

Telephone: 023 9247 4174
Fax: 023 9248 0263
Website: www.havant.gov.uk

COUNCIL AGENDA

Membership: Councillor Raines (Mayor)

Councillors Patrick (Deputy Mayor), Bains, P Bains, Branson, Briggs, Bowerman, Crellin, Denton, Francis, Guest, Howard, Hughes, Inkster, Jenner, Keast, Kennett, Linger, Lloyd, Lowe, Milne, Moutray, Patel, Payter, Pike, Rennie, Robinson, Robinson, Satchwell, Sceal, Scott, Mrs Shimbart, Stone, Thain-Smith, Turner, Wade, Weeks and Wilson

Meeting: Council

Date: Wednesday 16 March 2022

Time: 5.00 pm

Venue: Hurstwood Room, Public Service Plaza, Civic Centre Road,
Havant, Hampshire PO9 2AX

The business to be transacted is set out below:

Kim Sawyer
Chief Executive

8 March 2022

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

Page

PART 1 (Items open for public attendance)

1 Apologies for Absence

To receive and record any apologies for absence.

2 Declarations of Interests

To receive any declarations of interests from Members.

3	Minutes	1 - 6
	To confirm the minutes of the last meeting held on 23 February 2021.	
4	Mayor's Report	7 - 12
5	Provisional Appointment of the Mayor for 2022/2023	
6	Provisional Appointment of the Deputy Mayor for 2022/2023	
7	Public Questions under Standing Order 27.5	
	To deal with any public questions submitted in accordance with the requirements of Standing Order 27.5, which is to deal with public questions notified no later than 12 noon three working days before the meeting and in accordance with the Council's protocol for public questions.	
8	Address from the Public Under Standing Order 28	
	To receive a summary of the text from members of public who wish to address Council.	
	To deal with requests from members of the public to address Council, providing the summary of text has been submitted in accordance with the requirements of Standing Order 28, which is to be no later than 12 noon three working days before the meeting.	
9	Havant Borough Local Plan: Update On The Examination, Implications, Way Forward And Approach To Decision Making In The Interim	13 - 78
10	Havant Regeneration & Economy Strategy - A Refreshed Approach	79 - 120
11	Freeports Programme - Update and approvals in respect of the Memorandum of Understanding (MOU) and Full Business Case (FBC)	121 - 142
12	Cabinet/Board/Committee Recommendations	
	To consider any recommended minutes from the Cabinet and any of the Boards or Committees.	
	Recommendations From Cabinet - 07 March 2022	
	1) Options appraisal and business case for withdrawal from Joint Management and Shared Staff arrangements	
	2) Council Tax Empty Homes Premium Review	
12a	Options Appraisal and Business Case for Withdrawal from Joint Management and Shared Staff Arrangements	143 - 226

RESOLVED to recommend to Full Council:

- a) To approve the preferred option for the future of the Council as set out in the Options Appraisal and Business Case (Appendix 1).
- b) To approve the outline business plan for the delivery of the preferred option, as set out in the Options Appraisal and Business Case (Appendix 1).
- c) To note the findings of the independent report by CIPFA (Appendix 2) into the affordability of the option to end the Joint Management Team Arrangements.
- d) To approve the arrangements for managing transition as set out in section 7 of the Options Appraisal and Business Case (Appendix 1), and that the Chief Executive be delegated authority, in consultation with the s151 Officer, Monitoring Officer and Head of OD, to develop and implement a robust transition plan, including the entering into contracts or variation agreements which may be required.

12b Council Tax Empty Homes Premium Review

227 - 248

RESOLVED that Cabinet recommend to Full Council to approve the introduction of a Premium Deferral process to the existing Council Tax Empty Homes Premium scheme as detailed in Appendix C.

**Recommendations from Planning Policy Committee -
22 February 2022**

12c Community Infrastructure Levy (CIL) Spending Protocol

249 - 268

RESOLVED that Council be recommended:

- a) To approve the Community Infrastructure Levy (CIL) Spending Protocol in the Appendix for use in CIL spending decisions;
- b) To grant delegated authority to the Head of Planning to amend the CIL Spending Protocol, in consultation with the Cabinet Lead for Housing, Communities & CIL (or any future Cabinet Lead responsible for Community Infrastructure Levy matters). Such changes shall be limited to
 - i. the correction of factual errors and changes necessary to accommodate national or local changes in regulations, guidance or procedures and shall not otherwise alter the meaning of the protocol;
 - ii. amending the Annual Funding Awards for the Neighbourhood Portion as set out in Part 4 of the CIL Spending Protocol where scrutiny by the Planning Policy Committee suggests this should be the case; and

- iii. Amending the branding of the Spending Protocol to align with the Council's Corporate Strategy and wider place-making and regeneration agenda and commentary within the document.
- c) To grant delegated authority to the Head of Planning, in consultation with the Cabinet Lead for Housing, Communities & CIL (or any future Cabinet Lead responsible for Community Infrastructure Levy matters) to prepare guidance and relevant processes for the implementation and administration of CIL spending decisions in line with the Spending Protocol;
- d) To grant delegated authority to the Community Infrastructure Officer/Team Leader, in consultation with the Head of Planning and the Cabinet Lead, to approve spends from the neighbourhood portion and interim Strategic CIL spends with a value of no greater than £10,000.
- e) To grant delegated authority to the Cabinet Lead responsible for CIL to approve interim spends greater than £10,000, in consultation with the S151 Officer, and, where the value exceeds £50,000, after consideration by the Planning Policy Committee.
- f) To grant delegated authority to the Community Infrastructure Officer/Team Leader, in consultation with the Head of Planning and the Cabinet Lead, to approve spends from the neighbourhood portion;
- g) To grant delegated authority to the Community Infrastructure Officer/Team Leader to assign available neighbourhood portion funds for 2022/23 in line with section 4.8 of the Spending Protocol

13	Leader's Report	269 - 270
14	Cabinet Lead Reports	271 - 298
15	Cabinet Leads and Chairmen's Question Time	
	(i) the Leader and Cabinet Leads to answer questions on matters within their respective reports.	
	(ii) Chairmen to answer questions on minutes since the last Council meeting	
16	Questions Under Standing Order 27.4.1	
	To receive questions from Councillors in accordance with the requirements of Standing Order 27.4.1.	
17	Urgent Questions Under Standing Order 27.4.2	

To receive urgent questions from Councillors submitted in accordance with the requirements of Standing Order 27.4.2.

- | | | |
|-----------|---------------------------------------|------------------|
| 18 | Notices of Motion | 299 - 300 |
| 19 | Calendar of Meetings 2022/2023 | To Follow |

RECOMMENDED that the draft Calendar of Meetings for 2022/23 be approved.

20 **Acceptance of Minutes**

The Council to receive the minutes of Committees:

[Planning Committee on Thursday, 3rd February, 2022](#)

[Overview and Scrutiny Committee on Wednesday, 9th February, 2022](#)

[Shareholder Sub Committee on Wednesday, 16th February, 2022](#)

[Cabinet on Wednesday, 16th February, 2022](#)

[Planning Policy Committee on Tuesday, 22nd February, 2022](#)

GENERAL INFORMATION

IF YOU WOULD LIKE A VERSION OF THIS AGENDA, OR ANY OF ITS REPORTS, IN LARGE PRINT, BRAILLE, AUDIO OR IN ANOTHER LANGUAGE PLEASE CONTACT DEMOCRATIC SERVICES ON 023 9244 6231

Internet

This agenda and its accompanying reports can also be found on the Havant Borough Council website: www.havant.gov.uk

Public Attendance and Participation

Members of the public are welcome to attend the Public Service Plaza and observe the meetings. Due to limited seating available, please contact Democratic Services to register your wish to attend. Seating will be allocated on a first come first served basis. Public Seating may have a limited view.

The meeting will be broadcast live and available on the Council website.

Questions from members of the public will only be permitted where they have been received by the Democratic Services Team Leader no later than 12 noon three working days before the meeting.

An answer to a question submitted by a member of the public may take the form of:

- 1 a direct oral answer;
- 2 where the desired information is contained in a publication of the Council or other published work, a reference to that publication; or
- 3 where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

Disabled Access

The Public Service Plaza has full access and facilities for the disabled.

Emergency Procedure

Please ensure that you are familiar with the location of all emergency exits which are clearly marked. In the unlikely event of an emergency an alarm will sound.

PLEASE EVACUATE THE BUILDING IMMEDIATELY.

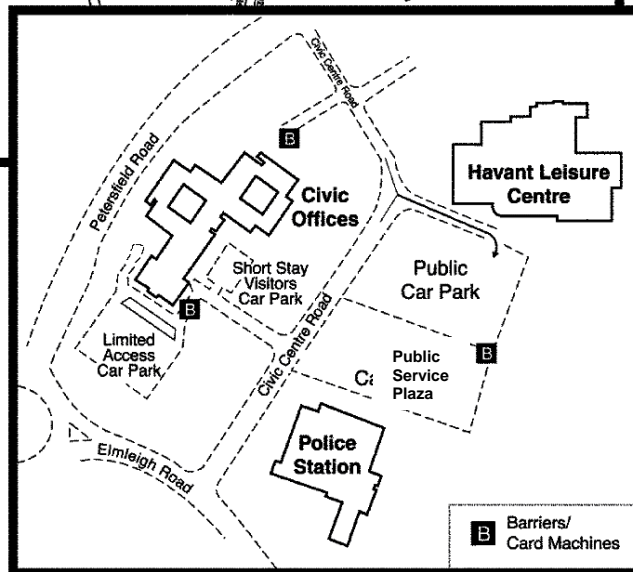
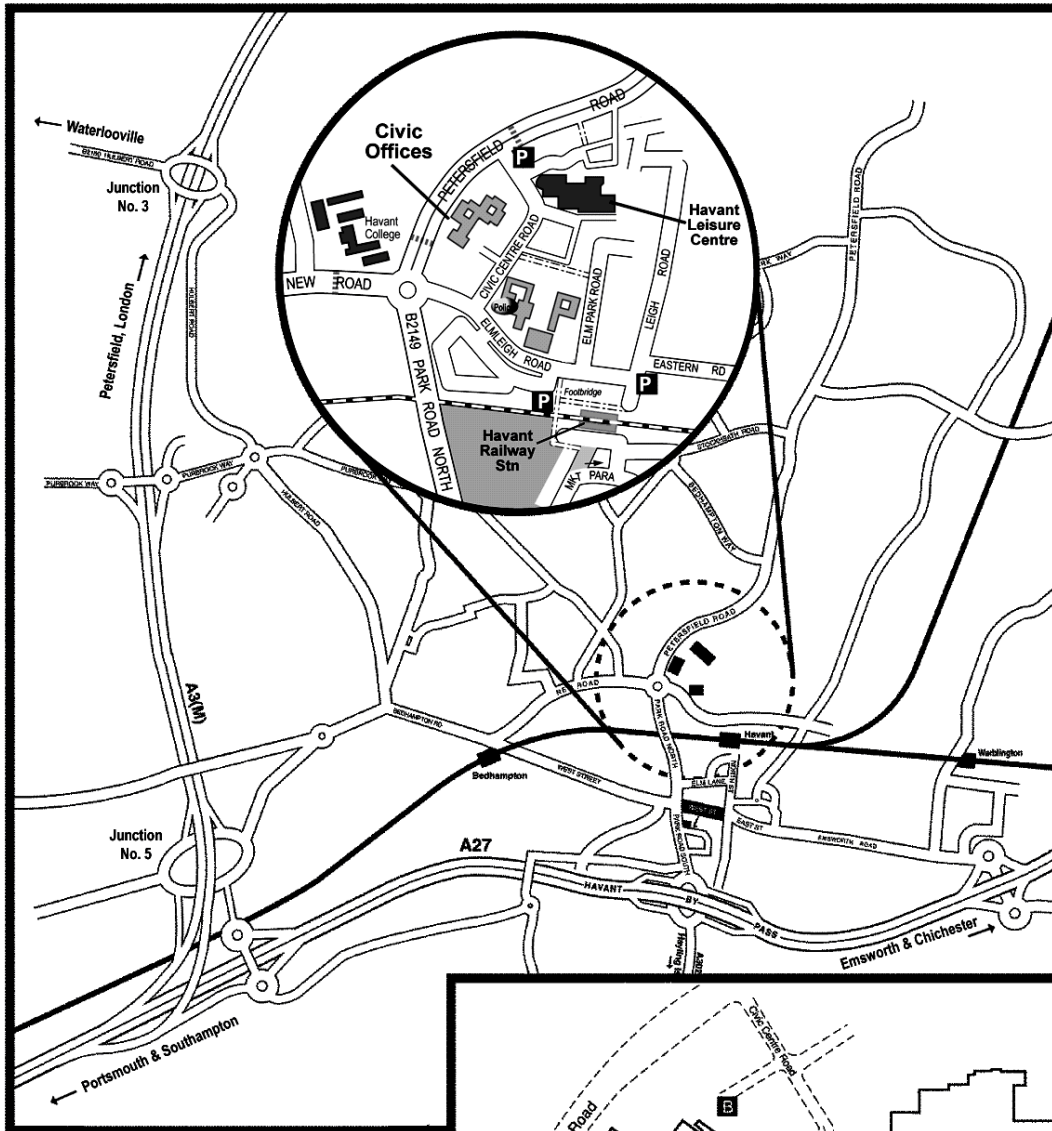
DO NOT RE-ENTER THE BUILDING UNTIL AUTHORISED TO DO SO

No Smoking Policy

The Public Service Plaza operates a strict No Smoking policy in all of its offices, corridors, meeting rooms and toilets.

Parking

Pay and display car parking is available in the Leisure Centre car park opposite the Plaza.



Havant
BOROUGH COUNCIL
 Civic Offices, Havant, Hants, PO9 2AX
 Telephone (023) 9247 4174



Havant

BOROUGH COUNCIL

PROTOCOL AT COUNCIL MEETING – AT A GLANCE

Sit or Stand?

Stand to address the Council/Mayor at all times

Rules of Debate

- always address each other as “Councillor ...”
- a motion or amendment has to be proposed and seconded
- once an amendment has been proposed and seconded, it becomes the subject of the debate until it is either accepted or rejected by a vote
- a seconder can choose to make their speech at a later time
- only one Councillor to stand at any one time
- speeches will not exceed 5 minutes (the Council can resolve to allow additional time, which will not exceed a further 3 minutes)
- a Councillor proposing the adoption of a Committee/Board minute has sufficient time to propose and unlimited time to reply to debate
- a Councillor can only speak again on an amendment, to move a further amendment, on a point of order or personal explanation.

Questions and Motions

- Motions must be submitted in writing (or by email) to the Democratic Services Team Leader 6 working days prior to the Council meeting
- Councillors may ask questions, without notice, of the Leader and Cabinet Leads in respect of the Cabinet Lead reports submitted to Council
- Councillors may ask questions of the Leader, Cabinet Leads and Committee Chairmen, on any matter affect the Borough or its residents, providing that:
 - 48 hours written notice is given; or
 - 2 hours written notice in relation to urgent matters

Voting

- Voting may be by a show of hands or by a ballot at the discretion of the Mayor
- Two Councillors may request, before a vote is taken, that the names of those voting be recorded in the minutes
- A recorded vote will always be taken in respect of approval of the Annual Budget
- Councillors may not vote unless they are in the meeting for the full debate on any particular item
- A Councillor may request that his/her vote be recorded in the minutes

This page is intentionally left blank

HAVANT BOROUGH COUNCIL

At a meeting of the Council held on 23 February 2022

Present

Councillor Raines (Mayor)

Councillors Bowerman, P Bains, Bains, Branson, Briggs, Crellin, Guest, Francis, Hughes, Keast, Inkster, Kennett, Linger, Moutray, Patel, Payter, Robinson, Stone, Thain-Smith, Lowe, Lloyd, Patrick (Deputy Mayor), Pike, Rennie, Satchwell, Seal, Turner, Wade and Denton

58 Apologies for Absence

Apologies were received from Councillor Howard, Councillor Yvonne Weeks and Councillor Ian Robinson.

59 Declarations of Interests

There were no declarations of interest from the members present.

60 Minutes

Proposed by Councillor Branson and seconded by Councillor Crellin, the minutes of the previous meeting of the Council held on 26 January 2022 were agreed as a correct record.

61 Mayor's Report

The Mayor did not published a report for this meeting, but gave thanks to Anne Thurlow, Neill Payne, everybody that donated a prize and to all those that attended, for their support, in what was, a successful Mayor's Valentines' Ball.

62 Public Questions under Standing Order 27.5

There were 2 questions received from a member of the public under the provision of this standing order.

A list of questions and answers are attached to the minutes as Appendix A for reference.

63 Cabinet/Board/Committee Recommendations

There were no recommendations arising from Committees for this meeting.

64 Budget Speeches

The Leader presented his budget speech to Council. The Leader thanked the Chief Finance Officer, Deputy Section 151 Officer and the Cabinet Lead for Finance for their exceptional hard work in producing a robust and balanced budget.

He believed it provided a foundation in which the Council could deliver against an ambitious Corporate Strategy and aspirational place shaping agenda that puts Havant residents and businesses first.

Councillor Prad Bains spoke on behalf of the Independent Group and raised concerns in relation to the future financial position of the Council, parking charges and garden waste costs for residents, but recognised the skeleton credible plan and budget working group are positive steps to address the future budget deficit and welcomed the reduction in sports fees. He further thanked officers for putting together a balanced budget and the Interim Chief Executive for her support.

The Leader responded to the points raised and to points of clarification from Members and welcomed discussions around any proposals brought forward by members.

65 2022/23 Revenue Budget, Capital Budget, Reserves and Balances, Capital Strategy, Treasury Management Strategy and Medium-Term Financial Plan (MTFP)

The recommendation contained within the report was proposed by Councillor Rennie and seconded by Councillor Denton.

Members spoke in support of the budget and thanked everybody involved in achieving a balanced budget.

Following debate and a vote, it was RESOLVED that Council agrees:

- a. Agrees the proposed Revenue and Capital budgets for 2022-23 including a Council Tax rate of £219.48 at Band D, representing a £5 increase on the current charge;
- b. Agrees the proposed Medium Term Financial Strategy, Capital Strategy, Treasury Management Strategy and Prudential Indicators.
- c. Agrees the Fees & Charges schedule for 2022-23.
- d. Agrees the Council Tax Resolution
- e. that Council consider the Cabinet Response (App N to the Budget Report Agenda Item 7) to the CFO Statement (App F) and the Council engage with and agree proposals for a 'credible plan' which will entail:
 - i) The restructure of the senior management team for the start of the new civic year

- ii) The setting up of a Budget Working Group, supported by an officer working group with a view to delivering a balanced budget for the MTF5 by October 2022
- iii) That the Budget Working Group have the terms of reference to make proposals to Cabinet to consider for referral to Council for decision based upon the following measures:
 - a. Review the CIPFA report and the future sustainability of the Council
 - b. Review of future costs of the Shaping Our Future Programme and the continuation of transformation within the Council
 - c. To undertake service reviews based upon information obtained from the Shaping Our Future Programme
 - d. To review its contractual management arrangements and decide if they provide value for money
- iv) To further all opportunities for funding by enhancing local partnerships and through Government policy initiatives to support the continued improvement of the Havant BC area

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 the voting on this item was recorded as follows:

For the Motion:

Councillor N Bains
Councillor P Bains
Councillor L Bowerman
Councillor J Branson
Councillor A Briggs
Councillor P Crellin
Councillor T Denton
Councillor B Francis
Councillor D Guest
Councillor G Hughes
Councillor M Inkster
Councillor D Keast
Councillor R Kennett
Councillor B Linger
Councillor E Lloyd
Councillor J Lowe
Councillor T Moutray
Councillor H Patel
Councillor D Patrick
Councillor I Payter
Councillor T Pike
Councillor R Raines

Councillor A Rennie
Councillor G Robinson
Councillor C Satchwell
Councillor M Sceal
Councillor R Stone
Councillor J Thain-Smith
Councillor L Turner
Councillor P Wade

Against the Motion:

None

Abstentions:

None

Absent:

Councillor Caren Howard
Councillor David Jenner
Councillor Sarah Milne
Councillor I Robinson
Councillor Isobel Scott
Councillor Elaine Shimbart
Councillor Yvonne Weeks
Councillor Michael Wilson

66 Corporate Strategy Refresh

The Leader introduced the item and highlighted some of the key ambitions of the Council.

Proposed by Councillor Rennie and seconded by Councillor Bowerman, following debate and a vote it was RESOLVED that Council ADOPT the Corporate Strategy 2022 – 2025.

67 Questions Under Standing Order 27.4.1

There were no questions received under Standing Order 27.4.1.

68 Urgent Questions Under Standing Order 27.4.2

There were no urgent questions received under Standing Order 27.4.2.

69 Notices of Motion

Councillor Patrick as proposer asked for the motion to be withdrawn.

70 Appointments

Proposed by Councillor Patrick and seconded by Councillor Keast it was RESOLVED that Council:

- (i) Reviews the representation of the different political groups on each of the Committee, Boards and Panels set out in Appendix A and determines:
 - (a) the allocation of seats on each of those bodies to each of the political groups into which the Council is divided and
 - (b) the membership of those bodies in accordance with the wishes of those groups; and
- (ii) Approves:
 - a) the appointment of Councillors to those Committees, Boards and panels as set out in Appendix B: Parts A & B and;
 - b) that all appointments at (ii) remain in place until the next Annual meeting of the Council.)

71 Acceptance of Minutes

Proposed by Councillor Kennett and seconded by Councillor Stone, it was RESOLVED that the minutes of Committees held since the last meeting of Council be received.

The meeting commenced at 5.01 pm and concluded at 6.10 pm

This page is intentionally left blank



Havant
BOROUGH COUNCIL

Mayor's Parlour
Public Service Plaza
Civic Centre Road
Havant
Hampshire PO9 2AX

T 023 9247 4174
F 023 9248 0263
DX 50005 Havant
www.havant.gov.uk

Mayoral report for November 2021 – March 2022

07/01/2022 - Hayling Island Amateur Dramatic Society Panto.

By the time you read this, we will have been to see the Hansel and Gretel pantomime, “oh no you haven't, oh yes we have”.

With the Christmas celebrations out of the way and feeling a little more refreshed after a frantic run up to the festive season ,it was nice to go to Leighpark, sit and drink coffee and catch up with old friends and make some new ones. Tanya's café in Leigh Park has a Dementia group on a Monday, to try and encourage more residents out to be able to meet and mingle in a safe environment, both Jane Ward from Dementia friendly Hampshire, Tim Mason from Havant Rotary and Duncan Cameron from Right at home were there to give advice, it was nice for me too, being a Dementia Champion and losing my own father recently to Dementia, it is a cause that I am passionate about and wish to promote awareness within the local community.

THURSDAY 20/01/2022 Cheque Presentation Meridian Shopping Centre.

I was met by Rob Fryer the Meridian Centre Manager, before being taken up to the top floor to meet the recipients. There were 3 cheques to be presented to 3 different charities. The first was, the Chestnut tree Charity, the second was, the Rowins and the third was, the Beacon Food bank.

After a few quick photos Rob and a colleague to us to the Beacon food bank warehouse which is situated on the top floor. I was really surprised at how big it was. It was a very humbling experience.

FRIDAY 21/01/2022. Honorary Alderman Ceremony at The Plaza.

It was a great honour to be asked to present Cllr Terry Hart with the Alderman title. This was followed by a signing of the scroll and record book. The pinning on of the badge and a lot of speeches despite being very few attendees due to the Covid restrictions at that time. There was a small safely distanced gathering of family, colleagues and ex colleagues to who all want to wish Terry well after 40 years of loyal service.

SATURDAY 22/01/2022. Burns Night Winchester.

This was a really enjoyable evening, we sat with Mark and Lin Hook Mayor and consort from Gosport and Adam and Jenni Carew, Chairman of East Hants.

A traditional fare of cock-a-leekie soup, Haggis, neeps and tatties followed by Cranachan. Followed by 2 toast's, the first to the 'Lads and the second to the 'Lasses.

There was a quiz and a raffle, I kept my prize for my next raffle in February. It was a good evening with good company.

THURSDAY 27/01/2022. Holocaust Memorial service in Havant.

It was an honour to be able to represent the Havant Borough Council and remember all those that went through this horrific time. An atrocity of monumental proportions and one of the most dreadful acts within mankind.

It was nice to see so many children there with their teachers and support staff.

Graham came with 10 children from the Hayling college in the school minibus, so he was able to attend also.

Leah Turner led the service, children read poems and gave readings, as I did too.

It was nice to see Pam and Louise, the Mayor from Fareham, Adam Carew Chairman from East Hants and Vivien and her husband, the Mayor of Winchester and colleagues and dignitaries from Havant.

Sadly, I had to dash off to another engagement at Thorney, but did manage to speak to everyone and thank them for coming before the service and explain to them why I was dashing off.

THURSDAY 27/01/2022. Changing of Colours at Thorney Barracks.

Sadly, we missed the main ceremony due to our previous commitment, but we were met by Major Richard (Dickie) Davies who took us to the carpark near the officer's mess. He explained what had just happened. There were 2 huge guns in the carpark next to where we were standing. I had taken my chaplain Sue Moss with me who is great company. We met Catherine who is the Army chaplain, so it was great for Sue to meet a "colleague, before we were taken into the lobby of the Officers mess for lunch. We both had a curry and found somewhere to sit and eat.

The afternoon concluded after lunch in the garden where 2 trees had been planted to create a Peace Garden for the troops and staff. Catherine said some prayers followed by another speaker from London. It was a lovely sunny day. A day to remember.

SATURDAY 29/012022. Emsworth Play Park Opening.

I had just come from Denvilles house in Havant, so it didn't take long to get there, again the sun was shiny as Graham and I walked through the park. It was nice to have Graham with me too.

We were met by "officials from HBC who were instrumental in overseeing the work revamp the play park following some fundraising by residents, to honour a local lady who had sadly passed away and left a young daughter Harriet. It was felt that the park would be a lasting legacy to her memory, created through "Verity's Wish. It was a real honour to meet Verity's husband too, a local chap known as "Topsy.

It was tough for him as he started his speech, but he did a great job, and his wife would have been proud of him. We also spoke to Verity's dad too. Both Graham and I thought it would be more fitting if Harriet cut the ribbon to declare the park open, which she seemed to enjoy. The sun continued to shine that day.

WEDNESDAY 02/02/2022. Horndean Technology College tree planting.

This was part of the 70-year Platinum celebration for the Queens reign. It was also to celebrate the Jewish refugee charity. Adam Carew, chairman of East Hants was there too. Also, a couple whose grandparents had fled from Austria and settled in Hampshire as a Butler and housekeeper during the Holocaust. This was followed by a light buffet lunch, and I chatted to the couple whose Grandparents had fled Austria, it was interesting listening to what had happened to them and how they had survived.

FRIDAY 11/02/2022. Valentines Dinner Brookfield Hotel.

This took some planning, but without the help of Anne Thurlow, the Mayors secretary, Neil Payne, facilities manager, and a few council colleagues it simply would not have been possible.

We had a Pink Prosecco reception, thanks to the generosity of Norse S E. The buffet food was superb as were the staff too.

I had got there early to help the staff set up and sort the tables out.

Graham came down with Sue, my Chaplain and we met in reception. It was nice to see so many happy faces.

It was a brilliant night; Amanda and her staff were excellent and seemed to be enjoying it as much as we did. The DJ seemed to be able to get everyone up on the dance floor which was good to see too. It was also nice to see Chain gang colleagues from other Boroughs there too. Both Graham and I stayed at the end to help get cleared up. We were both shattered but stayed the night and would have slept well if it hadn't been for the family above us!

SATURDAY 19/02/2022. Gosport Valentine's ball.

We both sat at the top table with Mark and Lin Hook the Mayor of Gosport, together with Pam and Louise from Fareham, Adam and Jenni Carew from East Hants and Captain Voice and his wife from HMS Sultan.

There were some very entertaining speeches, followed by a raffle and dancing.

SUNDAY 19/02/2022. Golf club presentations.

This was a quick event initially, presenting a cup and some wine to 3 members of the Golf club, followed by a very short speech and raffle. Both Graham and I stayed and chatted to a few people we knew, then thanked Colleen the deputy Ladies Captain and Sue, the Mayor's chaplain, Colleen is a friend of Sue's.

WEDNESDAY 23/02/2022. Cheque Presentation Hayling Island Lifeboat station.

It was great to see Tammy again from a major building company who I met last May on one of my first Mayoral engagements. We all had a quick tour and cup of tea as I was mindful of the time and having to be in Havant for 4pm for a Full Council meeting at 5pm.

The company had raised £15:000 which is a substantial amount of money, after a few photos I bade farewell and dashed home to get the car and go straight to Havant.

WEDNESDAY 23/02/2022. Full Council Meeting.

It was a good meeting and ran smoothly.

All the motions were carried, and I felt more confident and relaxed in my delivery. I thanked everyone for their help with the last Mayoral fundraiser especially Neil Payne and Anne Thurlow.

I also mentioned too, the date of the next Coffee morning for people to put in their diary. The meeting finished after an hour and 10 minutes, so that was good news.

THURSDAY 24/02/2022. Fareham Civic Day at Daedalus.

I took Sue with me, the mayor's chaplain as Graham was working, we were dropped at the Mayors parlour in Fareham where we had coffee and savoury and sweet pastries before we all boarded the coach to go to Daedalus. We were dropped off at the cafe first and had a short talk about the Solent Airfield and their aspirations for the site, it had certainly changed since I was last there at least 35 years ago.

There was lots to see, it was a blustery and cold day, we met some amazing people during our time there and finished up watching flight crew in a simulator, although I did have to step outside after a few minutes as it made me feel a little unwell. The manager was also outside for the same reason, and we got talking and it turned out that he lived on Hayling too, so we had lots to talk about.

We ended the day in the conference room with coffee and lunch. It was also nice to catch up with Onalee and Hugo, the Mayor and consort for Basingstoke.

SATURDAY 26/02/2022. Hayling Lifeboat crew Awards.

It was a really lovely sunny day at the Hayling Island Sailing club, although the wind was cold.

After we were all seated, Mark Downey, the Chair of the RNLI gave a welcome speech followed by an account of the rescue, that happened almost 2 years ago. It was humbling to listen to the bravery under exceptional conditions that 3 lives were saved from drowning, it was also lovely to see our daughter and her partner Tom, who had been given an award, a very proud moment for all of us.

It was a great honour to be invited and knowing at least half of the participants made it feel more special. I felt very proud to be able to play a small part in the prestigious ceremony.

THURSDAY 03/03/2022. World book day.

I had been invited to Co-op funeral directors to judge some posters for Padnell infant school, world book day. It was so hard to choose from some amazingly creative art work.

The children had walked from the school and were so well behaved, it was great to see their faces light up as they came into the Co-op office and the staff were lovely too, when I saw them last year for a litter pick, it was pouring with rain, but this was a lovely sunny day.

After talking to the children and giving them their awards, we all had a chat and they asked lots of questions, hopefully some cute candidates for council when they get older.

SATURDAY 05/032022 Sparkles New shop opening in Havant.

Both Graham and I were able to attend as it was the weekend and Graham wasn't at work. Again, it was a lovely sunny day. We both arrived in Havant and met the new owners standing by the front door. We introduced ourselves and went inside for a few minutes. A shop for all things sparkly and shiny. It was beautiful, but they had both been through a tough time before they moved to Havant. We took her a bunch of flowers and a box of sweets for the children, she was grateful, but for us it just showed an ounce of compassion.

We both went outside and cut the ribbon and I said a few words of encouragement and how beautiful the shop was. The 2 young lads sat on the bench outside looked amused and asked if he could buy the Mayoral chain for a "fiver. Both Graham and I spoke to them about school and football for a few minutes. We then went back into the shop and had a cake each, naughty, but nice.

By the time you read this, we will have been to the Lord Mayor of Portsmouth's dinner and the Installation of the Bishop of Portsmouth.

The next Mayors coffee morning is on Wednesday the 30th of March at the Plaza. It would be lovely to see you there.

Very many thanks to my husband Graham, Anne Thurlow, Neil Payne and the facilities team, colleagues and officers. Without you all I would not be able to continue in my role and I am truly grateful.

This page is intentionally left blank

NON-EXEMPT

HAVANT BOROUGH COUNCIL

FULL COUNCIL

16 MARCH 2022

UPDATE ON THE EXAMINATION OF THE HAVANT BOROUGH LOCAL PLAN, WITHDRAWAL OF THE HAVANT BOROUGH LOCAL PLAN FROM EXAMINATION AND CONSIDERATION OF THE HOUSING DELIVERY POSITION STATEMENT

FOR DECISION

Portfolio Holder: **Cllr Clare Satchwell**

Key Decision: Yes

Report Number: *HBC/443/22*

1. Purpose

- 1.1. At its meeting held on 22 February 2022, the Planning Policy Committee considered this report and made the recommendations are set out below.
- 1.2. This paper updates members on the submission and examination of the Havant Borough Local Plan following the approval by Full Council of the changes to the Havant Borough Local Plan in September 2020.
- 1.3. This paper follows the receipt of the Inspectors' Interim Findings Report regarding the Examination of the Havant Borough Local Plan. The findings recommended a withdrawal of the local plan, which inevitably results in a longer period before a new local plan is in place. As a result, there is also a significant reduction in the Council's anticipated land supply which has further reduced the Council's five year housing land supply.

- 1.4. An up-to-date local plan is the only way to ensure that development takes place in a coordinated way, providing the necessary infrastructure and environmental safeguards. As such, the Full Council is recommended to authorise the preparation of a new plan as a matter of priority.
- 1.5. Nonetheless, whilst there will inevitably be a delay in getting an up-to-date local plan in place, the result of the Interim Findings Report and the Borough's Five Year Housing Land Supply will be an increase in development pressure.
- 1.6. Planning Policy Committee are recommended to consider and approve the Housing Delivery Position Statement, which highlights the relevant material considerations for decision-making on planning applications for new housing.
- 1.7. The purpose of the Housing Delivery Position Statement is therefore to provide the Borough's residents and the development industry with certainty as to how planning applications for housing proposals will be considered until such time a Local Plan has successfully passed through Examination. In particular, the Position Statement sets out what the Council considers to be 'sustainable development' in assessing proposals on sites which are not in the adopted or emerging local plans.

2. Recommendations

- 2.1. Members are requested to:

Update regarding the Havant Borough Local Plan examination

- a. Note the outcome of the examination of the Local Plan, the Inspectors Interim Findings Report (examination library document reference CR18), the response to it (CR19) and subsequent communications (CR20, CR21, CR22 and CR23);
- b. Note the correspondence between the Council Leader and the Secretary of State for Levelling Up, Housing and Communities regarding the need for the NPPF to recognise more strongly the relevance of a plan led approach to development and to not penalise communities whilst plans are being put in place (Appendix 1);

- c. Authorise the withdrawal of the Havant Borough Local Plan from Examination in line with Section 22 (1) of the Planning and Compulsory Purchase Act 2004 (as amended);

Preparation of a new Local Plan and CIL Charging Schedule for Havant Borough

- d. Authorise the preparation of a Local Plan to replace the Havant Borough Local Plan (Core Strategy) and the Havant Borough Local Plan (Allocations Plan);
- e. Authorise the preparation of an updated Community Infrastructure Levy Charging Schedule for Havant Borough;
- f. Delegate authority to the Planning Policy Manager¹, in discussion with the Cabinet Lead for Planning, Hayling Seafront Strategy and Coastal Management¹ to prepare and publish a Local Development Scheme and keep this updated as necessary;
- g. Delegate authority to the Cabinet Lead for Planning, Hayling Seafront Strategy and Coastal Management¹ to consider for approval, following scrutiny by the Planning Policy Committee², an update to the Hayling Island Transport Assessment, to consider the impact of development on summer traffic conditions;

Decision making on planning applications for new housing

- h. Note the Borough's five year supply of 3.9 years and the implications that the delay in the local plan's examination have for this issue;
- i. Approve the publication of the Housing Delivery Action Plan (Appendix 2);
- j. Adopt the Housing Delivery Position Statement (Appendix 3);
- k. Delegate authority to the Cabinet Lead for Planning, Hayling Seafront Strategy and Coastal Management¹ to consider for approval, following

¹ Or successor in similar or equivalent role

² Or any future scrutiny meeting of similar or equivalent role

scrutiny by the Planning Policy Committee², updates to the Housing Delivery Position Statement

Other

- I. Delegates authority to the Planning Policy Manager¹ to make any necessary minor amendments to the documents listed in this report. These shall be limited to the inclusion of page numbers, a contents page, a glossary, factual updates, correction of minor errors, typographical errors and other minor changes that do not change the meaning of the material.

3. Executive Summary

- 3.1. The Havant Borough Local Plan has been in preparation since 2016, consistently being considered as a key corporate priority for the Council. The plan entered its final stage in February 2021 when it was submitted to the Secretary of State for examination.
- 3.2. The Interim Findings Report produced by the inspectors following stage 1 of the examination raises a number of matters which require addressing. The inspectors recommend that the Local Plan is withdrawn and a new one developed. This is regrettable in that it will increase the amount of time which it will take to get a local plan for the Borough in place. This in turn means that the development quality will invariably be lower than that expected through the plan.
- 3.3. Nonetheless, the need for housing does not diminish in this situation – there is a clear need to significantly boost the supply of housing in line with the National Planning Policy Framework (NPPF). Due to lower than required levels of housing delivery over the last few years due to a number of circumstances outside of the Council's control, the Borough has scored below 75% in the Housing Delivery Test for two consecutive years, meaning that the 'tilted balance' under the NPPF is in effect.
- 3.4. As a result, to ensure that there is not a policy vacuum following any withdrawal of the Local Plan from examination, a Housing Delivery Position Statement is proposed.

3.5. The Housing Delivery Position Statement will provide residents and the development industry with a clear statement of intent about how the Council will consider planning applications for housing proposals in advance of the Local Plan's adoption.

4. **Additional Budgetary Implications**

4.1. Additional budgetary implications are set out in the table below:

	2021/22 (budget)	2021/22 (likely)	2022/23 (proposed)
Planning Policy Consultancy	£246,000	£236,000	£220,000

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

5.1 The preparation of an up-to-date local plan for the Borough has been a key corporate priority since its first consultation in 2016. Whilst there have been extensive changes to the planning system in recent years, this has only emphasised the role of the Local Plan in the development process in the UK and increased the necessity of having an up-to-date Local Plan.

5.2 The Local Plan is intrinsically linked to the Corporate Strategy and, together with the Regeneration Strategy, constitute the key Council strategies related to place-making. It is a key mechanism for moving development sites forward to delivery by setting out the principles for the development of the sites and reinforcing the message to the investment market that Havant Borough is open for business.

5.3 The National Planning Policy Framework (NPPF) sets out Government's policies and priorities regarding development and the planning system. This is the first Local Plan the Council has prepared in line with the NPPF. The NPPF includes a requirement for Local Authorities to produce local plans meet the need for development in their area, which was not the case when the Adopted Local Plan was prepared.

5.4 The need for housing in the Borough, as defined by Government, is significant. In the adopted Local Plan, there is a target of 315 dwelling per year. This rose to 450

at the start of the preparation of the Havant Borough Local Plan, culminating at 504 dwelling per year when the Local Plan was submitted.

- 5.5 The sharp increase in the amount of housing to be provided within a constrained Borough changes the question before the Council and the Borough's communities. It is no longer a question of whether development should happen. It is instead whether the benefits that the development can bring should be grasped. If development is to take place, it should be of a high quality and stand the test of time, it should include the infrastructure necessary to mitigate its impact and it should preserve and enhance our built and natural environments.
- 5.6 This approach intrinsically informed the Havant Borough Local Plan – which allocated sufficient sites to meet the need for housing but also included environmental safeguards, infrastructure requirements and quality standards which are not part of the Adopted Local Plan.

An update on the examination of the Havant Borough Local Plan

- 5.7 The Havant Borough Local Plan was submitted for examination on 12 February 2021. The examination takes place in a completely open and transparent way, with all correspondence and documents available on the Council's website in the examination library. Several of these documents are referred to by their references in this report and are available at www.havant.gov.uk/examination-library.
- 5.8 The Council has now received the Inspector's Interim Findings report (CR18) following the Stage 1 Hearings which took place in July 2021. The letter does not set out all the Inspectors' findings on all of the issues discussed during the Stage 1 hearings, and instead focuses on areas of concern.
- 5.9 The Inspectors highlight that further information or updates to evidence base studies are needed in relation to the deliverability of a number of housing sites which mean that the Council is unlikely to be able to meet its housing need over the plan period. The letter is clear that not all of the Plan has been examined.
- 5.10 The inspectors concerns cover a variety of matters, set out within the report and are not repeated in detail in this report. Many of the concerns raised would be

possible to reach a conclusion on with further evidence, which would often need to be provided by site promoters³. Some of the issues can be addressed through further assessments.

- 5.11 Since this point, further correspondence has been sent to and received from the inspectors (documents CR19-CR23) which has provided useful clarifications on a number of points. Nonetheless, on the principal matter of how to get a local plan in place as swiftly as possible, the inspectors reiterate their view that a withdrawal of the Havant Borough Local Plan and the preparation of a new plan is necessary.
- 5.12 The Leader has also written to Secretary of State for Levelling Up, Housing and Communities in order to highlight the hurdles which the Council has overcome in recent years and seek reassurance that Government will support Local Planning Authorities to get Local Plans in place.
- 5.13 As a result, it is recommended that the appropriate course of action at this point is that the Havant Borough Local Plan is withdrawn from examination.

