:

WELLBEING

PRIDE IN PLACE

GROWTH

We have drawn clear links between the aspirations we have for the borough and the projects and initiatives that we will be delivering to work towards achieving our aims. Though we acknowledge we may not have direct influence on many aspects of our residents' lives, we are committed to working in collaboration with our partners in the public, private and charity sectors to make the borough a better place to live, work and visit.

We know we also need to focus on improving our core services, beginning with those that we know matter most to our residents. Delivering the aims in this strategy will take time and hard work, but I believe in the power of local government to make a positive difference to the lives of our communities.

It is my privilege to lead a team of dedicated staff and councillors at Havant Borough Council, who I know are as determined as I am to make the borough a place that we can all be proud to call home.

Our Vision

We see a future borough whose communities are economically and socially vibrant, which is made up of places where people and families want to live, work and enjoy, and whose residents are proud to champion and respect their natural surroundings.



Our Strategy

Our Strategy is made up of three themes:

WELLBEING

The health of our communities

PRIDE IN PLACE

Creating a great place to live, work and enjoy

GROWTH

Building our future

Each theme sets out our:

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ASPIRATION:

describing the hopes and desires we have for the borough in the future, they stretch the possibilities and provide a challenge as high as possible

AIMS:

outlining what we as a Council aim to do to work towards realising those aspirations

PROJECTS:

the items of work that will be taken forward to deliver our aims which should in turn work towards delivering our aspiration

BENEFITS:

how we will measure success and ensure we are delivering the right outcomes for our communities

Engaging with our communities and stakeholders

An underpinning principle of delivering the priorities in the corporate strategy is to engage and work with our communities and stakeholders who can influence and shape their local areas in which they live and work. This will be done through continued engagement with our communities and stakeholders to understand changing needs, priorities, and challenges that they face. This builds resilient and empowered communities who are effectively informed, engaged and involved in defining and designing local priorities, front-line services and informing council decision-making in areas that impact their lives.

People First

What we want to achieve - **WELLBEING** - the health of our communities

ASPIRATION

Our residents, both young and old, have the opportunity to live healthy and active lives. We work with our residents and businesses to ensure that everyone has an opportunity to help shape their community.

AIMS

We will enable quality spaces for children to play in all areas of the borough

We will continue to provide access to health, fitness, leisure and cultural facilities (including open spaces) across the borough

We will enable and deliver interventions to prevent homelessness and rough sleeping

We will look to engage residents and community groups on important matters to inform decision making

We will look to enable and deliver safety initiatives and preventative mechanisms so our communities feel safe

We will support schemes that encourage walking and cycling, the use of public transport and the use of electric vehicles

We will deliver support mechanisms / initiatives to help our residents such as the distribution of grant schemes, and where necessary support specific groups, e.g. former members of the armed forces

PROJECTS

Continued delivery of improvements to our play parks to maintain and enhance play provision within the borough

Delivery of action plan and full Housing Service Review to improve our housing service

Delivering additional temporary accommodation within the Borough to improve outcomes for residents and reduce costs

Maintaining and improving open spaces: prevention of unlawful encampments and looking at opportunities to provide park gyms, whilst improving the natural environment

Providing good leisure and cultural facilities: working closely with our partners to improve leisure offering at Havant Leisure Centre and Waterlooville Leisure Centre, and our cultural offering through The Spring and other partners

Developing a leisure strategy for the whole of the borough

Developing a partnership board aiming to work with sports clubs and community associations to ensure benefits can be delivered to residents both young and old

Continuing to deliver projects (alongside our partners) that improve our infrastructure, and help to contribute to our climate change agenda, in particular walking and cycling, high quality bus routes and electric vehicle charging points

Utilising funding and working with other authorities to deliver education on health and safety: focus on tackling Violence against Women and Girls (VAWG)

Relaunch of Residents' Survey to gather evidence for designing service provision

Delivery of support grants where necessary (cost of living crisis, energy initiatives), ensuring the council is able to deploy grants schemes in the coming months in a timely manner

Continuing to support the Armed Forces Covenant, and initiate other projects where needed for specific groups

BENEFITS

Reduction in homelessness

Increased activity among adults and children

Decrease in obesity within adult and child population

Reduction in anti-social behaviour

Increase in engagement with local democracy and decision making

Improved perception of place

Increased use of walking, cycling and public transport



People First

What we want to achieve - **PRIDE IN PLACE** - creating a great place to live, work and enjoy

ASPIRATION

We are proud of our place which is clean, safe and welcoming to our residents, businesses and visitors. Our communities are safe from coastal erosion and flooding, with our coastlines and habitats being high in biodiversity. Waste from our borough is managed efficiently and effectively and our borough's carbon emissions will be net zero by 2050.

AIMS

We will work closely with partners to drive improvements in our areas relating to communities, safety and place

We will facilitate the delivery of and improve the quality of our affordable housing

We will maintain and enhance our coastline and harbours for wildlife and continue to deliver projects to protect our coastline

We will improve our public spaces in particular our seafront, towns and village centres across the borough

We will aim to take measures to promote and embed environmental matters and consider environmental impacts in all our decisions to help tackle climate change

We will enable interventions to ensure waste going to landfill is genuine and will aim for continuous improvement in recycling rates

PROJECTS

Designing and implementing new prevention enforcement service approach focusing on triage and early intervention to improve the quality of place across the borough and address long standing issues and where necessary consider CCTV installation to improve safety

Delivery of our Local Plan to ensure sustainable development going forward

Continuing to deliver our coastal projects:

- Langstone Flood and Coastal Erosion Scheme
- Hayling Island Beach management activities
- Hayling Island Coastal Strategy
- Hayling Billy Line enhancement and protection
- Broadmarsh Coastal Landfill protection