A new Local Plan for Havant Borough

- 5.14 The need for an up-to-date local plan for the Borough has not changed due to recent events, it is still as necessary as ever. Government has a target for all local planning authorities to have an up-to-date Local Plan in place by December 2023. Whilst failure to achieve this target will be assessed on a case-by-case basis, there are powers in place for Government to intervene in the plan-making process, taking this away from local authorities. As such, it is critical that swift progress is made on a new local plan for the Borough.
- 5.15 The Council also has an ambitious regeneration and economic development agenda set out in the Corporate Strategy. This involves bringing a number of key sites forward for development. However, this cannot be delivered by the Council in isolation and so involves creating and maintaining an open for business approach to ensure that private sector schemes come forward.
- 5.16 Alongside a new local plan, a new Community Infrastructure Levy (CIL) Charging Schedule will also need to be prepared. A new CIL charging schedule was

³ it should be noted that for some sites, the site owner is Havant Borough Council.

prepared in tandem with the Havant Borough Local Plan. This was examined in 2021 and found to be sound. However, the proposals within the charging schedule are intrinsically linked to the Havant Borough Local Plan and it also relies on the same evidence base. As such, given that this evidence, particularly the viability study, will need to be updated, it will also be necessary to prepare a new CIL Charging Schedule.

- 5.17 A great deal of the evidence which supports the Havant Borough Local Plan will be relevant to the new local plan as well. However, there are also a number of workstreams and studies which will need to be prepared in order to address the inspectors concerns with the Havant Borough Local Plan through the new plan.
- 5.18 Chief amongst these will be working with neighbouring local authorities in order to assess whether there is any capacity to be able to accept any unmet housing need from Havant Borough.
- 5.19 Related to this workstream will be the ongoing work through the Partnership for South Hampshire (PfSH) to establish an updated Joint Strategy for the sub-region. Substantial workstreams regarding this are due to report to the PfSH Joint Committee by quarter three 2022.
- 5.20 Another workstream that officers have started considering the response to is the Hayling Island Transport Assessment⁴. As part of this, a proposed methodology was provided to the inspectors through CR22, which was received positively. This workstream is being taken forward as a matter of priority in order to provide certain to residents and the development industry, given current planning applications on Hayling Island and in Langstone which will need to be determined.

Decision making on planning applications for new housing

- 5.21 Whilst there is now a further delay in getting an up-to-date local plan in place for the Borough, the national requirements to ensure a continuous supply of new housing do not fall away in the meantime.
- 5.22 A result of the Inspectors' initial findings is that the Borough's five year housing land supply has further decreased. As of September 2021, the Council's Five Year

⁴ See paragraphs 3-10 of CR18 in particular.

Supply Housing Update sets out the Borough has a 4.3 year supply. As a result of the removal of some sites from supply from the Inspector's interim report, this position has fallen to 3.9 years supply, which is substantially below the five year housing land supply threshold.

- 5.23 In the absence of a five year housing land supply and in the context of the Council's Housing Delivery Test measurement (74%)⁵, the 'tilted balance' under paragraph 11 d) of the NPPF is engaged. In these circumstances, the policies most important for determining the application are considered out of date. This means granting permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole.
- 5.24 Without having an up-to-date Local Plan in place, these provisions have significant implications for the Borough both in the short and medium term. Whilst the development plan remains the starting point for decision-making, the NPPF is clear that both the need to significantly boost the supply of housing and the tilted balance should be afforded substantial weight in the planning balance.
- 5.25 This was shown to the case in a recent appeal decision for 'Land South of Lower Road'⁶ where the urban area boundaries in the Adopted Local Plan could only be afforded very limited weight as they were predicated on out-dated levels of housing need. In contrast, the substantial deficit in the Borough's Five Year Supply was afforded substantial weight in the overall planning balance, leading to the appeal being allowed and planning permission granted. A similar pattern can also be seen in a recent appeal decision in Fareham Borough Council⁷ where the appeal was upheld and planning permission granted, despite the local planning authority's concerns regarding design and layout.
- 5.26 These matters were noted extensively in the officer report which accompanied a recent planning application at Land West of Hulbert Road, Havant (APP/20/00441). The site in question was not identified in either the Adopted

⁵ A result of less than 75% indicates which indicates that housing delivery was substantially below the housing requirement over the previous three years (footnote 8 of the NPPF).

⁶ Appeal reference APP/X1735/W/20/3259067

⁷ Appeal reference APP/A1720/W/21/3275237

Local Plan or in the Havant Borough Local Plan where it is an omission site. Housing supply was highlighted extensively in the officer's report as a matter of substantial weight in the planning balance. The Planning Committee resolved to grant planning permission in this instance. Moving forward, there will inevitably be many similar cases of sites which are contrary to the Adopted Local Plan which would need to be determined.

5.27 In the short term, it is essential that the Borough is able to determine planning applications and that this is done in a clear way. This is necessary both in terms of maintaining its current position, and where possible improving the supply deliverable housing sites. Such a statement would provide a clear statement of how the Council intends to consider planning applications for housing proposals until such time the Local Plan has successfully passed through Examination.

5.28 In light of the above, in order to manage the development pressure prior to a new local plan being in place, it is proposed to adopt a Housing Delivery Position Statement (Appendix 3). This would:

- a) Provide a clear statement of intent of how the Council will consider planning applications for housing development until such time the Havant Borough Local Plan has successfully passed through Examination.
- b) Confirm that the principle of residential development on proposed allocations in the emerging Local Plan is acceptable where they meet the other requirements in the Adopted Local Plan and the Position Statement.
- c) Identify where the principle of development might be otherwise be acceptable where proposals can be shown to constitute 'sustainable development'
- d) Indicate the standards expected from housing development which the Council considers necessary in order to justify a departure from the Adopted Local Plan.
- e) Identify the need to comply with the Habitats Regulations in terms of ensuring that all likely significant effects on European Sites are appropriately mitigated.
- f) Confirm the Council's position that it will only accept the comprehensive development of the Southleigh Strategic Site; and any development proposals that would prejudice the delivery of the junction will be refused.

g) Confirm the approach to planning applications for new homes on Hayling Island and Langstone prior to the conclusion of the additional work on the Hayling Island Transport Assessment.

- 5.29 For transparency, it is intended that a comprehensive table of emerging allocations in Submission Plan is included in the statement. Those sites have been subject to a rigorous site assessment which provides high level assurance of their suitability. Whilst it is acknowledged that the Interim Findings Report outlines additional work needed in order to demonstrate the deliverability of a number of sites, this would need to be provided as part of the application process anyway.
- 5.30 Illustrative material would also be provided alongside the Position Statement in the form of an expanded flow chart on the tilted balance, maps of sites in table 1 of the Position Statement and a map of environmental designations. These are provided at appendices 3a – 3d of this report.
- 5.31 It should also be acknowledged that the Council has already granted for many of the sites allocated in the Submission Local Plan. As there are live planning applications for over 1,000 homes on site allocations in the Submission Local Plan, it is considered essential that the Council is able to continue securing high quality development. Though five year supply has substantial weight in decision-making, there is also a clear necessity that new housing creates sustainable places which supports the health and wellbeing of the Borough's residents.
- 5.32 Recognising that the Housing Delivery Position Statement would provide for housing to come forward on sites like West of Hulbert Road not supported by either the adopted local plan or the Havant Borough Local Plan, the statement would also require evidence from the developer to show that the site would be deliverable within the first five years. This would include the use of conditions to require a shorter than standard timeframe for the submission of a valid reserved matters application (in the case of an outline planning application) or for the commencement of development (in the case of a detailed planning application).
- 5.33 The Housing Delivery Position Statement would not be the first statement of its kind to be adopted by the Council for decision-making purposes. Indeed, the 2016

Local Plan Housing Statement identified a number of housing sites suitable for 'early release' in advance of the adoption of the Local Plan.

6. Options considered

- 6.1 There are alternatives to each of the sets of recommendations at the start of this report.

Update to the Havant Borough Local Plan examination

- 6.2 The main alternative to withdrawing the Havant Borough Local Plan from examination would be to continue to seek to address the issues raised by the inspectors through the examination of the Havant Borough Local Plan, with the inspectors making any necessary changes to the plan in order for it to be found sound.
- 6.3 Whilst attractive as a means of achieving a local plan as swiftly as possible, on balance this is not recommended.
- 6.4 The inspectors are clear in their advice recommending a withdrawal. It would be possible to undertake the additional work which is necessary and return to the examination swifter than withdrawing the plan. However, the inspectors are correct to highlight that the subsequent examination would invariably be more complex with three sets of Regulation 19 representations on different versions of the plan.
- 6.5 Extensive communication has taken place with the inspectors in order to explore whether this represents a viable means to getting a local plan in place. The inspectors are clear in their view across several letters that it is not.

Preparation of a new Local Plan and CIL Charging Schedule for Havant Borough

- 6.6 The main alternative to preparing a new local plan following a withdrawal, would be a 'do nothing' approach of not preparing a local plan. This is not considered an appropriate option. This is principally due to the fact that development will ultimately come forward, however without a local plan there will be no coordination of development or minimum standards to achieve. Furthermore, it is

likely that if the Council were intransigent in putting together a local plan, eventually, Government would intervene and put one in place regardless.

Decision making on planning applications for new housing

6.7 The main alternative to adopting the Housing Delivery Position Statement would be a 'do nothing' approach. Nonetheless, without the position statement, the 'tilted balance' would still apply. The recent appeal decision for Land South of Lower Road clearly shows the substantial weight which must be applied to the delivery of new housing. As such, the tilted balance would apply regardless of the presence of a Position Statement. However, with a Position Statement in place, there is a clear message to the development industry of the standards which the Council would look for them to achieve in order to move forward.

7. Resource Implications

7.1 Financial Implications – the response to the inspectors Interim Findings Report and the preparation of the Housing Delivery Position Statement have all been achieved within budgets for the 2021/22 year. The implications for the 2022/23 year have fed into the budget setting process. The preparation of a new local plan will also have financial implications across the medium term which will need to feed into future budget setting processes.

Section 151 Officer comments

Date: 4 February 2022

The additional revenue required to support the delivery of the revised Local Plan are included within the budgetary framework for 2022/23.

7.2 Human Resources Implications – there are no additional staffing requirements from the proposed course of action.

7.3 Information Governance Implications – none.

7.4 Links to Shaping our Future Programme.

Shaping our Future Lead comments/sign-off

Date: 20 January 2022

This decision does not have a direct impact on the Shaping Our Future Programme.

7.5 Other resource implications – none.

8. Legal Implications

- 8.1 The preparation, examination and adoption of a Local Plan is governed by the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012, the NPPF, and planning policy guidance.
- 8.2 The duty of the inspector appointed to examine the plan is to determine (i) whether it is "sound" and (ii) whether the local authority have complied with the legislative requirements (including the duty to co-operate).
- 8.3 "Sound" is not a term defined in the legislation. The Government has provided what it considers to be criteria for soundness at para.182 NPPF namely that a plan is: (i) positively prepared, (ii) justified, (iii) effective and (iv) consistent with national policy. However, soundness is a matter for the examining inspector and he may depart from the NPPF guidance with reasons.
- 8.4 If the inspector is not satisfied the local plan (as drafted) is sound he must not recommend adoption and give reasons. However, if requested by the authority to recommend main modifications to make the plan sound, he must publish recommendations. The proposed main modifications to the plan would have to be approved by full council.
- 8.5 There is a requirement for the local authority to consult on any proposed main modifications to the local plan. The inspector then will consider any further representations on the papers or at a further hearing.

- 8.6 The inspector has indicated in his preliminary findings that the modifications required are likely to be extensive and has suggested the plan is withdrawn rather than modified. The Planning Policy guidance states “where the changes recommended by the Inspector would be so extensive as to require a virtual re-writing of the local plan, the Inspector is likely to suggest that the local planning authority withdraws the plan”.
- 8.7 If the authority were to decide to withdraw the local plan then there is a requirement to publish a notice to this effect and the reasons for doing so.

Monitoring Officer comments

Date: 8 February 2022

The Constitution places the Local Development Plan and Development Plan Documents as part of the Policy Framework reserved to full Council for approval/determination (paragraph 3.2.2 (c) of Part 2 Section B). The recommendations contained within this report are accordingly for Planning Policy Committee to consider and for Full Council to determine.

9. Risks

- 9.1 The Borough’s Housing Delivery Test measurement and absence of an up-to-date five year housing land supply position mean that the Council is in a weakened position to defend speculative developments and negotiate some of the development quality standards included in the Submission Local Plan. However, the Housing Delivery Position Statement provides a clear statement of intent as to how the Council will consider such applications, and the requirements of them as a departure from the Adopted Local Plan.

10. Consultation

- 10.1 There is no requirement for the Housing Delivery Position Statement to be subject to public consultation as a non-statutory document.
- 10.2 The Housing Delivery Position Statement sets out how a national policy will be applied in Havant Borough, bearing in mind the particular circumstances present

at this time. The application of these national policies is not a matter which can be consulted on.

- 10.3 There would need to be consultation on a new local plan in accordance with the pertinent regulations.

11. Communication

- 11.1 Throughout the preparation of the Havant Borough Local Plan, there has been extensive communication, both within formal consultation periods and outside them, with stakeholders. It is proposed that the same ethos be taken towards the preparation of a new local plan.

12. Appendices

Appendix 1 – Correspondence with the Department for Levelling Up, Communities and Housing

Appendix 2 – Housing Delivery Action Plan

Appendix 3 – Housing Delivery Position Statement

Appendix 3a – Environmental designations map

Appendix 3b – Tilted balance flow chat

Appendix 3c – Position Statement Map (north)

Appendix 3d – Position Statement Map (south)

13. Background papers

None

Agreed and signed off by:

Portfolio Holder: Cllr Clare Satchwell (Cabinet Lead for Planning, Hayling Seafront Strategy and Coastal Management), 8 February 2022

Director: Simon Jenkins (Director of Regeneration and Place), 8 February 2022

Monitoring Officer: Alan Harrisson on behalf of Daniel Toohey, 8 February 2022

Section 151 Officer: Lydia Morrison, 4 February 2022

Contact Officer

Name: David Hayward

Job Title: Planning Policy Manager

Telephone: 023 9244 6174

E-mail: david.hayward@havant.gov.uk

By email to Rt Hon Michael Gove
MP & Rt Hon Christopher Pincher
MP

Enquiries to: Elspeth Tucker
Direct line:
Email: Elspeth.Tucker@havant.gov.uk
My reference:
Your reference:
Date: 8 December 2021

Dear Mr Gove & Mr Pincher

HAVANT LOCAL PLAN

I am writing to you following the receipt of an Interim Findings Report into the Havant Borough Local Plan in order to seek your support in bringing forward a pragmatic and meaningful local plan which reflects Havant's constraints.

It is absolutely essential that a local plan is in place in Havant and indeed every local authority across the country. A local plan is fundamental in meeting the need for development and making sure that at the same time, infrastructure investment is coordinated and environmental protections are put in place. Havant is a responsible and pragmatic local planning authority. We fully acknowledge that there is a need for housing and that everywhere needs to play its part in meeting that. We are proud to support new housing schemes that meet the need for homes and have put in place innovative approaches which contribute to this, most notably our approach to 'nutrient neutrality' which was needed following case law in 2018. Our 'first of its kind' mitigation scheme at Warblington Farm was opened by Rt Hon Rebecca Pow MP, Parliamentary Under Secretary of State at DEFRA, in September 2020 and I am extremely proud to say that it has worked successfully to enable hundreds of homes since then and received national acclaim.

Havant Borough Council has been preparing the Havant Borough Local Plan since 2016. In doing so, the Council has embraced the obligations on it by Government, through the National Planning Policy Framework to aid in achieving the national target of 300,000 new homes being built per year. Through the standard method, this means 504 homes per year for the Borough.

In preparing a local plan, the Council has looked carefully at the characteristics of the borough – which are significant and wide reaching. These include various international nature conservation designations on our shores, heritage designations inland and all in a small and already built up Borough where values are far lower than our neighbours. All of this means that development is challenging and meeting the need for housing in full is extremely difficult.

The Council has recently received the Interim Findings Report of your inspectors into the Havant Borough Local Plan. This has concluded that 2,230 homes which are in our plan need to be removed from the supply. This in turn means that the plan will not be able to meet the need for housing by a wide margin.

Council officers are already speaking to our neighbours in order to explore whether any of the unmet need can be accommodated elsewhere. However due to the extensive work that has already taken place through the Partnership for South Hampshire, it is extremely unlikely that the full need for housing can be met prior to the preparation of a new Joint Strategy for the sub-region, which is in the process of being prepared.

As such, I fully expect that the Havant Borough Local Plan will be presenting a housing supply which does not meet the full need for housing. We are committed to setting out that reality in detail through constraints mapping and a thorough narrative. I am looking for your support, and the support of your inspectors, in looking at this evidence, and crucially making sure that a plan can be put in place as swiftly as possible.

Nonetheless, Havant Borough Council is also looking to bring forward sites which can be developed and overcome constraints where it is possible to do so. As a local planning authority, we are committed to bringing forward a positively prepared local plan. However it is considered appropriate for the plan to be supported by a proportionate evidence base rather than 'gold plating' the evidence requirements. Our conclusion at this point is that the level of evidence required to demonstrate deliverability is excessive. As an example, Havant Borough Council is committed to the regeneration of our two main town centres. We have a Regeneration Strategy in place, setting out the Council's ambitions and have assembled a team of dedicated, specialised officers to bring forward proposals. There are some individual schemes at an advanced stage and I'm pleased to say that the inspectors acknowledged this.

However, it is disappointing that the full level of housing for those town centres could not be included in the supply. Whilst town centre sites are more complex to bring forward to the market compared to greenfield sites, there are mechanisms to do so, including compulsory purchase and the Local Plan makes provision for this if needed. These are the most suitable, sustainable sites for development in the Borough and an ambitious strategy and planning framework is needed to bring them forward. Government have stated a clear ambition to bring forward additional brownfield development in the coming years. As Leader, I welcome and support the Prime Minister's Conference Speech that stated we need to focus on building "beautiful homes on brownfield sites" to protect greenfield sites in the South East. Our regeneration plans as set out in the Local Plan would wholeheartedly be in line with the Prime Minister's ambitions and would not have housing "just jammed in the south east".

Unfortunately, the inevitable consequence of the Inspectors Interim Findings Report is that the Borough will be subject to speculative development due to the legacy of the Dutch Case. It will not be plan led, it will not proceed with the support of communities and it will not result in coordinated infrastructure delivery. The Borough is already in receipt of such planning applications and more are expected in the coming weeks and months. This situation is due to a number of factors, including the inability of the Council to permit most housing developments for nearly 18 months due to the Dutch Case. This has resulted in a shortfall of housing delivery, which obviously has a direct impact on the Borough's Housing Delivery Test and Five Year Supply. Positively though, whilst the Dutch Case affected the Borough for nearly 18 months, the shortfall is equivalent to only 12 months of supply. Nonetheless, this effectively turns a Five Year supply requirement into a six year supply requirement – which is simply impossible to meet.

My predecessor, Cllr Michael Wilson, wrote to the Ministry of Housing, Communities and Local Government regarding this and specifically requested an extension to the transitional arrangements for the Housing Delivery Test. In the response, received on 9 March 2020, the Minister for Local Government and Homelessness stated *“We recognise that authorities may face challenges, so we will continue to monitor the impact of the Housing Delivery Test by engaging with those local authorities who are facing challenges **as it is vital that homes are built with the support of communities as part of a plan-led system**”* (my emphasis). The relaxation of the Housing Delivery Test by a one month period was clearly insufficient to reflect the scale of the issue that the Dutch Case presented or the scale of the legacy that it leaves behind. As such, it is necessary to again look at the measures needed to reflect the legacy of this wide-reaching case law. My officers can of course make available the documents and analysis required to illustrate this in detail.

I would like to specifically request that Planning Practice Guidance in relation to five year supply is updated to be clear that those local authorities affected by the Dutch Case do not need to include the shortfall of past under-delivery in five year supply calculations, even if part-way through a plan period. Such shortfalls are clearly not of a Local Planning Authorities' making but will hamper the ability to deliver plan-led development. I am also asking that the Housing Delivery Test is updated so that local authorities affected by the Dutch Case are exempted from the need to apply paragraph 11d of the NPPF for a period of five years from the receipt of Natural England guidance on the matter.

I would appreciate your comments and response on the following key questions:

- Do the Secretary of State and the Minister agree that regeneration sites such as Havant and Waterlooville town centres should maximise their development, given that they are the most sustainable kind of site?
- Do the Secretary of State and the Minister agree that getting local plans in place as swiftly as possible is a key national priority and that planning inspectors should be specifically required to work with local planning authorities to achieve this aim?
- Do the Secretary of State and Minister agree that the Planning Practice Guidance regarding the Housing Delivery Test and Five Year Supply should be amended to reflect the Dutch Case as suggested?
- Do the Secretary of State and Minister agree that local authorities such as Havant should in the future be specifically exempt from the standard method of calculating housing need or that the standard method in and of itself needs reform in order to bring in a constraints analysis into the equation?

Yours sincerely

Leader
Havant Borough Council

Copied to:

Alan Mak MP (Havant)
Flick Drummond MP (Meon Valley)

This page is intentionally left blank



Department for Levelling Up,
Housing & Communities

Rt Hon Christopher Pincher MP
Minister of State for Housing

Department for Levelling up, Housing and
Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3430
Email: christopher.pincher@communities.gov.uk

www.gov.uk/dluhc

Our Ref: 13836216

 January 2022

Councillor Alex Rennie
Leader
Havant Borough Council
Public Service Plaza
Havant
PO9 2AX



Thank you for your letter of 8 December addressed to both Rt Hon Michael Gove MP and myself about the Havant Local Plan. I am replying as Minister of State for Housing.

I note that the Local Plan remains at examination. I am unable to comment.

The Government's priority for getting plans in place by 2023 has not changed. After the consultation on the White Paper last year, I reiterated the importance of having up to date plans in place in my Written Ministerial Statement of 19 January 2021. Plan makers should continue to prioritise getting up to date plans in place under the relevant National Planning Policy Framework (NPPF) by this date. Having an effective, up to date plan in place is essential to planning for and meeting housing requirements; in ways that make good use of land and result in well-designed and attractive places to live. The Government expects local authorities to work together to plan for and deliver the housing and infrastructure our communities need.

I am aware the Inspectors' Interim Findings Report concluded that withdrawal of the plan and a return to the regulation 19 stage 'would be the most efficient, cost effective and likely quickest route to the adoption of a sound and legally compliant plan'. I do accept that you are disappointed by the conclusions in this report but, for the reasons I have stated above, it would not be appropriate for me to comment on that. The independent Inspectors play an important role in examining plans impartially to ensure that they are legally compliant, and sound and it is for your Council to respond to the Inspectors' letter as you see fit.

I recognise the challenges that this poses to local planning authorities and the effects of this for development and the local economy. Together with DEFRA, my department has set up a monthly cross-Government task force to ensure a clear action plan is in place, focusing on solutions for permitting housebuilding to resume without compromising the condition of Protected Sites. I chair this alongside Minister Pow, and draw on input from across Government, including Natural England and the Environment Agency. Through this, we are exploring the range of short-, medium-, and longer-term options, from practical support and guidance for LPAs, through to considering the role of wastewater treatment and the water industry, through to regulation of agricultural practices. Alongside this, we are continuing to support Local Planning Authorities through the work of the Planning Advisory Service.

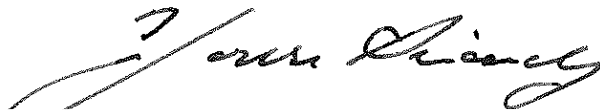
I appreciate that the rapid changes in advice from Natural England are unhelpful for you as the Local Planning Authority. Due to the requirement to act in a precautionary manner, if there are any indications of adverse effects in the Habitat Regulations, Natural England cannot forewarn of forthcoming issues. As competent authority, you would be required to factor in the harm to the site

as soon as you were notified of any potential for development to do harm, which would include such a warning. I understand Minister Pow is writing to you separately in more detail on this matter and am reassured by NE that there are workable solutions available to mitigate any potential effects and that these mechanisms are comparatively well-established in other parts of the country facing similar pressure (for example, around the Thames Basin Heaths Special Protection Area).

I note your concerns about meeting the requirements of the 5-year land supply and the Housing Delivery Test under current circumstances. However, it is important to keep the planning system moving to enable it to play its full part in the economic recovery to come. As you note, we have made an adjustment to reflect the effects of COVID-19 on housebuilding and we will continue to monitor the situation by engaging with those local authorities who are facing challenges. Where the presumption in favour of sustainable development is applied, this will not be at the expense of important protected areas, such as the Green Belt, Ancient Woodland, and Areas of Outstanding Natural Beauty. They will continue to be protected through policies in the National Planning Policy Framework.

Finally, should you decide - in line with the Inspectors' recommendation – to withdraw the Local Plan and return to the Regulation 19 stage of the process, I will ask my officials to contact your planning team to see how we can best offer to support you, for example through utilising the Planning Advisory Service.

Thank you again for your letter. I hope you find this information helpful.



RT HON CHRISTOPHER PINCHER MP

Housing Delivery Action Plan

March 2022

Housing Delivery Action Plan

Purpose of this paper	To identify the reasons for housing under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery. To provide an annual update based on the Councils latest position and Housing Delivery Test (HDT) results.
Why?	A Housing Delivery Action Plan is required to be published where the Housing Delivery Test indicates that delivery has fallen below 95% of the Council's housing requirement over the previous three years.
Objectives	<ul style="list-style-type: none">• To assess the causes of under-delivery.• To identify actions to increase housing delivery in future years.

Any queries about the report should be sent to:

Email policy.design@havant.gov.uk

Telephone 023 9244 6539

Address: Havant Borough Council
Public Service Plaza
Civic Centre Way
Havant
PO9 2AX

Contents

Page

1. INTRODUCTION	1
2. THE EMERGING LOCAL PLAN	4
3. HOUSING DELIVERY ANALYSIS	5
4. KEY ACTIONS AND RESPONSES	14
5. MONITORING.....	16

1. Introduction

- 1.1 The Housing Delivery Test (HDT) is an annual measurement of housing delivery for plan-making authorities. Paragraph 76 of the National Planning Policy Framework (NPPF) states that:

“Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority’s housing requirement over the previous three years, the authority should prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years.”

- 1.2 This action plan identifies reasons for housing under-delivery and sets out measures the Council is taking to reduce further under-delivery and improve delivery going forwards. It follows the publication of the 2021 Housing Delivery Test measurement for Havant Borough in January 2022.

Background

- 1.3 As a pro-development authority, the Council started preparation of the Havant Borough Local Plan to update the housing requirement since 2016. In doing so, the Council has embraced the obligations by Government, through the NPPF to aid in achieving the national target of 300,000 new homes being built per year. Through the standard method, this meant 504 homes per year for the Borough at the date of the submission of the Havant Borough Local Plan (HBLP).
- 1.4 The HBLP was submitted for Examination on 12th February 2021. Stage 1 Hearings on the strategic matters took place in July 2021, and the Inspectors’ Interim Findings report was subsequently published in November 2021. The findings recommend a withdrawal of the HBLP from Examination, which will obviously result in a longer period before a new Local Plan is in place.
- 1.5 The adopted housing requirement of 315 dwellings per annum set out by the Core Strategy (2011) is now more than five years old. A step change in housing delivery is therefore needed to deliver the scale of housing need under the standard method, particularly in the context of the under-delivery of housing in Havant Borough in recent years.
- 1.6 In late 2018, the Dutch Case¹ resulted in the Council being unable to permit most housing developments for nearly 18 months. this had direct implications for the Borough’s Housing Delivery Test measurement and the Five Year Housing Land Supply. Whilst the 2021 Housing Delivery Test (HDT) measurement includes a relaxation to the ‘number of homes required’ during 2019/20 and 2020/21, this is insufficient relative to the scale of the issue the Dutch Case presented or the scale it leaves behind.

¹ Cooperatie Mobilisation for the Environment UA and College van gedeputeerde staten van Noord-Brabant (Case C-293/17 and C294/17) available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:62017CA0293>

The Housing Delivery Test

- 1.7 The HDT was introduced following the publication of the 2017 Housing White Paper² and was designed to hold local authorities to account in terms of ensuring the delivery of new homes in their area. This was to counterbalance the suite of measures given to local authorities to ensure developers build homes quickly.
- 1.8 Depending on the measurement of housing delivery under the HDT, a different set of policies from the National Planning Policy Framework (NPPF) apply:
- The authority is required to publish an ‘action plan’ if housing delivery falls below 95%;
 - Together with an action plan, a 20% buffer is required to be added to the five-year housing land supply requirement if delivery falls below 85%; and
 - Together with an action plan and 20% buffer, there is a presumption in favour of sustainable development if housing delivery falls below 75%.
- 1.9 This action plan is updated annually following the publication of the Government’s Housing Delivery Test results where housing delivery falls below 95%. 2021 has generated a HDT result of 74% and therefore a presumption in favour of sustainable development applies in Havant borough.

The measurement

- 1.10 A summary of HDT measurements to date can be seen below. As the 2021 HDT falls below 95%, an action plan is required.

Year	Housing Delivery Test Results
2018	147%
2019	101%
2020	72%
2021	74%

- 1.11 Housing delivery is complex and whilst this action plan sets out what the Council is doing to increase housing delivery, there is only so much within its control. It is the Council’s opinion that it is also incumbent on landowners and developers to ensure housing sites come forward in a timely manner and are built out swiftly once planning permissions are granted.

Decision taking

- 1.12 The NPPF indicates that the presumption in favour of sustainable development (paragraph 11d) applies to applications involving the provision of housing, and suggests that policies which are “most important” (usually housing policies), for determining the application are out of date where:

² [Department for Communities and Local Government – Fixing our broken housing market – February 2017](#)

- The local planning authority cannot demonstrate a five-year supply of deliverable housing sites (with the appropriate buffer, as set out in paragraph 73); or
- Where the Housing Delivery Test indicates that housing delivery is less than 75% over the previous three years.

1.13 The Five Year Housing Land Supply Update (November 2021) indicates the Council is not currently able to demonstrate a five-year supply of deliverable sites.

1.14 In the context of the titled balance, planning permission should only be refused where the adverse impacts of doing so would significantly and demonstrably outweigh the benefits. Furthermore, the NPPF is clear that the presumption in favour of sustainable development does not change the statutory status of the development plan as the starting point for decision-making. In Havant Borough, this comprises of:

- The Havant Borough Local Plan (Core Strategy) adopted March 2011
- The Havant Borough Local Plan (Allocations Plan) adopted July 2014
- The Hampshire Minerals and Waste Plan adopted October 2013
- The Emsworth Neighbourhood Plan 'made' September 2021

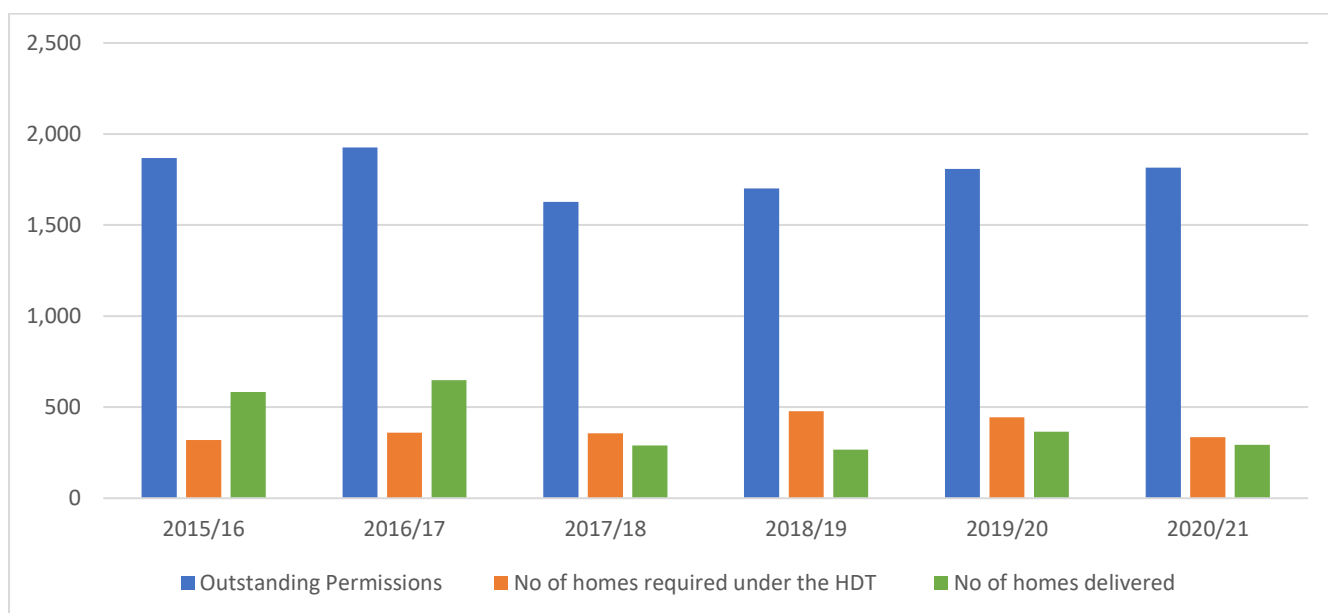
2. The emerging Local Plan

- 2.1 The Council started preparation of the Havant Borough Local Plan (HBLP) in 2016. In doing so, the Council embraced the need to update the housing requirement in line with the Government's standard method. This also involved the adoption of a [Local Plan Housing Statement](#) in December 2016 which took an innovative approach by identifying sites the Council considered suitable for 'early release' in advance of the HBLP.
- 2.2 The Local Plan Housing Statement made clear where the Council would accept the principle of high quality development on sites outside of the development plan whilst the Local Plan was being reviewed. As a result, planning permission was granted on two of the sites identified within it, in addition to pre-application engagement and application submissions on several more. The Council continued to take a similar approach to proposed allocations in the emerging HBLP whilst it was in production.
- 2.3 However, the small, constrained and heavily urbanised nature of Havant Borough means it was necessary to assess the suitability of land throughout the preparation of the HBLP. The Council's [Constraints and Supply Analysis](#) provides some on the context of the finite amount of undeveloped land available for development in Havant Borough. At the time the HBLP was submitted, the Plan demonstrated the Council's commitment to meet the Borough's objectively assessed need in full.
- 2.4 The HBLP was submitted for Examination on 12th February 2021. Stage 1 Hearings on the strategic matters took place in July 2021, and the Inspectors' Interim Findings report were subsequently published in November 2021. The Inspectors' Interim Findings raise concerns in relation to the deliverability of a number of housing sites and highlight the Council may not be able to meet its housing need as a result. The Inspectors highlighted that further information or updates to evidence base studies are needed in relation to the deliverability of a number of housing sites which mean the Council may not be able to meet its housing need over the plan period.
- 2.5 Following the withdrawal of the HBLP from Examination, the Council is preparing a new Local Plan, which will address the concerns raised by the Inspectors' Interim Findings report in the context of the NPPF. This will include updating the Hayling Island Transport Assessment and further information in relation to the deliverability of housing sites including evidence to show that mitigation can be provided for a number of housing sites.
- 2.6 In the interim, the Council has adopted a Housing Delivery Position Statement which sets out how planning applications for housing not in accordance with the development plan will be considered. Significantly, it recognises that the 'titled balance' will apply to most planning applications for housing under the presumption in favour of sustainable development.

3. Housing Delivery Analysis

- 3.1 Havant Borough Council has an established reputation as an ‘open for business’ local authority. It engages positively with the development industry and local communities to realise the benefits that sustainable development can bring. Despite this, of the 1,816 dwellings with outstanding planning permissions on 1st April 2021, only 293 dwellings (16%) were completed during 2020/21.
- 3.2 The following bar chart summarises the number of outstanding planning permissions as of 1 April relative to the ‘number of homes required’ under the Housing Delivery Test and completions that monitoring year (1 April – 31 March). It shows that in all three years, the Council granted sufficient planning permissions far in excess of the ‘number of homes required’ under the Housing Delivery Test (HDT), but ‘number of homes delivered’ fell short in all three years.

Figure 1: Outstanding planning permissions relative to the number of homes required under the Housing Delivery Test results and the number of completions that monitoring year



- 3.3 Figure 1 illustrates that completions were particularly suppressed in years 2017/18 and 2018/19. 2019/20 saw a slight upturn in completions, but completions were down again in 2020/21 potentially as a result of the disruption caused by the national lockdowns.

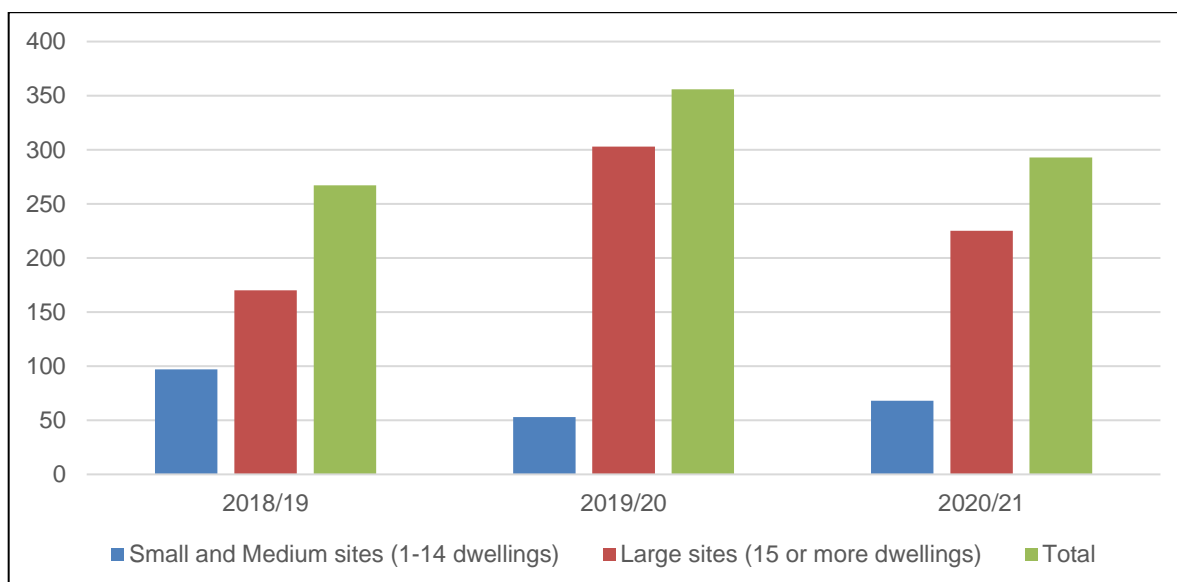
Sites contributing to housing supply

Analysis of housing completions 2017/18-2020/21

- 3.4 For the purposes of this exercise, sites have been broken down into small (0-10 dwellings), medium (11-14 dwellings) and large (15 or more dwellings) categories.

Figure 2: Analysis of completions according to contribution from site size

Number of Completions	2018/19	2019/20	2020/21
Small (1-10 dwellings)	84	53	68
Medium (11-14 dwellings)	13	0	0
Large (15 or more dwellings)	170	303	225
Total	267	356	293
Percentage of smaller sites	31.5%	14.9%	23.2%
Percentage of medium sites	4.9%	0.0%	0.0%
Total	36.3%	14.6%	23.2%



- 3.5 The analysis shows that small sites have continued to make a significant contribution to the housing completions across the three year period. Whilst there has been no contribution from medium sites during the last two years, there has been a significant upturn in the proportion of completions from large sites.
- 3.6 The nutrient neutrality issue presented by the Dutch Case stalled most housing development during 2018/19 and 2019/20 particularly on non-agricultural sites. By implication it would appear that large sites (15 dwellings or more) have made a greater contribution to housing delivery in the last few years. Evidence of this is reduced during 2020/21 where there has been a resurgence in the amount of development coming forward on small sites.

Sites identified through the Housing Statement

- 3.7 The Housing Statement (December 2016) identified a need for 11,250 homes between 2011 and 2036, based on the relevant objectively assessed need figure at the time. Taking completions,

outstanding planning permissions, windfall, and site allocations in the Allocations Plan (2014) into account, the Housing Statement recognised a need to find further sites to deliver 4,809 homes.

- 3.8 In order to address this gap, further sites on greenfield and previously developed urban extension sites were considered, and subsequently identified as being suitable for 'early release' through the Housing Statement.
- 3.9 Table 1 of the Housing Statement (re-produced below) shows the ten sites which the Council indicated that it would support the principle of residential development ahead of the adoption of the Havant Borough Local Plan, subject to compliance with the remainder of the policies in the Adopted Local Plan and the Guiding Principles in the Housing Statement.

Table 1: Sites that would supported in principle ahead of the HBLP being adopted

Site reference	Site	Indicative No. of dwellings
Emsworth		
UE67	Land to the rear of Redlands House	5
UE76	Land North of Long Copse Lane	260
UE02b	Land North and West of Selangor Avenue	154
Havant and Bedhampton		
UE28	Littlepark House, Bedhampton	47
UE30	Land South of Lower Road, Bedhampton	50
UE53	Land East of Castle Ave	60
UE55	Southleigh Park House	35
UE68	Forty Acres	300
Waterlooville		
UE70	Land East of College Road, Campdown	350
UE72	Land North of Fort Purbrook, Campdown	100
	Total	1361

- 3.10 The table shows that the ten Housing Statement sites had the potential to deliver 1,361 dwellings, with an additional 65 dwellings on newly identified, smaller sites within the urban area. It should be noted that Land North of Fort Purbrook, Redlands House, Land North and West of Selangor Avenue were not subsequently taken forward as allocations in the Local Plan, but the latter two sites have subsequently been built out³. The former is no longer available for development⁴.
- 3.11 The Housing Statement also identified Southleigh as a strategic site for the first time that would be explored further through the Local Plan's preparation process.
- 3.12 The Housing Statement reduced the shortfall between the number of sites available to provide homes and the scale of objectively assessed need. However, the Housing Statement indicated a significant gap remained between objectively assessed need for housing and the available supply.

³ APP/18/00229; APP/18/00230 Redlands House and APP/16/00774 Land North and West of Selangor Avenue

⁴ WV109 in the Council's [Strategic Housing Land Availability Assessment](#)

Despite this, the Council persevered to assesses the suitability of sites and the submitted HBLP set out that the Borough's objectively assessed need would be met in full by 2037.

- 3.13 Since the release of the Housing Statement in December 2016, Table 2 shows that only three of the ten sites have been granted planning permission with the potential to deliver 556 dwellings. Yet Land North and West of Selangor Avenue (APP/16/00774) is the only site to have subsequently commenced and has been built out (146 dwellings), representing just 10% of the total development potential from the Housing Statement sites. Forty Acres (APP/18/00450) has now commenced, with completions expected during 21/22.
- 3.14 This was disappointing given the innovative approach taken by the Council in adopting the Housing Statement at the start of the Local Plan review. However, several other sites were either progressed at the pre-application stage or submitted as planning application. These are summarised in Table 3.

Table 2: Sites granted planning permission under the jurisdiction of the Housing Statement

App/SHLAA Ref	Site Name	No of dwellings	Housing Statement site?	HBLP allocation?	Notes
<i>Sites granted planning permission under the jurisdiction of the Housing Statement</i>					
APP/16/00774	Land North and West of Selangor	147	✓	*	Site well under construction
APP/17/00863	Southleigh Park House	90	✓	✓	Not yet commenced
APP/18/00450	Forty Acres	320	✓	✓	Revised planning permission (reference APP/21/00605) to include additional 34 units

Proposed allocations in the Local Plan

- 3.15 Planning applications on a number of other Housing Statement sites have since been submitted. However, they have done so in the context of proposed allocations in the HBLP, with a number of planning applications submitted whilst the HBLP was at Examination. As evidenced by the table below, the Council has been willing to support the principle of development on a number of sites in advance of the HBLP.
- 3.16 It is further evidence that the Council is doing everything it can in order to boost housing delivery in Havant Borough.

Table 3: Sites granted planning permission in the context of their emerging HBLP allocation

App/SHLAA Ref	Site Name	No of dwellings	Housing Statement site?	HBLP allocation?	Notes
<i>Sites proposed for allocation in the now withdrawn HBLP with planning permission</i>					
APP/19/00427	Land South of Lower Road	50	✓	✓	Granted on appeal
APP/19/00007	Camp Field, Bartons Road	72	*	✓	Non-material amendment (reference APP/21/01097)
APP/18/01033	Land East of Castle Avenue (phase 1)	69	✓	✓	Commenced

App/SHLAA Ref	Site Name	No of dwellings	Housing Statement site?	HBLP allocation?	Notes
APP/19/00768)	Land rear of 15-27 Horndean Road	16	x	✓	Commenced
APP/18/00724	Land north of Sinah Lane	195	x	✓	Pre-commencement requirements for a bird refuge

Cause analysis

Nutrient neutrality

- 3.17 The Council launched its own bespoke solution to addressing the need for development to be nutrient neutral at Warblington Farm⁵ in August 2020. This innovative approach is now supported by a range of other mitigation schemes across South Hampshire⁶. Prior to the launch of the Council's strategic mitigation scheme, an estimated 242 homes were directly stalled and a further 409 significantly or principally backlogged by this issue.
- 3.18 Whilst there was an initial slow but steady take up of the Council's strategic mitigation scheme, the Council has sold 473 kilograms of nitrogen at the time of writing from Phase 1 over a 16 month period.
- 3.19 Whilst schemes on smaller sites are now being delivered, the nutrient neutrality issue has left a lasting legacy as completions were reduced following the Dutch case in late 2018 until the Council's mitigation scheme was launched in August 2020. The shortfall in housing delivery during this 18 month period has left a lasting legacy reflected in the Borough's Housing Delivery Test result.

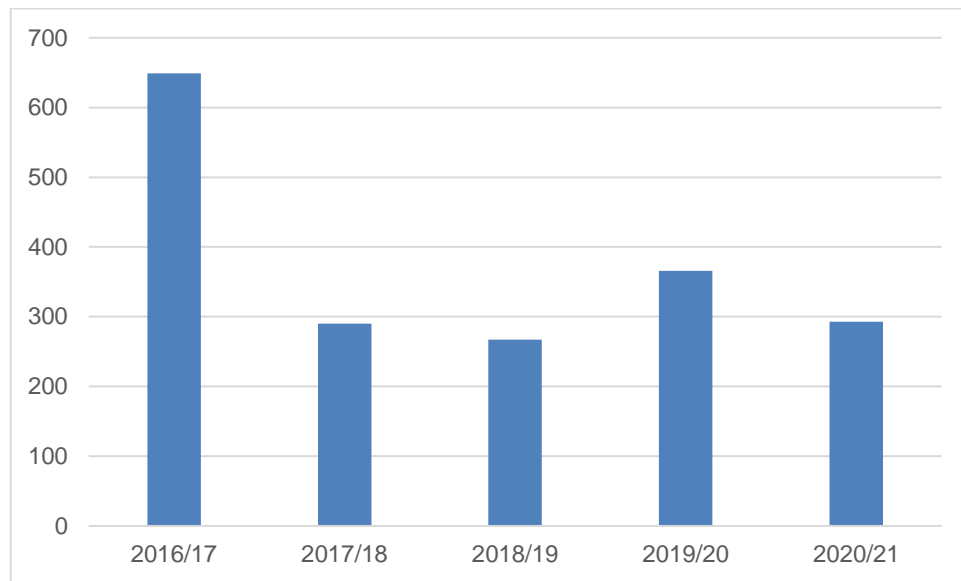
Macro-economic uncertainty and Covid-19

- 3.20 The impact of nutrient neutrality on housing delivery in Havant borough combined with macro-economic uncertainty have compounded housing delivery in recent years. Whilst the five-year land supply and Housing Delivery Test are intended to incentivise housing delivery, these issues are out of the Council's control.

⁵ For information, please see [Position Statement and Mitigation Plan for Nutrient Neutral Development \(August 2020\)](#).

⁶ [Potential mitigation schemes available to developers](#)

Figure 3: Number of housing completions (net) 2016/17-2020/21



3.21 Figure 3 shows that whilst completions saw a modest rise in 2019/21 with 366 dwellings completed this has dropped back down to 293 in 2021/22. These are much lower figures compared to the completion figure achieved in 2016/17 (649 dwellings) prior to the impact of Covid and the Dutch Case.

The complex nature of sites in Havant Borough

- 3.22 In addition to the sites included in Table 3, the Council has received a number of applications on sites that were proposed for allocation in the HBLP. A number of planning applications were submitted whilst the HBLP was at Examination, including housing proposals on ‘omission sites’ – sites that were not proposed for inclusion in the Plan. This reflects the Borough’s current five year housing land supply position and Housing Delivery Test result which means that the presumption in favour of sustainable development, the ‘tilted balance’, applies in Havant Borough.
- 3.23 In contrast, a number of planning applications have been in the system for some time, reflecting the complex nature of these sites. In a number of cases, the Inspectors’ Interim Findings highlighted the need to provide further information in relation to mitigation, notably that of Campdown (Last East of College Road) and Rook Farm (Land off St Marys Road).
- 3.24 The key issues affecting the ‘live’ major housing applications are summarised in Table 4 below.

Table 4: 'Live' major housing applications

Ref No	Address	HBLP allocation?	Application Type	No of dwellings	Validation Date	Key Issues
APP/18/00234	Wellington Way, Waterlooille	Part of KP2	Full	264	March 2018	Awaiting formal update from the applicant
APP/19/00224	Padnell Grange, Padnell Road, Waterlooille	✓	Full	86	March 2019	Protracted discussions regarding design and layout, and the need to retain Padnell Grange as a non-designated heritage asset. Applicant changed from Bellway Homes to the Borrow Foundation in April 2021.
APP/19/01101	Land East of College Road, Campdown, Waterlooille	✓	Hybrid	130 (Full) 650 (Outline)	December 2019	Following consultation responses from Historic England and Natural England, significant amendments are required to address highway, layout and design concerns. Inspectors' Interim findings highlight the need to provide further information re. heritage and habitat mitigation.
APP/19/01226	Land west of Coldharbour Farm	✓	Full	44	January 2020	Key outstanding issue relates to flood risk and the level of access required to avoid this. Revised flood risk information received in December 2021 and subject to consultation with the Environment Agency.
APP/20/00363	The Coal Yard, 178A West Street Havant	Within the built up area	Full	20	May 2020	Previous refusal relating to flood risk and highway issues. Applicant suggests these issues can be overcome.
APP/20/00658	Former Scottish and Southern Electric site, Bartons Road, Havant	✓	Full	175	October 2020	Application includes two drive-through restaurants and is for a greater quantum of development than envisaged by the allocation in the Adopted Local Plan (90 dwellings). Concerns regarding density and layout remain.
APP/21/00678 (APP/19/00007)	Camp Field (land to the west of Havant Crematorium), Bartons Road, Havant	✓	Reserved Matters	70	July 2021	Key outstanding issues relating to ecology, highways and layout/landscaping issues. Revised information submitted December 2021.

Ref No	Address	HBLP allocation?	Application Type	No of dwellings	Validation Date	Key Issues
APP/21/00647	Land south of The Mallards and west of Langstone Road, Havant (Southmere Field)	✘	Outline	65	August 2021	Principle of development not in accordance with the Development Plan – site not included in the withdrawn HBLP. Large number of objections received. Key issues include transport considerations following the Inspectors' Interim Findings and mitigation for Solent Waders and nutrient neutrality.
APP/21/00893	Land north of Long Copse Lane, Emsworth	✓	Outline	210	September 2021	Application valid and consultations underway. Large number of objections received.
APP/21/00989	Cabbagefield Row, Leigh Park	✓	Outline	150	September 2021	Key issues include trees and layout, the latter of which involves Passivhaus principles but with implications for the public realm.
APP/21/00857	Land at Sinah Lane, Hayling Island	✓	Variation of condition	195	September 2021	Minor changes to planning permission reference APP/18/00724.
APP/21/01071	Land south of Lower Road and west of Old Manor Farm, Havant	✓	Outline	43	October 2021	Principle of development not in accordance with the Development Plan – site not included as an allocation in the withdrawn Havant Borough Local Plan. Large number of objections received.
APP/21/00931	Dairy Crest Depot, Dunsbury Way, Havant	Within the built up area	Outline	31	October 2021	Reduction in number of units compared to planning permission reference APP/18/01109 (74 dwellings). Application withdrawn in January 2022.
APP/21/01010	Land east of St Georges Avenue, Havant		Full	194	October 2021	Key issue includes implications for the layout with a need to ensure land is safeguarded for A27 Junction improvements associated with the Southleigh Strategic site.
APP/21/01434	Rook Farm, land off St Mary's Road, Hayling Island	✘	Outline	300	January 2022	Quantum of development less than envisaged by the allocation H27 ('about' 390 dwellings). Inspectors' Interim findings highlight the need to provide further information re. habitat mitigation.

Summary

- 3.25 The Council has held no control over the issues of the Dutch Case or the macroeconomic uncertainty with the Covid-19 pandemic. The Dutch Case impacted housing delivery significantly and the relaxation of the 'number of homes required' in the 2021 HDT is not sufficient to offset this. With housing delivery suppressed in recent years, there is a need for the Council to deliver an even greater step change in housing delivery to meet its objectively assessed need. This is considered to be extremely challenging in the context of the Borough's available housing land supply.
- 3.26 Whilst the Council sought to identify further sites to meet the Borough's housing need early on in the preparation of the HBLP, there has been relatively limited uptake from the development industry, and not enough homes have been delivered as a result. Whilst there are a number of further planning applications on sites now in the system in the context of their emerging allocations in the HBLP, these sites are not without environmental and technical constraints and progress on their determination has been slow as the evidence has not been provided showing how those constraints can be overcome.
- 3.27 Despite the HBLP being withdrawn, the Council will continue to support the principle of development on sites that were proposed as allocations in the context of five year housing land supply. In the context of Inspectors' Interim Findings and the Council's decision to withdraw the HBLP from Examination in particular, the following section sets out the steps and actions the Council is taking to address the under delivery and boost housing supply in Havant Borough.

4. Key Actions and Responses

Short term actions

Housing Delivery Position Statement

- 4.1 In the context of the Council's current housing land supply and Housing Delivery Test, the Council recognises the need to significantly boost the supply of housing in Havant Borough.
- 4.2 A key action is for the Council to put in place a new Position Statement which sets out how planning applications for housing not in accordance with the Development Plan will be considered. Development proposals which accord with the Development Plan will continue to be permitted without delay.
- 4.3 In the context of the characteristics of the Borough with various international nature conservation designations, and other inland natural and heritage designations it means that it is even more important that the Council is able to resist inappropriate development, and continue securing high quality development schemes. The Position Statement recognises that additional sites beyond those proposed as allocations (in the now withdrawn HBLP) will be needed and allows for development on sites where the principle was not previously identified.
- 4.4 The Position Statement does not of course replace the Development Plan for decision making purposes. Only a new Local Plan can ensure that the Borough's objectively assessed needs are met in a sustainable manner.

Nutrient neutrality mitigation

- 4.5 Havant Borough was one of the first local planning authorities to have secured an off-site strategic mitigation scheme to address the issue of nutrient neutrality, which launched in August 2020. Alongside this, the Council undertook a marketing campaign including press releases and a Ministerial site visit to publicise the launch of the scheme to developers, investors and landowners. This is primarily targeted at development schemes where it is not possible to achieve nutrient neutrality on site.
- 4.6 The Council sees the implementation of the strategic mitigation package for nutrient neutrality as being key to enabling housing delivery and economic recovery following the pandemic.

Medium term actions

Town centre regeneration

- 4.7 The Council has an ambitious regeneration agenda and is taking an interventionist approach to regeneration of its town centres and Hayling Island Seafront. This includes substantial high-density residential development on in order to maximise their accessibility to public transport. The Council is investing in bringing these sites forward at pace, although they do contain challenges in terms of viability and land assembly.
- 4.8 This approach is necessary in order to boost economic growth and opportunities in the town centres, reinventing them for the 21st century. The approach is also necessary in order to boost

housing supply on brownfield sites in order to increase housing supply and address the Borough's housing need, with the Council playing an active role in development opportunities.

Southleigh Strategic site

- 4.9 Southleigh, which is between the existing settlements of Denvilles and Emsworth has been identified by the Council as a strategic site for housing delivery since 2016, and is capable of providing around 2,100 dwellings.
- 4.10 Given the scale of the development proposed, significant infrastructure improvements will need to be delivered to make the new community sustainable. Due to the lead-in timescales needed to plan, obtain consent, and build the scheme, the Council will work in partnership with the landowners and interested delivery partners to bring about this large development.

A new Local Plan

- 4.11 Following the withdrawal of the HBLP from Examination, the Council is preparing a new Local Plan, which will address the concerns raised by the Inspectors' Interim Findings report in the context of the NPPF. This will include discussions with neighbouring authorities regarding accommodating unmet housing need and updating any necessary evidence base, including the Hayling Island Transport Addendum.
- 4.12 In light of the Findings, the Council acknowledges that additional housing sites beyond those in the withdrawn HBLP will now be required to meet housing need in Havant Borough. This has led the Council to adopt an interim Housing Delivery Position Statement to manage housing delivery in the Borough.

Summary

- 4.13 As a pro-development authority, Havant Borough is doing a great deal to boost housing supply and get housing sites delivered. The adoption of the Housing Delivery Position Statement is key to this. However, it is important that this is done in a responsible way given the physical and environmental constraints which exist – indeed, the Inspectors' Interim Findings indicate that the Borough may not be sustainably able to meet its housing need. Furthermore, it is evident that a great deal of the remaining available sites are affected by complex technical constraints which means that it takes time for housing on these sites to be delivered.
- 4.14 The Housing Delivery Position Statement is intended to provide guidance on how sites not in accordance with the Development Plan should be considered, particularly in the context of the presumption in favour of sustainable development and the 'tilted balance'. As such, in seeking to justify a departure from the Development Plan, applicants are expected to demonstrate that proposals comply with the development quality standards in the Statement.
- 4.15 The Council's strategic mitigation scheme at Warblington Farm alongside other sub-regional mitigation schemes will, however, continue to provide off-site mitigation for sites unable to achieve nutrient neutrality on-site. This will be key for small and medium sized sites which have consistently made a consistent contribution to housing supply in Havant borough.

5. Monitoring

- 5.1 The Council will continue to monitor housing completions and engage with developers and landowners promoting sites to ensure housing numbers and densities are delivered as per expectations in the housing trajectory. The monitoring of housing completions shall continue to be undertaken on an annual basis to inform the HDT measurement.
- 5.2 The Council will also monitor the take-up of the strategic mitigation package at Warblington. This innovative approach is now supported by a range of other mitigation schemes across South Hampshire. The Council will continue to promote the mitigation scheme to developers and landowners, making it clear that Havant Borough is “open for business”.

Housing Delivery Position Statement

March 2022

Contents

1. Introduction	
2. Decision Making Principles.....	
Decision Making Principle 1 - Application of the Tilted Balance and the Habitat Regulations	
Decision Making Principle 2 - Sites not in accordance with the Development Plan where the Council accepts the principle of development.....	
Decision Making Principle 3 - Assessment of summertime transport implications of development on Hayling Island and in Langstone.....	
Decision Making Principle 4 - Sites not in accordance with the Development Plan where the principle of development has not been previously identified	
Decision Making Principle 5 - Development quality	
Decision Making Principle 6 - Southleigh Strategic site	

1. Introduction

- 1.1 The purpose of this Housing Delivery Position Statement is to set out how planning applications for housing not in accordance with the Development Plan will be considered in the context of the Council's current five year housing land supply and Housing Delivery Test measurement. Due to the under-delivery of housing in recent years there is currently a presumption in favour of sustainable development in Havant Borough. In this context, the 'tilted balance' will apply to most planning applications for housing.
- 1.2 Applying the tilted balance means granting planning permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Development Plan, and National Planning Policy Framework (NPPF) when taken as a whole.
- 1.3 The publication of this Housing Delivery Position Statement follows the receipt of the Inspectors' Interim Findings report into their Examination of the Havant Borough Local Plan (HBLP) and the Council's decision to withdraw the Plan from Examination.

Background

- 1.4 Havant Borough's Core Strategy (2011) and Allocations Plan (2014), Hampshire Minerals and Waste Plan (2013) and Emsworth Neighbourhood Plan (2021) together form the statutory Development Plan which forms the basis for determining planning applications and appeals in the Borough. However, the adopted housing requirement set out within the Core Strategy (2011) is more than five years old, based on a previous system of setting housing requirements and is in need of being updated in order to address objectively assessed needs in Havant Borough.
- 1.5 As a pro-development authority, the Council has been preparing the HBLP to update the Borough's housing requirement since 2016. In doing so, the Council has embraced the obligations imposed on it by Government through the NPPF, to aid in achieving the national target of 300,000 new homes being built per year. Through the standard method, this meant 504 homes per year for the Borough had to be provided at the date of submission of the HBLP. Indeed, the Council has already granted planning permission on a number of sites that were proposed allocations in the now withdrawn HBLP in order to significantly boost housing supply.
- 1.6 Following the withdrawal of the HBLP from Examination, the Council is preparing a new Local Plan, which will address the concerns raised by the Interim Findings report in the context of the NPPF. This will include updating the Hayling Island Transport Addendum and considering further information in relation to the delivery of housing sites which may result in the Council not being able to meet its housing need. Where relevant to the delivery of sites, the Inspectors' concerns in the Interim Findings report are highlighted within this Position Statement.
- 1.7 In light of the Interim Findings report, the Council acknowledges that housing sites beyond those in the withdrawn HBLP will now be required to meet housing need in Havant Borough. A key action identified by the Council's Housing Delivery Action Plan is to support the principle of residential development on emerging allocations in advance of the Local Plan being adopted. In such cases, proposals should comply with the new requirements and standards in the emerging Local Plan which is necessary to justify a departure from the Development Plan. The objective of this Position Statement is to make this expectation clear to applicants and developers for decision making purposes.
- 1.8 In the context of the 'tilted balance', the characteristics of the Borough with various sites of international importance for nature conservation, and other inland nature and heritage designations

mean that it is even more important that the Council is able to resist inappropriate development and continue securing high quality development schemes. Some of the key environmental designations in Havant Borough are shown on the Environmental Designations Map which accompanies this Statement.

- 1.9 This Position Statement sets out how housing proposals not in accordance with the Development Plan will be considered by the Council in the context of the tilted balance in Havant Borough. This Statement does not replace the Development Plan for decision making purposes. However, this Statement has been adopted by the Council and will form a material consideration in the determination of planning applications until such time a new Local Plan is in place.

2. Decision Making Principles

The Development Plan

- 2.1 The Development Plan in Havant Borough is made up of:
- The Havant Borough Local Plan (Core Strategy) adopted March 2011
 - The Havant Borough Local Plan (Allocations) adopted July 2014
 - The Hampshire Minerals and Waste Plan adopted October 2013
 - The Emsworth Neighbourhood Plan 'made' September 2021
- 2.2 Paragraph 12 of the NPPF is clear that the presumption in favour of sustainable development does not change the statutory status of the Development Plan as the starting point for decision-making. Planning applications and appeals should therefore continue to be considered against Development Plan policies unless there are material considerations which indicate otherwise.
- 2.3 The Council's five year housing land supply position and Housing Delivery Test measurement do not change this although they are material considerations which may be afforded substantial weight in the overall planning balance.

Decision Making Principle 1 - Application of the Tilted Balance and the Habitat Regulations

- 2.4 There is a presumption in favour of sustainable development. Paragraph 11 of the NPPF indicates that this means:

"c) Approving development proposals that accord with an up-to-date development plan without delay; or

d) Where there are no relevant development plan policies which are most important for determining the application are out of date¹, granting permission unless:

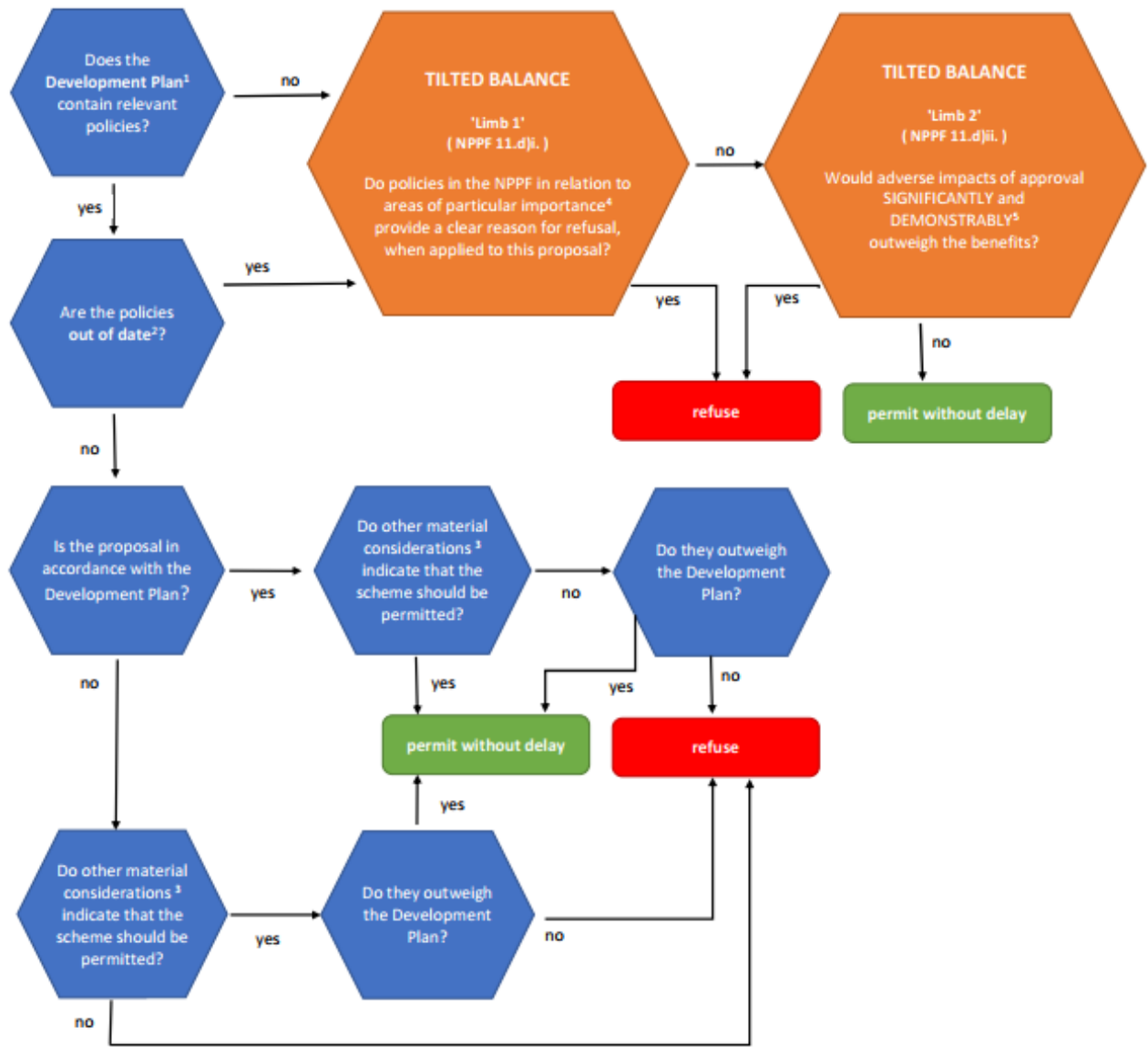
i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed²; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole."

- 2.5 Paragraph 11 d) of the NPPF applies where the Council is not able to demonstrate a five year supply of deliverable housing sites. As such, the 'tilted balance' under paragraph 11 d) ii. of the NPPF is engaged: this means granting planning permission unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole. Significantly, there can only be such a presumption where housing proposals are demonstrated to constitute 'sustainable development' in the context of the NPPF. The following flowchart summarises this.

¹ This includes, for applications involving the provision of housing, situations where the local planning authority cannot demonstrate a five year supply of deliverable housing sites (with the appropriate buffer, as set out in paragraph 74); or where the Housing Delivery Test indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years.

² The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 181) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 68); and areas at risk of flooding or coastal change.



- 2.6 The full version of this flowchart including detailed footnotes is available from the Council's website.
- 2.7 However, there can be no presumption in favour where proposals would be likely to have a significant effect on sites of importance for international and national nature conservation. In such cases, a project level Habitat Regulations Assessment (HRA) and potentially an Environmental Impact Assessment (EIA) will be required by law. This is irrespective of the Council's five year housing land supply position.

Decision Making Principle 1 – Application of the Tilted Balance and the Habitat Regulations

The Development Plan forms the starting point for the determination of planning applications and appeals. The Council's five year housing land supply position and Housing Delivery Test measurement does not change this.

As a starting point, all housing proposals must be shown to constitute 'sustainable development' in accordance with the NPPF. Housing proposals on sites affected by NPPF Footnote 7 constraints will continue to be resisted.

In line with Paragraph 11 d) of the NPPF, the contribution that development proposals would make to housing supply will be given substantial weight. As such, planning permission will be granted unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies of the Framework taken as a whole.

Housing proposals will be expected to be subject to detailed pre-application discussions, including public consultation undertaken by the developer prior to the submission of any formal planning application. In particular, proposals will need to address any concerns raised in the Inspectors' Interim Findings Report which are material to the site in question.

In accordance with Paragraph 182 of the NPPF, there is no presumption in favour of sustainable development where the plan or project is likely to have a significant effect on the Solent European sites (either or alone or in combination with other plans or projects).

Habitat Regulations

Housing proposals which have a likely significant effect on the Solent European sites will be required to undertake a project level Habitat Regulations Assessment and, if necessary, and an Appropriate Assessment which is agreed in consultation with the competent authority.

Where a package of avoidance and mitigation measures cannot be provided to remove any likely significant effect on the Solent European Sites, development proposals will be refused.

- 2.8 Irrespective of whether sites are in compliance with the Development Plan or not, the Council will expect applicants to engage thoroughly and extensively with the Council's pre-application advice service, and to include public consultation at this stage to ensure that the proposal has been appropriately influenced by this process.
- 2.9 The Emsworth Neighbourhood Plan is part of the statutory development plan. For clarity, paragraph 14 of the NPPF does not affect this Development Plan document due to the fact that the Emsworth Neighbourhood Plan does not contain allocations.

Habitat Regulations

- 2.10 A project level Habitats Regulations Assessment (HRA) will be prepared by the Council as the competent authority in line with the Habitats Regulations³ as part of the determination of the planning application and the applicant will need to provide the necessary information to inform that assessment. The HRA will assess the effects of the proposal both alone and in combination with other plans and projects. If the development proposal is shown to have an adverse effect on site(s) of international importance for nature conservation, then planning permission cannot be lawfully granted.
- 2.11 The Council has strategies in place to address most of the significant effects that arise out of development in the Solent. This includes:
- The Bird Aware Solent Strategy which mitigates the significant effect caused by recreation
 - The Position Statement and Mitigation Plan on Nutrient Neutrality which is a strategy which mitigates the significant effect caused by water quality
 - The Solent Waders and Brent Goose Strategy which can mitigate the significant effect caused by habitat loss
 - The use of Construction Environment Management Plans which can mitigate the significant effect caused by construction activity
- 2.12 The mitigation identified through the [Position Statement and Mitigation Plan on Nutrient Neutrality](#) together with the mitigation proposals that the Council has identified in line with the Solent Waders and Brent Goose Strategy are scaled and intended for sites identified in the Development Plan and

³ See Regulation 63 of The Conservation of Habitats and Species Regulations 2017

the withdrawn Havant Borough Local Plan (HBLP). They will continue to evolve as further phases or sites are explored.

- 2.13 For sites which are not identified in either the Development Plan or Decision Making Principle 2 (allocations previously in the HBLP⁴), alternative mitigation strategies will need to be provided through the planning application. These should be provided through the pre-application process so a thorough consideration can be made. They will be formally considered through a Habitats Regulations Assessment as part of any planning application.

Decision Making Principle 2 - Sites not in accordance with the Development Plan where the Council accepts the principle of development

- 2.14 Given the need to significantly boost housing supply in Havant Borough, the Council continues to support the principle of housing development on emerging site allocations that were proposed for allocation in the now withdrawn HBLP. Significant preparatory work has been carried out on these sites since the start of production of the HBLP in 2016, and they have also been subject to formal consultation. These are set out in Table 1.

- 2.15 A number of sites (denoted with a *) in the following table are already allocated in the Development Plan either in whole or part, and were also proposed for allocation in the HBLP.

Site reference	Site	Indicative No. of dwellings
Key Projects		
TC1	Havant Town Centre	721
TC2	Leigh Park Centre	75
TC3	Waterlooville Town Centre	600
HY6	Northney Marina	40
HY17	Beachlands*	100
HY18	Eastoke Corner (north)	20
HY44	Southwood Road	35
STR1	Southleigh	2,100
HB14	Havant College Campus	65
WV7	South Downs College Car Park	95
Emsworth		
EM2	Gas Site, North Street	25
EM3	Land at Fowley Cottage	20
EM6A/EM6B	West of Coldharbour Farm*	44
EM7	Land north of Long Copse Lane	260
Havant and Bedhampton		
HB2	Portsmouth Water HQ*	135

⁴ [Havant Borough Local Plan – Pre-Submission version with changes](#)

Site reference	Site	Indicative No. of dwellings
HB3	Land at Palk Road*	15
HB4	9 East Street	11
HB6	Littlepark House	50
HB7	Land south of Lower Road	50
HB8	Havant Garden Centre	85
HB9	Southleigh Park House	90
HB11B	Land East of Castle Avenue (Phase 2)	186
HB12	Helmsley House	15
Hayling Island		
HY1	Land rear of 13-21 Mengham Road	7
HY4	Sinah Lane	195
HY7	Fathoms Reach	55
HY8	Rook Farm	390
		See Decision Making Principle 4
Leigh Park		
LP1	Strouden Court*	55
LP2	Land at Riders Lane*	70
LP3	Land at Dunsbury Way*	15
LP4	SSE Site, Bartons Road*	80
LP5A	Cabbagefield Row*	155
Waterlooville		
WV1	Goodwillies Timber Yard*	120
WV2	Padnell Grange*	80
WV4	Blue Star*	90
WV6	Campdown	650
WV8	Land north of Highbank Avenue	25
WV9	Land at Waterlooville Golf Club	45
TOTAL		4,394

Table 1: Sites not in accordance with the Development Plan where the Council accepts the principle of development

- 2.16 The yields set out in Table 1 are based on the minimum density thresholds for net developable areas (as set out in the Council's Residential Density Evidence Paper).
- 2.17 As a starting point, the Council generally expects development proposals to achieve 40 dwellings per hectare on the net developable area of a site in line with Decision Making Principle 5. In instances where a planning permission is in place, or site layout plans have been produced that appear deliverable (but without prejudice to the determination of any subsequent planning application), then this more detailed information has been used to inform the likely yield included in Table 1.

Decision Making Principle 2 – Sites not in accordance with the Development Plan where the Council accepts the principle of development

The principle of residential development in Table 1 sites will be supported in order to significantly boost housing supply in the Borough. Proposals coming forward on sites in Table 1 will be:

- Required to meet the remaining requirements of the Development Plan; and
- Expected to comply with the Decision Making Principles set out in this Housing Delivery Position Statement.

Compliance with the above criteria is considered necessary in order to justify a departure from the Development Plan. Sites on Hayling Island and in Langstone will also need to comply with Decision Making Principle 3.

If relevant, development proposals will also need to demonstrate how any concerns raised in the Interim Findings Report of the Examination of the Havant Borough Local Plan which are material to the site in question have been assessed, and overcome as part of the development proposals.

Development proposals on the Southleigh strategic site (as denoted by STR1 on the Position Statement Maps) will also be considered in accordance with Decision Making Principle 5.

- 2.18 In line with Decision Making Principle 1, permission should not normally be granted where development proposals do not comply with the Development Plan.
- 2.19 In order to justify a departure, it will be necessary for proposals to demonstrate they constitute sustainable development by demonstrating compliance with the remainder of the Development Plan and Decision Making Principles set out in this Statement. Applicants wishing to bring forward sites that were proposed as allocations in the now withdrawn HBLP are encouraged to familiarise themselves with the Site Opportunities and Constraints and the developer requirements associated with the relevant allocation available on the Council's website. This evidence and information should be used to inform the application and its associated technical assessments.

Decision Making Principle 3 - Assessment of summertime transport implications of development on Hayling Island and in Langstone

- 2.20 Whilst the Council is seeking to boost the supply of housing in the Borough, this must be done in a responsible way, reflecting any concerns that the inspectors have raised on the withdrawn HBLP which are directly material to the determination of planning applications. No concerns are raised regarding the work to date on the Hayling Island Transport Assessment and its Addendum. However, the Inspectors' Interim Findings report identifies that further work and assessment is required in relation to the impact of development on the A3023 corridor in transport terms. The A3023 corridor is considered to constitute Hayling Island and north into Langstone up to and including the A27 roundabout.
- 2.21 The Council is progressing this workstream as a matter of priority. In the meantime, applicants wishing to progress proposals on Hayling Island and in Langstone should address the impacts of their proposals on summer traffic through pre-application discussions with Hampshire County Council and Havant Borough Council. This analysis should form part of the planning application, showing how a severe transport impact during summer and weekend periods would be avoided.
- 2.22 The Council will look to ensure that the matter is addressed prior to granting any planning permission for new housing on Hayling Island and Langstone, other than that supported by the

Development Plan. This could be through individual planning applications assessing the issue in combination with other planned development. Nonetheless the Council is also progressing the addendum swiftly so that its findings can inform development management decisions and avoid the need for the matter to be considered on a site-by-site basis.

Decision Making Principle 3 – Assessment of summertime transport implications of development on Hayling Island and Langstone

This decision making principle applies to all development sites on Hayling Island and Langstone, other than those where the principle of development is supported by the Development Plan.

The Inspectors Interim Findings regarding summer traffic impact of development constitute a material consideration and will be afforded weight in the planning balance accordingly. Site specific Transport Assessments will be expected to address the concerns raised by the inspectors and demonstrate:

- There will not be an unacceptable impact on highway safety; and
- The residual cumulative impact on the road network will not be severe, including during tourist periods and at weekends.

If a planning application is submitted without an assessment of the summertime transport impacts of the proposed development, the Council will seek a planning performance agreement with the applicant to clearly identify the actions and timescales needed in relation to the determination of the planning application.

In addition to the criteria set out in Decision Making Principle 3, development proposals on such sites will be expected to demonstrate that they have taken into account issues raised by this work, and, if appropriate, include appropriate additional measures to mitigate any severe impacts on the road network.

2.23 The Council's Planning Policy Committee will scrutinise the Summer Addendum to the Hayling Island Transport Assessment prior to its publication.

2.24 Following its publication, this section of the Position Statement will be updated as appropriate.

Decision Making Principle 4 - Sites not in accordance with the Development Plan where the principle of development has not been previously identified

2.25 Following the receipt of the Inspectors' Interim Findings report, it is evident that further sites will be needed to meet housing need and to significantly boost housing supply in the short term. Any submitted planning applications that are in neither the Development Plan, and have not previously identified (as an allocation in the withdrawn HBLP) will be assessed in line with the tilted balance (as set out in Decision Making Principle 1).

2.26 It is strongly recommended that site promoters of omission sites not included in the withdrawn HBLP and not in accordance with the Development Plan engage with the Council's pre-application advice service. Due to the lack of prior assessment, screening or consultation, additional pre-application advice services from statutory consultees may also be encouraged. It is also essential that pre-application consultation with the community takes place. This is a key objective set out under Decision Making Principle 1.

Decision Making Principle 4 – Sites not in accordance with the Development Plan where the principle of development has not been previously identified

The nature of Havant Borough means there are constraints affecting much of the undeveloped land outside of the built up area. In line with paragraph 38 of the NPPF, the Council will work with applicants to fully assess technical constraints affecting development sites, and explore whether mitigation packages can be secured to the satisfaction of the appropriate statutory consultee(s).

Development proposals not in Table 1 and not in accordance with the Development Plan will need to demonstrate that they constitute 'sustainable development' in accordance with the NPPF, by demonstrating that:

- The remaining requirements of the Development Plan and decision making principles set out in this Statement are complied with; and
- There will not be a significant and demonstrable adverse effect from the development where mitigation is provided to the satisfaction of the local planning authority, taking into account advice from statutory consultee(s).

In addition to the above, proposals will need to demonstrate they are deliverable in line with the definition in Annex 2 of the NPPF.

The Council will consider such development proposals in line with Paragraph 11 d) of the NPPF, against the decision making principles in this Position Statement. Substantial weight will be given to the material consideration of housing supply, considering the Borough's five year supply position at the point of determination.

Deliverability

- 2.27 Development proposals not in accordance with the Development Plan and not previously identified as a site allocation in the Havant Borough Local Plan will need to clearly show they are deliverable in accordance with the definition at Annex 2 of the NPPF:

"To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years."

- 2.28 Therefore, if outline planning permission is granted as a departure to the Development Plan, it would be generally recommended that there is a shorter period for the submission of a valid reserved matters application (i.e. 2 years, normally 3 years).

Decision Making Principle 5 - Development quality

- 2.29 It is essential that new housing developments are built to a high quality and will stand the test of time. Government has been clear in updating the NPPF that:

"The creation of high quality, beautiful and sustainable buildings and places is fundamental to what the planning and development process should achieve⁵".

- 2.30 As such, whilst the Council is mindful that the rate of housing development needs to increase, it must be done whilst improving the quality of development. Challenges such as climate change and

⁵ NPPF Paragraph 126.

changing lifestyles following the coronavirus pandemic will be felt over the lifetime of development and as a result, development design needs to reflect these new realities.

- 2.31 Decision Making Principle 5 reflects the direction of travel set out by the withdrawn HBLP. In this respect, the Local Plan and CIL Viability Study considers the broad costs of these developer requirements and provides high level assurance that the various developer requirements set out in the HBLP which are replicated in the following Principle. It demonstrates that the development quality standards do not cumulatively harm the viability or deliverability of development. It should be borne in mind that similar considerations may apply as part of a new Local Plan.
- 2.32 For regeneration schemes within Havant, Waterlooville and Leigh Park town centres (as defined by TC1, TC2 and TC3 on the Position Statement Maps), the costs of site assembly mean that 30% affordable housing provision will not be viable. With these three town centres, the Council expects 20% of new homes on schemes or more to be provided as affordable housing.