Building on the improvements made at Hayling Seafront, utilising the Hayling Seafront Masterplan, to make it a destination place

Utilising support from the High Street Task Force at Havant town centre and Waterlooville town centre, and continuing to implement initiatives to support thriving town and village centres

Delivery of an action plan to formulate a housing company, or other measures that accelerate the provision of good quality homes

Delivery of our Climate Change Environmental Action Plan including supporting delivery of environmental grant initiatives such as the Sustainable Warmth Fund

Implementing our Biodiversity Strategy and other schemes, e.g. tree planting and nutrient neutrality, to further enhance our Borough and contribute to our climate change agenda

Reviewing our recycling and waste disposal offering, incorporating new requirements from the Environment Bill and improving our garden waste collection service

BENEFITS

Reduction in carbon emissions across the borough including in council operations

Improved biodiversity and provision of green space across the borough

Increase in available affordable homes

Improvement in recycling rates and reduction in contamination rates

Improved cleanliness and safety of public spaces

Reduction in fly tipping

Improved perceptions of place - reputation as a 'place people want to be'

High Streets that residents are proud to visit



People First

What we want to achieve - **GROWTH** - building our future

ASPIRATION

Our residents have opportunities for jobs across the borough that suit their skills. Our local economy is growing and opportunities to modernise infrastructure to support the changing needs of our residents and businesses are fully explored.

AIMS

We will produce a Local Plan which will deliver sustainable development for our residents and businesses

We will aim to enable and facilitate regeneration in our borough utilising all funding opportunities

We will be open for business to developers, landowners and partners who share our aspirations for highly sustainable development alongside employment opportunities and leisure provision

We will help to facilitate opportunities for bringing new jobs and employment to the area, in particular for our young people, and improving the skills of the workforce

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PROJECTS

Deliver the Local Plan starting with our consultation on Building a Better Future Plan

Deliver the business case for the Skills and Innovation centre, deliver Link-up Leigh Park and the Youth Hub at Leigh Park

Progress the bid opportunities for the Levelling Up Fund, UK Shared Prosperity Fund, Parks Fund and Brownfield Release Fund, and continue to bid for future funding streams

Deliver regeneration projects across the Borough in line with our agreed strategy

Finalise the Freeports Projects business case and delivery of project pipeline for investment of retained business rates

Continue to facilitate the Havant Business Partnership, and deliver projects where the council's leadership can accelerate the delivery of sustainable homes, employment zones, leisure provision and better public open spaces

New pedestrian bridge at Warblington railway station

Utilise the Community Infrastructure Levy to ensure that it delivers the required improvements to the borough

BENEFITS

Increased investment in the borough, stimulating the local economy

Improved job opportunities; decreased rates of unemployment and underemployment

Increased sustainability of new developments



People First

What we want to achieve - **GROWTH** - building our future

ASPIRATION

Our council will strive to improve our services and modernise. We will engage and work closely with our partners to reduce barriers, unnecessary interventions and enable growth.

AIMS

We will create a responsive council: improving our customer services and all the services we deliver

We will become a digital council by implementing in full our Digital Strategy

We will aim to maximise our relationships with our partners to help improve the area for our residents and businesses

We will aim to lead our Borough by example in the fight against climate change by reducing our carbon emissions, increasing use of green energy, and improving our buildings and infrastructure

PROJECTS

Review our approach to:

- Customer care, complaints management between HBC, Capita and Norse and implement an improved customer journey
- Environmental Health services ensuring we provide a responsive, frontline service focusing on complex cases as a result of effective triage
- Property Asset Management and maximising our returns through either maintenance, disposal or transfer
- The use of the Plaza including our workstyles and facilities available
- Outsourcing our services, and set in place strategies for the delivery of services currently provided by Capita and Norse SE as contracts expire

Review of governance arrangements for Coastal Partnership to ensure service is fit for the future and maximises opportunities for growth

Grow the selling of our services to other public authorities, thereby generating income and providing increased opportunities for our staff

Achieve sign off for the revised Digital Road-Map for the Council and progress the implementation, including a refresh of the Digital Strategy.

Review approach to partnership working across the Borough to improve strategic outcomes, outsourcing services where they add value and working with LEP, Police, Sports and Physical Alliance, ICS, County and Local Partnership Board

BENEFITS

Council services that are fit for purpose and fit for the future, while remaining cost-effective

Increase in income from assets and selling services

Improved digital infrastructure

Reduction in carbon emissions across the borough including in council operations



One Borough

What makes us unique

Connected. Coastal. Capable. The borough of Havant offers great connectivity and capability, providing high tech expertise at one end of the spectrum and a world-class coastline on the other.

The borough has a rich and varied history. With Havant famed for its parchment making in the past (and ably provided with crystal-clear water from local springs to produce it), the borough over time has changed and adapted to meet societal need. Hayling Island and its world-class coastline led to the invention of windsurfing, and its beaches were used to prepare for D-Day. Waterlooville was named after victorious soldiers from the Battle of Waterloo who settled there upon their return to home soil. To the east lies Emsworth – a proud coastal town once famed for its oysters and steeped in its own history.

With the Solent coastline on the doorstep, and the South Downs to the north of the town, Havant offers a unique quality-of-life experience. The borough's coastline provides a rich and diverse resource for people to enjoy, savour and benefit from. To the north, the South Downs National Park offers rolling chalk hills and established woodland.

With its origins as a junction of Roman roads, and still supplied with excellent transport links today, the borough will play an important role in the emerging Solent Freeport with exciting opportunities ahead for trade and investment. Its diverse history of manufacturing and industry, from traditional crafts like glove making and brewing to contemporary household names like Kenwood, Scalextric and IBM means Havant borough is ideally placed to support innovation and growth in the 21st century.