Decision Making Principle 5 – Development quality

Residential development will be expected to:

- a) Provide infrastructure which is needed to make the development acceptable in planning terms, in line with the Council's Infrastructure Delivery Plan and Developer Contributions Guide; and
- b) Are designed to a high standard, and, where relevant, demonstrate that design codes and guides which identify local character and distinctiveness have been taken into account; and
- c) Provide a minimum of 40 dwellings per hectare based on a net developable area, or where relevant, an alternative density based on the site capacity set out in Table 1; and
- d) Create new and improve existing pedestrian and cycle route linkages which connect to all parts of the development and facilitate easy and safe access to education, employment, and the natural environment for all users; and
- e) Incorporate a comprehensive ecological strategy, which achieves biodiversity net gain, and includes, but is not limited to:
 - i. The retention and integration of any protected trees and hedgerows.
 - ii. The retention and enhancement of any local nature conservation designations on or affected by the development;
 - iii. Mitigation for any protected species, including appropriate buffers;
 - iv. The creation of green linkages and wildlife corridors within and through the site, making the best use of existing natural features; and
- f) Provide electric vehicle charging infrastructure for each new residential unit with private off-street parking; and
- g) Meet the nationally described space standards for new homes provided; and
- h) Provide outdoor private and/or communal amenity space for all residential units; and
- i) Achieve a reduction in CO₂ emissions of at least 19% of the Dwelling Emission Rate (DER) compared to the Target Emission Rate (TER) of Part L of the Building Regulations; and

- j) Provide a drainage strategy suitable to the site which incorporates appropriate Sustainable Drainage Systems (SuDS) to an adoptable standard; and
- k) Provide for the sustainable management and maintenance of any new 'common parts' through a legal agreement.

In addition to the above, developments of 10 dwellings or more will be expected to:

- l) Provide 30% affordable housing outside of Havant, Waterlooville and Leigh Park town centres; and 20% affordable housing on sites within Havant, Waterlooville and Leigh Park town centres (as defined by TC1, TC2 and TC3 on the Position Statement Maps); and
- m) Deliver 30% of homes designed to meet Part M4(2) of the Building Regulations; and
- n) Provide a range of dwelling types and sizes to meet local housing need, including 35% of the overall housing mix as two bedroom homes unless locally identified need evidence indicates an alternative approach should be taken.

In addition to the above, developments of 20 dwellings or more will be expected to:

- o) Contribute towards a community officer, to help new residents in the development integrate into existing communities.

In addition to the above, developments of 50 dwellings or more will be expected to:

- p) Provide high quality on-site open space to a standard of 1.5ha per 1,000 population; and an element of play where the open space requirement exceeds 0.5ha. On greenfield sites, part of this requirement will be provided in the form of community food growing space, to a standard of at least 0.2ha per 1,000 population; and
- q) Deliver 2% of homes designed to meet Part M4(3) of the Building Regulations as part of the affordable housing provision in addition to m).

In addition to the above, developments of 100 dwellings or more will be expected to:

- r) Support local people in accessing employment and skills training either through a financial contribution or a site specific skills and employment plan.

2.33 The Council will give substantial weight where proposals demonstrate compliance with these development quality standards. This reflects the Council's objectives to achieve quality of places and the creation of sustainable places and buildings which are also key objectives of the NPPF.

2.34 Applicants on sites being considered in line with this Position Statement should include a 'development quality standards checklist' with their application, clearly setting out, in table form, their compliance with the requirements of Decision Making Principle 5. A template checklist is available on the Council's website.

2.35 If it is considered that there are planning constraints which mean that full compliance is not possible, this should be explained in the statement whilst the level of compliance should also be highlighted (in full, in part or failure to comply). Proposals shall be supported with sufficient detail in order to provide comprehensive justification for a departure to the Development Plan.

Viability and Affordable Housing Delivery

2.36 There is a large need for affordable housing in the Borough and so a need to maximise delivery of homes which meet a genuine affordable housing need. Nonetheless, the approach provides flexibility where site conditions may influence the actual level of affordable housing requirement

which can be provided without undermining the overall viability of the scheme. This is particularly relevant for regeneration sites in the Borough's town centres. If providing policy compliant affordable housing provision would render a scheme unviable, the Council will expect the applicant to maximise affordable housing provision within the limits of viability. The amount of affordable housing which can be provided must be evidenced by an open book financial appraisal. This must demonstrate that the applicant has explored all options for the amount, mix and type of affordable housing that will meet a genuine affordable housing need in consultation with the Council. The Council will expect applicants to provide site-specific viability assessments which follow standardised inputs

- 2.37 Where a comprehensively justified open book viability assessment is submitted with the planning application, this will be reviewed by the Council on its merits. In such cases, independent third-party valuation will be required at the applicant's cost. This will critically examine the viability of the development scheme and the level of affordable housing or commuted sum that can be provided without threatening viability.

Decision Making Principle 6 - Southleigh Strategic site

- 2.38 Southleigh, between the existing settlements of Denvilles and Emsworth has been identified by the Council as a strategic site for housing delivery since 2016, being capable of providing around 2,100 dwellings.
- 2.39 Given the scale of the development proposed at Southleigh, significant infrastructure improvements will need to be delivered to make the new community sustainable and to mitigate negative effects on existing communities. To achieve this, the new community must be planned comprehensively, together with the required infrastructure in line with the Framework Masterplan for the site. Piecemeal development of this site will not be considered to be appropriate, although it is acknowledged that such a large site is likely to come forward in phases, again informed by the masterplanning work.

Decision Making Principle 6 – Southleigh Strategic Site

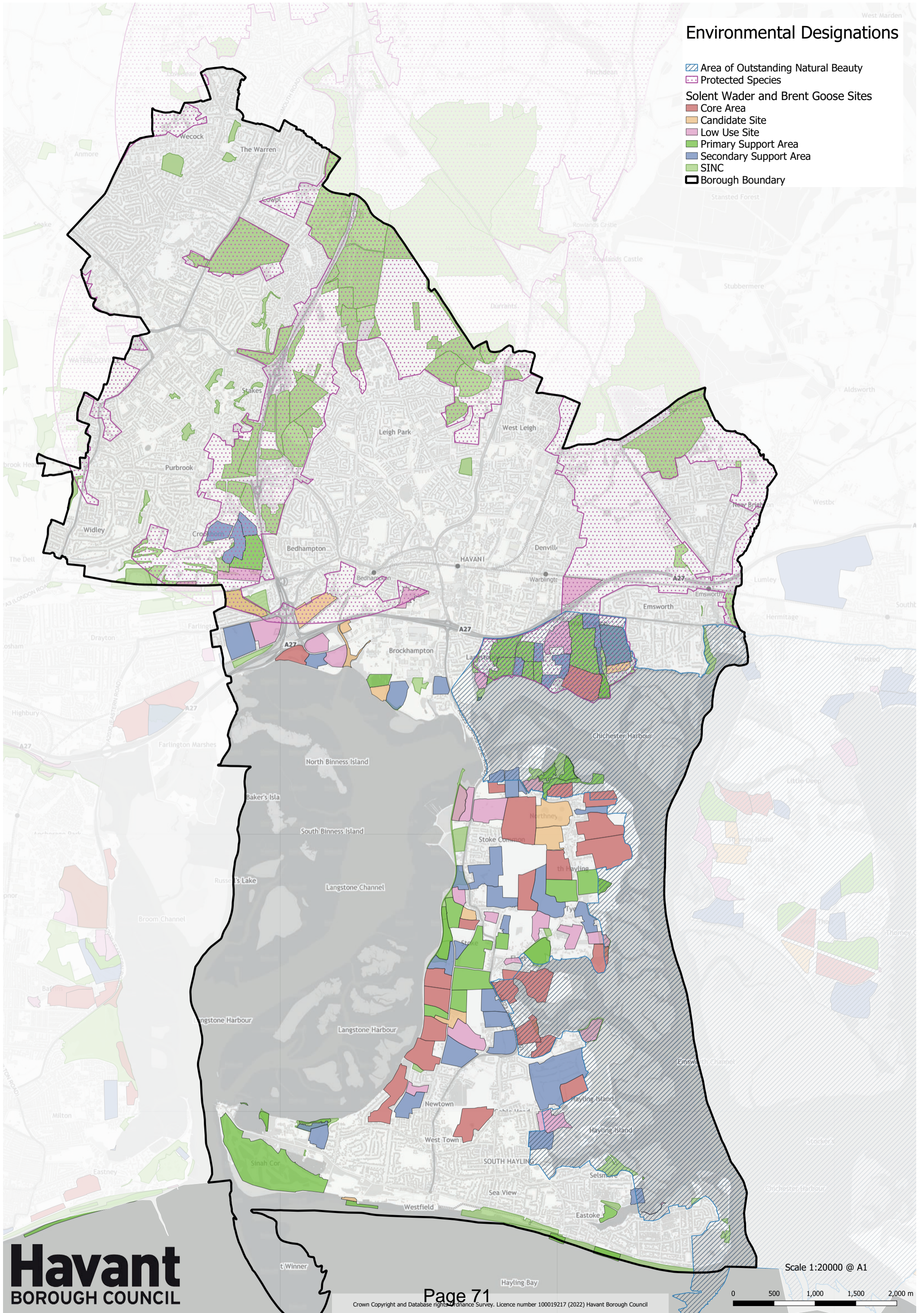
The Southleigh strategic site (as denoted by STR1 on the Position Statement Map) is identified for the delivery of 2,100 dwellings and associated infrastructure. Development proposals will be expected to deliver comprehensive development which accords with an agreed masterplan. Piecemeal development of the site will be unacceptable.

Development proposals which prejudice the future delivery of A27 junction improvements to facilitate access arrangements to the Southleigh strategic site will be resisted. Land is safeguarded for this purpose is shown on the Position Statement Map. In such cases, applications will be premature in terms of undermining the future delivery of the strategic housing site under NPPF, Paragraph 49.

- 2.40 The Mainland Transport Assessment indicates the development may not need a direct access onto the A27, but it also makes clear that the sub-regional transport model has limitations in its ability to isolate the impact of individual sites. Therefore, at an early stage it will be necessary for the applicant to test in further detail the need for an access from this site directly onto the A27. Until it is irrefutably demonstrated that such an access is not needed, land is safeguarded (as defined on the Position Statement Map) to allow it to be delivered at an appropriate stage in this development.

Environmental Designations

- Area of Outstanding Natural Beauty
- Protected Species
- Solent Wader and Brent Goose Sites
 - Core Area
 - Candidate Site
 - Low Use Site
 - Primary Support Area
 - Secondary Support Area
 - SINC
- Borough Boundary



This page is intentionally left blank

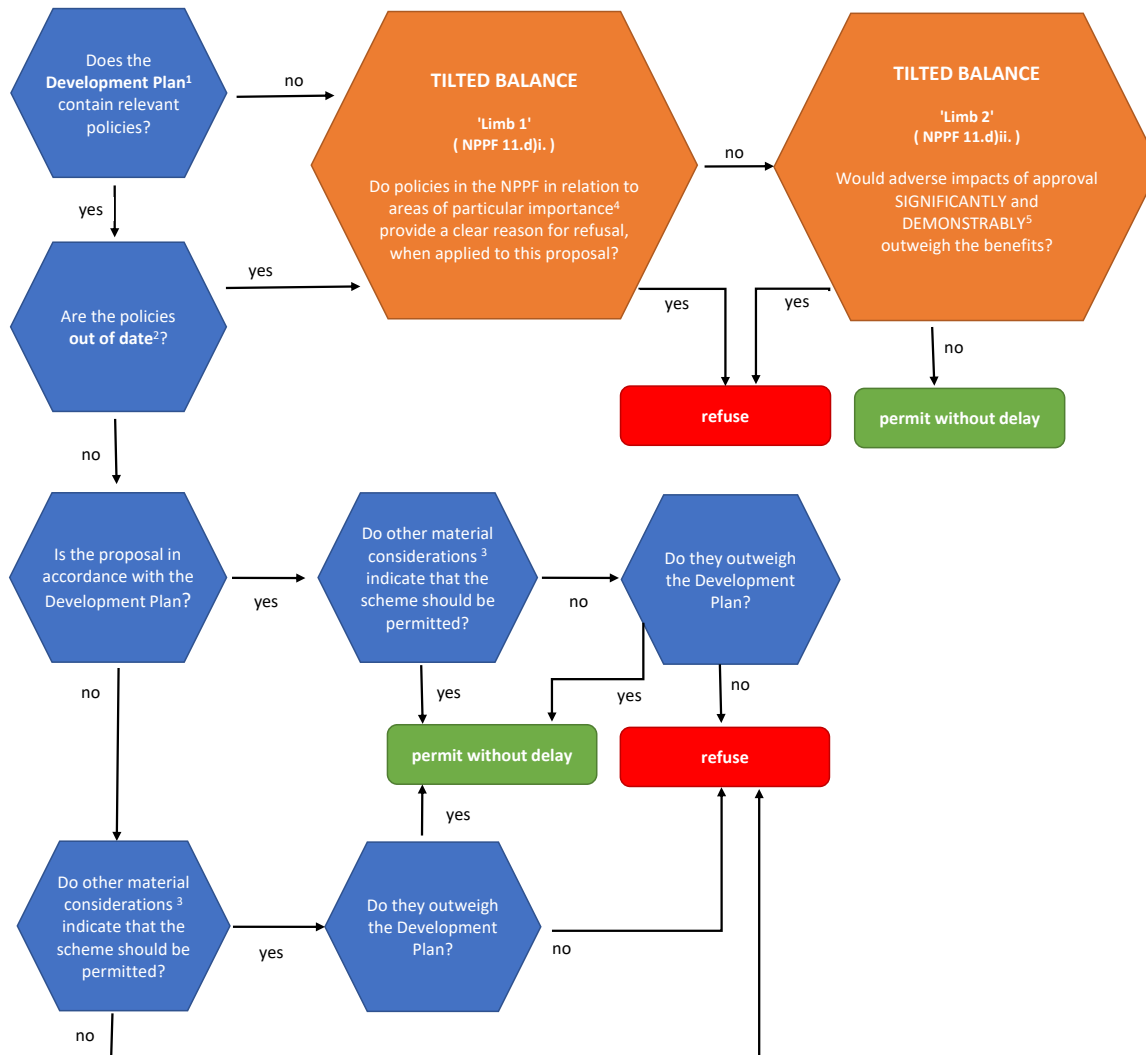
Paragraph 11, NPPF: The 'tilted balance'

Planning Legislation* requires decisions to be made in accordance with the Development Plan unless material considerations indicate otherwise. This means that the decision taker must take as a starting point the Development Plan and balance it and all other material considerations to arrive at a decision on whether or not to grant planning permission. If the harms outweigh the benefits, planning permission will usually be refused.

Paragraph 11 of the NPPF, under the 'presumption in favour of sustainable development', sets out circumstances where this balancing exercise should be weighted towards granting permission. This is the case where there are no relevant policies in the Development Plan or the relevant policies are 'out of date'. These circumstances become a material consideration, which 'tilts' the balancing exercise from a neutral balance to one where there must be compelling reasons for permission to be withheld.

The flow chart below is designed to help explain the circumstances where the tilted balance must be applied.

*Town and Country Planning Act 1990 Act, section 70(2) and Planning and Compulsory Purchase 2004 Act section 38(6)



NOTES

¹ The Development Plan is always the starting point for decisions. In Havant it consists of:

- HBC Core Strategy (2011)
- HBC Site Allocations Plan (2014)
- HCC Hampshire Minerals and Waste Plan (2013)
- Emsworth Neighbourhood Plan (2021)

NB plans that have not yet been adopted are NOT part of the Development Plan.

² On housing proposals 'out of date' includes situations where the local planning authority cannot demonstrate a **five year supply** of deliverable housing sites with the appropriate buffer; or where the **Housing Delivery Test** indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the previous three years.

³ Other Material Considerations may include:

- The NPPF
- An emerging policy or plan at advanced stage of preparation
- Supplementary Planning Documents (SPDs)
- Previous planning decision, including appeals
- Views of statutory consultees

NB this is NOT an exhaustive or definitive list

⁴ Consider only those designations noted in footnote 7 of the NPPF, which are relevant in Havant:

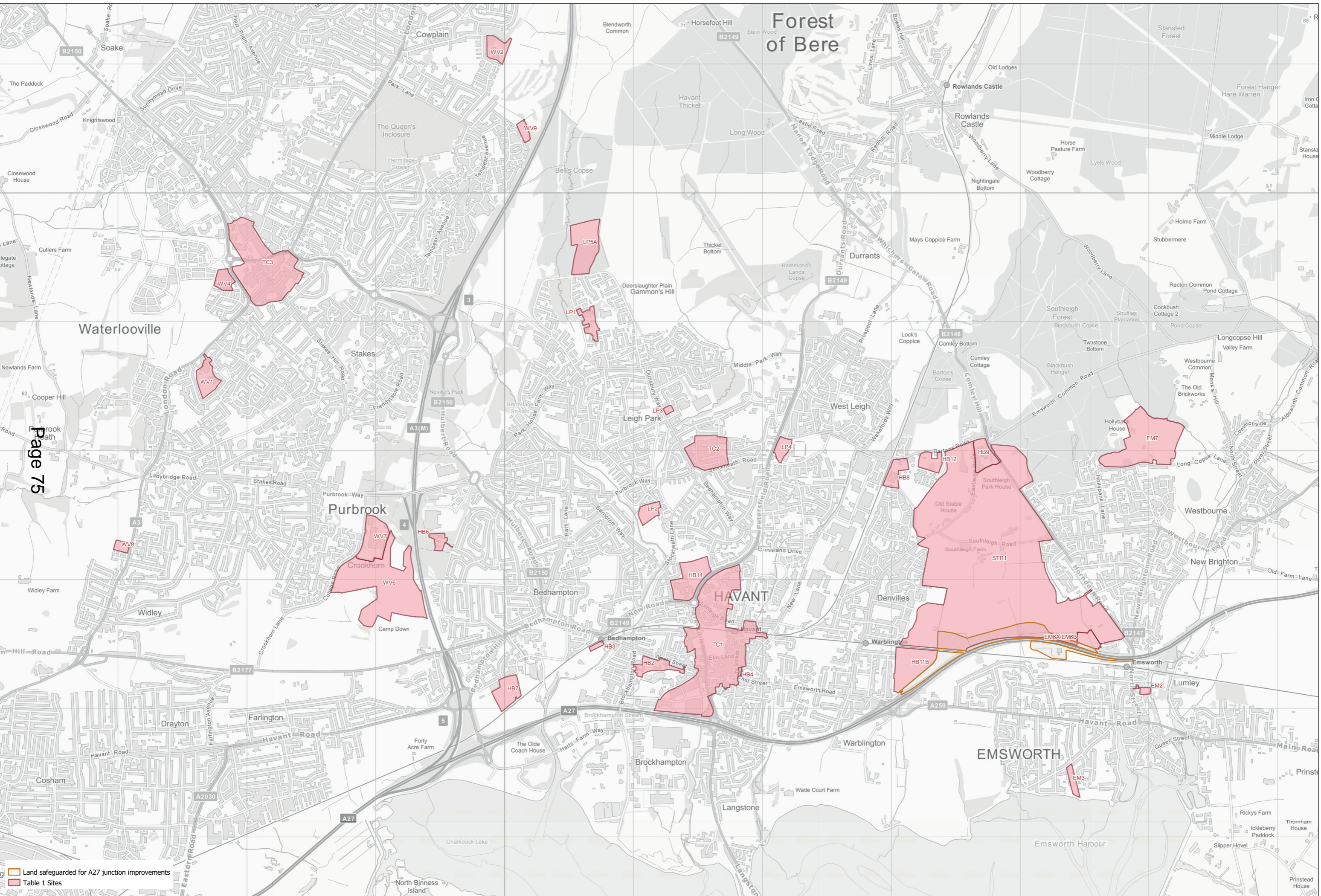
- Habitats sites and/or and SSSIs and land needed as mitigation
- Local Green Spaces
- Areas of Outstanding Natural Beauty (Chichester Harbour)
- Irreplaceable habitats (including ancient woodland and veteran trees),
- Designated heritage assets,
- Areas at risk of flooding or coastal change.

⁵ NB applying the tilted balance does NOT exclude Development Plan policies from being considered in the balance.

However, a high bar for refusal is set here. It is not enough for there to be some harm or negative effects, or for a scheme to be less than ideal (e.g. where it does not to comply with local or national policy in some regard).

The harm must be **significant and demonstrable**.

This page is intentionally left blank



Land safeguarded for A27 junction improvements
 Table 1 Sites

0 500 1,000 1,500 2,000 m

1:12500 @A1

This page is intentionally left blank



■ Land safeguarded for A27 junction improvements
■ Table 1 Sites

0 500 1,000 1,500 2,000 m

This page is intentionally left blank

NON EXEMPT

HAVANT BOROUGH COUNCIL

Council

16 March 2022

Havant Regeneration & Economy Strategy – a refreshed approach

FOR DECISION

Portfolio Holder: Cllr Tim Pike, Cabinet Lead for Regeneration & Estates

Key Decision: YES

Report Number: HBC/432/22

1 Purpose

- 1.1 In September 2021, Cabinet approved the refresh of the Havant Regeneration Strategy, to take account of a changing economic and policy landscape and to ensure it is fit for purpose to drive forward the delivery of an ambitious programme of work.
- 1.2 This report was submitted to Cabinet on 07 March 2022 which endorsed the refreshed strategy, to be known as the Havant Regeneration & Economy Strategy, and recommended its adoption to Full Council.

2 Recommendation

- 2.1 Council is recommended:
 - 2.1.1 To adopt the Havant Regeneration & Economy Strategy.

3 Executive Summary

- 3.1 In September 2021, Cabinet approved the refresh of the Havant Regeneration Strategy (2018-2036).
- 3.2 The 2018 strategy represented a bold step for the Council, which recognised the need to intervene and to be proactive in order to drive forward transformation growth and regeneration of the Borough.
- 3.3 Since that time, the economic landscape has changed significantly and a range of new challenges and new opportunities have arisen.
- 3.4 The new strategy brings the economy into sharper focus and it will be referred to as a Regeneration & Economy Strategy. It also has a clearer focus on delivery, setting out what role the Council will take, as well as how the Council

will work with a wide range partners (both public and private sector) to jointly deliver the ambitions.

- 3.5 Further, the refreshed strategy aligns to and supports the Council's revised Corporate Strategy and the newly adopted Climate Change and Environment Strategy, as well as a changing national and local policy context.
- 3.6 The Regeneration & Economy Strategy is supported by a high level Delivery Plan, which sets out the focus for intervention as well as an indication of priorities for early delivery. The delivery plan will be supported by a suite of more detailed documentation managed through a robust programme management approach. The plan and supporting documentation will remain living and working documents, so will be reviewed and updated regularly.
- 3.7 The Strategy is based on the most recent evidence, data and insight available. It will be used to guide the delivery programme and act a framework to help identify areas for investment and to assist in securing external funding and partner support.

4 Additional Budgetary Implications

- 4.1 None arising from this report.

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

Havant Regeneration Strategy

- 5.1 In September 2021, Cabinet approved the refresh of the Havant Regeneration Strategy (2018-2036). That strategy represented a bold step for the Council, which recognised the need to intervene and be proactive in order to steer and accelerate the regeneration of the Borough.
- 5.2 Significant progress has been made including the acquisition of the Meridian Centre in 2019, disposal of a key employment site at Brockhampton West, progression of other key priority projects and securing over £1 million of grant funding to support key projects in Havant Town Centre and Leigh Park.
- 5.3 However, since that time, the economic landscape has changed significantly and both new challenges and opportunities have arisen, including the impact of Covid19, changing market forces arising from Brexit and a radical change to the high street and retail sector, giving rise to a new way of place-shaping for our town centres.
- 5.4 The refreshed Strategy brings the economy into sharper focus, making more explicit the links between skills, business, the economy and regeneration.

- 5.5 The Strategy also has a sharper focus on delivery, recognising the need for a variety of approaches to be used, including new and innovative delivery models and funding approach. While long term transformation can take significant time, there will be a focus on early deliverables, which will create investor confidence and act as a step change for the borough.
- 5.6 The Strategy is clear on the Council's leadership role, while also setting out how the Council will work with a wide range of partners (both public and private sector) to deliver the ambitions set out in the strategy. To support this approach, it sets out a new partnership and governance model.
- 5.7 The Regeneration & Economy strategy is shaped around three key themes;
- **Sustainable Places:** creating sustainable and vibrant places in our Town Centres and across the Borough.
 - **Successful People:** supporting young people into work and equipping our residents with the skills needed to succeed in work.
 - **Better Business:** raising the profile of the Borough to secure inward investment, providing business space for our growth companies and encouraging entrepreneurship and business start-ups.
- 5.8 In the sustainable places strand, the strategy retains a clear spatial focus on four key priority areas, namely;
- Havant Town Centre
 - Hayling Island Seafront
 - Waterlooville Town Centre
 - Leigh Park
- 5.9 This is supported by a focus on three priority themes;
- Housing delivery
 - Strategic Employment sites
 - Economic infrastructure
- 5.10 The Regeneration & Economy Strategy is supported by a Delivery Plan, which identifies early priorities for intervention.
- 5.11 Regeneration is often complex and can require a significant investment of time and resources. New and innovative approaches to securing funding will be developed, alongside any investment the Council makes.
- 5.12 Engagement, consultation and communications with local residents, businesses and a whole range of stakeholders and strategic partners will remain critical to the success of the work moving forward. A new stakeholder engagement and communications approach has been developed to support the delivery programme.

- 5.13 The refreshed Strategy and its associated Delivery Programme provide a robust and strategic approach to drive forward much-needed transformational growth.

Relationship to Corporate Strategy

- 5.14 The development of the Strategy, Delivery Programme and various projects set out in this paper align strongly with all themes as set out in Corporate Strategy 2022-25:
- **Theme 1 - An environmentally aware and cleaner Borough:** the Strategy will align to aspirations for a cleaner, greener borough with projects targeting low or zero carbon where appropriate.
 - **Theme 2 - A safe environment, healthier and more active residents:** the Strategy, programme and projects will seek to create places that are safe, encourage healthy and active lifestyles and support positive place-making for residents.
 - **Theme 3 - A thriving local economy:** the Strategy will act as an Economic Strategy for the Council, driving forward economic growth and supporting a thriving and prosperous economy.
 - **Theme 4: A revitalised borough with infrastructure that meets our ambitions** – the Strategy, programme and projects will seek to deliver infrastructure (either directly or via partners) that will deliver the regeneration aspirations for the Council.
 - **Theme 5: A responsive and commercial Council:** the Strategy will align to the Council's Financial Strategy to create opportunities for income generation and to seek to create self-sustaining places.
 - **Theme 6: A quality home for all:** the Strategy will create opportunities for accelerated housing delivery, focussing on both quality and mix to ensure residents' needs are met and the regeneration aspirations realised.
- 5.15 The work also aligns closely to and seeks to support delivery of the (existing and emerging) Local Plan. A specific objective of the Regeneration & Economy Strategy will be to support delivery of key housing and employment sites, as well as aligning to the wider planning policies as set out in the plan.
- 5.16 Further, the Regeneration & Economy Strategy will directly support the ambitions and priorities set out in the Council's recently adopted Climate Change and Environment Strategy, with a focus on its two high-level objectives of reducing carbon emissions to net zero before 2050 and protecting and enhancing our natural environment.

6 Options Considered

- 6.1 *Endorse the refreshed Strategy* – this enables a clear and strategic focus to enable the programme of work to be delivered providing opportunities to create the best conditions for transformational growth. It also further enables successful partnership working with our public and private sector partners and

create significant opportunity to lever in funding and investment into the borough.

- 6.2 *Do not endorse the refreshed Strategy* – this would not achieve the aims of the Corporate Strategy and there would be limited strategic direction to shape the work of the regeneration programme. As such, development and project delivery may be piecemeal and opportunities will be missed to deliver real transformation change.

7 Resource Implications

Financial Implications

- 7.1 None directly arising from this report. Budgets will be monitored closely to ensure there is sufficient funding and where required, the work will be phased and appropriate programme management arrangements will be in place to ensure it can be delivered within the approved budgets.
- 7.2 As the programme and projects are further refined, the financial implications will be considered in more detail and any future costs (capital and revenue) associated with the delivery of those projects will be considered in detail as part of further business cases and any decisions to proceed with those projects detail by Cabinet or Council, as appropriate.

Section 151 Officer comments

1st February 2022

There are no additional financial implication as a result of this report. Any proposed further expenditure arising from the current work will be the subject of future reports to members.

Matthew Tiller
Head of Finance (Deputy Section 151 Officer)

Human Resources Implications

- 7.3 The work to deliver and implement the Regeneration & Economy Strategy will be led by the Director of Regeneration & Place and Head of Regeneration, Economy and Assets. It will be delivered through a flexible resourcing strategy with a combination of in-house by officers and by ongoing consultant support and therefore costs will met by existing staffing budgets. Where additional specialist support or advice is required, the cost of this will be met within existing budgets or additional business cases will be prepared, as appropriate.

Information Governance Implications

- 7.4 None. Information Governance will be considered at detailed programme and project level.

Links to Shaping our Future Programme

- 7.5 The Regeneration & Economy Strategy aligns strongly to the Shaping Our Future Programme and will directly support the ambition to transform the Council into a modern, fit for purpose and forward-thinking Local Authority. Specifically, this strategy and the new proposed partnership model, will provide a framework to work with a wide range of stakeholders and partners to help deliver the ambitions, to support the delivery of our strategic priorities and to work towards both a sustainable Council and Borough.

Shaping our Future Lead comments

Date: 3rd February 2022

Shaping our Future Lead – no additional comments.

Kim Sawyer

Other resource implications

- 7.6 None.

8 Legal Implications

- 8.1 The adoption of the strategy itself does not have any significant legal implications, but as each initiative is brought forward for implementation any specific legal implications will be addressed in the appropriate reports. (James Paterson, 14th December 2021).

Monitoring Officer comments

The recommendations made in this report and the content which underpins them are consistent with the Council's ambitions under its Corporate Strategy.

Other than those appearing above, there are no current legal implications although these may arise and will need to be assessed as proposals develop

(Mark Watkins, Deputy Monitoring Officer 03.02.22)

9 Risks

- 9.1 No significant identified risks arising from this report. All risks will be considered and managed at detailed programme and project level.

10 Consultation

- 10.1 The Cabinet Lead for Regeneration and Estates, Executive Board and wider Cabinet have been consulted on the proposed approach.

- 10.2 Overview & Scrutiny Committee are due to be briefed on the paper as a pre-scrutiny item.

- 10.3 A wide range of key partners and stakeholders have also been consulted, including;

- Homes England
- Hampshire County Council
- Winchester City Council
- Portsmouth City Council
- East Hants District Council
- Solent Local Enterprise Partnership (SLEP)
- Havant Business Partnership

- 10.4 Moving forward, engagement and consultation will be important to ensure stakeholder buy-in and to get the best outcomes for the local community. As part of the borough wide regeneration programme, a bespoke engagement and consultation approach will be developed for each of the spatial priority areas. Engagement will be embedded in the new governance and working arrangements as the programmes of work develop.

11 Communication

- 11.1 Communications will remain an important feature of this programme of work and a variety of methods will be used to keep people updated and communicate key messages, including updates via the programme website

(www.havewithhavant.co.uk), social media channels and other methods as appropriate.

11.2 A Communications approach will be developed to support the delivery programme.

12 Appendices:

- Appendix 1 – Havant Regeneration & Economy Strategy (draft for endorsement)

13 Background Papers:

Cabinet decision related to approval to refresh the Regeneration Strategy
<https://hcsnew.files.wordpress.com/2021/08/havant-regeneration-programme-update-and-approval-of-next-steps.pdf>

Havant Borough Council Corporate Strategy
<https://cdn.havant.gov.uk/public/documents/Havant%20Borough%20Council%20Corporate%20Strategy%202020-24.pdf>

Havant Borough Council Local Plan
<https://www.havant.gov.uk/local-plan>

Agreed and signed off by:

Monitoring Officer: 03/02/22
S151 Officer: 01/02/22
Director: 19/01/22
Portfolio Holder: 19/01/22

Contact Officer: Clare Chester
Job Title: Head of Regeneration, Economy & Assets
Telephone: 01730 234353
E-Mail: clare.chester@easthants.gov.uk

Have **SUCCESS**
with Havant



Page 87

Sustainable Places Successful People Better Business

Havant Borough Regeneration and
Economy Strategy 2022–2036

Havant
BOROUGH COUNCIL

Foreword

I am pleased to lead the refreshed Regeneration and Economy Strategy for Havant borough, which builds on our ambitious 2018 Regeneration Strategy to address housing, economic infrastructure and economic challenges to deliver new opportunities for growth.

Whilst we have made significant progress, no one could have predicted the impact that Covid-19 would have on all of our lives, working patterns and leisure pursuits. We face new economic challenges and, like the rest of the UK, our retail centres have been significantly impacted. We need to re-purpose our town centres and respond to the new environment in which we live.

These challenges also provide us with opportunities to deliver our regeneration priorities. They enable us to effectively respond to new ambitions for de-carbonisation; to take action on climate change; to develop cohesive communities and vibrant town centres; and to implement active travel options.

In line with the government's 'Building Back Better' agenda, we have a renewed focus on sustainability and climate-friendly actions that deliver a better result both for the local economy and the environment.

We need an environmental, social, cultural and economic recovery which is sustainable. We are calling this a regeneration and economy strategy to reflect the new focus on inclusive economic growth and in recognition of the importance of our businesses to the success of the borough's prosperity.

This strategy sets out our ambitions to create **sustainable places, successful people and better businesses** across the borough, so that all of our communities can share in our future economic growth and prosperity.

Regeneration takes time and patience. We need to put the building blocks in place to enable long term, sustainable and transformational growth, but we also need to deliver real and tangible change at pace. We have challenged ourselves to do both.

The council will work with commitment and conviction to lead this ambitious programme of work, but it cannot do it alone. This strategy brings into sharper focus what we will do to deliver our strategic objectives, working with a wide range of public, private and community sector stakeholders.

I am committed to ensuring that Havant Borough Council plays its role in driving forward our regeneration agenda to help improve quality of life for our communities and tackle climate change.

I look forward to working with all our partners to help deliver the ambitions set out in this strategy to benefit our future generations.

Cllr Tim Pike
Cabinet Lead for Regeneration & Estates



Executive summary

The case for a refresh

The strategy 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.

A new economic profile has been developed to ensure the strategy's strategic objectives are based on the most up to date, intelligence and evidence and provide a response to the key challenges we face, namely:

- Adapting to a post-Covid crisis and sustained recovery.
- Supporting our struggling retail centres.
- Reducing inequalities and disadvantage.
- Providing new homes.
- Addressing unemployment and a low value economy.

Swift, real and tangible progress will be made on our regeneration and economy priorities. The delivery programme recognises the need for short, medium and long term actions.

Policy alignment

The strategy aligns with the council's Environment and Climate Change Strategy and the renewed focus on sustainability and working towards net zero.

It also aligns with the Corporate Plan, emerging Local Plan and Medium Term Financial Strategy.

Nationally, the strategy will help deliver the UK Government's Build Back Better: Our Plan for Growth plans to level-up the country, tackle long-term challenges and deliver growth that creates high-quality jobs; Net Zero Strategy: Build Back Greener which sets out how the UK will achieve its Net Zero emissions by 2050; and Levelling Up ambitions plan to transform the UK by spreading opportunity and prosperity to all parts of the UK.

Our statement of intent

This strategy is bold and ambitious and it will deliver:

Page 90

Linked strategies
Corporate Strategy
Local Plan
Medium-Term Financial Strategy
Climate Change and Environment Strategy

Successful people
Young people into work
Skills to succeed in work
Tackle poverty and exclusion

Sustainable places
Spatial focus
Havant Town Centre
Hayling seafront
Waterlooville Town Centre
Leigh Park
Thematic focus
Housing delivery
Strategic employment sites
Economic infrastructure

Better business
Business space for growth
Raising the borough's profile to secure high-value inward investment
Encourage entrepreneurship and business start-ups

Delivery through partnership and collaboration
Strategic leadership and influence
Using the council's powers and property assets
Collaboration and engagement with the public and private sector

**Sustainable Places
Successful People
Better Business**

The Regeneration and Economy Strategy has three core themes:

Sustainable places: In our four priority areas (Havant Town Centre, Hayling Island, Leigh Park and Waterlooville), creating new homes, and economic infrastructure to drive sustainable economic growth and develop a more resilient and inclusive economy.

Successful people: Developing higher-level skills demanded by our employers, especially in new STEM and digital, advanced engineering and low carbon sectors, to ensure local residents, particularly young people, have the opportunity to secure good quality local jobs.

Better business: Supporting thriving businesses, which have opportunities to grow and to actively promote Havant borough as a place for new investment and business.

The scale of investment required and the current economic landscape suggests that a mix of delivery tools and partners will be needed to drive forward the regeneration and economy priorities.

Our role

The council will take a leading role within a new partnership model to deliver the regeneration ambition, facilitating, influencing and, where appropriate, directly intervening to address the range of new challenges and opportunities identified in the refreshed strategy.

The council will invest its own resources and may also look to use its borrowing powers to deliver key projects. All investment decisions will be subject to due diligence and full business cases and will adhere to the council's financial strategies and policies.

Our actions will only be taken forward where they are affordable, deliverable and will not impact or put a strain on the council's revenue budgets.



Partnership and consultation

New partnerships with a range of stakeholders will be established and a new Strategic Partnership governance model will be developed to ensure the priorities and actions set out in this strategy are realised.

A new approach to engagement and consultation and a positive and proactive communications programme will be implemented.

Introduction

In November 2018, Havant Borough Council approved a bold and ambitious Regeneration Strategy, which set out its regeneration aspirations for the borough to 2036. The strategy made a clear **case for regeneration**, based on a plan to address the borough's housing and economic challenges, building on its strengths and opportunities for transformational growth.

Page 92
Much has been achieved to address the priority areas identified in the strategy, and work on the regeneration programme continues apace. However, Brexit and the Covid-19 pandemic have impacted significantly on opportunities for delivering regeneration since the strategy and action plan were adopted. Indeed, the pandemic and our collective response to the issues it has raised, has meant that we need to do things differently to create and support safe and sustainable communities in which to live, work and visit. It is now timely to refresh the strategy and delivery programme to ensure that it is fit for purpose and has the right focus to address these challenges and take advantage of the opportunities.



Inclusive **economic growth** is essential if we are to level-up the borough to tackle the inequalities, pockets of deprivation and poor housing provision that affect our communities. Work to support economic growth, particularly to attract and secure investment at Dunsbury Freeport, will form an increasingly important feature of the refreshed strategy, now referred to as the Regeneration and Economy Strategy.

In addition to the fiscal stimulus measures to get the country back on its feet and the government's 'Building Back Better' agenda, there is a renewed focus on **climate change, sustainability** and working towards **net zero**. The Regeneration and Economy Strategy will focus on our commitments to climate change actions that deliver a better result both for the local economy and for the environment.

The Government's **Levelling Up** ambitions plan to transform the UK by spreading opportunity and prosperity to all parts of the UK. The plan is underpinned by twelve national missions which form part of a Levelling Up and Regeneration Bill. The Regeneration and Economy Strategy will help prioritise our ambitions to level up the borough ensuring that all of our residents and communities have the opportunity to benefit from our future prosperity.



Page 93

This is a strategy for the borough. **Engagement and consultation** with local businesses and a range of stakeholders and strategic partners has been a critical part of undertaking the refresh and in securing support and ownership. Moving forward, more local consultation and engagement with residents and local businesses will be undertaken to support specific projects and programmes. This strategy will set out a fresh approach to stakeholder engagement.

The council is building strong and effective **partnerships** with our regional and local public sector partners that will ensure the priorities and actions set out in this strategy can be realised. This strategy will be clear about the council's role, alongside the critical importance of working in partnership to achieve the ambitions. The refreshed strategy includes new governance and working arrangements – both internally within the council and with our partners and stakeholders.

This strategy aligns with our determination to **transform** the council into a modern, fit-for-purpose and forward-thinking local authority. Our actions will only be taken forward where they are affordable, deliverable and will not impact or put a strain on the council's revenue budgets. We will use this strategy as a framework to work with our business community and our national, regional and local public sector and community partners to identify and secure additional funding and resources to deliver our strategic priorities.

Regeneration and transformational change requires long-term investment, is often complex with many parties involved and takes time to achieve. However, there is also a need to ensure that swift, real and tangible progress is made, so the associated **delivery programme** recognises the need for short, medium and long term actions.



A changing landscape

Policy context

This strategy is at the core of a range of national, regional and local strategies, which provide the wider context for the refreshed Regeneration and Economy Strategy. An outline of some of that broader context is set out in Annex 1.

For the council, the Regeneration and Economy Strategy sits alongside four key policy areas.