The borough of Havant is more than the sum of its parts. With genuine character, it offers considerable opportunity and quality of life in equal measure. Ever changing, ever relevant, the borough has an exciting future as well as an established history.



Waterlooville

Cowplain – believed to have been named after an inn called the Spotted Cow which appears on a map dated 1867

Purbrook – its name is a corruption of the Saxon words Pucan broc, which means the brook of the water spirit

Widley – members of Charles Dickens' family are buried here

Waterlooville – named after victorious soldiers from the Battle of Waterloo

Hayling Island

South Hayling – local resident Peter Chilvers is widely credited as inventing the windsurfer here in the 1950s

Northney – the daughter of a Russian tsar is buried in the graveyard here

Mengham – the churchyard is supposedly the location of a tunnel entrance, disguised as a grave, which smugglers used to transport stolen goods



Leigh Park

Home of the Scalextric factory in the 20th century

Havant

Bedhampton – home to 'displaced persons' from the Baltic states who settled here after World War II

Warblington – the ruins of the 16th century Warblington Castle, which was destroyed by the Parliamentarians during the Civil War, can still be seen today

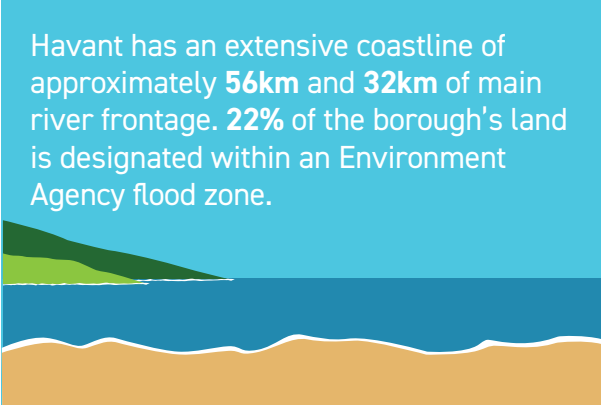
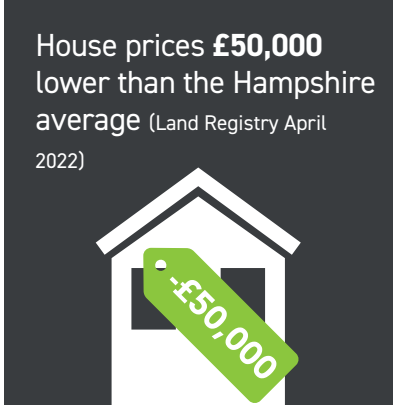
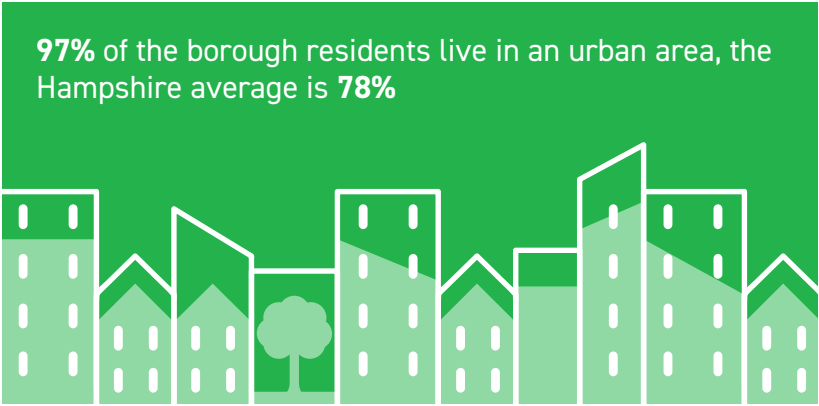
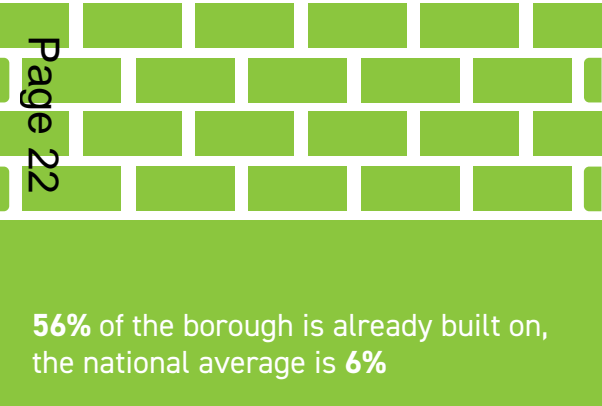
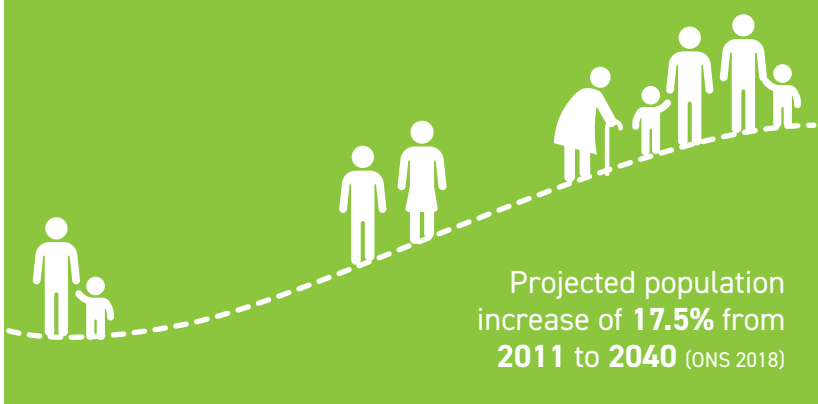
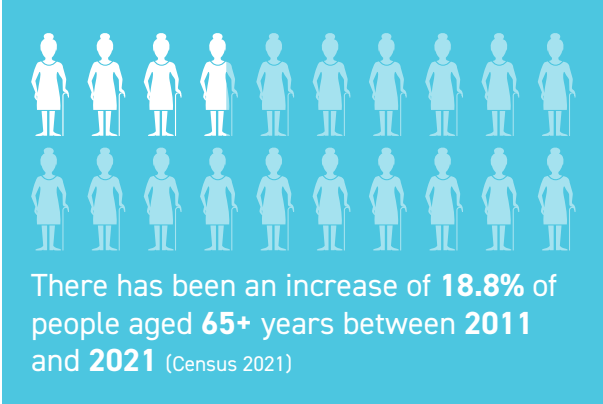
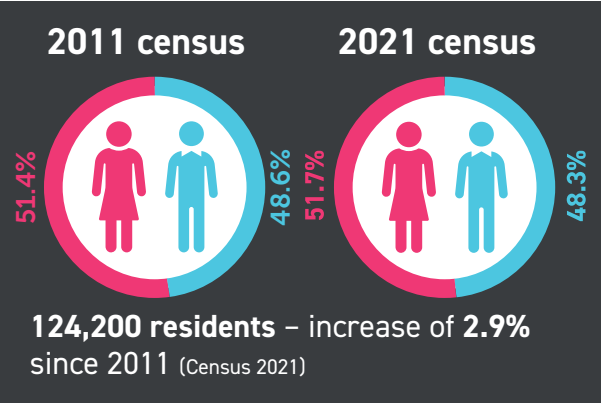
Langstone – site of a historic causeway linking the mainland to Hayling Island

Havant – famed for its parchment making

Emsworth

Historic industries included shipbuilding, oyster fishing and rope making

Our profile: achievements and challenges



Havant is the most deprived district in Hampshire with around one third of Lower Super Output Areas (LSOAs) in the top **20%** of most deprived nationally. (IMD 2019)



The key driver of deprivation in Havant is access to education, skills and training. (ONS annual pop survey 2020)



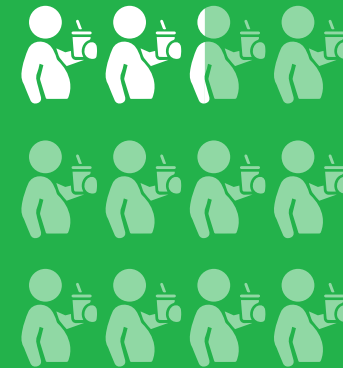
Overall crime in Havant is **4.6%** higher than the Hampshire rate (crimeraite.co.uk)



Life expectancy overall is similar to the England average, but with marked variation across the Borough. (Hampshire CC JSNA 2020)



Percentage of adults (18+) in Havant classified as overweight or obese **63.9%** (PHE Fingertips 20/21)



Prevalence of obesity in year 6 children **20.6%** (PHE Fingertips 19/20)



Havant job density (jobs per resident aged 16-64) is **0.67**, This is lower than the national average **0.84** (ONS Job Density 2020)



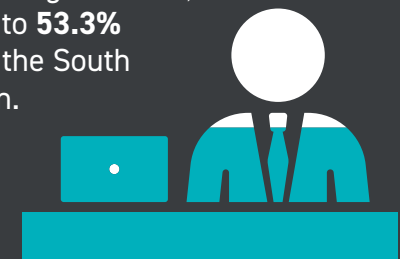
The number of jobs available is concentrated in areas (over **1,000** jobs available) around Havant Town Centre, Langstone Technology Park, New Lane industrial area and Waterlooville district centre (Employment by LSOA 2018)

41.9% of Havant residents have a NVQ4+ or equivalent qualification, compared to **45.1%** in the South East region (ONS Annual population survey 2021)



40.5% of jobs within Havant are classed as "high skilled", compared to **53.3%** of roles in the South East region.

(ONS Annual population survey 2021)



What are we best at?

Our Coastal Partners is an innovative partnership of five councils working together on coastal issues across 246km of Hampshire coastline. Formed in 2012, Coastal Partners recently won in the Coastal Management category at the Flood & Coastal Excellence Awards 2022 for a scheme which centred on the 'Ecoformliner' as a leading example in environmentally focused flood defences.

Our planning team has received national acclaim, winning the natural environment category in the prestigious Planning Awards. The council won the award for 'Planning in the natural environment' for its visionary work with the Warblington Farm nature reserve and its nutrient mitigation strategy which has enabled sustainable development to continue in the borough.

Havant Borough Council continues to retain its Blue Flag Status for its beach known locally as Beachlands Central, Hayling Island. Blue Flag is an international award managed by Keep Britain Tidy on behalf of the Foundation for Environmental Education. It is only presented to well managed beaches with excellent water quality, environmental education programmes and good facilities.



One Team

MISSION

We provide excellence to our residents, businesses and communities, working with our partners for a Havant we are proud of.

PURPOSE

To give a voice to residents and business through democratic elections; developing strategies and policies to help improve the lives of residents; responsible for planning the development of our area; allocating housing, recreation and leisure opportunities, protecting and enhancing the natural environment and our coastline, protecting public health, licensing and waste collection, local taxation and election services for local and national elections; whilst ensuring we operate within our legal and regulatory obligations and deliver value for money for local tax payers

SERVICES

Through all our themes we will seek to improve the services we deliver and this will be achieved through a targeted list of projects such as improvements to customer services, our regulatory services and our housing service. We will ensure that Council services are fit for purpose and fit for the future, while remaining cost effective.

VALUES

Our Council employs over 200 people. We come to work to make a difference to our community. We are professionals who are either residents or have chosen to make Havant Council our place of work.

We are part of the general community. Working for Havant Borough Council enables us to make a contribution to supporting others and together we create a great place to work.

We have values that enable us to succeed in serving the community.