Corporate Strategy

The Corporate Strategy 2022–2025 sets out five themes all of which underpin and closely align with the Regeneration and Economy Strategy:

- An environmentally aware and cleaner borough.
- A safe environment, healthier and more active residents.
- A thriving local economy.
- A revitalised borough with infrastructure that meets our ambitions.
- A responsive and commercial council.
- A quality home for all.

Local Plan

The emerging Local Plan sets out a vision to guide future development in the borough, establishing a clear framework to identify those areas that should be the focus of development, setting out the requirements and standards that developers will be expected to meet.

This strategy positively supports the emerging Local Plan through:

- Delivering sustainable development across the borough: by planning positively for the development needs of the borough, including employment, housing, infrastructure and retail.
- Through the strategic priorities in our four identified spatial priorities Havant Town Centre (KP1); Waterlooville Town Centre (KP2); Hayling Island Seafront (KP3); and Leigh Park District Centre (KP4).

Climate Change and Environment Strategy (2021 to 2026)

In 2021, the council committed to playing its part in tackling climate change through the adoption of a Climate Change and Environment Strategy.

Addressing climate change will require structural changes to the economy, as well as new ways of living and working. Accelerating progress towards net zero means introducing advanced standards for new development; and de-carbonising transport through a shift to active, public and shared transport modes, and rolling out electric vehicle charging infrastructure.

The regeneration programme addresses the two high-level objectives:

- Reducing carbon emissions to Net Zero before 2050.
- Protecting and enhancing our natural environment.

We will design the Delivery Programme and, where appropriate, prioritise projects which align to and support the objectives of the Climate Change and Environment Strategy. We will seek out opportunities to work with businesses and partners to build a low carbon economy and develop projects that protect and enhance the natural environment, through high quality design, active travel and promoting green infrastructure and open spaces.

accordance with the Treasury Management policy.

We will seek to identify opportunities to support the council's ambitions to be financially sustainable, with a view to establishing income generation models, where appropriate. Projects will only be taken forward where they are deliverable and affordable.

In addition, the strategy will help deliver:

- The UK Government's **Build Back Better: Our Plan for Growth** agenda to tackle long-term levelling-up challenges and deliver growth that creates high-quality jobs across the UK.
- The UK Government's **Levelling Up** ambitions plan to transform the UK by spreading opportunity and prosperity to all parts of the UK.
- The guiding focus is on levelling-up the whole of the UK and supporting the transition to net zero as set out in the government's **Net Zero Strategy: Build Back Greener**.

- The **Solent Local Enterprise Partnership's Economic Recovery Plan**, which outlines the sub-regional approach to survival, stability and growth. A priority theme of this recovery plan is securing a resurgence in coastal communities like Havant borough (including supporting a thriving visitor and cultural economy) by harnessing new technologies and approaches that will ensure inclusive growth.
- **Hampshire 2050 framework** in which the council has the opportunity to contribute to the future prosperity, quality of life and protection and enhancement of the character and environment of Hampshire.

Council financial strategy

The council approves a budget (revenue and capital) each year. This is supported by a suite of supporting policies and strategies, including a Medium-Term Financial Strategy, Treasury Management Policy and Annual Investment Strategy. The Regeneration and Economy Strategy will align to and support those financial strategies and policies.

The Annual Investment Strategy states that the council may acquire property sites for strategic, operational and investment purposes, which could directly support the aspirations within this strategy, where it is affordable to do so and will not have a detrimental impact on the council's revenue funding. Any decisions to invest resources, either capital or revenue, will be done in



A changing economy and new opportunities

A changing economy and changing needs

The strategy has been formulated using evidence and data from a range of sources. Our refreshed economic profile (Annex 2) provides up-to-date intelligence and insight on the issues and challenges facing the borough. Over the last few years the borough has experienced and witnessed significant change, arising from the Covid-19 pandemic, Brexit, radical changes in both the retail sector and our town centres, and the declaration of a global climate emergency.

Changing national policy with a focus on **Levelling Up**, coupled with emerging programmes, like **Freeports**, provide new opportunities. More locally, the council is thinking ahead, to ensure it can respond to the future needs of its residents and businesses in a sustainable way.

Our analysis indicates that we are facing **five key challenges**:

- Adapting to a post-Covid crisis and sustained recovery.
- Supporting our struggling retail centres.
- Reducing inequalities and disadvantage.
- Providing new homes.
- Addressing unemployment and a low value economy.

Our collective response to the **Covid-19** pandemic has moved from crisis to recovery, recognising that we need environmental, social, cultural and economic solutions that are sustainable.

Our workplaces have undergone a huge shift during the pandemic, with a significant increase in people working from home. This may have implications for the requirements for future workspace and the needs of our businesses. As well as increased home-working, this provides an opportunity to provide new and innovative shared / co-working space and reduce the reliance on commuting.

This is also happening in the wider context of **Brexit**, which will have an effect on the industrial and employment sectors. A key focus will be to continue to deliver our key strategic employment sites and Freeports designation at Dunsbury to attract new investment, create much-needed, high-value jobs, which will generate prosperity for the area.



The pandemic has already exacerbated existing patterns of inequality and disadvantage both within and between places. The refreshed strategy requires place-based solutions to **Levelling Up** the borough and reducing poverty and inequality, supporting the delivery of homes, services and amenities that improve health and wellbeing for all.

At a time when our retail centres were already struggling, the **Covid-19** lockdown meant that the borough's retail, hospitality and commercial centres struggled. Online competition was strong before the crisis and this situation will become more apparent as more retailers increase their online presence and more people shop remotely. Conversely, we have also seen a renaissance of local service provision from smaller retailers or businesses. Traditional retailing uses will not be as prevalent in future, and we need to build in floorspace flexibility to ensure that Havant Town Centre and our other retail centres such as Waterlooville, become focal points for a diverse range of services and activities that deliver more sustainable outcomes.



Our **coastal locations** and assets have suffered from a lack on investment in recent years but they have the opportunity to be one of our greatest strengths.

We have an opportunity across the borough to promote **culture**, to provide a sense of local pride and cohesion; and deliver active travel solutions to ensure we have well **connected communities**.

Enabling people to live in well-located, accessible, well-designed and energy efficient social and market **homes** remains a priority for the borough. Creativity and innovation will be required in order for the various agencies, partners and public sector providers to come together to deliver truly sustainable sites, particularly within Havant Town Centre.

As summarised in the table below, this strategy will respond to the new challenges and opportunities and utilise the borough's strengths and assets to drive forward **transformational growth**.



Figure 1: Challenges and opportunities

Challenges	Opportunities
<p>Adapting post-COVID and sustaining our recovery.</p>	<ul style="list-style-type: none"> • Create great quality places for people to live, work (including at home), visit and relax. • Provide access to good quality outdoor spaces. • Transform our coastal offer in Hayling Island to provide new, quality experiences for both residents and visitors. • Digital infrastructure revolution. • Active and sustainable travel to enhance connectivity. • Promote modern methods of construction.
<p>Struggling retail centres accommodating a high volume, but low value of retail floorspace.</p>	<ul style="list-style-type: none"> • Use our assets and influence to reshape and adapt Havant Town Centre and other retail centres, including Waterlooville, to respond to the new norm. • Develop a sense of place and build pride and community cohesion. • Use our cultural assets to support economic and social regeneration. • Continued renaissance in local service provision.
<p>Pockets of inequalities and disadvantage, particularly in Leigh Park, with education and skills deprivation being particularly acute.</p>	<ul style="list-style-type: none"> • Use new funding and investment to tackle poverty and exclusion in our most disadvantaged communities. • Connect Leigh Park to new centres of economic activity, particularly Dunsbury Park.

Page 98

Challenges	Opportunities
<p>A lack of housing provision to accommodate a growing population.</p>	<ul style="list-style-type: none"> • Through our policy levers and assets, enable the rapid delivery of new housing in places they are needed. • A range of homes to meet the needs of residents across development sites. • Explore a range housing delivery models.
<p>Stubborn unemployment and a low value economy.</p>	<ul style="list-style-type: none"> • Build on our excellent connectivity to promote Havant borough as the place to live, learn, work, invest and visit. • Build on our freeport designation. • Deliver our key strategic employment sites to attract new investment to provide new jobs. • A clean, green recovery through the transition to a low carbon economy. • Boost skills and developing a world-class talent base. • Local high quality employment opportunities. • Support and advise local SMEs to work towards net zero carbon emissions.

Figure 2: The strategy in summary

Sustainable Places Successful People Better Business

Linked strategies

Corporate Strategy
Local Plan
Medium-Term
Financial Strategy
Climate Change
and Environment
Strategy

Successful people

Young people into work
Skills to succeed in work
Tackle poverty and
exclusion

Sustainable places

Spatial focus

Havant Town Centre
Hayling seafront
Waterlooville Town Centre
Leigh Park

Thematic focus

Housing delivery
Strategic employment sites
Economic infrastructure

Better business

Business space
for growth
Raising the borough's
profile to secure
high-value inward
investment
Encourage
entrepreneurship and
business start-ups

Delivery through partnership and collaboration

Strategic leadership and influence
Using the council's powers and property assets
Collaboration and engagement with the public and private sector

A fresh approach

Our long-term regeneration vision and ambitions remain broadly the same and align with our corporate priorities and spatial vision, as set out within the emerging Havant Borough Local Plan.



This refreshed Regeneration and Economy Strategy will help ensure that the wider Local Plan ambitions are delivered through:

- Residents having a varied selection of housing that meets their needs.
- People having access to high quality new employment, education and training opportunities to boost economic growth and address skills gaps.
- Connecting and supporting communities through new economic infrastructure and improvements to the transport network.
- The regeneration of the borough's town centres and Hayling Island seafront.
- Celebrating Havant borough's natural and historic environment, sunny climate and South Downs-Solent location.
- Providing a cultural and arts offer.
- Developing higher-level skills, especially in new STEM and digital, advanced engineering and low carbon sectors, to ensure local residents, particularly young people, have the opportunity to secure good quality local jobs.



This strategy will also support our long-term path to reduce carbon emission to net zero by 2050.

The new strategy will assist the council in its important leadership role to promote the economic, social and environmental well-being of the area. The council will be a proactive partner but actions will only be taken forward if they are deliverable, affordable and will not put a strain or impact on the council's future revenue expenditure.

Priority themes, outcomes and objectives

The three priority themes and strategic objectives for the Regeneration and Economy Strategy are:

Theme 1: Sustainable Places

Outcome: Creating sustainable places and economic infrastructure to drive balance economic growth and develop a more resilient, inclusive and adaptable economy.

Objectives

- Transform Havant Town Centre into a thriving place to live, work and invest.
- Create an exciting and modern seafront at Hayling Island, supported by a strong brand, which increases the quality of the visitor experience and opportunities for visitor spend.
- Address inequalities by tackling the economic and social challenges facing Leigh Park.
- Regenerate Waterlooville into a vibrant and inclusive town centre.
- Promote economic infrastructure that supports a strong economy and connected communities.
- Deliver new homes with a mix of tenures and housing models to support local needs.

Theme 2: Successful People

Outcome: Developing higher-level skills demanded by our local employers, especially in new STEM and digital, advanced engineering and low carbon sectors, to ensure local residents, particularly young people, have the opportunity to secure good quality local jobs.

Objectives

- Improve the employability of young people.
- Ensure that all our residents have the skills to succeed in work.
- Tackle poverty and exclusion particularly through addressing barriers to employment.

Theme 3: Better Business

Outcome: Supported and thriving businesses, which have opportunities to grow and actively promote Havant borough as a place for new investment and business.

Objectives

- Ensure the provision of an adequate supply of business space for growth.
- Promote Havant borough's assets, ambitions and potential as a business destination of choice to secure appropriate new inward investment.
- Encourage entrepreneurship and business start-up.
- Facilitate the delivery of good quality strategic employment sites in key locations that meet the local and regional need.
- Ensure the delivery of appropriate business and economic infrastructure support.

Delivery programme and programme management

These high-level outcomes and objectives will be developed into a more detailed delivery programme. An outline delivery programme can be found in Annex 3.

The delivery programme will be supported by a suite of programme management documentation and managed in accordance with normal council practices. Regular review and reporting will take place; the delivery programme will be a living document, updated and refreshed as required.

A fresh approach to delivery

Delivering regeneration and economic growth is complex, often involving many parties. It requires us to take a longer-term approach over many years and requires significant investment and commitment which may not return immediate economic or financial returns.

The scale of investment required and the current economic landscape suggest that a mix of delivery tools and partners will be needed to drive forward delivery on our priorities. Lack of investment resources over the short-medium term represents a fundamental challenge to achieving the council's aspirations for regeneration. We will continue to be prudent and only progress actions that are deliverable and affordable.

We will take a lead role in delivering the Regeneration and Economy Strategy. It will also establish a new partnership model to enable it to work collaboratively with a wide range of partners and stakeholders.

The council's role

The council will take a leading role within a new partnership model to deliver the regeneration ambition, facilitating, influencing and, where appropriate, directly intervening to address the range of new challenges and opportunities identified in the strategy.

The council will use its resources, expertise and assets to deliver sustainable growth, which could include:

- Directly delivering **catalytic projects** to stimulate private sector investment or where market forces are not leading to regeneration.
- Acting as a champion for the borough, **promoting the place** to partners, funders and businesses, with a focus on securing inward investment.

- Making best use of its **assets and investment** tools to support delivery, including the potential for disposals, acquisitions (including compulsory purchase where appropriate) and co-investment in priority projects.
- Working to make projects attractive and viable, by de-risking schemes and leveraging in **funding**.
- Ensuring **planning** policies and the development management system supports the regeneration and economy ambitions.

Figure 3 – Council’s leadership and partnership role



Consideration will be given to the most effective delivery approach for each project and a blend of approaches will most likely be used.



Direct delivery

Where the council decides to either release a site for a development project or directly deliver a project, it will either require some form of disposal agreement or some form of collaborative structure (often referred to as joint venture or JV).

There are a number of different models that can be used, depending on the project objectives and the council’s and the market’s approach to risk and reward.

Examples of models include:

- Forward sale.
- JV company and JV agreement underpinning the development obligations of the company.
- Contractual JV agreement e.g., a development agreement.
- Collaboration agreement.
- Promotion agreement.

Page 107

We will continue to be bold and play a proactive role, ensuring that our assets and resources are used and aligned effectively. We will only intervene when there is a clear need and, in managing appropriate risks, prioritise investment from our public and private sector partners that delivers long-term economic, financial and regeneration benefits. We will prioritise projects that are deliverable and affordable and will impact on our programme of transformation, which will deliver savings and change the way council services are delivered.

Resources and funding

The council has a highly-skilled in-house regeneration and economy service, which is supported by access to a range of external expertise, where either additional capacity or specific professional and technical skills are required. We will continue to direct significant resources to secure external funding to support delivery of the strategy and our priority activities.

Where it is affordable to do so, the council will look to invest its own resources and may also look to use its borrowing powers to support delivery of key projects. All investment decisions will be subject to a full business case and will adhere to the council's financial strategies and policies.

The delivery programme will be structured so that projects that are affordable and will generate a capital receipt will be prioritised, where appropriate to do so. This will be used to off-set any borrowing as early as possible, in order to reduce financial exposure to the council and to reduce borrowing costs. Wherever possible expenditure will be capitalised to reduce the strain on the council's revenue budgets.

However, even with direct council investment, the scale of resources, funding and investment required to deliver the regeneration ambitions, means that the council will need to take a fresh and innovative approach to funding the regeneration programme. Both revenue and capital funding and additional investment from the public sector will be required. Levering in and unlocking private sector investment will also be critical – and ultimately it will be for the private sector to deliver much of the development needed to support long-term change.



We will:

- Develop a detailed **funding plan** to support the delivery programme.
- Develop the **evidence base** for key regeneration sites and major economic infrastructure projects so that it is well-placed to respond to major funding programmes.
- Continue to build **strong relationships** with other stakeholders and public agencies to ensure that the best opportunities for funding and other implementation opportunities are achieved.
- Continue to work with private sector developers and investors to secure **inward investment** for the borough and bring forward key regeneration sites at pace.
- Develop and deliver a pipeline of new **economic infrastructure** projects in line with the Havant Investment and Infrastructure Plan, including active travel and public realm improvements.
- **Bid** for resources to secure funding from national and regional public investment opportunities.
- Ensure **due diligence** and risk assessments are completed before investment decisions are made.

Partnership, governance and decision making

The council will continue to work collaboratively and in partnership with the public and private sectors at a national, regional and local level to ensure the Regeneration and Economy Strategy is delivered successfully.

Ensuring there is clarity around roles, responsibility and accountabilities will be essential, and this will be supported by transparent and robust decision-making. This section of the strategy sets out how the council will make decisions, establish a new partnership model. It sets out a proposed new governance model, that will enable the partners to work together effectively around a common purpose.

Figure 4 – Our partnership principles



Enable projects and services to be designed and delivered in a cost-effective, efficient and joined up way.



Improve common understanding, facilitate knowledge exchange or enable new and innovative approaches to delivery.



Broaden ownership of actions, outputs and outcomes, based on shared visions and a common purpose.



Strengthen the range of expertise that can be applied to priority actions and delivery.

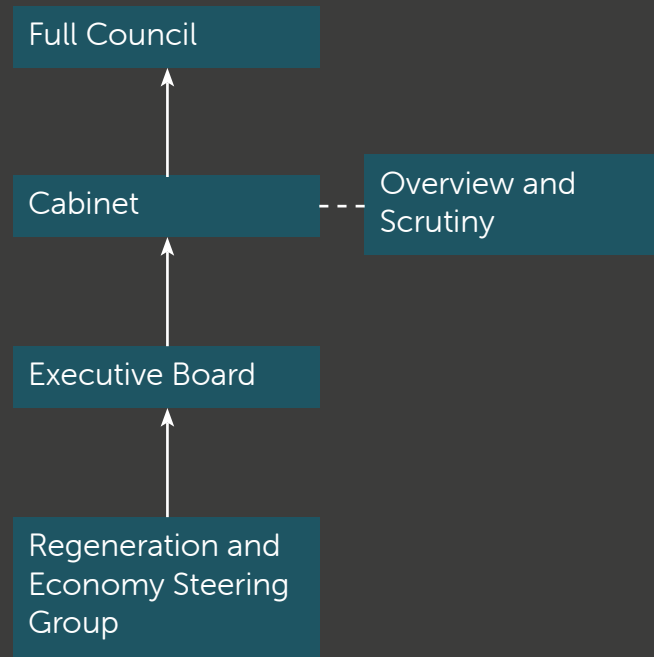


Enhance opportunities to access funding to deliver projects and tangible local benefits.

Decisions relating to the Regeneration and Economy Strategy and associated delivery programme will be made in accordance with the constitution.

- **Full Council** will formally adopt the strategy and all decisions relating to its implementation will be made in accordance with the council's constitution.
- **Cabinet** has delegated authority to make key decisions relating to major milestones in the delivering of the strategy.
- The **Executive Board**, led by the Chief Executive, will take the role of lead project sponsor for the Regeneration and Economy Delivery Programme.
- Where appropriate, progress with the strategy's delivery programme will be reviewed by the **Overview and Scrutiny** committee.
- The **Regeneration and Economy Steering Group**, chaired by the Cabinet Lead for Regeneration and Estates, will oversee the delivery plan progress against the priority themes and objectives, and will recommend further actions to ensure the successful delivery of the Regeneration and Economy Strategy.

Figure 5 – Decision Making



A new partnership model has been developed to ensure the successful implementation of this strategy.

A new **Strategic Regeneration Partnership** will be established.

Chaired by Havant Borough Council's Leader/Cabinet Lead (TBC), the council will invite key public sector elected members and private sector partners to help set and drive the strategic ambitions of the Delivery Programme. It is intended that representation on the Partnership will include neighbouring local authorities, Hampshire County Council, Homes England, Hampshire Police and Crime Commissioner, Solent Local Enterprise Partnership, the Havant Business Partnership, education providers and arts and cultural representatives. Terms of reference for the partnership will be agreed, which will set out proposed working arrangements, accountability and decision making. Membership of the Partnership may vary over time to reflect current priorities.



A new **Delivery Regeneration Partnership** will be established.

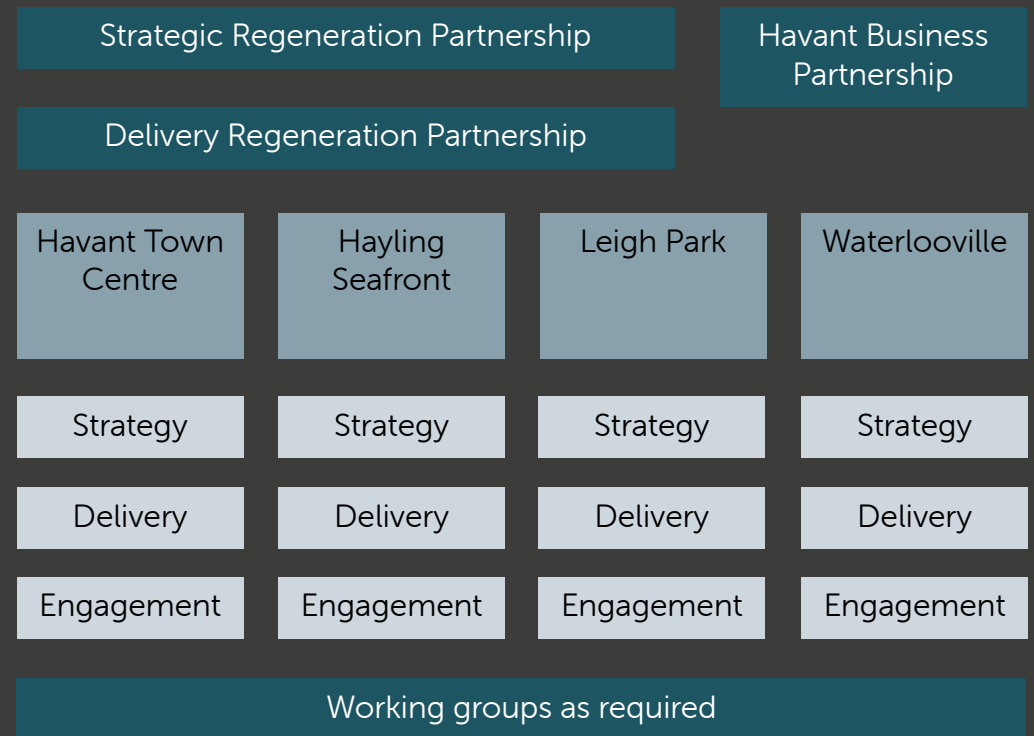
Chaired by either a Havant Borough Council senior officer or one of the key partners (TBC), the Delivery Partnership will co-ordinate, oversee and monitor the partnership delivery programme, providing regular updates to the Strategic Partnership Board. Membership of the Delivery Partnership will be focussed around those key partners responsible for delivery of key projects, programmes and initiatives, which all contribute to the overall delivery programme. Terms of reference for the group will be agreed which will set out proposed working arrangements, reporting, monitoring and evaluation monitoring arrangements and risk and delivery profiles. The Delivery Partnership will also take responsibility for commissioning any new task and finish working groups, needed to support delivery of the overall programme.

For each of the four **Spatial Priority Areas** individual and bespoke arrangements for setting the strategic focus, delivery programme and engagement strategy will be developed. Progress against the agreed spatial priority action plan will be reported to the Delivery Regeneration Partnership.

In progressing the delivery of the borough’s **Strategic Economic Infrastructure** projects, the council will work alongside key partners including Hampshire County Council, Solent LEP, Network Rail, National Highways and the Havant Business Partnership.

We will develop new partnerships with a range of existing stakeholders, and new ones from arts and culture, education and community organisations, to establish a new partnership and governance model.

Figure 6: New Partnership Approach



Engagement, consultation and communications

The council welcomes and values the contributions, ideas and participation from a wide range of stakeholders, which will include strategic partners, residents, community and business organisations.

We will seek to engage and identify ways to ensure an ongoing process of sharing information. Where we seek feedback on projects and proposals, we will consult.

Figure 7: Our consultation and engagement approach



Guiding principles

- **Two-way** communication and engagement - stakeholders have the opportunity to make their views and ideas heard while giving the council the opportunity to do the same.
- **Clear and consistent** messaging – messages are clear and consistent in respect of progress and decision making.
- **Open and transparent** – stakeholders are provided with access to relevant information, while also recognising the need for confidentiality and/or for treating information sensitively, as appropriate.
- **Approachable** – trust and treating people with respect.

For each of the four spatial priority areas, the council will develop and deliver a bespoke engagement and consultation approach. Engagement will be embedded in the new governance and working arrangements as the programmes of work develop.

Communication will also remain a key priority. We will utilise a variety of communication platforms to ensure that strategic and local partners are engaged and find creative and innovative ways to promote the borough and support the objectives of the Regeneration and Economy Strategy.

We will develop and implement a new approach to engagement and consultation alongside a positive and proactive communications approach.

Annex 1:

Policy Context

Build Back Better: Our Plan for Growth

Build Back Better: Our Plan for Growth sets out the UK Government's national approach to tackling long-term problems and delivering growth that creates high-quality jobs across the UK. The guiding focus is on Levelling-Up the whole of the UK and supporting the transition to Net Zero. In addition to support for skills and innovation, a number of competitive investment levers are being used to stimulate short-term economic recovery and to drive long-term productivity improvements including:

- UK-wide Levelling Up Fund.
- UK Shared Prosperity Fund.
- Towns Fund and High Street Fund to invest in local areas.
- £12 billion of funding for projects through the Ten Point Plan for a Green Industrial Revolution.

The 2021 Autumn Budget confirmed that the impact of the pandemic may not have been as severe as had been feared. The Office for Budget Responsibility (OBR) revised its estimates of peak unemployment down from 12% to 5.2%; the UK economy is now forecast

to grow by 6% in 2022, and 2.1%, 1.3% and 1.6% over the next three years. However, CPI inflation is expected to rise to 4% in 2022, driven by the impact of post-Covid pent up demand and high energy prices globally.

The Government is increasing its investment in Research and Development, with an aim for this to reach 2.4% of GDP by 2027. It is investing more than £5 billion in buses and cycling, and it has announced temporary business rate reliefs for retail, hospitality and leisure businesses.

There is £3.9 billion fund to decarbonise buildings and £1.5 billion will be invested in net zero innovation. Digital connectivity and delivering 4G coverage also remain a key part of the Government's approach to economic development.

The refreshed Regeneration and Economy Strategy will prioritise actions to maximise the opportunities for funding to deliver of our spatial and thematic priorities.

Net Zero Strategy: Build Back Greener (2021)

In 2021, the Government published its Net Zero Strategy, Build Back Greener. This sets out how the UK will achieve its Net Zero emissions by 2050. It includes ambitions to:

- Fully decarbonise the UK's power system by 2035 by investing in renewable energy.
 - Deliver 5 GW of hydrogen production capacity and halving emissions from oil and gas by 2030.
 - Create four carbon capture, usage and storage clusters across the UK.
 - Set a path to all new heating appliances in homes and workplaces from 2035 being low carbon.
 - Remove all road emissions at the tailpipe and kickstart zero emissions international travel.
 - Treble woodland creation rates in England, contributing to the UK's overall target of increasing planting rates to 30,000 hectares per year by May 2024.^a
- ^a Deploy at least 5 MtCO₂/year of engineered Greenhouse Gas Removals (GGRs) by 2030.

The strategy promotes the job creation opportunities associated with the green economy and sets out plans for major Government investment to achieve its ambitions.

Levelling Up and Regeneration (2022)

In 2022, the Government's announced its Levelling Up ambitions to transform the UK by spreading opportunity and prosperity to all parts of the UK. The plan is underpinned by twelve national missions which form part of a Levelling Up and Regeneration Bill:

- By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top-performing and other areas closing.
- By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.

- By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst-performing areas will have increased by over a third.
- By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
- By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
- By 2030, well-being will have improved in every area of the UK, with the gap between top-performing and other areas closing.
- By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top-performing and other areas closing.
- By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest-performing areas.
- By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.
- By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

Solent 2050 and Solent Economic Recovery Plan

Outlines the sub-regional approach, which focuses on survival, stability and growth. A priority theme is securing a resurgence in coastal communities (including supporting a thriving visitor and cultural economy) through harnessing new technologies and approaches that will ensure inclusive growth.

Hampshire 2050

Sets out an ambitious vision and direction of travel for Hampshire, which capitalises on its assets. Havant borough is an active partner in the Hampshire 2050 framework, which has been established to guide and contribute to the future prosperity, quality of life and protection and enhancement of the character and environment of Hampshire.

Other evidence based documents which have informed this strategy include:

Havant Infrastructure Investment Plan

Prepared by Solent LEP, this document sets out plans for a more coordinated and streamlined approach to build evidence and make the strongest case for investment.

Freeports

The 2021 Budget the Solent region as one of eight Freeports in the UK. This includes Dunsbury Park as a designated 'tax site'. Subject to the agreement of a business case, the site will benefit from incentives relating to tax, planning, regeneration, infrastructure and skills and innovation. The council will work with the Department for International Trade to provide targeted and specific trade and investment promotion support to Dunsbury and help attract and secure investment and exporters.

Annex 2:

Refreshed economic profile

The following section summarises a refreshed economic profile that has been produced for the borough, so that the strategy's strategic priorities and objectives are based on the most up to date, intelligence and evidence. The refreshed economic profile, including all the publicly available data sources used in its development, is provided as a supporting evidence document to this strategy.

Responding to population growth

- By 2030 there are projected to be over 9,000 more residents in Havant borough than there were in 2020.
- There are sites to accommodate over 10,000 new homes by 2037.
 - Housing affordability has become an increasingly acute local issue.

Around 9,000 more residents are projected to be living in Havant borough by 2030 than there were 2020. This will create fresh demand for services, jobs and housing in a borough in which job density and the employment rate are low, and claimant count unemployment is high by local standards.

There is an objectively assessed housing need of 10,433 new homes in the borough between 2016 and 2037 and sufficient sites for 10,773 homes. Housing affordability has become an increasingly acute issue for the borough, with the ratio of median house prices to median earnings for full-time worker rising from 6.8:1 in 2011 to 9.0:1 in 2021. Indeed, median residential property prices have risen faster over the period in Havant borough than in any other district/borough in the Partnership for South Hampshire area (PfSH).

Building a stronger economy

- Havant borough's economy was worth £2.66 billion in 2018, but it had lost some of its value prior to the Covid-19 pandemic.
- The manufacturing sector represents over 10% of the local employment in Havant borough and represents a significant sector specialism.
- 8% of the borough's businesses are knowledge economy businesses and there are 25 high growth businesses.

Havant borough's economy was worth £2.66 billion in 2018. It is not yet clear what the impact of the Covid-19 pandemic has been and whether any losses that there may have been are short or long-term. Prior to the

pandemic, the economy lost £300 million of value in real terms between 2012 and 2018, almost all due to the loss of two major employers in the manufacturing sector – Seagate and Pfizer.

The manufacturing sector still represents a strong sector specialism in the borough with over 10% of employment in the sector. This compares to a south east average of around 5%.

Knowledge intensive and high growth businesses will drive economic growth. There are 440 (8%) knowledge economy businesses employing 2,925 people in the borough. Nearly half (44%) of these businesses are in the IT Services sub-sector, but it has distinct knowledge economy business concentrations in Aerospace and Transport; Computing and Advanced Electronics; and Communications, although the actual number of these businesses is small.

Improving digital connectivity is key to supporting businesses and local communities in the future.

Whilst full fibre broadband coverage is below the Hampshire average, superfast broadband coverage and the mean maximum broadband download speeds are above the Hampshire averages.

Creating new and better jobs

- There are 41,000 jobs in Havant borough, but at 0.69 jobs per 16-64 year old resident, the borough has the second lowest job density of the districts/boroughs in the Partnership for South Hampshire area.
- There are concentrations of jobs in Energy, Manufacturing, Engineering, Construction, Education and Accommodation and Food Service.
- Havant borough has a large amount of retail floorspace, but it appears low value and there is a need to diversify town centre uses.

Page 14

Havant borough's economy remains quite strongly focused on the production industries and construction. Its service sector is under-developed compared with many other areas. There is niche activity around electricity supply, telecommunications, fluids, computing and electronics; and aerospace and transport.

The construction sector is highly mobile, operates very flexibly and is characterised by a high proportion of self-employment and micro-businesses. It is significant to the Havant borough economy with business concentrations across many of its subsectors. Understanding this sector and how best to support it is a key challenge for the council and its partners.

Responding to a new retail environment

- Havant borough has a high volume but low value of retail floorspace.
- There is a need to diversify town centre uses, so that they are less reliant on retail.
- Changing shopping habits has created strong demand for logistics and flexible warehouse spaces.

The quantum of comparison goods retail floorspace that was developed in Havant Town Centre exceeded the 2009 target by 14,034 sq.m, but arguably at a time when it had started to become less relevant to the economic success of town centres. The Havant Town Centre Study (2020) notes an increase in the number of lower value charity and discount stores and a reduction in food and drink uses. In 2017 18 (8.2%) ground floor units were vacant.

The borough's retail floorspace appears not to be high value and may currently fail to serve a catchment area much beyond its boundaries. Neighbouring Portsmouth is likely to be a more attractive regional retail centre and the borough's Town Centres will need to be repositioned within this context and the wider changes in retail habits. This will result in them being less reliant on retail, providing

a more diverse range of uses and promoting their own unique characters.

The changes in retail patterns is shifting demand for floorspace away from retail and towards logistics and warehousing, as on-line shopping creates greater demand for near-to-market storage space. There will need to be a flexible approach to land use allocations and employment designations, which reflects these changes.

Levelling up the borough - inequality and deprivation

- 11% of working age residents in Havant borough have no qualifications.
- 23 out of the 75 LSOAs are in the 20% most deprived local areas in England, with Education and Skills deprivation being particularly acute.
- There were 1,700 more claimant count unemployed residents in September 2021 than there had been two years earlier and at 4.5%, unemployment is amongst the highest in the PfSH area.
- There are 93.2 crimes per 1,000 residents, but in parts of Leigh Park, Waterlooville the town centre, they are over 200 per 1,000 residents.

Just under third (23 out of 75) of all the Lower level Super Output Area (LOSAs) in the borough are in the top quintile of most deprived local areas in England.

Although there are pockets of deprivation on Hayling Island and in Waterlooville, there is widespread deprivation in the Leigh Park area. This includes income, employment, health and crime deprivation, whilst employment and skills deprivation appears to be the most acute and widespread. The borough's unemployment (4.5%) is amongst the highest in the PFSH area and the employment rate (72.8%) is lower only in the Isle of Wight (71.7%) and Gosport (61.4%). A high proportion of the boroughs working age residents (11%) held no qualifications (11%).

The pandemic has also had a disproportionate impact on 16-24s. Unemployment rates among this age group is as high as 8.2% in some Leigh Park wards, compared with a borough average of 4.5%.

The Havant Healthy Borough Assessment (2018) suggests that the borough performs better than the England average on male life expectancy, hip fractures in older people, diabetes diagnoses, alcohol specific hospital stays (under 18s), alcohol related harm hospital stays, newly sexually transmitted infections, and new cases of tuberculosis. However, it performs worse than the England average on hospital stays for self-harm,

dementia diagnoses, smoking prevalence in adults, children living in low income families, GCSE achievement and violent crime.

Economies for Healthier Lives – Leigh Park report, No-one Left Behind – Closing the Opportunity, Attainment and Health Gap for Young People in Leigh Park (2021) suggests that life expectancy in this ward is ten years less than in other parts of Havant borough; good child development is much less widespread; childhood obesity and smoking rates are high; and that unemployment in February 2020 was more than double (9.4%) the then Havant borough rate (4.3%).

Between September 2020 and August 2021 there were 11,064 crimes in Havant borough. This is 93.2 crimes per 1,000 residents and is higher than in all of other PFSH areas, apart from Portsmouth and Southampton. Some areas within the borough have much higher crime rates than others. Parts of Leigh Park, Waterlooville and Havant town centre all had crime rates above 200 per 1,000 residents.

Capitalising on the natural environment

- Hayling Island is a key asset for the borough to support sustainable tourism and provide opportunities to promote active lifestyles.

Havant borough is located on the Solent coastline, incorporating Langstone Harbour and Hayling Island. The borough's tourism industry supports around 4,600 jobs and Hayling Island offers a combination of an unspoilt natural environment, opportunities for active leisure pursuits and family holiday and leisure facilities. As with many holiday destinations much of the employment is seasonal and unemployment on the island is above the borough average.

Annex 3:

Havant Regeneration and Economy Strategy

High Level (Indicative) Delivery Plan

This high-level delivery plan provides an indicative outline of where the council's primary focus will be to deliver the outcomes and objectives of the Havant Regeneration and Economy Strategy (2022 to 2036). More detailed programme management documentation will be developed and managed in accordance with normal council practices and through the new proposed Strategic Partnership. The proposed projects/initiatives set out below are likely to form part of the early phase of the programme, however more detailed consideration will be given to prioritisation, phasing and delivery timescales and funding availability.

Page 116



Theme 1: Sustainable Places

Outcome: Creating sustainable places and infrastructure to drive balance economic growth and develop a more resilient, inclusive and adaptable economy.

Objectives	Deliverables
1.1 Transform Havant Town Centre into a thriving place to live, work and invest.	<ul style="list-style-type: none"> • Plaza campus opportunity area – including Plaza East. • Bulbeck Road redevelopment. • Access and Public Realm package. • Meridian Centre. • Market Parade.
1.2 Create an exciting and modern seafront destination at Hayling Island.	<ul style="list-style-type: none"> • Ambition framework document and delivery programme. • New Seafront Strategy development. • New branding approach.
1.3 Address inequalities by tackling the economic and social challenges facing Leigh Park.	<ul style="list-style-type: none"> • Economies for Healthier Lives Programme. • Youth (skills) Hub. • Leigh Park Regeneration Plan development. • Freeport (Dunsbury) Programme.

Objectives	Deliverables
1.4 Regenerate Waterlooville into a vibrant and inclusive town centre.	<ul style="list-style-type: none"> • Engagement with key landowners/ businesses. • Strategic partnership development. • Levelling-up Fund bid scope and preparation. • Waterlooville Regeneration Plan development.
1.5 Promote infrastructure that supports a strong economy and connected communities.	<ul style="list-style-type: none"> • Havant Thicket • Havant Town Centre Active Travel packages including Town Centre and Warblington footbridges. • Hayling Billy Trail.
1.6 Accelerate the delivery new homes with a mix of tenures to support local needs for all generations.	<ul style="list-style-type: none"> • Housing led schemes including Havant Town Centre projects. • Alignment to emerging Housing Strategies and Local Plan objectives.

Theme 2: Successful People

Outcome: Developing higher-level skills demanded by our local employers, especially in new STEM and digital, advanced engineering and low carbon sectors, to ensure local residents, particularly young people, have the opportunity to secure good quality local jobs.

Objectives	Deliverables
2.1 Improve the employability of young people.	<ul style="list-style-type: none"> • Link Up Leigh Park (Economies for Healthier Lives). • DWP Youth Hub (Leigh Park). • Kickstart Programme. • Job Fairs. • Get Havant Working Programme.
2.2 Ensure that all our residents have the skills to succeed in work.	<ul style="list-style-type: none"> • Get Havant Working Programme. • Freeports – Skills Innovation Centre. • Apprenticeship programmes.
2.3 Tackle poverty and exclusion particularly through addressing barriers to employment.	<ul style="list-style-type: none"> • Link Up Leigh Park (Economies for Healthier Lives). • Partnership Programme.

Theme 3: Better Business

Outcome: Supported and thriving businesses, which have opportunities to grow and actively promote Havant borough as a place for new investment and business.

Objectives	Deliverables
3.1 Ensure the provision of an adequate supply of business space for growth.	<ul style="list-style-type: none"> • Strategic site development support. • Incubation/start up space initiatives. • Freeports (Dunsbury) Programme.
3.2 Promote Havant borough's assets, ambitions and potential as a business destination of choice to secure appropriate new inward investment.	<ul style="list-style-type: none"> • Inward Investment campaign. • Havant Business Partnership. • Promotion of visitor and cultural economies.
3.3 Encourage entrepreneurship and business start-up.	<ul style="list-style-type: none"> • Rebel Business School.
3.4 Facilitate the delivery of good quality strategic employment sites in key locations that meet the local and regional need.	<ul style="list-style-type: none"> • Strategic site development support programme. • Freeports (Dunsbury) Programme.
3.5 Ensure the delivery of appropriate business and economic infrastructure.	<ul style="list-style-type: none"> • Havant Town Centre access and public realm package. • Havant Infrastructure Investment Plan.

Supporting themes

Finance and funding

Outcome: Financially sustainable places with opportunities created to lever in public and private sector funding for the benefit of the place, its residents and its businesses.

Objectives:

- Develop detailed funding plan to support the delivery programme.
- Develop the evidence base for key regeneration sites and major infrastructure projects so that it is well-placed to respond to major funding programmes .
- Continue to build strong relationships with other stakeholders and public agencies to ensure that the best opportunities for funding and other implementation opportunities are achieved.
- Continue to work with private sector developers and investors to secure inward investment for the borough and bring forward key regeneration sites at pace.
- Develop and deliver a pipeline of new economic infrastructure projects in line with the Havant Investment and Infrastructure Plan, including active travel and public realm improvements.
- Bid for resources to secure funding from national and regional public investment opportunities.
- Explore and where appropriate seek to establishing income generation models.