- **Agile**
- **(H)avant-garde and solution focused**
- **Performance driven**
- **Leadership**
- **Collaborative**

One Team

THE BEHAVIOURS OF OUR COUNCIL

Our behaviours are driven by our values and reflect who we are as a Council

- We are **ambassadors**; we develop strong, productive relationships and communicate positively as the guardians of the reputation of the Council
- We are **accountable and responsible**; to ensure the council provides the best possible service to its residents, businesses and visitors
- We **aspire**; we look for opportunities to improve and grow and my council invests in me and offers those opportunities
- We are **inspired**; we are proud of the whole borough
- We are **ambitious**; we want more for the borough and strive for the highest levels of delivery and performance
- We are **creative**; we think about new solutions to old problems, look to be lean in process and welcome opportunities, challenge and scrutiny.



PART EXEMPT

HAVANT BOROUGH COUNCIL

CABINET 21st September 2022

ENVIRONMENTAL SERVICES ARRANGMENTS – PROPOSAL TO END THE DELEGATION AGREEMENT WITH EAST HAMPSHIRE DISTRICT COUNCIL

FOR RECOMMENDATION TO COUNCIL

Portfolio Holder: Cllr L Bowerman, Cabinet Lead for Environmental Services
Executive Head of Service for Commercial: Chris Bradley

Report Number: HBC/078/2022

1. Purpose

This report sets out the present challenges within the existing environmental service arrangements, whereby Havant Borough Council (HBC), through its joint venture with Norse Commercial Services (NCS) (the joint venture being Norse South East Limited (NSE)), deliver environmental services to East Hampshire District Council (EHDC) and proposals to change these arrangements.

2. Recommendation

Cabinet recommends to Full Council THAT:

- a. The Council withdraw from the existing delegation arrangements regarding delivery of environmental services on behalf of EHDC.
- b. The Chief Executive (acting in consultation with the Leader, Cabinet Lead for Environmental Services, S151 Officer, Monitoring Officer and Executive Head of Commercial) be delegated the authority to facilitate the withdrawal (on or before the end of December 2022 where possible) from the delegation arrangements around environmental services and in particular be delegated the authority to:

- i. agree an early termination of the Delegation Agreement dated 27 September 2019 with EHDC for the delivery of environmental services functions; and
 - ii. agree the negotiation and novation of the existing Supplemental Agreement dated 23 September 2019 between HBC and NSE, so that EHDC might make its own separate arrangements for delivery of this service
- c. The Chief Executive in consultation with the S151 Officer, Monitoring Officer and Executive Head of Commercial will arrange for a quarterly report to be presented to Cabinet by way of progress report on the environmental services arrangements.
- d. Council approves an uplift of remuneration for Drivers and Loaders as detailed in Appendix1.
- e. Council approves previously unexpected expenditure (as per paragraph 4.4. below) relating to the hiring of a specialist skip vehicle and driver to cover the period up to the anticipated termination of the Delegation Agreement

3. Executive Summary

- 3.1. In April 2016 HBC and NCS established Norse South East Limited (NSE), a JV for the delivery of environmental services which, amongst other services, included domestic waste collection. The original Service Agreement between HBC and NSE was signed in March 2016. This agreement ends on the 31st of March 2026, unless extended.
- 3.2. On 27 September 2019 HBC sealed a Delegation Agreement with EHDC relating to the delegation of environmental services, which in turn are provided with their JV partner NCS, through a JV company named Norse South East Limited (NSE). The delegation agreement sets out the arrangements relating to the exercise of the delegated functions.
- 3.3. The above services are set out in a Supplemental Agreement dated 23 September 2019, between HBC, NCS and NSE. As EHDC have delegated the functions in relation to these services, it is not a party to the Supplemental Agreement. This agreement ends on the 31st March 2026, unless extended.
- 3.4. In the event of an early termination of the Delegation Agreement HBC's current JV delivery model with NCS and NSE would remain in place, as per pre-2019.

- 3.5. Environmental services concern key front-line services and whilst the arrangement worked when HBC and EHDC had a shared management structure, Council's earlier decision to stand alone from EHDC means that the present arrangements are, operationally, less than desirable from the perspective of both councils
- 3.6. To coincide with the ending of the agreement which underpins both councils' shared management arrangements (known as the JMTA) the proposed anticipated date for the ending of the delegation and provision of services to EHDC would be no later than 16 December 2022.

4. Additional Budgetary Implications

- 4.1. There will be financial implications upon any withdrawal from the Delegation Agreement. Overheads and contract management elements of the contract will see an increase. The anticipated cost of this is set out in Appendix 1 of this Report. Appendix 1 contains commercially sensitive information and is therefore Exempt.
- 4.2. Detailed figures are yet to be provided by NCS but will be examined and reported upon in detail once these materialise. Increases in costs will be partially offset by reviewing contractual arrangements along with a short-term increase in revenue.
- 4.3. Nationally, the recruitment and retention of drivers and loaders continues to be dynamic and challenging. To reduce the risk of losing key staff and maintain service levels during this significant period of change, an uplift of remuneration for Drivers and Loaders is recommended. Details may be found in Appendix 1.
- 4.4. The Skip Bulk Glass Collection is the only significant shared resident facing service between HBC and EHDC. The specialist skip vehicle is shared with EHDC on a 50:50 basis. Immediate separation of these collections will significantly simplify the termination of the Delegation Agreement in operational terms. It is therefore proposed that HBC secure its own specialist skip vehicle and driver to cover the period leading up to EHDC providing its own environmental services. Reference to this cost is included in Appendix 1.
- 4.5. Other than the anticipated cost of separation of the existing arrangements with EHDC, the Norse contract has faced a number of budget pressures over recent months including steep increases in fuel prices, National Joint Council, (NJC), pay uplifts and required local increases in Driver and Loader pay through delegated urgent decision. Overall, the on-going financial pressure for HBC could be as much as £500k in a full year. We will continue to work with Norse to explore options for cost reduction and / or income generation to partially mitigate these costs over the coming months.