Page 119

Partnerships and governance

Outcome: A new partnership model to deliver the regeneration ambition, facilitating, influencing and, where appropriate, directly intervening to address the range of new challenges and opportunities identified in the strategy, supported by clear and robust decision-making.

Objectives:

- Creation of new partnerships with a range of stakeholders.
- Establishment of a new partnership model.
- Clear, robust and transparent decision-making.

Engagement, consultation and communications

Outcome: Engagement, involvement, participation and consultation with a wide range of stakeholders, including strategic partners, residents, community and business organisations, supported by a positive, pro-active and creative communications approach.

Objectives

- Develop and implement a new approach to stakeholder engagement and consultation alongside a positive and proactive communications approach.

Climate change and environment

Outcome: Alignment of regeneration and economy programme to support the objectives of the Climate Change and Environment Strategy (2020):

- Reducing carbon emissions to Net Zero before 2050.
- Protecting and enhancing our natural environment.

Objectives

Delivery programme to be designed, where appropriate, to prioritise projects which align to and support the objectives of the Climate Change and Environment Strategy.

- Seek out opportunities to work with businesses and partners to build a low carbon economy.
- Promote excellence in work / life balance in the borough.
- Develop projects that protect and enhance the natural environment, through high quality design, active travel and promoting green infrastructure and open spaces.

NON EXEMPT

HAVANT BOROUGH COUNCIL

COUNCIL

16 March 2022

Freeports Programme – Update in respect of the Memorandum of Understanding (MOU) and Full Business Case (FBC)

FOR DECISION

Cabinet Lead: Cllr Narinder Bains, Deputy Leader and Cabinet Lead for Community Safety and Organisational Development

Key Decision: NO

Report Number: HBC/033/2022

1 Purpose

- 1.1 In March 2021, the Solent Freeport was announced in the budget as one of eight Freeports shortlisted by Government. The Solent Freeport includes the Dunsbury Park site, which is one of the Havant's key strategic employment sites. Its inclusion in the Freeports Programme presents an exciting opportunity to further economic growth of the borough. Subject to the approval of a Full Business Case by Government, the Solent Freeport will be confirmed in the summer, with the Freeport becoming operational later this year.
- 1.2 This report was submitted to Cabinet on 07 March 2022 to provide an update on the programme and to highlight the opportunities for Havant borough. Delegations were sought to enable formal sign off in respect of the Full Business Case and Memorandum of Understanding (MOU), which will form part of the formal submission to central Government.

2 Recommendation

- 2.1 Council is recommended to:
 - 2.1.1 Note the update in respect of the development of the Solent Freeport Programme and with regard to the opportunities for Havant borough.
 - 2.1.2 Note the update on progression of the Full Business Case (FBC).
 - 2.1.3 Note the update on progression of the Memorandum of Understanding (MoU).

3 Executive Summary

- 3.1 The Solent Freeport was announced by Government in the budget in March 2021 and includes the Dunsbury Park site, which is one of the Havant's key strategic employment sites.
- 3.2 The aim of a Freeport is to create jobs, generate investment and deliver a range of high value opportunities for the local area, while generating national benefits through trade and innovation. Dunsbury Park sits within Havant Borough and the Council has a key role to play as both rating and planning authority as well as ensuring the Freeport delivers real benefits for its residents and businesses.
- 3.3 The Government process to formally designate a Freeport requires significant upfront work by the partners and there is now a requirement for a Full Business Case (FBC) to be submitted in April 2021. A formal decision by Government is then expected in the summer, with the Solent Freeport becoming operational by the end of the year. The Council will be required to approve the FBC prior to submission to Government.
- 3.4 In parallel, there is a requirement for the Council to sign off a Memorandum of Understanding (MOU) to enable agreement to be reached on how any uplift in business rates generated will be managed, to include details of any pooling arrangements.

4 Additional Budgetary Implications

- 4.1 None. Financial implications considered in section 7.

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

Background

- 5.1 The Freeports Programme is one of the Government's flagship initiatives, forming part of its Levelling Up package, established to support the UK's post-Covid and post Brexit economic recovery.
- 5.2 The overarching aim of a Freeport is to bring jobs, investment and high value opportunities to some of the Country's most deprived communities, while at the same time generating national benefits through trade and innovation.
- 5.3 In November 2020 HM Government formally launched the bidding process for Freeports in England. This prospectus set out the objectives of the Freeport policy, which are threefold:
 - Establish Freeports as national hubs for **global trade and investment** across the UK – bringing new investment into the surrounding region and

increase trade through generating trade growth and enable trade processes to become easier and more efficient.

- Promote **regeneration and job creation** – leveraging ideas and investment from the private sector to deliver jobs, sustainable economic growth and regeneration in the areas which need it most.
- Create **hotbeds for innovation** – leveraging both public and private investment in R&D to develop and trial new ideas and technologies in and around the Freeport.

5.4 In the March 2021 Budget, the Chancellor announced that the Solent Freeport bid was one of eight shortlisted by the HM Government, marking the start of the Freeport designation process for the Solent region, and alongside the other seven English Freeports, the Solent has been working through the business case approvals process ever since.

5.5 The Solent Freeport Programme is being led by the Solent Local Enterprise Partner (LEP) alongside a partnership of local authorities and private sector organisations. Governance and working arrangements were established early on in the process to ensure clear, robust and fair decision-making.

5.6 Designated Freeports offer a number of policy levers, including:

- a) **Tax sites** - giving businesses operating within them access to certain tax benefits i.e. enhanced Capital Allowances, enhanced Structures and Buildings Allowance, Stamp Duty Land Tax reliefs, Employers National Insurance Contribution relief, and Business rate relief
- b) **Customs sites** - giving businesses tariff benefits for non-GB goods imported into them
- c) **Retained business rates** - allowing local authorities to retain the growth in non-domestic rating income in Freeport tax sites for 25 years, which are expected to be used to reinvest in supporting Freeport objectives
- d) **Seed capital funding** - up to £25m to kick-start delivery of Freeport objectives.

5.7 The Council will agree a Freeport rate relief policy to encourage new occupiers that will meet the objectives of the Freeport. The policy is likely to be drafted with the other rating authorities to ensure consistency and to minimise displacement from one area to another to gain reliefs.

5.8 Dunsbury Park is one of four Tax Sites forming part of the Solent Freeport proposition, alongside four Customs sites – see table 1 below.

Table 1. Solent Freeport tax and customs sites

Local Authority	Tax site	Customs site
Havant Borough Council	(1) Dunsbury Park	
New Forest District Council	(2) Southampton Water, including: <ul style="list-style-type: none"> • Marchwood Port • ABP Strategic Land Reserve • ExxonMobil • Fawley Waterside 	(1) Marchwood Port (2) Strategic Land Reserve
Southampton City Council	(2) Southampton Water, including: <ul style="list-style-type: none"> • Redbridge 	(3) Redbridge / DP World Terminal <i>(not to be taken forward as part of first wave of Customs sites)</i>
Eastleigh Borough Council	(3) Navigator Quarter	
Portsmouth		(4) Portsmouth International Port /Portico

5.9 Dunsbury Park is a local and sub-regionally important business gateway owned by Portsmouth City Council but sits within Havant Borough, with the Council being the relevant ratings and planning authority. The site is currently underdeveloped, yet strategically located on the A3(M) and provides a gateway to trade flows through Portsmouth International Port, Port of Southampton and Marchwood Port. It is purpose-built, with enabling infrastructure in place and existing planning permission to develop 665,000sqft of warehouse, manufacturing and office space and will provide a large number of high quality jobs in close proximity to Leigh Park, one of the most deprived areas in the Borough and in Hampshire.

Freeport designation process

5.10 In order for a Freeport to be considered formally designated it will require:

- i. Government approval of Outline Business Case (OBC) and Full Business Case (FBC) – ‘the Business Case Process’
- ii. Government approval of proposed tax sites – ‘the Tax Site Process’
- iii. Government approval of proposed customs sites – ‘the Customs Site Process’

5.11 Appendix 1 sets out details about the process and provides a timeline of the delegation process.

5.12 The Outline Business Case (OBC) was submitted to central Government in July 2021. Following feedback, it was revised and re-submitted with amendments to Government in October 2021. It was approved by Government in February 2022.

- 5.13 In February 2022, the Council entered into a Site Specific Agreement (SSA) between the Borough Council, Portsmouth City Council and the Solent Freeports Consortium limited. The purpose of this Agreement is to set out the high level principles as to how the Owner (Portsmouth City Council), the Rating Authority (Havant Borough Council) and the Freeport Company will work together with a view to achieving the Freeport Objectives once Tax Site Designation has been granted. The completion of that agreement will enable Dunsbury Park to be formally designated as a freeport tax site and benefit from the HMRC led incentives as part of the Solent Freeport Programme.
- 5.14 The Full Business Case is currently in a draft form and due to be submitted to Government by 15th April 2022. The primary purpose of the FBC is to ensure that prospective Freeports have duly considered all of the factors critical to successful delivery of a Freeport. However, it is also the mechanism through which prospective Freeports must provide final assurance to the Government that public funds granted to the Freeport will be effectively managed.
- 5.15 In tandem with the Full Business Case, ratings authorities will be required to agree to a Memorandum of Understanding (MoU) on the matter of business rates retention. This agreement sets out the terms by which Ratings Authorities will manage the growth/uplift in Business Rates generated by the designated tax sites within the Solent Freeport, to achieve the aims and objectives of the Freeport as set out by HM Government. This includes potential pooling of the rate receipts, funding criteria and the strategy for re-investment in the Solent area.
- 5.16 A baseline will need to be agreed, which should reflect the buildings currently in occupation at Dunsbury that fall inside the designated Freeport area (as shown in appendix 2). Those existing properties at Dunsbury which do not fall within the designated Freeport area, will continue to pay business rates direct to the Council and will be accounted for in the normal way i.e. shares to central government, Borough and County. Any growth (additionality) would be pooled, although this is still in discussion with s151 officers.

Potential benefits and opportunities

- 5.17 It is hoped that the Freeports Programme will deliver a wide range of both fiscal and economic benefits for Havant Borough and the wider region.
- 5.18 In terms of fiscal benefits, businesses locating at the Dunsbury Park tax site will receive;
- a. Stamp Duty land tax relief
 - b. Enhanced capital allowances
 - c. Enhanced structures and buildings allowances
 - d. National insurance contribution rate relief
 - e. Business rate relief.
- 5.19 Generally the tax incentives would apply until September 2026.

5.20 It is estimated that the policy levers available through Freeport designation will deliver significant benefits to the region, including:

- Leveraging c£1.6 billion in private sector investment on Solent Tax Site, based on active discussions with private firms looking to invest in new manufacturing and port based operations and infrastructure, with this being enabled principally by an estimated **c£225m tax benefits to the private sector**, through a combination of accelerated tax reliefs on new investment, centrally funded business rate reliefs, lower employer national insurance payments on new employees and savings in stamp duty;
- **Providing significant, additional funds** through pooled retained business rates, to deliver supporting infrastructure, innovation, skills, and a steppingstone to net zero programmes. These new funds are generated by an Enterprise Zone type arrangement on the Solent's tax sites, with the revenues being pooled for deployment across the wider Solent freeport area. As with Enterprise Zones, these revenues are dependent on the Tax Sites attracting new investment and thus generating business rate revenues. Based on the private interest in Tax Sites to date, the estimated pooled business rate revenue potential currently stands at some £570m (estimated and to be reviewed) over 25 years
- **Delivering increased port capacity** and throughput of international trade through the region's key ports.

5.21 Collectively, this is expected to deliver a significant number of jobs both in the Solent and wider UK economy. The Solent LEP commissioned an economic impact assessment which estimated around 28,000 jobs over 25 years and £2.0 billion GVA would be generated directly in the Solent as a result of the Freeports activity. Table 2 below sets out a summary in respect of the estimated jobs, with a forecasted 3,500 potential additional jobs associated with Dunsbury Park. More detailed work will be required to consider this as the programme develops.

Table 2. Estimated job impacts from Solent Freeport (thousands) from the original bid

	Local Authority	Direct jobs	Indirect jobs	Total
	Havant BC			
Dunsbury Park		1.7	1.8	3.5
	Eastleigh BC			
Navigator Quarter		3.2	3.3	6.5
Southampton Water - total		23.4	23.2	46.7
<i>Southampton Water - SCC</i>	<i>Southampton CC</i>	1.8	1.7	3.5
<i>Southampton Water - NFDC</i>	<i>New Forest DC</i>	21.7	21.5	43.2
Total		28.4	28.3	56.7

- 5.22 It is not envisaged that the Tax Site will require the use of simplified powers such as a Local Development Order, because the site is in public ownership (owned by Portsmouth City Council). In addition, there are no land assembly issues, the majority of the site already benefits outline planning permission and the adopted Local Plan clearly supports the principle of employment development in this location.

Opportunities for Havant Borough

- 5.23 Havant Borough is already a significant advanced manufacturing and engineering base. It is hoped that the Freeports Programme will provide new employment opportunities. increase skills and talent amongst local residents and support the broader regeneration ambition for the borough.
- 5.24 Dunsbury Park has the potential to be a unique centre for Small, Medium Enterprise (SME) growth. It will be a key centre for innovation & upskilling in growth industries giving SMEs the opportunity to work together and to grow their business. The fiscal incentives offered by tax site status will encourage investment by advanced manufacturing companies, replacing lower productivity, lower wage employment (e.g. in warehousing and logistics) with higher productivity and higher wage employment opportunities for the local labour force.
- 5.25 Dunsbury Park (previously Dunsbury Hill Farm) is identified as a key strategic employment site for the Borough and the wider sub-region in the adopted Local Plan (Core Strategy) 2011. The site benefits from outline planning permission reference APP/12/00338 for 61,779 square metres of employment floorspace plus a hotel with conference facilities comprising 5,574 sq. m on Phases 1 and 2. There is potential for the site to accommodate at least a further 15,000 sq. m on Phase 2, as the quantum of development envisaged by the outline consent can now be entirely delivered within Phase 1.
- 5.26 Further land to the north identified in the draft FBC could provide potential expansion subject to appropriate suitability being shown.
- 5.27 There is a key opportunity to develop a Skills & Innovation Centre as a priority capital investment as part of the Freeport. An outline proposal for a 30,000 sq ft innovation, educational and skills centre has been developed as a potential Freeport project to be located at Dunsbury Park. This has been included in the investment pipeline for future 'Seed Capital' funding from Government and will be part of the Full Business Case submission. The centre can potentially play a key role in enabling local residents to take up future employment opportunities at Dunsbury in high value sectors (e.g.: advanced manufacturing & engineering).
- 5.28 The adjoining Leigh Park area is within the 10% most deprived communities nationally and has some with very specific challenges relating to socio-

economic deprivation and unemployment. The Freeport will enable these challenges to be directly addressed, ensuring local residents within Leigh Park have greater opportunity to access sustainable employment and training opportunities through a range of practical policy measures. This includes but not limited to

- Apprenticeships
- Work placements
- Targeted recruitment through the local job centre
- Employability training
- Coaching and mentoring
- Guaranteed interviews for local residents
- Work experience
- Educational outreach.

5.29 Through the construction phase, this will be delivered through local employment and training agreements and through the occupancy phase, as a condition of the tax incentives offered to occupiers.

5.30 This complements other regeneration activity through which the Borough Council is working with partners to address economic and health related inequalities in Leigh Park. This includes the Link Up Leigh Park Programme (also known as Economies for Healthier Lives). This is a programme funded by the Health Foundation's to provide additional capacity to support young people into work and improve health outcomes locally.

5.31 Collectively across the Solent region it is hoped that the Freeports Programme will generate a socio-economic dividend that will support the levelling up of coastal communities across the Solent, address a number of identified market failures and long-standing structural challenges, and strengthen the Solent's contribution to the UK's path to Net Zero. It will also ensure the Solent continues to perform a critical role contributing to national ambitions for a global Britain.

Relationship to strategy

5.32 Havant Borough Council's role in the Freeports Programme aligns strongly with the following themes as set out in Corporate Strategy 2022-25:

- **Theme 1 - An environmentally aware and cleaner Borough:** the programme will align to aspirations for a cleaner, greener borough with projects targeting low or zero carbon where appropriate.
- **Theme 2 - A safe environment, healthier and more active residents:** the programme and projects will seek to support positive place-making.
- **Theme 3 - A thriving local economy:** the programme will help to drive forward economic growth and supporting a thriving and prosperous economy.

- **Theme 4: A revitalised borough with infrastructure that meets our ambitions** – the programme and projects will seek to deliver infrastructure that will support a growing economy.
- **Theme 5: A responsive and commercial Council:** the programme will seek to support the Council's Financial Strategy through the range of fiscal benefits.

5.33 The designation of Dunsbury Park as a Tax Site will support the delivery of the Borough's largest employment allocation in the adopted Local Plan. The new business development will consolidate and reinforce the Borough's reputation as a centre for high technology and advanced manufacturing. The Tax Site designation will reinforce Dunsbury Park as a key employment hub.

5.34 The Freeport Programme will directly support a number of the priorities and objectives in the refreshed Regeneration Strategy, to be known as the Regeneration & Economy Strategy. Shaped around the three key themes of Successful People, Sustainable Places and Better Business, the Strategy highlights the potential of the Freeports Programme to support delivery of a range of outcomes, with specific reference to enhancements of skills opportunities for Leigh Park residents.

5.35 The Freeport Programme will support the ambitions and priorities set out in the Council's recently adopted Climate Change and Environment Strategy, including promotion of opportunities for innovative green industries and scope to deliver a range of net zero initiatives.

6 Options Considered

6.1 There are two specific options considered in relation to Council involvement in Freeport programme;

6.11 Participate in the Freeport programme – this is deemed to be the preferred way forward given the opportunity for the Borough to actively participate in a flagship Government initiative. The principal rationale being the opportunity to address local need and bring significant economic benefits in terms of local employment opportunities, increased trade, innovation and new investment to the Borough.

6.12 Not participate in the Freeport programme – this is not considered the preferred option as effectively the Borough would forego the economic and fiscal opportunities identified in this report. This would also potentially undermine the areas standing within the Solent economic sub-region and the ability for the Borough to attract investment from Government in the context of the Levelling Up agenda and associated funding streams.

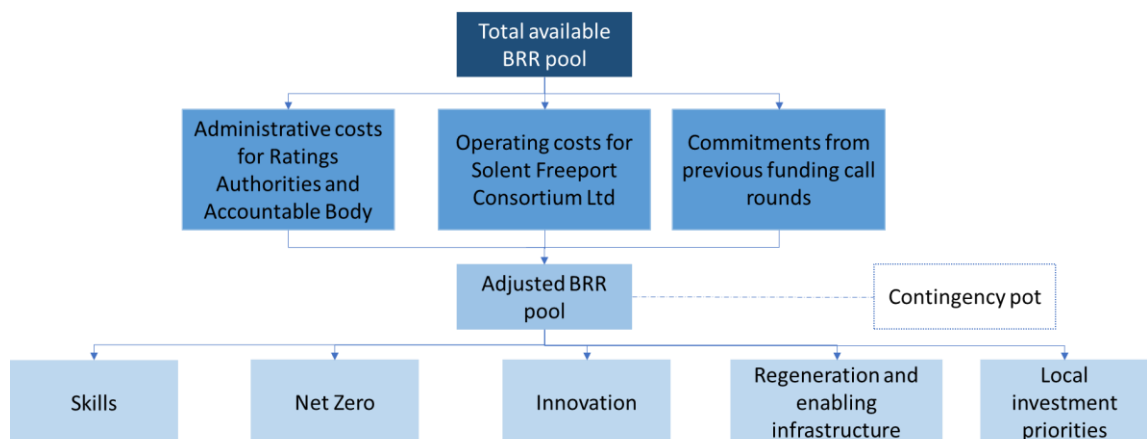
7 Resource Implications

Financial Implications

- 7.1 There will be a wide range of financial implications associated with the Freeports Programme. The intention of the programme is to create a range of fiscal benefits, generate financial uplift through increased retained business rates and to encourage inward investment.
- 7.2 Full details of how that will be structured and what financial liability or obligations will be included in the Full business case. The main financial area to consider are as follow:
- 7.3 To note in all cases these are current understanding, and we are currently confirming with KPMG. The updated draft MOU will be available the week commencing 7 March 2022.

Councils obligations of funding

- 7.4 Our current understanding is that once the Freeport is formed any additional set up costs incurred by the Council for the freeport, such as software etc, would be re-imbursed by the Freeport from retained business rates.



Pooling arrangements

- 7.5 The high-level estimates in the MOU show that over 25 years the estimate is for approx. £80 million pooling. These are under current assumptions and assume most sites are let with 10 year contracts, throughout the period.
- 7.6 These assumptions for growth, only cover the current planning permission area and not any future expansions
- 7.7 Havant Borough Council will continue to receive payments for baseline properties on site when the Freeports area come live. The current baseline estimate is this will be for one property. Those existing properties at Dunsbury which do not fall within the designated Freeport area (three), will continue to

pay business rates direct to the Council and will be accounted for in the normal way ie shares to central government, Borough and County. Any additionality i.e., growth, will be pooled.

- 7.8 For new properties and extensions to existing buildings, a business rate relief of 100% will be available to give up to 5-years to qualifying businesses. Compensation for this relief will be given by additional s31 grant from the Government, which would be pooled. After rate relief comes to end 100% of the additionality collected will be passed to the freeport
- 7.9 Full details of breakdown of current estimates are included in the MOU and below.

Tax site	Rating Authority	Estimated BRR over 25 years (£m)	Hectares	£m BRR per ha
Dunsbury Industrial Park	Havant	81	47	1.7
Navigator Quarter	Eastleigh	134	50	2.7
Southampton Water	SCC/NFDC	446	333	1.3
Southampton Water - SCC	Southampton	30	30	1.0
Southampton Water - NFDC	New Forest	416	303	1.4
Total		661	460	1.4

Future Borrowing

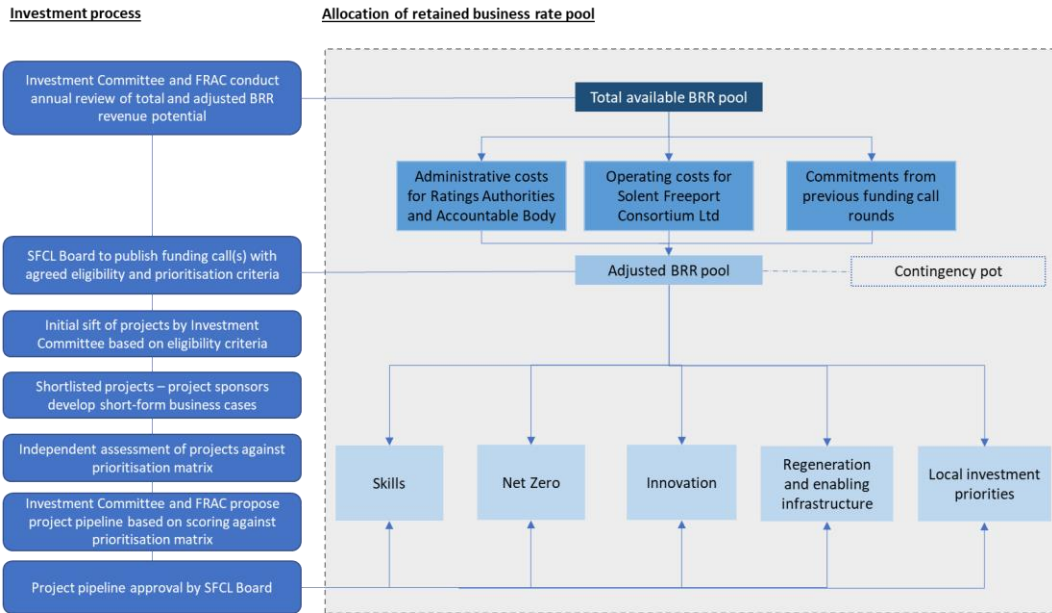
- 7.10 Portsmouth City Council is the administering authority and have taken on responsibly for any future borrowing for capital project, which will be financed by the pooled retained business rates

Local investment fund

- 7.11 As part of the current set up of the Freeport area, the Councils involved are requesting for some retained business rates. This will be dependent on MOU and other assumptions and central government agreement

Investment Board

- 7.12 The Freeport will set up an investment board to determine how the monies generated through retained rates will be spent. Havant BC will have a member on this board. Future bids for moneys forward from the Freeport will go via the investment board, which will look at all bids submitted across the Freeport area.



7.13 Agreeing to the MOU will enable the Council to be party to future agreements about the pooling and management of any business rates uplift. It will be important that any agreement reached reflects a fair and equitable process and delivers the best outcomes to our residents and businesses.

Matthew Tiller, Deputy s151

Section 151 Officer comments

Date: 1.3.22

Financial information is include in report. Further details will be included in the MOU and FBC

Human Resources Implications

7.14 Appropriate resources will need to be identified to ensure the Council can be fully represented in the Solent Freeport programme and to promote the interests of its residents and businesses. This will be required cross service involvement including form finance, legal, regeneration & economy development, revenues & benefits, planning and communications.

7.15 Appropriate resourcing structures and working arrangements will be put in place to reflect the requirements at each stage of the programme delivery. Alignment to existing workstreams will ensure efficiency and deliver better outcomes.

Information Governance Implications

- 7.16 None arising from this report. Information Governance will be considered at detailed project level and managed appropriately and in accordance with regulations and guidelines.

Other resource implications

Monitoring Officer comments

Date: 1 March 2022

The Government wants to level up the UK by ensuring that towns, cities, and regions can benefit from the opportunities that leaving the EU brings. One major policy initiative is the formation of a number of new Freeports. In a Havant context it's intended that this will attract inward investment and generate employment opportunities, this being in alignment with themes outlined within the Corporate Strategy.

Government intends to offer up to full relief from business rates on certain business premises within these tax sites and will therefore have allocated capacity funding to support the development of the business cases to Portsmouth City Council as the lead authority. There is no Council budget allocated to the Freeport project and if any financial decisions are required then they will need to be undertaken in accordance with the Budget and Policy Framework and Financial Procedure Rules.

The impact of this Report is not to commit the Council financially; further reports being required and if resources are required. Any additional reports will set out any further financial implications.

As there could be a risk of key milestones being missed if decisions are taken solely around the Cabinet cycle, it's proposed that certain delegations to the Chief Executive be approved in order to eliminate this risk.

Mark Watkins, DMO

- 7.17 None identified.

8 Legal Implications

- 8.1 Freeports were established under the Finance Act 2021 but Freeport designation will be achieved under secondary legislation and we currently await Dunsbury Park's designation as a tax site.
- 8.2 Central Government required a formal agreement to govern how Dunsbury Park would operate as a tax site and the Site Specific Agreement (SSA) achieves this by placing obligations on the landowner to use 'best

endeavours' to use the land in line with the Freeport objectives and those obligations are in turn will be passed on to end users of Dunsbury Park.

- 8.3 The MoU, mentioned above, is currently in draft form and will require further legal input to assist officers in mitigating any risks to the Council.
Andrew Kinghorn (Contracts Lawyer) 16 February 2022

9 Risks

- 9.1 It is recognised that there will inevitably be a series of risks associated with the Freeports Programme and some of these may have a direct impact on the Borough Council. These are likely to fall into the following categories.

- Financial – risk of budget overspends and financial impact on Council.
- Legal – any legal risks arising from contractual obligations or liabilities.
- Quality – risks associated with non-delivery of objectives of the programme and lack of quality.
- Reputational – risk to the Council's in terms of relationships and reputation.

- 9.2 These risks will be identified and considered in detail at programme level. Risk registers will be created as part of the programme management documentation and monitored in accordance with best practice to ensure risks are appropriately managed.

10 Consultation

- 10.1 Engagement and consultation has been undertaken with the wide range of key partners and stakeholders within the wider Solent Freeport partnership, including the relevant local authorities and private sector partners.
- 10.2 Engagement has taken place with key business and a number of strategic employers through the Havant Business Partnership Forum.
- 10.3 Moving forward, engagement and consultation will remain important to ensure stakeholder buy-in and to get the best outcomes for local business and community. This will be considered further within the delivery programme.

11 Communication

- 11.1 Communications in respect of the wider programme are currently being managed centrally by the Solent LEP. The Borough Council's communications team play an active role and represent the borough's interests and ensure effective coordination with wider activity.
- 11.2 A Solent Freeport [website](#) has been developed and is currently managed by the LEP. Work is also underway to enhance the Dunsbury Park [website](#), hosted by Portsmouth City Council.

11.3 A robust and effective communication strategy will remain an important feature of the programme. Effective promotion of the inward investment opportunities for potential occupiers or Dunsbury and in respect of the supply chain, will also remain critical to ensure successful outcomes.

12 Appendices

Appendix 1 – Solent Freeport Designation Process
Appendix 2 – Plan of Freeport Tax site

13 Background Papers

None

Agreed and signed off by:

Monitoring Officer: 1 March 2022
S151 Officer: 28 February 2022
Director: 28 February 2022
Portfolio Holder: 28 February 2022

Contact Officer: Clare Chester
Job Title: Head of Regeneration, Economy & Assets
Telephone: 01730 234353
E-Mail: clare.chester@easthants.gov.uk

This page is intentionally left blank

Appendix 1 – Solent Freeport Designation Process

(source – Solent LEP)

The Business case process

- 1.1 The business case process is led by the Department of Levelling Up, Housing and Communities (DLUHC). The purpose of the business case process is to enable prospective Freeports to fully consider all factors that are critical to the successful delivery of a Freeport, and assure Government that public funding both directly (such as seed capital funding) and indirectly (such as forgone tax revenue) delivers value for money.
- 1.2 The focus of the OBC was on the overarching strategic vision for the Freeport as a whole, including how the Freeport levers will be used to address longstanding challenges in the region, and was a critical stepping-stone to the approval of the Solent's proposed Tax Sites, which is expected this month. The other critical stepping-stone is the agreement of a series of Site-Specific Agreements between the Freeport Company the Solent has established to deliver the Freeport, the landowners of each of the Tax Sites, and the relevant Local Authority. These agreements are designed to ensure that activity on Solent Tax Sites delivers genuinely additional growth and employment for the Solent and that those investing in these sites are fully engaged in the Freeport's supporting skills, innovation, and net zero programmes. These agreements are now ready for signature, once the OBC has been approved.
- 1.3 The FBC involves adding further detail to the vision set out in the OBC, particularly regarding the use of seed capital funding and retained business rates, alongside refining the content of the OBC in line with government feedback.
- 1.4 As set out in Figure 1, the OBC is expected to be approved by DLUHC by the end of February 2022. This will allow the Solent Freeport to submit a FBC by 8 April 2022 (ahead of the formal deadline of 15 April) and proceed with tax site designation.¹ Approval of the FBC (which may take 6 weeks from submission) will lead to the Solent signing a series of Memorandums of Understanding (MoUs) with Government on how the Freeport will operate, which in turn will unlock the central funding for business rates reliefs on Tax Sites; retained business rates from those sites for 25 years; and the £25m of Seed Capital funding.

¹ Tax sites are designated via secondary legislation

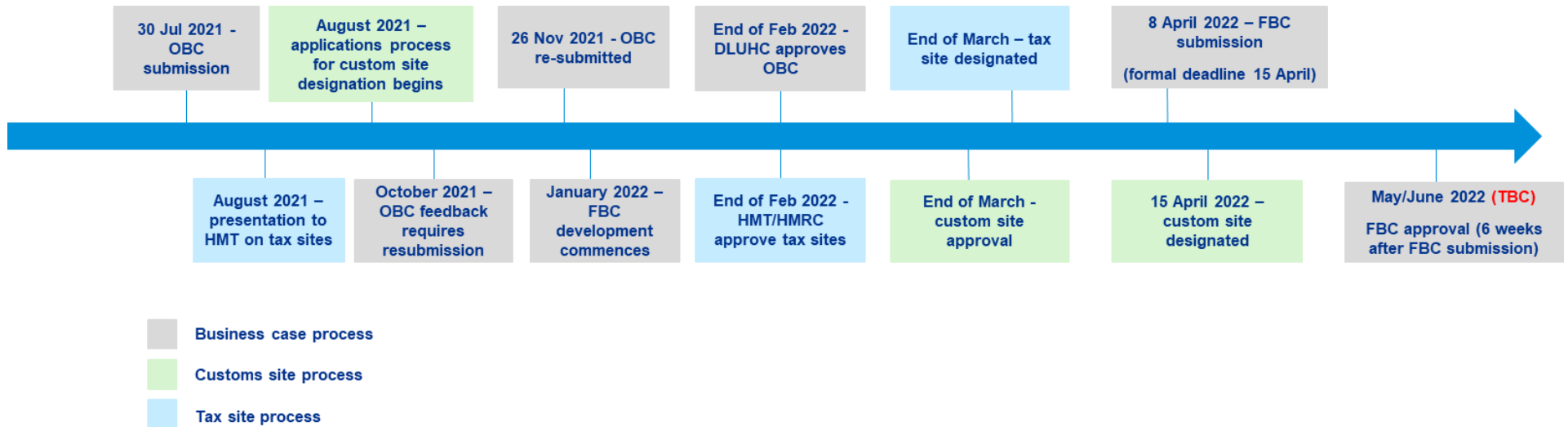
2 Tax site process

- 2.1 The tax site process is led by the HM Treasury (HMT), and its purpose is to verify that prospective Freeports' proposed tax sites adhere to the criteria set out in the Bidding Prospectus, in terms of both physical size and shape and potential to meet the policy objectives. This is important to ensure that the selected tax sites maximise the benefits of the Freeport whilst minimising any deadweight or displacement and the case provided by prospective Freeports will help the Government and Freeport governing bodies evidence the value of the policy. As noted above, the Solent is using Site Specific Agreements with landowners to mitigate risks in this area. Subject to approval by HMT by the end of February, approval of the OBC by DLUHC, and signature of the Site Agreements, it is expected tax sites will be designated by the end of March.

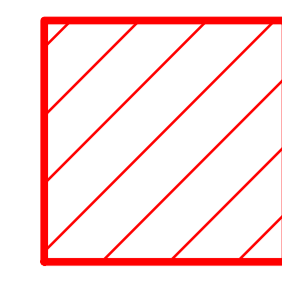
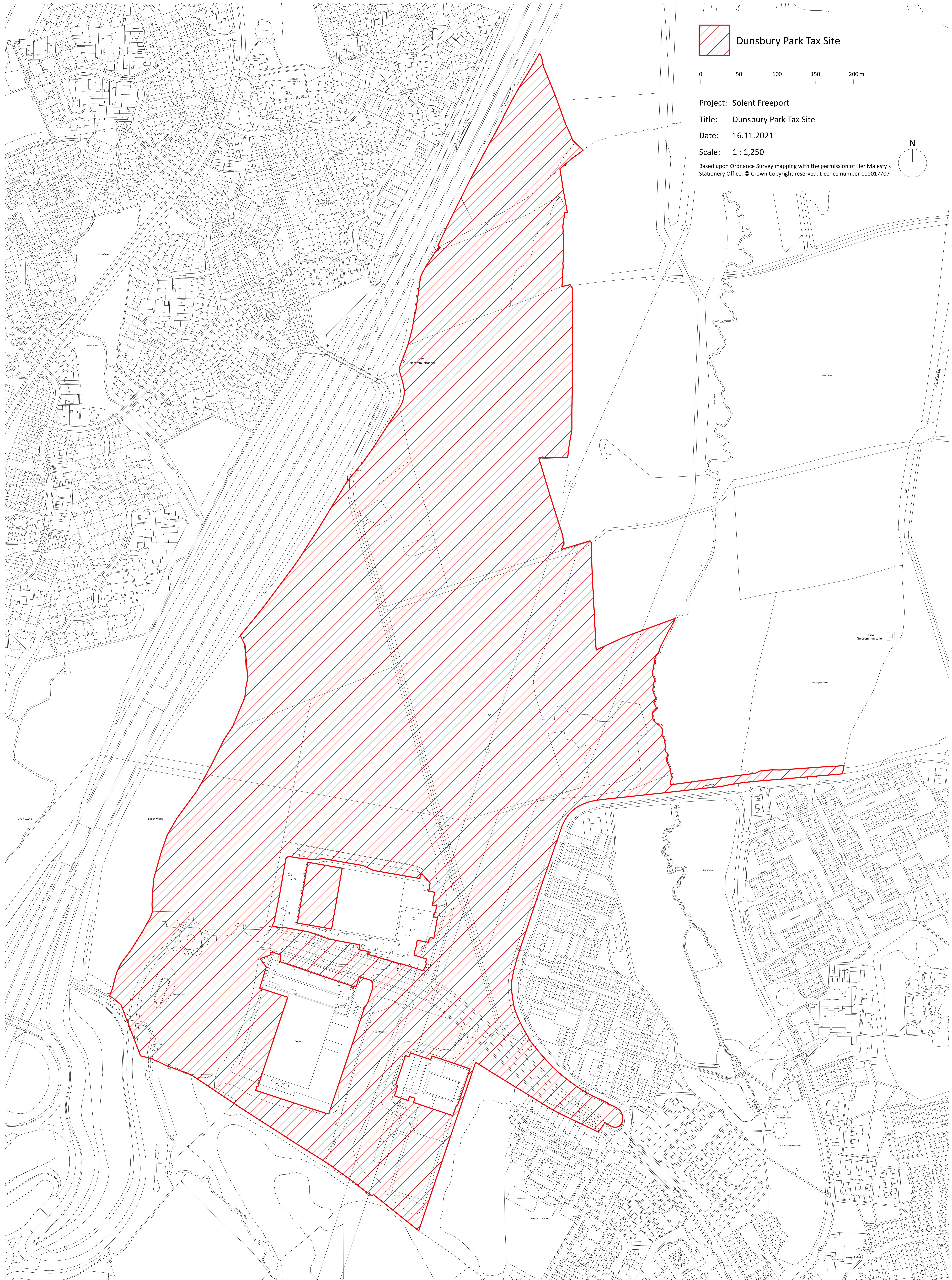
3 Custom site process

- 3.1 Each Freeport customs site will need to be approved by HM Revenue and Customs (HMRC) prior to designation. This will involve HMRC checks to ensure the operator is legitimate, the location is secured, and that the businesses operating within the customs site are complying with relevant security standards. There are also additional checks relating to specific conditions of designation, for example IT system to ensure it can keep records in specified format. Businesses wishing to access the customs benefits of a Freeport will need a separate Freeport Business Authorisation. Each customs site operator is responsible for liaising with HMRC through its application process.
- 3.2 In order for the FBC to be approved, the Solent Freeport will need at least one customs site designated by the FBC deadline (15 April 2022). As noted above, there is no time limit on when other Solent customs sites can be brought forward once the Freeport is formally established following the approval of the Full Business Case.
- 3.3 Figure 1 summarises the timings of the Solent Freeport designation process

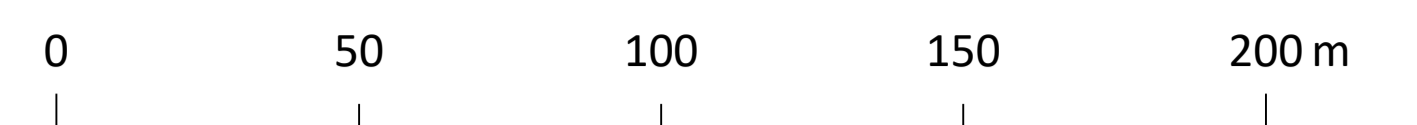
Figure 1. Solent Freeport designation timelines



This page is intentionally left blank



Dunsbury Park Tax Site



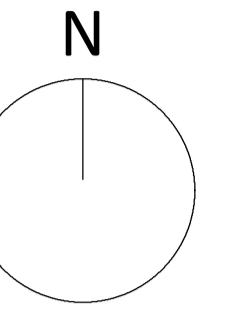
Project: Solent Freepoint

Title: Dunsbury Park Tax Site

Date: 16.11.2021

Scale: 1 : 1,250

Based upon Ordnance Survey mapping with the permission of Her Majesty's Stationery Office. © Crown Copyright reserved. Licence number 100017707



This page is intentionally left blank

NON-EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

07 March 2022

Options appraisal and business case for withdrawal from Joint Management and Shared Staff Arrangements

FOR DECISION

Portfolio Holder: Leader, Cllr Alex Rennie

Key Decision: Yes

Report from the Chief Executive and Head of Paid Service, Kim Sawyer

Report Number: HBC/032/2022

1. Purpose

1.1. This paper is submitted to Cabinet, by the Council's Chief Executive:

To consider the options related to, and the business case for, withdrawing from the inter-authority agreement between East Hampshire District Council and Havant Borough Council dated 31 January 2012 (the Joint Management Team and Shared Staff Agreement, referred to herein as "JMTA"), which sets out the basis for a joint management team and for sharing staff resources across both organisations.

2. Recommendation

2.1. Members are requested to recommend the following to Full Council for consideration and approval

- a. To approve the preferred option for the future of the Council as set out in the Options Appraisal and Business Case (Appendix 1).
- b. To approve the outline business plan for the delivery of the preferred option, as set out in the Options Appraisal and Business Case (Appendix 1).

- c. To note the findings of the independent report by CIPFA (Appendix 2) into the affordability of the option to end the Joint Management Team Arrangements.
- d. To approve the arrangements for managing transition as set out in section 7 of the Options Appraisal and Business Case (Appendix 1), and that the Chief Executive be delegated authority, in consultation with the s151 Officer, Monitoring Officer and Head of OD, to develop and implement a robust transition plan, including the entering into contracts or variation agreements which may be required.

3. Executive Summary

- 3.1. On the 26 January 2022, Havant Borough Council determined to withdraw from the Joint Management Team Agreement, subject to a business case being reported to the next meeting of the Council exploring the risks, issues, benefits, and costs of the withdrawal and further exploring those in light of a proposed reduction of the 24 months exit period.
- 3.2. Accompanying this report, in Appendix 1, is the stated business case, which is supported by an options appraisal, which underpins stated recommendations. This case has been developed jointly between the two Authorities, though a case for each is presented separately and distinctly.
- 3.3. The case submitted provides a weighted perspective on options available to the Council for future direction, and, in the subsequent case, provides a structured and evidenced perspective on key elements based around the Green Book Five case model. At this time, the focus is on the Strategic, Economic, and financial perspectives. These provide the basis for recommendations made to Members.

4. Additional Budgetary Implications

- 4.1. These are detailed in the accompanying options appraisal and business case (Appendix 1).

4.2. The CIPFA report states that the Council has the financial resources available to enable the delivery of the proposed separation of the two Councils, however there are a number of significant risks identified with the proposed separation which are set out in the report.

4.3. At its Council meeting on 23 February 2022 the members unanimously agreed to set up a Budget Working Group in response to concerns raised by the Chief Finance Officer to the deficit in the MTFS. It is proposed that the Budget Working Group should meet with CIPFA to fully understand the financial risks outlined in their report and should address those risks through its work to deliver a financially sustainable proposal on the MTFS to the Cabinet.

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

5.1. Havant Borough Council agreed a refreshed Corporate Strategy for 2022 to 2025 on 23 February 2022. This updated on key Council Priorities and immediate, medium- and longer- term actions to deliver these. The basis for the recommendations in this paper are firmly linked to strategic delivery. The rationale behind this is fully explored in the options appraisal and business case (Appendix 1).

6. Options considered

6.1. These are detailed in the accompanying options appraisal and business case (Appendix 1).

7. Resource Implications

Financial Implications

7.1. These are detailed in the accompanying options appraisal and business case (Appendix 1). This covers affordability and costs of the decision to enable delivery of balanced budgets in the future. Future work will give further details of financial expenditure for the Council going forward. These will reflect the Council's future operating model, which will be determined by each Authority and will be within the

context of future plans for transformation. Additionally an independent report by CIPFA (Appendix 2) has been produced which reviews the affordability of the option to end the Joint Management Team Arrangements.

Section 151 Officer comments

Date: 25.02.22 Matthew Tiller

The options appraisal and business case set out the affordability and costs of the decision

7.2. *Human Resources Implications*

Initial consideration of these are detailed in the accompanying options appraisal and business case (Appendix 1). Beyond the detail laid out, implications here will be considered further to plans laid out by both Councils for their future structures.

7.3. *Information Governance Implications*

Matters here will need to be considered in the context of any revised arrangements which may arise between any Authorities working in partnership. There are considerable potential impacts in terms of data sharing, which will need a detailed assessment, with appropriate provisions to be put in place, when practicable.

7.4. *Links to the Shaping our Future Programme*

Initial consideration of this is detailed in the accompanying options appraisal and business case (Appendix 1). Beyond the detail laid out, further plans will be determined by each Authority, in the context of any future plans for transformation.

Shaping our Future Lead comments

Date: 28.02.2022

This business case and options appraisal recognise the need for transformation and set out both the challenges and opportunities for the Councils

Other resource implications

- 7.5. The Options Appraisal and Business Case does not commit resources in itself but provides the framework for the allocation of resources by Cabinet

8. Legal Implications

- 8.1. These were laid out in the paper issued in support of the proposed withdrawal from Joint Management and Shared Staff Arrangements, considered on 26 January 2022, and are noted in updated form below.
- 8.2. On the 1st October 2010 a Joint Management Team was established across both Councils. On the 1st October 2011 the new Service Managers took up their posts to manage services across both Havant and East Hampshire Councils.
- 8.3. The JMTA continues in force until terminated either unilaterally by one Council acting by its full Council only after a decision by one or both of the individual Cabinets that the withdrawing Council is unable to accept or by agreement by both Councils acting by the full Councils on the recommendation of one of the Cabinets.
- 8.4. In the event of withdrawal from the JMTA the consequential costs, including costs of recruitment selection administration, but not salary costs after the termination date, shall be apportioned equally between the two Councils and each Council will indemnify the other Council in respect of the Council's share from and against any

actions or causes of action, claims, demands, proceedings, damages, losses, costs, charges and expenses whatsoever arising from or in connection with termination or withdrawal.

- 8.5. In the event of withdrawal from the JMTA, it sets out that both Councils shall cooperate in terminating modifying restructuring assigning or novating contractual arrangements entered into, to mutual advantage, and properly and in a timely manner execute any documents necessary.
- 8.6. There is provision within the agreement for dispute resolution in the event that the Leaders of the Councils in conjunction with the Chief Executive are unable to resolve any dispute. Any such unresolved dispute may be referred to an arbitrator appointed from the Chartered Institute of Arbitrators or such other professional body appropriate to the matter in dispute.
- 8.7. As a consideration of the process for withdrawing from the JMTA, and in accordance with the Conflict of Interest Policy of both Councils, separate legal officers have been allocated for each Council to ensure independent and confidential advice can be provided when and as required.

Monitoring Officer comments

Date: 24.02.22 D Toohey

Legal Implications are set out above in the body of this report. The Options Appraisal and Business Case, in addition to the independent report by CIPFA on this matter, set out key issues which the Council will need to address as it transitions away from the existing JMTA and shared arrangements.

9. Risks

- 9.1. These are outlined in the accompanying options appraisal and business case (Appendix 1). A risk register is being compiled to manage the risks during the transition and the Corporate Risk Register is also being reviewed to ensure

corporate risks covering staffing, financial and operational matters have effective mitigations in place during the transition.

10. Consultation

- 10.1. These matters are being subject to full consideration by Cabinet and Council. Should material service changes arise, appropriate consultation protocols will be applied.

11. Communication

- 11.1. All appropriate papers and background material are published on the Council's website. Notifications and updates will be issued via the website and social media, as and when needed.

12. Appendices

Appendix 1 – Business Case and Options Appraisal
Appendix 2 – CIPFA Report

13. Background papers

- 13.1. None

Agreed and signed off by:

Portfolio Holder: Cllr Rennie 28.02.22

Chief Executive/Director : Kim Sawyer 28.02.22

Monitoring Officer: Daniel Toohey 24.02.22

Deputy Section 151 Officer: Mathew Tiller 25.02.22

This page is intentionally left blank

The future Havant Borough Council, Business Case and Options Appraisal

1	Executive Summary.....	3
1.1	The need to re-evaluate the options for the future	4
1.2	The options	6
1.3	The Criteria.....	6
1.4	The comparative weighting of the criteria	7
1.5	Scoring the criteria and evidence sources	8
1.6	Preferred Option	0
1.7	Transition	0
2	Context.....	1
2.1	Background to this report.....	1
2.2	Arrangements for delivering objectives since 2009	1
2.3	The need to re-evaluate the options for the future	3
2.4	Emerging Differences in the Vision and priorities of EHDC and HBC	4
2.5	Increasing Differences in the Place based challenges of EHDC and HBC	8
2.6	Differences in the relevance of national agendas to EHDC and HBC	11
2.7	Strain on leadership capacity in EHDC and HBC	13
2.8	Differences in the Financial challenges of EHDC and HBC.....	14
2.9	Differences in the transformation journeys of the Councils	16
3	The Options for EHDC and HBC	18
3.1	The options	18
3.2	The criteria	19
4	The comparative weighting of the criteria	20
5	Scoring the criteria and evidence sources	22
5.1	Scoring of options for EHDC.....	22
5.2	Scoring of options for HBC	25
6	Preferred Options	28
7	Transition	28
7.1	Creation of a transition plan	28
1	Havant Borough Council Business Plan.....	30
1.0	The Councils goals.....	30
2	Leadership capacity and organisation design.....	31
3	Financial sustainability and transforming resource allocation.....	31
3.1	Cost of ending the JMTA	32
3.2	Achieving Financial sustainability and the better use of resources	33
3.3	Retaining and attracting the right talent	36

3.4	Service delivery	36
4	Response to the CIPFA report.....	38
5	Risk Analysis	41

The future of East Hants District Council and Havant Borough Council, strategic case, options appraisal, and business plans

1 Executive Summary

This report stems from recommendation 2b of the paper entitled “Withdrawal from the Joint Management Arrangements” considered by Havant Borough Council on the 26th January 2022 and East Hants District Council on the 20th January 2022 which resolved:

“To agree to withdraw from the Joint Management Team Agreement, subject to a business case being reported to the next meeting of the Council exploring the risks, issues, benefits, and costs of the withdrawal and further exploring those in light of a proposed reduction of the 24-month exit period”

This report follows the HM Treasury ‘Five Case’ structure

The Councils have, since 2009, been operating within a sharing arrangement, there being sufficient convergence in the Councils agendas for it to make sense to pool resources and pursue their ambitions in partnership with each other. However, both Councils have been pursuing their corporate objectives in an environment which is rapidly changing. The central strategic question facing both Councils now is what is the most advantageous and sustainable configuration in which to face the future.

In 2009 Councils in England were facing significant cost reductions which called into question the sustainability of many districts. With local government reform through structural change ruled out at the time, and with the business process outsourcing market beginning to decline, a heyday for shared service arrangements emerged. Scale and efficiency were seen as the key drivers of cost reduction and improvement.

As the PESTLE (2.2.1) analysis shows, the environment in which Councils operate has changed significantly. The ‘reductive’ environment prevalent in 2009 and has now given way to one which is far more expansive, and the importance of geography or ‘place’ has been amplified by initiatives such as devolution, ‘County Deals’ and targeted ‘levelling up’ initiatives. Many shared service arrangements between Councils, develop a decade or so ago, have begun to unravel as councils seek alternative solutions to their financial and place-based challenges.

1.1 The need to re-evaluate the options for the future

The need for the Councils to re-evaluate the partnership and explore options for the future arise from:

1.1.1 *Emerging Differences in the vision and priorities of EHDC and HBC*

Whilst there are clearly some areas of commonality between the authorities there are some significant differences in the actions required to pursue similar goals.

1.1.2 *Increasing significance in the differences in the place-based challenges of EHDC and HBC*

The geographic, demographic, economic and infrastructure characteristics of Havant and East Hampshire demonstrate differences between the two areas. As a result, the needs, challenges, and opportunities for each area shape and inform different strategic and political priorities for Havant Borough Council and East Hampshire District Council.

1.1.3 *Increasing differences in the relevance of national agendas to EHDC and HBC*

Since the original agreement, significant developments in national policy agendas have emerged that create both opportunities and obligations for the Councils.

In the White Paper, 'Levelling up the United Kingdom', the UK Government has announced eight Freeports in England, including a Solent Freeport and Havant BC, as a partner in the endeavour, will require significant capacity and focus to gain advantage from the development.

Under a separate mission the White paper sets out proposals to reduce "the gap in Healthy Life Expectancy (HLE). For some time the policy agenda of the Department of Health and Social Care has been to focus not simply on the curative aspects of health care provision but on the preventative aspects collectively referred to as the "wider determinants of health". The emphasis is now on the work of the local Primary Care Networks (PCNs) and these require different relationships with the PCNs serving, East Hants on the one hand, and Havant and Waterlooville on the other

The White Paper also sets out a new devolution framework for England. This framework sets out pathways to a devolution deal for every area of England that can make the case. The discussions taking place regionally about devolution present a number of potential options for the future

1.1.4 *Strain on leadership capacity*

Both councils have become increasingly aware of the leadership capacity to serve diverging agendas, both councils need dedicated leadership focus on their priority areas, and this is stretching current capacity.

The DMA (Decision Making Accountability) exercise undertaken by the LGA to focus on the spans (the number of staff that each manager manages) and layers (the levels of the

hierarchy) in both councils identified a lack of strategic capacity due to the way the councils are currently structured.

Overall the feedback from staff surveys is positive with the vast majority clearly valuing and enjoying the work they do. Recent trends however have shown some signs of strain

1.1.5 *Growing differences in the financial position of the Councils*

The financial challenges of the Councils are currently very different. The required savings of Havant Borough Council are significantly larger than those of EHDC.

	2022/23	2023/24	2024/25	2025/26	2026/27
	000s	000s	000s	000s	000s
East Hampshire DC	0	466	(262)	(254)	179
Havant BC	0	1,268	1,799	2,339	2,664

1.1.6 *Differences in the transformation journeys of the Councils*

In the design of transformation programmes form should follow function. As the focus and priorities of each council begin to diverge, the Shaping our Future programme, which both councils have been developing becomes a key area.

The Programme has achieved much in developing the foundation of any transformation activity.

These are assets with both Councils have invested in and own, which will be of use to both as they move forward.

However differences are apparent in:

1.1.6.1 *The scale and timings of the savings requirements*

1.1.6.2 *The relative priorities of different services in the two Councils*

1.1.6.3 *The options for savings delivery through shared services*

One of the transformation tools that has been developed by the Shaping our Future programme team has been 'Next level sharing' Whilst it is assumed that benefit could be derived from this line of enquiry it should be recognised that in over 10 year of partnership the Councils have not been able to gain political agreement to the standardisation and integration necessary to progress significantly beyond the initial savings achieved through shared management

1.1.6.4 *Difference in learning needs*

The process by which Heads of Service and their direct reports had been due to redesign services was through the applied programme in service re-design. Differing priorities, savings needs and timescales and the fact that the two further sharing is

unlikely makes the idea of staff from the two Councils working alongside each other more challenging.

1.2 The options

Option	Description
<ul style="list-style-type: none"> As is 	This will act as the baseline option from which all other options will be compared and assessed; this option has already been rejected but it is included here for comparison and completeness
<ul style="list-style-type: none"> Improved Existing Partnership 	This option will model the improvements, opportunities, and challenges of the existing partnership arrangement, taking account of the currently planned transformation programme.
<ul style="list-style-type: none"> Standalone Authority 	This option will model the improvement, opportunities and challenges for a standalone authority arrangement.
<ul style="list-style-type: none"> Future strategic alliance 	This option considers the opportunities for a strategic alliance in the future. This option is not based on any ongoing discussion and is not specific to any potential single partner or multiple partners. This heading serves as a descriptor for a range of alliance possibilities, from a service supplier relationship, to limited sharing, to close collaboration as part of a devolution deal or to structural change under local government reform.

1.3 The Criteria

Criteria	Description
External Considerations	
Vision	The extent to which the proposed option enables the realisation of the Councils' vision for its community and organisation.
Leadership Capacity	The extent to which the proposed option creates sufficient leadership capacity, both political and managerial, to address challenges and opportunities in their respective areas
Place Priority	The extent to which the options enable the Councils to address the needs that arise from the demography, geography, infrastructure, and economy of their respective areas
National Policy objectives	The potential of the proposed options to enable the Councils to grasp the opportunities afforded by emerging national agendas such as levelling up, health service reform (ICS) and planning policy initiatives
Internal Considerations	
Financial sustainability	The extent to which the options provide financial sustainability in the short, medium and long term
Transformation journey	How the options enable the transformational challenges of the respective organisations
Focus and priority	Whether the options enable staff to have a clear focus on what matters to local communities
Employer of choice	The extent to which the options enable the Councils to attract and retain high quality staff

1.4 The comparative weighting of the criteria

Criteria	EHDC Weighting	HBC Weighting	Rationale
External			
Vision	5	5	Both councils have compelling vision, and a good sense of the characteristics of community and what matters to their people
Place Priority	4	5	The place of Havant is more challenging and developing prosperity is a central challenge, greater than that in EH
National Policy	5	5	The demography of the area means that the synergy in particular with welfare, housing and planning agendas is more important
Leadership Capacity	5	4	Potentially greater focus on this in EHDC
Internal			
Financial sustainability	3	5	HBC has a greater challenge across all time frames
Transformation journey	5	4	Transformation matters more in EH, innovation and new approaches are more prevalent compared to the more traditional HBC
Focus and priority	5	5	This is key for both councils, both of whom need a focus on their priority areas
Employer of choice	5	4	Important to both initially for retention but long term both will need to provide an attractive prospect for people to want to come and work

1.5 Scoring the criteria and evidence sources

1.5.1 Scoring of options for EHDC

EHDC		As is			Improve partnership			Standalone Council			Future Strategic Alliance		
Criteria	Weighting	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result
Vision	5	M	3	15	M	3	15	H	5	25	M	3	15
Place Priority	4	L	1	4	L	1	5	H	5	25	H	5	20
National Policy	5	L	1	5	L	1	5	M	3	15	H	5	25
Leadership Capacity	5	L	1	5	L	1	5	H	5	25	M	3	15
Financial sustainability	4	L	1	4	H	3	20	H	5	20	M	3	12
Transformation journey	5	M	3	15	M	3	15	H	5	25	M	3	15
Focus and priority	5	L	1	5	L	1	5	H	5	25	M	3	15
Employer of choice	5	L	1	5	H	3	25	H	5	25	M	3	15
Totals				58			95			188			132

1.5.2 Narrative and evidence sources

EHDC	Narrative	Evidence Source
Vision	EHDC's agenda is compatible with HBC at a high level but, because of the differences in place and priority, both the as-is and improved partnership options are sub-optimal. Entering a new partnership may be advantageous in the future but would be distracting in the short term. A standalone council is therefore the preferred option for the immediate future.	The new Corporate Strategy sets out a vision and proposed objectives to deliver that vision, evidenced in section 2.4
Leadership Capacity	EHDC is trying to build leadership capacity at the strategic level and the current position means that insufficient time is available for a focus on its specific priority areas and partnerships. Leadership needs to be focussed on the transformation programme and pursuing any other partnerships would be a distraction.	See sections 2.7.1 and 2.7.2 for specific information on leadership, this is supported by the information in 2.6 on diverging agendas and 2.9 on transformation
Place Priority	Place plays an increasing role in the future plans of EHDC in contrast to the conditions that drove the original partnership agreements. East Hants serves a different area and population with different needs to those of HBC. In the first instance attending to the priorities of its area and then potentially seeking a partner with greater place-based synergy is the best option.	National data demonstrating the geographic, demographic, economic and infrastructure characteristics of the area is evidenced in paragraph 2.5.
National Policy	National Policy agendas are important to EHDC, specifically those that relate to the contribution it can make to the wider determinants of health for its population. Whilst this agenda matters to Havant as well, their focus will be more on levelling up and economic regeneration, as is and even improved partnership options. Devolution and LGR agendas are also relevant but potentially will require EHDC in a different direction	See section 2.6. which sets out some of the more significant areas of national policy
Financial sustainability	EHDC more favourable financial position allows the authority more options and choices for the future. The position overall creates space for investment in priority areas and opens up the possibility of longer-term investments to take advantage of innovative technologies. In the short term EHDC will have to bear the costs of the disaggregation of the JMTA and advice from CIPFA states that this is bearable in the short term, following this the strategic, long-term opportunity has the potential to be greater.	Details of the financial challenges are included in Para 2.8 Financial Challenge
Transformation journey	The Council is fully committed to the transformation programme and will be able to proceed to implementation. Though proceeding with the planned transformation would have ensured sustainability and resilience, by pursuing a standalone option much of the planned transformation can still be delivered. Once transformation has been achieved the council will then be in a good position to pursue other strategic partnerships.	See section 2.9
Focus and priority	For staff, there is clear strain at present in serving the needs of the two councils, the transformation programme is aimed at giving greater clarity and focus on priority areas and whilst this would help, there is obvious advantage to be gained from a singular focus in the short term. Exploration of future partnership opportunities can then be accommodated.	Detailed in the Business Plan 1.1 and 3.2
Employer of choice (CT)	The current stresses that staff report of working for two councils and the difficulties in accurately accounting for the utilisation of shared staff between them makes the current position far less than ideal. The transformation programme is aimed at giving the staff greater agency in the re-design of services and this enables greater resilience in services and better outcomes for services. The appeal of a solvent council able to vary terms and conditions to reward staff is significant and will attract innovative people.	See section 2.7 and also 3.3 of the Business Plan

1.5.3 Scoring of options for HBC

HBC		As is			Improve partnership			Standalone Council			Future Strategic Alliance		
Criteria	Weighting	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result
Vision	4	M	3	12	M	3	12	H	5	20	H	5	20
Place Priority	5	L	1	5	M	3	15	H	5	25	H	5	25
National Policy	5	L	1	5	L	1	5	H	5	25	H	5	25
Leadership Capacity	4	L	1	4	L	1	4	H	5	20	H	5	20
Financial sustainability	5	M	2	10	M	3	15	M	3	15	M	3	15
Transformation journey	4	L	1	4	M	3	12	M	3	12	M	3	12
Focus and priority	5	L	1	5	L	1	5	M	3	15	M	3	15
Employer of choice	4	M	2	10	M	3	12	M	3	12	M	3	12
Totals				55			80			144			144

1.5.4 Narrative and evidence sources

HBC	Narrative	Evidence Source
Vision	HBC's agenda is compatible with EHDC at a high level but, because of the differences in place and priority, both the as-is and improved partnership options are sub-optimal. A standalone council is desirable but may not be sustainable, moving towards a new partnership may be necessary in the future and should be considered as part of its transformational plan.	The new Corporate Strategy sets out a vision and proposed objectives to deliver that vision, evidenced in section 2.4
Leadership Capacity	HBC lacks capacity at the strategic level and the current position means that insufficient time is available for a focus on its specific priority areas and partnerships. Leadership needs to be focussed on immediate sustainability and on the creation of a transformation plan that meets with current challenges whilst building a platform for the future.	See sections 2.7.1 and 2.7.2 for specific information on leadership, this is supported by the information in 2.6 on diverging agendas and 2.9 on transformation
Place Priority	Place plays an increasing role in the future plans of HBC. Containing demand in the future will be significantly influenced by the prosperity of its economy and the extent to which this provides benefits and opportunities to address inequality and deprivation in communities. In the short-term attending to the priorities of its area with others whose activity influences the sub-region.	National data demonstrating the geographic, demographic, economic and infrastructure characteristics of the area is evidenced in paragraph 2.5.
National Policy	National Policy agendas are important to HBC, specifically those that relate to the prosperity of its economy through regeneration and inclusivity through levelling up. Devolution and LGR agendas are highly relevant given the county deals initiatives and a focus on the Free Port needs focus.	See section 2.6. which sets out some of the more significant areas of national policy
Financial sustainability	The Cipfa report identifies that the existing Medium Term Financial Strategy (MTFS) for Havant, as recently approved by the Council, does not contain sufficient resources to finance the existing Council services, and that the additional costs arising from the separation from EHDC will add an additional financial burden. However, Cipfa have considered the totality of the financial reserves and provisions which could be available to the Council, and subject to the review of the Budget Working Group, there may be sufficient resources available for an independent Havant to become a financially viable Council. The Cipfa outlines some of the potential resources available, and what needs to be done to deliver those resources.	Details of the financial challenges are included in Para 2.8 Financial Challenge CIPFA report
Transformation journey	Though proceeding with the planned transformation would have ensured sustainability and resilience, the Council now needs to adjust to fit in with its targets and timescales. The options for other partnerships should be considered as part of its transformational journey.	See section 2.9
Focus and priority	For staff, there is clear strain at present in serving the needs of the two councils, the transformation programme is aimed at giving greater clarity and focus on priority areas and	Detailed in the Business Plan 1.1 and 3.2

	whilst this would help, there is obvious advantage to be gained from a singular focus in the short term. Exploration of future partnership opportunities can then be accommodated.	
Employer of choice	The current stresses that staff report of working for two councils makes the current position far less than ideal. In the short term the Council will need to reduce staffing levels. The Council has the opportunity to create its own distinct branding and appeal based on the challenge of prosperity, inclusivity, and partnership	See section 2.7 and also 3.3 of the Business Plan

1.6 Preferred Option

The options appraisal concludes that in the case of EHDC, a standalone Council with the potential to develop new strategic partnerships in the future that match with its place-based ambitions, is the best way forward.

In the case of HBC the standalone council is preferred in the first instance, it has the capacity to do this now provided it can reduce its cost base to be sustainable in the medium term. This option is the best place from which it can then consider any future strategic alliances.

1.7 Transition

The Councils have worked together in formal partnership arrangements for over 10 years and in that time have become intertwined in ways that may not immediately be obvious and will need to be unravelled consciously and carefully. However, given the limitation of the 'as is' arrangements the Councils will want to pursue their preferred options as quickly and as safely as practical. It is vital therefore from the point of service continuity, financial sustainability, staff retention (and recruitment) and partner relationships that the transition from old to new arrangements is carried out as efficiently as possible.

1.7.1 *Creation of a transition plan*

To do this it is proposed that the Chief Executives create a robust transition plan for each authority involving their respective s.151 and monitoring officers and their resources and transformation

- Separation of Governance arrangements
- Management of financial consequences
- The appointment of staff
- The management of Contracts
- The future of ICT arrangements and the management of security and data
- The future of services that are shared
- Transformation plans
- Partnerships

2 Context

2.1 Background to this report

This report stems from recommendation 2b of the paper entitled “Withdrawal from the Joint Management Arrangements” considered by Havant Borough Council on the 26th January and East Hants District Council on the 20th January 2022 which resolved:

“To agree to withdraw from the Joint Management Team Agreement, subject to a business case being reported to the next meeting of the Council exploring the risks, issues, benefits, and costs of the withdrawal and further exploring those in light of a proposed reduction of the 24-month exit period”

This report follows the HM Treasury ‘Five Case’ structure

Case	Question	Content
1. Strategic	Is it needed?	An exploration of circumstances which have given rise to the need for the Councils to revisit their Joint Management Team Arrangement
2. Economic	Is it value for money?	Consideration of a range options to further the strategic direction of the Councils based on their objectives and circumstances.
3. Commercial	Is it viable?	Exploration of the Councils capacity and capability to make the preferred options work
4. Financial	Is it affordable?	Consideration of the impact of terminating the old and commencing the new arrangements and the consequences for immediate resilience and long-term sustainability
5. Management	Is it achievable?	An outline plan for the transition for each council and further plans (to follow) for each council to programme manage the delivery of the preferred option

2.2 Arrangements for delivering objectives since 2009

The Councils have, since 2009, been operating within a sharing arrangement, there being sufficient convergence in the Councils agendas for it to make sense to pool resources and pursue their ambitions in partnership with each other. However, both Councils have been pursuing their corporate objectives in an environment which is rapidly changing. The central

strategic question facing both Councils now is what is the most advantageous and sustainable configuration in which to face the future.

The logic of the arrangement in 2009 arose from a set of circumstances that can best be illustrated by a PESTLE (political, economic, social, technological, legal and environmental) analysis. The table below shows the set of circumstances that led to the development of the shared service arrangement, the column on the right illustrates what has changed in just over a decade.

2.2.1 PESTLE analysis 2010 versus 2022

Element	2010	2022
Political	<p>‘Austerity’</p> <p>No encouragement for local government reorganisation</p> <p>Shared service promotion</p>	<p>‘Levelling up’</p> <p>Waves of devolution deals from 2016. County deals and place-based investment deals</p>
Economic	<p>Post economic crash</p> <p>Public spending reduction</p>	<p>Post pandemic recovery</p> <p>Levelling up investment</p>
Social	<p>Population diversity,</p> <p>High household expenditure</p> <p>More holidays abroad</p>	<p>Winners and losers from the pandemic,</p> <p>Exodus from cities,</p> <p>Risk averse behaviours</p>
Technological	<p>Social media users 970m</p> <p>90% of local government data on local servers</p> <p>Prevalence of desktop devices</p> <p>Zoom Video conferencing has less than 10 million users</p>	<p>Social media users 2.96b</p> <p>60% of local government data in the Cloud</p> <p>Prevalence of mobile devices</p> <p>Zoom Video conferencing in excess of 300 million users</p>
Legal	<p>Local government act 2000</p>	<p>Cities and Local Government Devolution Act 2016</p>
Environmental	<p>IEA forecasts 6 degree increase by 2300</p> <p>Accelerating rise in sea levels</p>	<p>Cop 26</p> <p>IEA forecasts 2.9-3.4 degree increase 2300</p> <p>Climate emergency</p> <p>10% growth in use of fossil fuels</p>

In 2009 Councils in England were facing significant cost reductions which called into question the sustainability of many districts. With local government reform through structural change ruled out at the time, and with the business process outsourcing market beginning to decline, a heyday for shared service arrangements emerged. Scale and efficiency were seen as the key drivers of cost reduction and improvement.

In response to the pressures that were present at that time, the Councils developed a business case for initially sharing senior managers across both East Hampshire District Council and Havant Borough Council that was agreed by the Councils in June 2010. The initial report that established a shared Chief Executive identified the drivers as being

- Seeking efficiency in service delivery through shared functions
- Improved innovation and creativity through sharing of skills
- Improved capacity to deliver services
- Improved sustainability as a district council
- Resilience and attractiveness in two-tier and commercial markets as a provider and customer
- Meet[ing] the Political objective of smaller and more efficient Government”

In February 2011 the Councils approved a business plan for extending their shared management arrangements to include a management restructure which subsequently resulted in further managers and staff carrying out the duties and activities and functions of their posts for and on behalf of both of the Councils.

In January 2012 a formal agreement the Joint Management Team arrangement (JMTA) was entered into and sealed by both Councils.

As the PESTLE analysis shows, the environment in which Councils operate has changed significantly. The ‘reductive’ environment prevalent in 2009 and has now given way to one which is far more expansive, and the importance of geography or ‘place’ has been amplified by initiatives such as devolution, ‘County Deals’ and targeted ‘levelling up’ initiatives. Many shared service arrangements between Councils, developed a decade or so ago, have begun to unravel as councils seek alternative solutions to their financial and place-based challenges.

2.3 The need to re-evaluate the options for the future

The need for the Councils to re-evaluate the partnership and explore options for the future arise from:

1. Emerging Differences in the vision and priorities of EHDC and HBC
2. Increasing significance in the differences in the place-based challenges of EHDC and HBC
3. Increasing differences in the relevance of national agendas to EHDC and HBC
4. Strain on leadership capacity
5. Growing differences in the financial position of the Councils

2.4 Emerging Differences in the Vision and priorities of EHDC and HBC

The Corporate Strategies for both authorities have recently been reviewed and updated. Both documents set out the ambitions of each Council for their residents, businesses, community groups, public service partners and visitors. Whilst there are clearly some areas of commonality between the authorities there are some significant differences in the actions required to pursue similar goals.

East Hants District Council	Havant Borough Council
East Hampshire has a Corporate Strategy 2020-2024 which consists of four themes:	Havant Borough has a Corporate Strategy 2022-2025 consisting of six themes
<ul style="list-style-type: none"> • A fit for purpose council • A safer, healthier and more active East Hampshire • A thriving local economy with infrastructure to support our ambitions • An environmentally aware and cleaner East Hampshire 	<ul style="list-style-type: none"> • An environmentally aware and cleaner borough • A safe environment, healthier and more active residents • A thriving local economy • A revitalised borough with infrastructure that meets our ambitions • A responsive and commercial council • A quality home for all

Whilst these lists have much in common, a more detailed examination of the context and actions arising from these aims shows significant differences between the two Councils

2.4.1 *An environmentally aware and cleaner borough/district*

Each council has an approved Climate and Environment Strategy with supporting action plans, this is similar to many other authorities across the country who are now adopting plans to tackle the climate crisis. There is also a desire for each authority to use its emerging Local Plans as tools to help tackle the climate crisis, although it at East Hampshire there is a clear mandate to specifically target planning applications to ensure that large scale planning developments are carbon neutral.

HBC focus	EHDC focus
With 56km of coastal line the borough focus is very much on protecting the coastline as well as preventing flooding in the future due to 22% of borough being within a flood zone.	Establishment of a dedicated Green Team to ensure that initiatives across the council consider the green agenda in all policy development and decision making.
As a more densely populated area there is a focus on improving the borough street scene and providing cleaner streets in town centres	Countryside agenda to tackle climate, in particular with the tree planting initiative in the district.

Local Plan to ensure policies on including EV charging points at new developments	Local Plan to ensure a supplementary planning document for climate and environment and to be net zero carbon for 2023/24
---	--

Whilst there are similarities between the two authorities in their desire to tackle climate change, both are at different stages with differing immediate priorities. For Havant, it has only recently adopted its Climate and Environment Strategy, whilst East Hampshire declared a climate emergency several years ago and is now at the stage of employing a dedicated team to take forward the initiatives. In addition, while both utilise their Local Plans to help tackle climate issues, East Hampshire has launched an ambitious target with its Local Plan in particular through its desire for the plan to be net carbon zero.

2.4.2 *A safe environment, healthier and more active residents*

There is a some alignment between each authority with respect to this theme, although this would be expected as many local authorities seek to ensure that their residents are living in a safe and healthy environment. The differences in the priorities arise from the difference in the demographics between the two authorities and the strategies that have been put in place to address these.

HBC focus	EHDC focus
Havant has a number of priorities centred around healthier lifestyles, reflecting their younger population. Specifically through investment in play parks and future planning for leisure provision it is seeking to improve overall health targeted at the younger population.	For a number of years East Hampshire has had a focus on its Welfare and Wellbeing Strategy focusing on a number of areas such as social isolation, mental health and improving community connectivity and sense of place
A desire to review how community assets are used and whether they could be better utilised for community benefit, for example as youth clubs	Looking at improving affordable housing within the district and implement its Homelessness Strategy and supporting action plan
Consideration of how the council can work with initiatives such as Violence Against Women Group (VAWG) and Safer Streets Fund to reduce crime in the area	

For Havant the above theme has a number of priorities which it wishes to deliver whilst the focus at East Hampshire is on its already approved Welfare and Wellbeing Strategy. Havant is looking to utilise potential funding opportunities through national programmes such as VAWG and Safer Streets Fund to target areas within its town centres and link this work with its wider Regeneration and Economy Strategy. In contrast East Hampshire has a dedicated earmarked reserve fund to implement its Welfare and Wellbeing Strategy as well as dedicated Supporting Community Grant scheme which as been running for a number of years. The aims of both authorities to create safer, more active communities are clearly

complimentary, however the approaches are increasingly different reflecting both the demographics and financial position of each authority.

2.4.3 A thriving local economy

As both authorities emerge out of the pandemic, like many local authorities there is a desire to ensure that jobs are created and protected and the economies of each area recover the losses made during the pandemic, in particular with respect to their high streets.

HBC focus	EHDC focus
Through the Havant Business Partnership Forum and Regeneration focus group the council is seeking to improve and build relationships with employers across the borough	A number of programmes are already in existence and over the next few years these will be used to help support pandemic recover. For example the 'Get East Hants Working' programme will continue to help young seek employment through apprenticeship and skills development
Working to help facilitate the potential delivery of the Solent Freeport including potential delivery of skills and innovation centre for Leigh Park	Engage with businesses to help support business growth including a refresh of the Business East Hants partnership
Using the new Regeneration and Economy Strategy consider how to reduce the empty shops within town centres, in particular Havant and Waterlooville.	

For Havant the focus over the coming years within this theme is very much on building up new relationships with business community in order to help deliver regeneration. In particular, the potential opportunities with respect to the Solent Freeport will see the focus for the Havant economy on the Solent area and potential improved jobs and funding that may be offered as a result of a Solent Freeport. For East Hampshire, the agenda is focussed on growing existing partnerships that have been in place for a number of years to improve job prospects for the area.

2.4.4 Infrastructure to support ambitions

Within this theme, Havant, in particular has a significant desire to progress a number of priorities which are linked to its Regeneration and Economy Strategy. These priorities will require significant resource and focus to deliver over the coming years. East Hampshire, with its Enhance East Hants Strategy is looking to consolidate on its place and capture the potential that is offered with already progressed schemes such as the Whitehill and Bordon regeneration.

HBC focus	EHDC focus
-----------	------------

Implementation of its Regeneration and Economy Strategy with a focus on identifying the first projects to see 'spades in the ground' over the coming year.	Implementation of Enhance East Hants Strategy with a focus on identifying priority projects and prioritised CIL spending
Focus on Hayling Island seafront opportunities with new strategy and ambition document to be launched	Ensuring delivery of s106 commitments in Whitehill and Bordon, in particular delivery of the town centre over the coming years
Identification of key projects and funding to be delivered for Leigh Park regeneration as well as a review of how to take forward redevelopment of Waterlooville	Unlock the potential spending opportunities of CIL and s106, working closely with Hampshire County Council
Engagement with partners such as Hampshire County Council to unlock infrastructure projects at an early stage	

Havant has a strong ambition to implement its new Regeneration and Economy Strategy and to do this through leveraging funding opportunities that are available, in particular with respect to central Governments Levelling Up agenda. Engaging with central Government to maximise opportunities will require significant resource whilst also delivering against the priorities within the Regeneration and Economy Strategy. For East Hampshire, significant funding for the flagship regeneration of Whitehill and Bordon was secure a number of years ago and the priority now is to deliver a successful town centre for that development with plans already significantly advanced. East Hampshire has recently delivered two new leisure centres and therefore focus is very much on ensuring the benefits of these new leisure centres are delivered for the residents and council.

2.4.5 A commercial and responsive council / A fit for purpose council

The proposal for this theme is similar in that each council is seeking to transform but there are significant other areas within this theme where the councils differ which partly account for their current financial positions. Havant has a particular short term challenge with respect to its medium term financial strategy, whilst East Hampshire has a less pressing immediate financial issue. In addition, East Hampshire has a large commercial property portfolio which over the coming years will need to be managed closely in order to ensure the financial benefits of such a portfolio continue to be delivered.

HBC focus	EHDC focus
Delivery of its 'Credible Plan' in response to the short term financial issues. This will require a transformation programme in order to ensure the Council is on a sound financial footing going forward.	Delivery of the 'Shaping our Future' programme in order to set the council up for redesigning of its services, embracing new technology and driving performance
Introduction of a commercial income strategy and review of major contracts to	New Asset Management Strategy to be drafted to ensure that investment portfolio is

improve financial position, in particular as the Norse and Capita contracts approach their end.	achieving best possible results for the council.
Utilise office space and use of the Plaza to maximum benefit as the authority emerges from the pandemic with new ways of working.	Review accommodation requirements including consideration of Penns Place as well as potential hubs within town centres across the district

The initial focus for Havant is on its short term financial position which will be addressed through its ‘Credible Plan’, focus will then be on longer term large contracts such as Norse and Capita, ensuring best financial delivery for the council. For East Hampshire the initial focus is on longer term planning around its commercial property portfolio and on how and from where it will deliver redesigned services in the future.

2.4.6 *A quality home for all*

This represents a particular priority for Havant, focussing on access to good quality housing for all including ensuring that housing stock within the borough is the best it can possibly be. Delivery of housing targets is key as well as ensuring that affordable homes are available within the borough. Whilst East Hampshire has a similar viewpoint, Havant has identified this area as a particular priority requiring significant resource and focus to deliver.

2.5 Increasing Differences in the Place based challenges of EHDC and HBC

The geographic, demographic, economic and infrastructure characteristics of Havant and East Hampshire demonstrate differences between the two areas. As a result, the needs, challenges, and opportunities for each area shape and inform different strategic and political priorities for Havant Borough Council and East Hampshire District Council.

Characteristics	Havant	East Hampshire
-----------------	--------	----------------

<p>Population</p>	<p>The mid-year 2020 resident population estimate is 126,811¹, the 9th most populated borough in the Pan-Hampshire² region. By 2030, the population is forecast to rapidly grow by 7.4% (nearly 9,000 residents), one of the fastest population growths in Hampshire³.</p> <p>The indices of deprivation show that nearly one third (23 out of 75) of all the Lower Super Output Areas (LSOAs) in Havant are in the top quintile of the most deprived local areas nationally. There are small pockets of deprivation on Hayling Island and Waterlooville, but widespread deprivation in Leigh Park. Six LSOAs in Leigh Park are in the top 10% of highest deprivation nationally, the remaining in the top 20%.⁴</p>	<p>The mid-year 2020 resident population estimate for East Hampshire is 123,800⁵, and just over 20% are aged 65+ years. The population is forecast to grow to 129,212 (increase of 5.4%) by 2030. Population projections estimate the largest increase is amongst those of retirement age (65+) where by 2030 the growth of this age group is predicted to rise by around 25%⁷.</p> <p>ONS' Opinion and Lifestyle survey 20-21 demonstrates that 12.2% of East Hampshire residents report feeling lonely often or always, the second highest district in Hampshire. Those who report experiences of social isolation were more likely to be aged 65+¹.</p>
<p>Economy</p>	<p>Havant's GVA output was valued in 2019 at £2.713 billion (£21,394 per resident)¹⁰. Havant is the borough with the smallest increase (70%) in GVA between 1998 and 2019 in Hampshire².</p> <p>The largest contributing industries to economic output in Havant were manufacturing (16.7%, £509 million), distribution, transport, accommodation and food (16.3%, £495 million) and real estate activities (15.2%, £463 million)¹¹.</p> <p>Improving digital connectivity is key to supporting businesses and local communities in the future. It is also attractive commercially and can contribute towards a prosperous economy. Broadband download speeds in Havant are mainly fast (under 100 Mbit/s), and in some LSOAs are superfast (100+ Mbit/s)¹⁷.</p>	<p>East Hampshire's GVA output was valued in 2019 at £2.672 billion (£21,583 per resident)¹⁸. East Hampshire had a lower increase (81%) in GVA between 1998 and 2019 in Hampshire.</p> <p>The largest contributors to economic output in East Hampshire by industry were distribution, transport, accommodation and food (19.4%, £552million), real estate activities (18.56%, £528million) and public administration, education and health (14.45%, £411million)¹⁹.</p> <p>Digital connectivity and broadband download speeds in East Hampshire vary from superfast (100+Mbit/s) to slow (under 30 Mbit/s). Superfast is mainly based in densely populated areas such as Bordon, and slow in rural areas²⁵.</p>

¹ Hampshire CC [Microsoft Power BI](#)

² Hampshire CC [Microsoft Power BI](#)

Jobs and skills

There are 41,000 jobs in Havant, but job density is lower with a score of 0.67 than the Hampshire average score of 0.84²⁶. The employment rate in Havant from Oct 20-Sept 21 was 81.4%, and unemployment rates at 3.8%²⁷, which is one of the higher unemployment rates within Hampshire. Claimant counts in Havant in December 2021 were 4.1% of those aged 16-64, the highest of all lower-tier authorities in Hampshire and remain above the Hampshire rate of 2.7%²⁸.