5. Background and relationship to Corporate Strategy, Climate & Environment Strategy and/or Business Plans, if any.

- 5.1. The existing termination provisions within The Delegation Agreement provide that either council may terminate on 18 months' notice; any earlier date for termination would need to be by mutual agreement of both councils.
- 5.2. At the time when EHDC and HBC were operating under a shared management team, the JMTA set a clear structure of joint senior management, including a joint chief executive, joint directors and their direct reports. This included a joint client liaison team which acted on behalf of both councils, when liaising and managing the relationship with NCS, and the NSE JV. However, in early 2022, EHDC and HBC resolved to withdraw from the JMTA and to proceed with a program of transition to a stand-alone council. It now therefore seems an appropriate time to review the current service delivery arrangements. Following this decision, the current delegation arrangements with EHDC are no longer fit for purpose.
- 5.3. Under the existing arrangements, EHDC has no direct contractual relationship with NCS or NSE meaning that any issues in relation to contract management and performance delivery have to be dealt with via HBC which has proved to be a bigger than anticipated draw on officer time and resource. This has led to the conclusion that a new service delivery model is required to allow each Council to shape and manage environmental services independently.
- 5.4. The current Joint Venture delivery model with Norse South East (NSE) will remain in place for the Borough, as per pre-2019. In any event, the new Environment Act will require a new service delivery model. Ending the Delegation Agreement will allow HBC to shape and manage environmental services independently for the sole benefit of the Borough, its environment and residents.
- 5.5. As a consequence of this, EHDC will likely seek to establish an independent contractual arrangement with the Norse Group. In order to end the existing arrangements as proposed above, a process of negotiation with NCS to agree the variation, and novation of the Supplemental Agreement, and approval from EHDC to an early termination of the Delegation Agreement will be required.

6. Options considered

6.1. The options available are as follows:

Option 1 – Do Nothing

HBC continues with the existing Delegation Agreement for the delivery of environmental services to EHDC through NSE until 31 March 2026.

This option is not recommended. The ending of the JMTA between HBC and EHDC has, inadvertently, created additional bureaucracy, governance and communication challenges. This has resulted in inefficiencies and additional management costs as well as serving as a distraction for the new Environmental Services Contract Management Team from focussing on delivery for the Borough's residents.

6.2. *Option 2 – Early Termination to enable EHDC to deliver environmental services through its own stand-alone joint venture directly with NCS*

*****This option is recommended*****

HBC negotiates an early termination of the Delegation Agreement, aimed for by the 16 December 2022. This option entails the following sequence of actions:

- a. HBC and EHDC agree terms for the premature ending of the Delegation Agreement prior to formal withdrawal; then
- b. EHDC form a new and separate JV directly with NCS assuming it is able to agree service delivery terms within its affordability envelope; then
- c. EHDC, HBC and NSE vary and novate the Supplemental Agreement such that EHDC is the service recipient; the new standalone JV between EHDC and NCS being the new service provider.

The anticipated timeline for the new JV to commence service delivery would be end of December 2022 or very soon thereafter.

This early termination of the Delegation Agreement will provide HBC's new Environmental Services Team with the freedom and agility to:

- address longstanding governance, contract, process, and performance monitoring concerns in a timely manner.
- design and build a new service delivery model to meet the anticipated requirements emerging from the Environment Act 2021.
- focus on shaping and managing environmental services for the benefit of the Borough, its residents and the environment.

- simplify the Options Review for the delivery of environmental services post 2026.

7. Other Options

- 7.1. A change of service provider at this time is considered unnecessary for HBC. The current service agreement between HBC and NSE is due to expire in 2026 and the Environment Act is expected to be implemented shortly. An additional programme of change in service provider at this time would be highly disruptive, expensive and time consuming.
- 7.2. The simplest, cheapest and most stable option for the delivery of HBC's environmental services currently is to maintain its service arrangements with NSE and NCS.

8. Evaluation of options

- 8.1. Option 1 would not address the front line service issues seen in this area historically. It offers no effective routes to improvement for residents of the Borough. For this reason it is not therefore recommended.
- 8.2. Option 2 provides the freedom, time and space for officers to further address and remedy the historical service failures. This would be possible since, post termination, the focus would be entirely on service delivery within the Borough. This option is the only solution that provides a rapid timescale for service improvement. On this basis, Option 2 is the recommended course of action.

9. Resource Implications

9.1. Financial Implications

- i. There are expected to be significant cost increases in the contract in 2022/23 and beyond due to the current economic climate.
- ii. As discussed in detail above there are the following options:

Do nothing. This can usually be seen as a baseline option and has been considered. Doing nothing would have no additional financial impact on the Council. However due to the JMTA ending and the Environment Act as explained above this option is not viable.

Fully separate joint service arrangements and maintain a separate HBC and EHDC contract directly with NSE. This is the recommended approach. Although this will have cost implications for the Council, other options are not strategically, or operationally, viable.

Fully withdraw from the Norse contract arrangements and reprocur the service. Changing service provider at this time will be extremely time consuming and costly, more so than the above options as it is highly disruptive and the most considerable change to the current operations. This is also strategically and operationally unnecessary.

- iii. Termination of the Delegation Agreement will increase the cost of the service with the loss of economies of scale in shared overheads and contract management costs. These costs may be offset by realising opportunities to reduce overheads, drive efficiencies and generate revenue from EHDC's continued use of the vehicle workshop at the Penner Road Depot. If EHDC choose another option, this will generate spare capacity which can be sold on the open market.
- iv. An initial analysis of the likely costs is contained in Appendix 1. As the negotiations progress, the financial implications will be considered in more detail. Further business cases and decisions to proceed will be presented to Council or Cabinet for further approval as appropriate.

Section 151 Officer comments

Date: 12 September 2022

The affordability of the existing contract with Norse South East has been kept under constant review since the budget was approved in February 2022. There will be a requirement to increase the 2022/23 revenue base budget due to well known national pressures on the recruitment and retention of front line staff along with significantly higher than budgeted fuel prices.

The HBC Section 151 has been kept fully involved in negotiations regarding the rising costs of the Norse contract and anticipated costs of the contract novation from the current arrangements with EHDC. The recommendations within this report, although creating a financial pressure, are affordable within the Council's Medium Term Financial Strategy which will be updated accordingly and reported back to Committee on 2 November 2022.

9.2. Human Resources Implications

The Contract Management Team has been reduced in size and the restructure and recruitment is complete. No staff were placed on the redeployment register and there were no redundancies.

9.3. Information Governance Implications

There are no Information Governance implications for the HBC services. Relevant and appropriate information will be transferred to EHDC in accordance with the agreed Exit Plan.

9.4. Other resource implications

- a. Additional mandatory professional training is being provided to the Contract Management Team, at no cost to the Council.
- b. There are no other resource implications for HBC.

10. Legal Implications

- 10.1. The recommendation to withdraw from the existing delegation arrangements can be lawfully achieved via the variation of the Supplemental Agreement, followed by a novation of the varied Supplemental Agreement and then a termination of the Delegation Agreement itself.
- 10.2. The Council may rely upon the General Power of Competence (“general power”) provided for in Section 1 of the Localism Act 2011. The general power is a wide power, which allows the Council to do anything that an individual may do, subject to public law principles and certain statutory limitations.

Monitoring Officer comments

Date: 12th September 2022

HBC is a waste collection authority under the Environmental Protection Act 1990 and must meet relevant standards and requirements.

These are both consistent with that statutory obligation whilst also being consistent with the need to review how certain shared or delegated services are delivered following the ending of the shared management arrangements between the two councils.

11. Risks

The key risks identified are:

- 11.1. There is a risk that EHDC do not follow through and terminate the Delegation Agreement early or at all if the costs consequent on doing so prove to be above and beyond that which they have budgeted for.

- 11.2. Creating an exposure to HBC of a liability, loss or damage from any agreements with NSE and NCS during the transition period. Mitigation includes securing legal advice and careful planning until the termination becomes legally binding.
- 11.3. There is a risk that the costs of separation increase unexpectedly. Mitigation includes the robust challenging of these costs throughout

12. Climate & Environment Implications

The withdrawal from the Delegation Agreement will enable HBC's Environmental Services to align closely to the Council's Climate and Environment strategy and to adapt to meet the Council's obligations under the Environment Act.

13. Consultation

- 13.1. Consultations have taken place between the Portfolio Holder and Cabinet.
- 13.2. Consultations have taken place between the Leaders, Head of Paid Service/ Chief Executives and Cabinet Portfolio holders of HBC and EHDC.
- 13.3. Consultations are ongoing between Monitoring Officers/Head of legal, Section 151 Officers and Director / Executive Head and for both councils.
- 13.4. HBC are in consultation with its JV service provider, NSE and fellow shareholder Norse Commercial Services.
- 13.5. HBC are aware that EHDC are in consultation with Norse Commercial Services about their respective future service provision.

14. Communication

- 14.1. Any decision by Council will be communicated to all councillors in the usual way. In addition, an all members briefing will be held.
- 14.2. Briefings to partners, the Management Team and relevant staff have already taken place.
- 14.3. This decision will not affect the day-to-day delivery of services to Havant Borough residents.

15. Appendices

Exempt Appendix 1 – Financial and Commercial Analysis

16. Background papers

16.1. None

Agreed and signed off by:

Portfolio Holder: Cllr Lulu Bowerman - 12th September 2022

Executive Head: Chris Bradley - 12th September 2022

Monitoring Officer: Mark Watkins - 12th September 2022

Section 151 Officer: Malcolm Coe - 12th September 2022

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

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PART-EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

21 September 2022

HOUSING STRATEGY

FOR NOTING AND DECISION

Portfolio Holder: Leader, Cllr Rennie
Key Decision: No
Report Number: HBC/079/2022

1.0 Purpose of Report

- 1.1 To provide an update to Cabinet as requested at the last Cabinet Briefing on 7 Sept.
- 1.2 To appraise the Cabinet of the next steps and the funding required to take forward a housing strategy and evaluate an operating model to deliver it for the Borough.

2.0 Recommendation

- 2.1 That Cabinet note the content of the report
- 2.2 To drawdown up to £150,000 from the Regeneration Reserve to complete a draft business case for housing development on council owned land, which will include detailed asset valuations.

3.0 Executive Summary

- 3.1 At the Cabinet briefing on 7 September 2022, a report was presented outlining ongoing work to develop a housing strategy and explore the potential for a property company for the Borough. It set out the fundamental principles and the challenges as agreed at the Cabinet briefing on 22nd July 2022.

4.0 Background and relationship to Corporate Strategy and/or Business Plans

- 4.1 The housing strategy, along with a business plan for housing development, directly supports the Corporate Strategy Objectives;
- 4.1.1 A thriving borough economy
 - 4.1.2 A revitalised borough with infrastructure that meet our ambitions
- 4.2 The first stage has been to review the existing HBC owned portfolio and undertake a high-level financial assessment on the viability for the development of housing based only, and exclusively, on the HBC owned portfolio.
- 4.3 The HBC portfolio contains more than 700 pieces of land ranging from small strips to large open spaces. In the asset register, many existing land interests are based on existing use and are therefore valued as de minimis. A number of these sites have been identified as being possibly suitable for housing development including offering a partial solution to emergency temporary accommodation and affordable rental properties in the Borough.
- 4.4 From the Havant Borough Council asset register, 13 land assets have been identified with an area of 11.44 acres as potentially suitable for housing as detailed in (the exempt) Appendix 1. On the asset register there are smaller land assets which will require housing suitability assessments at a later date.

An indicative table is set out below which is subject to further detailed review:

Number of HBC sites owned	Size of area (approx)	Approximate number of dwellings per acre
13	11.44 acres	<p>Low density housing = approx 18 No dwellings per acre = 199 dwellings</p> <p>High density flats = > 100 No dwellings per acre = 1,106 dwellings.</p>

- 4.5 A critical consideration is the need to establish whether all of the 13 sites will be able to attain planning permission. There may be other reasons why they cannot be used for residential development e.g. restrictive covenants. However, if planning consent is obtained for any of the identified sites, the residential land values range from £1m - £1.5m per acre subject to location.
- 4.6 Even assuming planning consent, the commercial view is that there is a viability gap across the borough whereby the cost of constructing new homes is believed to be greater than the sales proceeds that can be realised in most areas (excluding Emsworth).
- 4.7 Further evaluation work is required to better understand any potential viability gap which will include an appraisal of income attainable through the private rental market alongside build and straight sale of constructed dwellings. This evaluation needs to be drawn out in more detail with the creation of a housing

strategy and an accompanying business case specifying options for different models for developing housing on council owned land.

4.8 The Borough's regeneration strategy aligns with the proposal to develop council owned land as it makes a clear case for regeneration based on the council's plans to address the borough's housing and economic challenges and to build on its strengths and opportunities for transformational growth

5.0 The following next steps are proposed:

- Meeting with planning to determine the potential suitability of identified sites for housing with a view to them being placed in the Local Plan.
- Developing a draft housing strategy which looks at affordable housing, social housing e.g those currently on the housing waiting list, temporary housing and general housing.
- Officers to undertake market testing during September and October to assess opportunities available for solutions to temporary housing. The main objectives will be a) to identify suppliers and size of market and b) possible design solutions to reflect the type of asset e.g car park, etc.
- Detailed evaluation to be undertaken on prioritised sites, including development appraisals, subject to greater understanding of housing priorities/ requirements.
- Officers to meet with individual members of the Cabinet to discuss their thoughts of an operating model to deliver housing with one of the options being to set up a property company. In the discussions also identify the advantages and disadvantages of such a proposal (to be completed by end of October 22)
- Officers to evaluate how HBC would deliver the housing requirements, which will include working with Partners e.g housing associations, Guinness Partnership, Vivid, etc. In addition, a detailed evaluation of potentially using a HBC property company.
- Officers to be given authorisation to start to work on drafting:
 - A draft business case for the formation of housing delivery options
 - A draft business plan for priority development over the next 12 months
- To bring the draft business case and year 1 business plan to a Cabinet briefing in November 22.

6.0 Additional Budgetary implications

- 6.1 To complete the draft business case, which will include detailed asset valuations for housing, the council will require authority to secure the services of:
- an external legal practitioner
 - a qualified property practitioner for valuations
 - securing specialist external resource to support officers in developing options for delivery

Total funding required is up to £150,000 and the recommended source is to drawdown from the Regeneration Reserve.

7.0 Financial implications

- 7.1 Costs are set out in section 6

Section 151 Officer comments

Date: 14 September 2022

The Council hold a regeneration (revenue) reserve of circa £1m aimed at 'pump priming' major projects and initiatives that will deliver key outcomes against Corporate priorities. £150k has previously been committed to explore regeneration options for Waterlooville. The £150k recommended within this report will help progress plans for the council's contribution to housing development as part of the wider regeneration strategy for the Borough.

Depending on progress made, these revenue resources could be replenished, over time, through capitalisation of costs using any construction funding secured through the respective development(s)

8.0 Legal implications

There are no immediate legal implications arising from this Report although it is anticipated that as part of the retainer with external lawyers, the following matters will be considered:

:-

- a) any vires issues regarding powers to undertake the proposal
- b) any vires issues regarding powers to make any land transfers considered necessary
- c) State aid compliance where applicable and relevant
- d) Whether any Secretary of State consents are required
- e) Company structure and governance

Monitoring Officer comments

Date: 14 September 2022

As part of its corporate ambitions, Havant Borough Council is seeking to deliver a growth agenda. This will likely see major investment in support of the council's vision and in turn will ensure that the Borough one of the growing areas of the Solent region. Synonymous with delivering this agenda will be provision of quality home to improve the attractiveness of Borough to inward investors.

Completion of the business case contemplated by this report will establish the fine detail whilst confirming the context of the project, clarifying and promoting the council's vision moreover the proposed governance arrangements around delivery. It will also set out proposals as to how the council will meet its legal and financial obligations as a local authority.

9.0 Risks

- 9.1 The primary risk is that the Council is unable to secure the funding and/or planning permission to construct required housing on the sites as detailed in Appendix 1. To mitigate this risk, the council will engage with all relevant partners (including Homes England) to ensure that the Council's contribution (of land value) is matched alongside other relevant sources.

10.0 Climate and Environment implications

- 10.1 None identified at this stage. Environmental implications will be considered throughout any outline and detailed design stages of development on any specified sites.
- 10.2 All the projects aim to lead the market in including environmental measures

12.0 Appendices

Appendix 1 (Exempt): initial list of Havant Borough Council owned sites to be considered for housing development

13.0 Background papers

None

Agreed and signed off by:

Cabinet Lead: Leader Alex Rennie
Exec Head of Service: Claire Hughes
Monitoring Officer: Mark Watkins
Section 151 Officer: Malcolm Coe

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of the Local Government Act 1972.

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