Although Pan-Hampshire has a higher proportion of employees in higher skill occupations than the UK average, Havant is the lowest ranking of all Hampshire authorities of the proportion of those in higher-skilled occupations (37.1% compared to 48.6% Pan-Hampshire).³¹

When understanding the impacts of COVID-19 on businesses, Hampshire's Business Vulnerability Index 2021 identified of all lower-tier authorities in Hampshire, Havant ranked as the most vulnerable.³⁵ This was due to self-employed businesses being particularly vulnerable, and Havant had the highest uptake rate of the Self-Employment Income Support Scheme. ³⁶

There are 42,000 jobs in East Hampshire, and there is a job density of 0.82 in 2019.³⁸ The employment rate in East Hampshire from Oct 20-Sept 21 was 85.2%, and unemployment rates at 3.2%³⁹. Claimant counts in East Hampshire in December 2021 were 2.3% of those aged 16-64, one of the lowest of all lower-tier authorities in Hampshire and below the Hampshire rate of 2.7%⁴⁰.

East Hampshire is the 3rd highest ranking of all Pan-Hampshire authorities of those in higher skill occupations. This totals 50.4% of employees, higher than the Pan-Hampshire average of 48.6% and the UK average of 47.4%.⁴³

Of East Hampshire residents aged 16-64 years, 49.8% hold NVQ4 qualification or above, this is the third highest ranking Pan-Hampshire authority, and higher than the Pan-Hampshire average of 42.8%.⁴⁴

<p>Regeneration, infrastructure, and housing</p>	<p>Objective assessment of housing need in Havant has identified 10,433 new homes between 2016 and 2037⁵⁰. However, many local authorities within Pan-Hampshire have seen housing affordability becoming an acute issue, with Havant being one of them. Havant’s affordability ratio (median house price to median gross annual (residence based) earnings in 2020) was 9.48.⁵¹ House prices for Havant are above the national average, coupled with lower wage earnings, meaning housing is fast becoming less affordable.</p>	<p>Many local authorities within Pan-Hampshire⁵⁴ have seen housing affordability becoming an acute issue, with East Hampshire being one of them. East Hampshire’s affordability ratio (median house price to median gross annual (residence based) earnings in 2020) was 12.58.⁵⁵ This makes it one of the least affordable places to live outside of London and ranks significantly (over 40%) above the national average, and the second highest unaffordable authority in Pan-Hampshire.</p>
<p>Geography</p>	<p>Havant has approximately 56km of coastal frontage, 32km of main river frontage and Sites of Special Scientific Interest (SSSI). This is a major asset to the Havant area and supports the tourism industry, which is worth approximately £190m in visitor spend and supporting 4,440 local jobs⁵⁹.</p> <p>However, 22% of the borough’s land is designated within an Environment Agency flood zone and predicted sea level rise could result in tidal events affecting areas such as Hayling Island, and an increase in fluvial flood flows may put additional pressure in the town of Havant and areas adjacent streams⁶⁰.</p>	<p>The South Downs National Park (SDNP) was designated as a national park in 2010 and holds planning decision powers for the South Downs area. The SDNP covers over half (57%) of the land in the East Hampshire district and includes areas such as Petersfield and Liss⁶¹. Due to this, housing and job opportunities are limited in the SDNP area, and therefore the delivery of homes and jobs for the whole district will look to the north and south of SDNP.</p>

2.6 Differences in the relevance of national agendas to EHDC and HBC

Since the original agreement, significant developments in national policy agendas have emerged that create both opportunities and obligations for the Councils. A wave of devolution deals, accompanied by the development of accountable bodies to deliver them, began in the Greater Manchester in 2014. Though piecemeal, a number of unitary councils have also been created through local government reorganisation in Buckinghamshire, Cornwall, Somerset, North Yorkshire and Cornwall.

2.6.1 Devolution, county deals, local government reorganisation and NHS reform

The white paper, ‘Levelling up the United Kingdom’, sets out 12 missions each of which combine a number of new and pre-existing initiatives from across Whitehall departments.

Under the banner of ‘Unlocking globally mobile investment and harnessing the UK’s independent trade policy’ the UK Government has announced eight Freeports in England, including a Solent Freeport. The Freeports will be able to begin initial operations to attract private investment. This initiative has potential benefits in terms of jobs and innovation growth and Havant BC, as a partner in the endeavour, will require significant capacity and focus to gain advantage from the development.

Under a separate mission the White paper sets out proposals to reduce “the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest” as well as to “improve well-being in every area of the UK.”

For some time the policy agenda of the Department of Health and Social Care has been to focus not simply on the curative aspects of health care provision but on the preventative aspects collectively referred to as the “wider determinants of health”. This agenda integrates with local government at all levels to

- “draw attention to the broad range of individual, social and environmental factors which influence our health
- provide the public health system with intelligence on the wider determinants of health to help improve population health and reduce health inequalities”

In 2020 23.7% of the population in Havant was over 65 and in East Hampshire 23.9%. This is forecast to grow to 25.9% in Havant and 26.9% in East Hampshire by 2027. Compared to the 2020 baseline, the number of people aged over 65 in Havant and East Hampshire will grow by 14.3% and 17.2% respectively³.

Prior to the White Paper the Councils have been involved in the development of the work generated by the NHS action plan ‘Integrating care: Next steps to building strong and effective integrated care systems’. Whilst both Councils are part of the wider ‘Integrated Care System (ICS) and Integrated Care Partnership (ICP), the emphasis is now on the work of the local Primary Care Networks (PCNs) and these require different relationships with the PCNs serving, East Hants on the one hand, and Havant and Waterlooville on the other.

The White Paper also sets out a new devolution framework for England This framework sets out pathways to a devolution deal for every area of England that can make the case. It announces a first wave of County Deals and whilst Hampshire is not named as one of them, all the Councils in Hampshire have been involved in developing propositions that would meet the criteria. The devolution framework is underpinned by four principles: effective leadership, sensible geography, flexibility and appropriate accountability. The three levels set out in the devolution framework are:

- Level 3 – a single institution or County Council with a directly elected mayor (DEM), across a functional economic area (FEA) or whole county area;
- Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area; and
- Level 1 – Local authorities working together across a FEA or whole county area e.g. through a joint committee.

³ ONS population projections 2018

Within the levels there exists a multitude of possibilities that relate to the functional economic areas and the Councils operate within different FEA geographies. Local Government reorganisation “will remain a locally-led avenue available where there is broad local support, but will not be a requirement for a devolution deal.”

The discussions taking place regionally about devolution present a number of potential options for the future. There are also two clear economic areas emerging within Hampshire that could form the geography for future combined authorities. One to the North which has synergies with EH and one to the South with a similar urban and coastal character to Havant.

The report ‘Withdrawal from Joint Management and Shared Staff Arrangements’ agreed by both Councils in January it is recognised that whilst the Shaping our Future transformation programme requires greater integration to achieved the next level of benefit from the partnership “Further integration may be premature until the implications of the Levelling Up White Paper are known and understood. The consequence of all of these emerging agendas is to open up the landscape for the reconfiguration of partnerships, with organisational efficiency and resilience not being the dominant criteria as it was just over a decade ago.

2.7 Strain on leadership capacity in EHDC and HBC

Both councils have become increasingly aware of the leadership capacity to serve diverging agendas, both councils need dedicated leadership focus on their priority areas, and this is stretching current capacity.

2.7.1 DMA report findings

The DMA (Decision Making Accountability) exercise undertaken by the LGA to focus on the spans (the number of staff that each manager manages) and layers (the levels of the hierarchy) in both councils identified a lack of strategic capacity due to the way the councils are currently structured. The two-director model which is in place is a traditional way of structuring services in district and borough councils and this can cause tension and inefficient ways of working due to the stretched capacity of the roles. The concern the councils have regarding leadership capacity is borne out in the findings of the DMA exercise. Recommendations which include a move towards structures which have greater strategic capacity will enhance the work with members to deliver objectives and improve decision making.

2.7.2 Feedback from wellbeing surveys

Overall the feedback from staff surveys is positive with the vast majority clearly valuing and enjoying the work they do. Recent trends however have shown some signs of strain. The wellbeing survey’s which have been conducted over the last 18 months highlight the challenge further as some staff report high workloads, inability to have sufficient breaks and managers under too much pressure to be able to be effective with their team members in 1-1’s. (20% of staff reporting that they do not have regular 1:1 conversations with their manager; 9% of staff reporting that they are not able to take sufficient breaks; 41% of staff

reporting that their workloads are too high and 55% of staff reporting a higher workload and increased demand due to the pandemic).

2.8 Differences in the Financial challenges of EHDC and HBC

Both Councils publish annual Medium Term Financial Strategies (MTFS) which identifies the projected financial position over the next 5 year.

The financial challenges of the Councils are currently very different. The required savings of Havant Borough Council are significantly larger than those of EHDC.

	2022/23	2023/24	2024/25	2025/26	2026/27
	000s	000s	000s	000s	000s
East Hampshire DC	0	466	(262)	(254)	179
Havant BC	0	1,268	1,799	2,339	2,664

3.8.1 The MTFS in EHDC demonstrates that:

- Net service expenditure will reduce to £12.272 million by 2026/27;
- Provision is made for salary and other inflation;
- Over the period the MTFS requires cumulative savings totalling £6.50 million, which it is proposed to be delivered via Shaping our Futures Transformation savings
- On the funding side, it is projected that overall Business Rates yield will increase by £0.866 million; Council Tax yield by £0.750 million and that New Homes Bonus will disappear
- The Council is planning to add £1.531 to earmarked reserves each year;
- The Council has strong projected level of Revenue Ear Marked Reserves
- By 2026/27 there is expected to be an in-year deficit of £0.179 million but with small surpluses in 2024/5 and 2025/6;
- Current MTFS shows an overall virtually balanced budget over period of the MTFS

In HBC

- Net service expenditure will rise to £17.624 million by 2026/27;
- Over the period an provision of £3.193 million has been made for salary and other inflationary pressures;
- Published MTFS shoes a balanced budget in 2022/23 and highlights pressures in future years.
- The MTFS makes no forecast of any savings after 2022/23;
- On the funding side, it is projected that overall Business Rates yield will increase by £0.434 million; Council Tax yield by £0.950 million; and that New Homes Bonus will disappear:
- The Council is planning to add £0.806 to earmarked reserves each year;
- By 2026/27 there is expected to be an in-year deficit of £2.664 million and over the four years of the MTFP, the cumulative deficit will be £8.070 million;

- Savings will need to be identified to ensure Council is financial sustainable over the medium term

In both Councils the reduction in the cost of services is intended to be achieved by transformational activity based upon the transformational plan prepared last year, Shaping our Future.

2.8.1 *The track record of shared services*

Shared services is an approach to cost reduction and resilience that emerged during the 1990's and peaked just after 2015. They represent a trade-off between the need for financial savings on the one hand and the need for organisational autonomy on the other. They are based on there being sufficient similarity, or strategic interdependence, between the organisations for them to be served by common leadership and systems. The arrangements are not mergers. In shared services the governance arrangements preserve the sovereignty of the original organisations, they represent an approach based on collaboration.

The experience of local government shared service arrangements provides some key facts regarding both the potential and limitations of shared service arrangements. The LGA tracks the scope and scale of shared services between councils, identifying some 626 agreements between councils that have delivered, since 2016 £1.34bn in savings. The most recently reported data shows the figures for 2018/19 as approximately £200m illustrating the tailing off of new arrangements. The amounts are impressive, however consideration should be given to what these figures represent as a proportion of budgets overall. The current overall expenditure on local government is IRO £100bn per annum in total, £953m if social care and education services are excluded. Recent authoritative data is hard to come by but a report by the New Local Government Network (2011) based on surveys of councils who had well developed shared service arrangements concluded that the range of shared service benefit was between 3.9 and 7.3% of controllable service expenditure.

Sharing areas	Annual Savings %
Frontline Services (e.g. winter gritting and waste management), HR, ICT, Procurement, Legal Services, Communications, Community Safety, Environmental Health, Land Charges, Planning Policy, Development Management	7.3%
HR, Payroll and Expenses, ICT, Procurement, Finance, Health and Safety	5.5%
Customer Services, Frontline Services (e.g. winter gritting, waste management), HR, Payroll and Expenses, ICT, Procurement	3.9%
Average	5.6%

It is an important element in decision making to not only take account of what benefits have been derived in the past, but what benefits might be possible in the future. The Councils are trying to do more than simply balance the books, they are also trying to make headroom for investment in priority areas.

It is a common story that many councils can make quick savings at the commencement of new arrangements by appointing joint managers. They often struggle thereafter to achieve further savings because to do so requires greater integration as well as the redesign and standardisation of service delivery below the managerial level, and it is often at this point that the respective organisations become nervous of what can feel like merging rather than sharing. The LGA shared service benefits tracking work bears this out, of the £1.3bn of savings delivered through shared service arrangements in England since 2016, £602m have come solely from shared management and procurement initiatives.

2.8.2 Adequacy of a shared service approach

Although there are other objectives to take into account besides purely financial ones, the evidence of the accomplishment of a shared service approach, when contrasted with more permanent and structural such as local government reform (the creation of Unitary Councils) shows the scale of the potential difference.

Initiative	% savings achieved
Shared Services (average across back office and customer facing services)⁴	5.56%
Unitarisation Wiltshire⁵	28.0%
Unitarisation Cornwall	16.8%
Savings Target EHDC	3.7%
Target HBC	19.6%

All of these figures are ballpark. Local circumstances can significantly change the specifics of the benefits of any approach. Nevertheless they provide a guide for the scale of savings that can be achieved.

2.9 Differences in the transformation journeys of the Councils

In the design of transformation programmes form should follow function. As the focus and priorities of each council begin to diverge, the Shaping our Future programme, which both councils have been developing becomes a key area.

2.9.1 Transformation assets

The Programme has achieved much in developing the foundation of any transformation activity, specifically

- A target operating model which articulates how the organisations would function as a set of integrated services and systems with a consistent customer journey

⁴ Source: Shared Necessities the Next Generation of Shared Services NLGN London 2011 p.29

⁵ Source: Independent Analysis of Governance Scenarios and Public Service Reform in County Areas. EY London 2016 p.52

- An analysis of each service area that helps to determine its relative level of priority and efficiency, as the basis for target setting over a three-year period.
- Learning from other councils about what works in transformation, and the outcomes of different approaches.
- Refreshed corporate strategies, performance management arrangements, values and behaviours statements.
- A new approach to budget setting and an analysis of how resources could. Be moved to priority areas
- A set of transformational tools that could help service leaders redesign their services in collaboration with others.
- An outline design for a modular programme of service redesign, to enable service leaders to fundamentally change the way services operate.
- A virtual learning environment in which all this information is stored and can be accessed by service leaders.

These are assets with both Councils have invested in and own, which will be of use to both as they move forward.

2.9.2 Emerging differences in transformation needs

Whilst the transformation needs of both organisations have much in common, key differences are emerging in the planning of a joint approach to transformation.

2.9.2.1 The scale and timings of the savings requirements

From the outset the savings requirements have been different, and the long-term strategic direction exacerbates that difference. The delivery of these savings over the lifetime of the respective MTFS's is also challenged by the need for Havant in particular to front load savings delivery to the 23/24 financial year in order not to store up a bigger problem in subsequent years. In addition the MTFS highlight larger ongoing savings requirement for Havant.

The recently published MTFS for EHDC highlights the requirement for future year savings of £1 million to be delivered in 2023/24. The full forecast is for a small deficit in 2026/27 of £0.179 million

By contracts the Havant MTFS highlights a savings requirement in 2023/24 of £1.268 million, and the gap forecast for 2026/27 is £2.664 million.

2.9.2.2 The relative priorities of different services in the two Councils

In the work on priority-based budgeting to date differences have begun to emerge on the relative priorities that services make to the delivery of differing corporate objectives

2.9.2.3 The options for savings delivery through shared services

One of the transformation tools that has been developed by the Shaping our Future programme team has been 'Next level sharing'. This is a set of templates for assessing the maturity of current sharing arrangements and approaches to deriving more benefit.

Whilst it is assumed that benefit could be derived from this line of enquiry it should be recognised that in over 10 year of partnership the Councils have not been able to gain political agreement to the standardisation and integration necessary to progress significantly beyond the initial savings achieved through shared management. Shared management is in place across the Councils but deriving the next level of benefit seems unlikely. The benefit of shared services are mainly derived from the work that goes on after single management teams are in place, to redesign and standardise the way services operate, that work can

2.9.3 The Learning and collaboration challenge

The process by which Heads of Service and their direct reports had been due to redesign services was through the applied programme in service re-design. Differing priorities, savings needs and timescales and the fact that the two further sharing is unlikely makes the idea of staff from the two Councils working alongside each other more challenging. There is no doubt that it could still work, but the experience and outcomes may not be optimal.

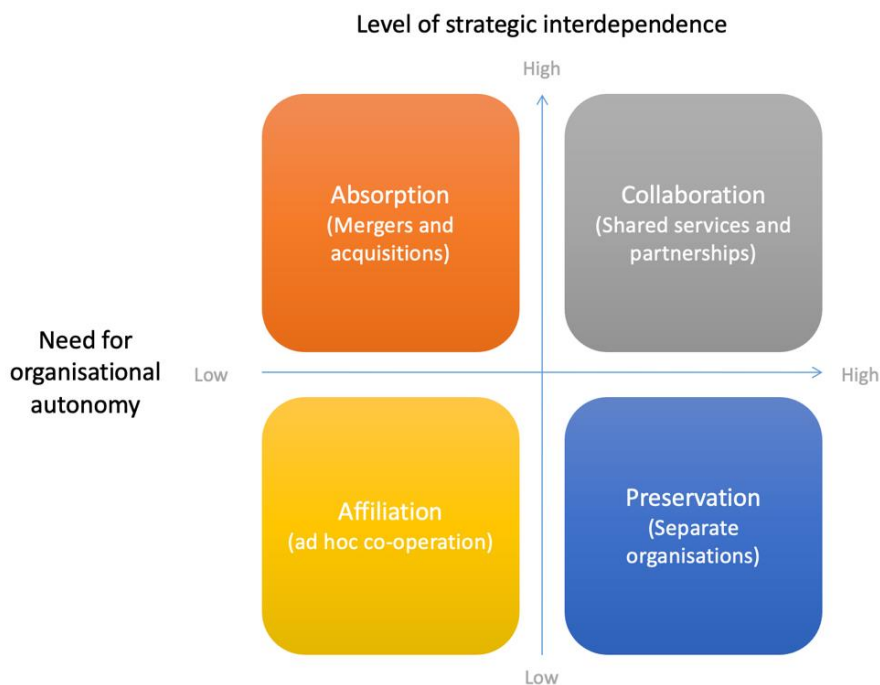
2.9.4 Transformation approach

Whether they proceed separately or together both Councils need a credible transformation plan to support the MTFs, and both have developed assets they can use. The scope for transformation is only partly diminished by the loss of scale, it may well be that

3 The Options for EHDC and HBC

3.1 The options

The options need to strike a balance between the need for autonomy for each organisation; to control its own governance, strategy, finance, and services, set against the advantage to be gained from working closely with others. As the matrix below shows this consideration can lead to different configurations from the status quo to a full-scale merger. As the analysis above shows, levels of savings that can be expected from different organisational configurations are influenced by the degree to which, to pursue strategic advantage the organisations are willing to let go of autonomous governance and service provision and the permanence of the arrangement.



Option	Description
<ul style="list-style-type: none"> As is 	This will act as the baseline option from which all other options will be compared and assessed; this option has already been rejected but it is included here for comparison and completeness
<ul style="list-style-type: none"> Improved Existing Partnership 	This option will model the improvements, opportunities, and challenges of the existing partnership arrangement, taking account of the currently planned transformation programme.
<ul style="list-style-type: none"> Standalone Authority 	This option will model the improvement, opportunities and challenges for a standalone authority arrangement.
<ul style="list-style-type: none"> Future strategic alliance 	This option considers the opportunities for a strategic alliance in the future. This option is not based on any ongoing discussion and is not specific to any potential single partner or multiple partners. This heading serves as a descriptor for a range of alliance possibilities, from a service supplier relationship, to limited sharing, to close collaboration as part of a devolution deal or to structural change under local government reform.

3.2 The criteria

The descriptions above demonstrate considerable divergence across a number of key criteria in the work of the councils and it is in relation to these areas that the options for the future should therefore be assessed.

In the table below 8 criteria are described that represent the key elements of a sustainable business plan.

Criteria	Description
External Considerations	
Vision	The extent to which the proposed option enables the realisation of the Councils' vision for its community and organisation.
Leadership Capacity	The extent to which the proposed option creates sufficient leadership capacity, both political and managerial, to address challenges and opportunities in their respective areas
Place Priority	The extent to which the options enable the Councils to address the needs that arise from the demography, geography, infrastructure, and economy of their respective areas
National Policy objectives	The potential of the proposed options to enable the Councils to grasp the opportunities afforded by emerging national agendas such as levelling up, health service reform (ICS) and planning policy initiatives
Internal Considerations	
Financial sustainability	The extent to which the options provide financial sustainability in the short, medium and long term
Transformation journey	How the options enable the transformational challenges of the respective organisations
Focus and priority	Whether the options enable staff to have a clear focus on what matters to local communities
Employer of choice	The extent to which the options enable the Councils to attract and retain high quality staff

4 The comparative weighting of the criteria

Criteria	EHDC Weighting	HBC Weighting	Rationale
External			
Vision	5	5	Both councils have compelling vision, and a good sense of the characteristics of community and what matters to their people
Place Priority	4	5	The place of Havant is more challenging and developing prosperity is a central challenge, greater than that in EH
National Policy	5	5	The demography of the area means that the synergy in particular with welfare, housing and planning agendas is more important
Leadership Capacity	5	4	Potentially greater focus on this in EHDC
Internal			
Financial sustainability	3	5	HBC has a greater challenge across all time frames
Transformation journey	5	4	Transformation matters more in EH, innovation and new approaches are more prevalent compared to the more traditional HBC

Focus and priority	5	5	This is key for both councils
Employer of choice	5	4	Important to both initially for retention but long term both will need to provide an attractive prospect for people to want to come and work

5 Scoring the criteria and evidence sources

5.1 Scoring of options for EHDC

EHDC		As is			Improve partnership			Standalone Council			Future Strategic Alliance		
Criteria	Weighting	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result
Vision	5	M	3	15	M	3	15	H	5	25	M	3	15
Place Priority	4	L	1	4	L	1	5	H	5	25	H	5	20
National Policy	5	L	1	5	L	1	5	M	3	15	H	5	25
Leadership Capacity	5	L	1	5	L	1	5	H	5	25	M	3	15
Financial sustainability	4	L	1	4	H	3	20	H	5	20	M	3	12
Transformation journey	5	M	3	15	M	3	15	H	5	25	M	3	15
Focus and priority	5	L	1	5	L	1	5	H	5	25	M	3	15
Employer of choice	5	L	1	5	H	3	25	H	5	25	M	3	15
Totals				58			95			188			132

5.1.1 Narrative and evidence sources

EHDC	Narrative	Evidence Source
Vision	EHDC's agenda is compatible with HBC at a high level but, because of the differences in place and priority, both the as-is and improved partnership options are sub-optimal. Entering a new partnership may be advantageous in the future but would be distracting in the short term. A standalone council is therefore the preferred option for the immediate future.	The new Corporate Strategy sets out a vision and proposed objectives to deliver that vision, evidenced in section 2.4
Leadership Capacity	EHDC is trying to build leadership capacity at the strategic level and the current position means that insufficient time is available for a focus on its specific priority areas and partnerships. Leadership needs to be focussed on the transformation programme and pursuing any other partnerships would be a distraction.	See sections 2.7.1 and 2.7.2 for specific information on leadership, this is supported by the information in 2.6 on diverging agendas and 2.9 on transformation
Place Priority	Place plays an increasing role in the future plans of EHDC in contrast to the conditions that drove the original partnership agreements. East Hants serves a different area and population with different needs to those of HBC. In the first instance attending to the priorities of its area and then potentially seeking a partner with greater place-based synergy is the best option.	National data demonstrating the geographic, demographic, economic and infrastructure characteristics of the area is evidenced in paragraph 2.5.
National Policy	National Policy agendas are important to EHDC, specifically those that relate to the contribution it can make to the wider determinants of health for its population. Whilst this agenda matters to Havant as well, their focus will be more on levelling up and economic regeneration, as is and even improved partnership options. Devolution and LGR agendas are also relevant but potentially will require EHDC in a different direction	See section 2.6. which sets out some of the more significant areas of national policy
Financial sustainability	EHDC more favourable financial position allows the authority more options and choices for the future. The position overall creates space for investment in priority areas and opens up the possibility of longer-term investments to take advantage of innovative technologies. In the short term EHDC will have to bear the costs of the disaggregation of the JMTA and advice from CIPFA states that this is bearable in the short term, following this the strategic, long-term opportunity has the potential to be greater.	Details of the financial challenges are included in Para 2.8 Financial Challenge
Transformation journey	The Council is fully committed to the transformation programme and will be able to proceed to implementation. Though proceeding with the planned transformation would have ensured sustainability and resilience, by pursuing a standalone option much of the planned transformation can still be delivered. Once transformation has been achieved the council will then be in a good position to pursue other strategic partnerships.	See section 2.9
Focus and priority	For staff, there is clear strain at present in serving the needs of the two councils, the transformation programme is aimed at giving greater clarity and focus on priority areas and whilst this would help, there is obvious advantage to be gained from a singular focus in the short term. Exploration of future partnership opportunities can then be accommodated.	Detailed in the Business Plan 1.1 and 3.2
Employer of choice (CT)	The current stresses that staff report of working for two councils and the difficulties in accurately accounting for the utilisation of shared staff between them makes the current position far less than ideal. The transformation programme is aimed at giving the staff greater agency in the re-design of services and this enables greater resilience in services and better outcomes for services. The appeal of a solvent council able to vary terms and conditions to reward staff is significant and will attract innovative people.	See section 2.7 and also 3.3 of the Business Plan

5.2 Scoring of options for HBC

HBC	As is			Improve partnership			Standalone Council			Future Strategic Alliance			
Criteria	Weighting	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result	Assessment rating	Assessment score	Weighted result
Vision	4	M	3	12	M	3	12	H	5	20	H	5	20
Place Priority	5	L	1	5	M	3	15	H	5	25	H	5	25
National Policy	5	L	1	5	L	1	5	H	5	25	H	5	25
Leadership Capacity	4	L	1	4	L	1	4	H	5	20	H	5	20
Financial sustainability	5	M	2	10	M	3	15	M	3	15	M	3	15
Transformation journey	4	L	1	4	M	3	12	M	3	12	M	3	12
Focus and priority	5	L	1	5	L	1	5	M	3	15	M	3	15
Employer of choice	4	M	2	10	M	3	12	M	3	12	M	3	12
Totals				55			80			144			144

5.2.1 Narrative and evidence sources

HBC	Narrative	Evidence Source
Vision	HBC's agenda is compatible with EHDC at a high level but, because of the differences in place and priority, both the as-is and improved partnership options are sub-optimal. A standalone council is desirable but may not be sustainable, moving towards a new partnership may be necessary in the future and should be considered as part of its transformational plan.	The new Corporate Strategy sets out a vision and proposed objectives to deliver that vision, evidenced in section 2.4
Leadership Capacity	HBC lacks capacity at the strategic level and the current position means that insufficient time is available for a focus on its specific priority areas and partnerships. Leadership needs to be focussed on immediate sustainability and on the creation of a transformation plan that meets with current challenges whilst building a platform for the future.	See sections 2.7.1 and 2.7.2 for specific information on leadership, this is supported by the information in 2.6 on diverging agendas and 2.9 on transformation
Place Priority	Place plays an increasing role in the future plans of HBC. Containing demand in the future will be significantly influenced by the prosperity of its economy and the extent to which this provides benefits and opportunities to address inequality and deprivation in communities. In the short-term attending to the priorities of its area with others whose activity influences the sub-region.	National data demonstrating the geographic, demographic, economic and infrastructure characteristics of the area is evidenced in paragraph 2.5.
National Policy	National Policy agendas are important to HBC, specifically those that relate to the prosperity of its economy through regeneration and inclusivity through levelling up. Devolution and LGR agendas are highly relevant given the county deals initiatives and a focus on the Free Port needs focus.	See section 2.6. which sets out some of the more significant areas of national policy
Financial sustainability	The Cipfa report identifies that the existing Medium Term Financial Strategy (MTFS) for Havant, as recently approved by the Council, does not contain sufficient resources to finance the existing Council services, and that the additional costs arising from the separation from EHDC will add an additional financial burden. However, Cipfa have considered the totality of the financial reserves and provisions which could be available to the Council, and subject to the review of the Budget Working Group, there may be sufficient resources available for an independent Havant to become a financially viable Council. The Cipfa outlines some of the potential resources available, and what needs to be done to deliver those resources.	Details of the financial challenges are included in Para 2.8 Financial Challenge CIPFA report
Transformation journey	Though proceeding with the planned transformation would have ensured sustainability and resilience, the Council now needs to adjust to fit in with its targets and timescales. The options for other partnerships should be considered as part of its transformational journey.	See section 2.9
Focus and priority	For staff, there is clear strain at present in serving the needs of the two councils, the transformation programme is aimed at giving greater clarity and focus on priority areas and	Detailed in the Business Plan 1.1 and 3.2

	whilst this would help, there is obvious advantage to be gained from a singular focus in the short term. Exploration of future partnership opportunities can then be accommodated.	
Employer of choice	The current stresses that staff report of working for two councils makes the current position far less than ideal. In the short term the Council will need to reduce staffing levels. The Council has the opportunity to create its own distinct branding and appeal based on the challenge of prosperity, inclusivity, and partnership.	See section 2.7 and also 3.3 of the Business Plan

6 Preferred Options

The options appraisal concludes that in the case of EHDC, a standalone Council with the potential to develop new strategic partnerships in the future that match with its place-based ambitions, is the best way forward.

In the case of HBC the standalone council is preferred in the first instance, it has the capacity to do this now provided it can reduce its cost base to be sustainable in the medium term. This option is the best place from which it can then consider any future strategic alliances.

7 Transition

The Councils have worked together in formal partnership arrangements for over 10 years and in that time have become intertwined in ways that may not immediately be obvious and will need to be unravelled consciously and carefully. However, given the limitation of the 'as is' arrangements the Councils will want to pursue their preferred options as quickly and as safely as practical. It is vital therefore from the point of service continuity, financial sustainability, staff retention (and recruitment) and partner relationships that the transition from old to new arrangements is carried out as efficiently as possible.

The JMTA, sets out that both Councils shall co-operate in terminating modifying restructuring assigning or novating contractual arrangements entered into, to mutual advantage, and properly and in a timely manner execute any documents necessary

7.1 Creation of a transition plan

To do this it is proposed that the Chief Executives create a robust transition plan for each authority involving their respective s.151 and monitoring officers and their resources and transformation.

In doing so they should act with pragmatism and due process in the pursuit of the strategic options they Councils have chosen, completing the tasks as quickly and as beneficially as possible, agreeing principles and timescales at the outset.

The plan will cover:

7.1.1 Separation of Governance arrangements

The councils have already invoked the conflict arrangements contained within the joint management team arrangement to ensure the interests of the separate sovereign councils are safeguarded and drive all of the decision-making to achieve an effective transition.

There is provision within the agreement for dispute resolution in the event that the Leaders of the Councils in conjunction with the Chief Executive are unable to resolve any dispute. Any such unresolved dispute may be referred to an arbitrator appointed from the Chartered Institute of Arbitrators or such other professional body appropriate to the matter in dispute

7.1.2 Management of financial consequences

The independent advice of CIPFA is that the separation is affordable by both councils provided appropriate action is taken to mitigate the impact of the decision to terminate the JMTA. Councils will make each other aware of any financial consequences that need to be managed as a result of the termination of the agreement, seeking to minimise any unintended consequences.

7.1.3 The appointment of staff

The Councils will design and appoint their own leadership teams. The Councils may wish to develop a protocol for the appointment of staff to strike the appropriate balance between individual preferences and organisational needs.

7.1.4 The management of Contracts

The Councils will make each other aware of the obligations and restrictions of any contracts to which both councils are party, especially the major contracts with Norse and Capita.

7.1.5 The future of ICT arrangements and the management of security and data

Beyond the contractual arrangements for the delivery of ICT hardware, software and support the two councils will need to understand the extent to which data and systems are currently shared and to determine how and in what time scale they can safely and securely be separated.

7.1.6 The future of services that are shared

The Councils will need to take account of the current sharing arrangement and consider

- a) Which services are currently woven together such that precipitous action would significantly undermine financial, sustainability and service continuity/quality.
- b) Which services can easily be separated and become part of the standalone or other strategic partnership options.
- c) Which services, if any, they may wish to continue to share beyond the separation
- d) Which services, if any, they may wish to commission from one another

7.1.7 Transformation plans

It is clear that both Councils require credible transformation plans and that they have together developed transformation assets and jointly owned IP. The Councils will make each other aware of their transformation plans, exploring the options for collaboration where desirable and advantageous to both.

7.1.8 Partnerships

The Councils will map any partnerships in which they are currently engaged, consider each other and make each other aware of any necessary communication with partners and any actions that would be to the benefit of either party.

1 Havant Borough Council Business Plan

The following is a high-level business plan stating how HBC will successfully deliver the benefits to underpin the strategic option determined in the options appraisal. Having identified the strategic objectives and conducted the options appraisal, the Treasury five case model asks whether the preferred option is viable, affordable and achievable. This plan sets out how the HBC can proceed, at first as a standalone Council, to deliver the organisations strategic goals whilst being financially sustainable.

1.0 The Councils goals

1.0.1 Corporate Strategy Outcomes



In terms of the difference we make for customers and communities, the focus in Havant is around the priorities of an environmentally aware and cleaner borough, a safe environment, healthier and more active residents, a thriving local economy, a revitalised borough with infrastructure that meets our ambitions, a responsive and commercial council and a quality home for all. This clarity lends itself to a planning and performance regime that offers stronger focus in outcomes and

measures that are contained within the corporate strategy document.

1.0.2 The Balanced Scorecard

Havant Borough Council has clear and distinct strategies, it is vital that the pace, prioritisation and focus of arrangements to deliver these plans are set out. This extends into arrangements for corporate and service planning, target setting, performance management and risk management, which facilitate the execution of strategic priorities. The Shaping our Future Programme identified refreshed corporate strategies and enhanced performance management arrangements as one of the key enablers of transformation. For Havant BC this has resulted in a clear set of measurable goals. These goals cover four distinct but interconnected areas in a balanced scorecard:

Perspective	Description
Customers and Communities	This reflects the difference we make for our customers, businesses and communities, and their perceptions.
Finance	This reflects the financial sustainability and stewardship of the Authority.
Internal Processes	This covers how we do business, and how we ensure operational processes drive achievement of ambitions and priorities

2 Leadership capacity and organisation design

A key aspect of the preferred option of a standalone council is the desire to enhance leadership capacity to deliver corporate objectives. The Council has already appointed an Acting Chief Executive and, subject to approval of this Business Case will seek to appoint a permanent Chief Executive as soon as possible, recognising that this process can take between 6-9 months. The Acting CEO will move to fill other senior posts following presentation of proposals for a new staffing structure. More immediately, the Acting CEO will employ a temporary s.151 and monitoring officer as swiftly as possible to fulfil the Council's statutory obligations.

The move to a permanent structure will seek to minimise the costs of the transition and will deliver one of the objectives of the transformation programme: to rationalise the structure to conform to the principles of the LGA backed DMA (Decision Making Accountability) model, that sets out the required layers of hierarchy between the Chief Executive and frontline worker and standard spans of control for each managerial position in the hierarchy.

Details of this new structure will be developed and implemented by May 2022.

A new target operating model will be developed through an Officer Working Group of senior officers that will work with the Acting CEO to take account of the separation of the Councils but adheres to the same principles of the previous model organisations by:

- standardising and simplifying the way we operate,
- using emerging technologies to create consistent and better customer experiences,
- managing demand, sharing more closely, redesigning our services
- developing the skills and capabilities of our staff to drive better results,
- building organisations that can transform themselves and the communities they serve

3 Financial sustainability and transforming resource allocation

Independent analysis of the financial position of HBC states that the Council has work to do to afford the preferred strategic option.

- a) *We are not fully satisfied that the Council has sufficient resources within the Medium Term Financial Plan period to implement the emerging plan to split from East Hampshire Council. We would urge an immediate review of the need for a provision for possible pension contributions and whether some earmarked reserves are needed in the short term so that there may be some reallocation to assist in the requirements of the split, before there is any further new capital spend.*

Additionally, we would want the Council to consider reviewing its likely Council Tax take to reflect any growth in the tax base to establish clearly the action it needs to resolve any possible deficit over the MTFS period.

- b) We think that the Transformation reserves available are overall sufficient to meet the requirements that will arise, but we would urge that within the next three months the Chief Executive provides the Cabinet with a detailed proposal to use the reserves including the consideration of any temporary additional staff and enhancements for staff who continue with the Council throughout the period of the split.*

We think there may be an ongoing requirement for additional posts at a senior level that will put further pressure on the Council finances.

- c) We suggest the Council should plan for a formal revision of the 2022/23 budget in the Autumn 2022 to represent a target point for an assessment of the financial consequences of the split and the achievement of the Council savings targets. We are encouraged by the creation of a budget working group.*

As set out in the options appraisal, the short-term cost increase is justified by the alternative path in terms of better delivery and future strategic possibilities. However it is recognised that action is required immediately and this is now in hand, a budget working group has been established to deal with points b) and c) above and a revised budget will be submitted that will show how the costs of the split, and the opportunities arising from it will combine to demonstrate affordability in the short term and advantage in the medium to long term.

3.1 Cost of ending the JMTA

As part of the budget setting process for both Councils, a high-level review of cost connected with the ending of the JMTA was undertaken and included in the budget setting papers. It is proposed that these costs are funded from ear marked reserves.

The earmarked reserves are £1.200 million for EHDC and £1.950 million for HBC.

These figures include costs relating to the dissolving of the partnership, which includes estimates for additional management costs arising from splitting the JMT and other teams, costs for redundancy and job advertising costs. Included in the Havant figures were £175k for transformation costs. The figures differ to reflect potential additional temporary costs in Havant, pending movement to the new permanent structure.

The figures are estimated and will continue to be refined and reviewed as part of the work on splitting the JMTA through the Budget Working Group. The final figures will depend on the structures and ways of working that are designed for the two Councils. Further, Cipfa has requested an immediate review of pension reserves (at (a) above) and for the Council to reconsider its use of short term cash through review of its Treasury Management Strategy to maximise potential short term financial benefits to the Council. The Acting CEO will work with the Budget Working Group to produce a financial impact statement.

The Budget Working Group will consider more detailed work on the long term use of funding but it is expected that the current estimates are adequate for this transition period.

The Councils have different levels of Ear Marked Reserves. The most recent budget papers estimated value of revenue earmarked reserves at 31 March 2023 will be £15.8 million in EHDC and £11.1 million in Havant. Both Councils will be reviewing the need and commitment to spend these on earmarked items to identify if any could be used for one off expenditure.

3.2 Achieving Financial sustainability and the better use of resources

The requirement for transformation within the two Councils is more important than ever, to ensure that the service costs are within the overall cost envelopes. Delivering the desired improvements whilst making the necessary financial savings must be at the heart of the Councils transformation programme.

To date the Council has invested in the Shaping our Future Programme and it will continue to utilise the work completed in particular:

- A new approach to budget setting
- Priority based target setting

A key initiative in the SoF programme plan is the Applied Programme in Service Redesign which envisaged for each service, a root and branch review of the way they operate. As set out in section 2.9 of the Strategic Case and Options Appraisal, the scale and timings of necessary savings and the relative priorities of the Councils may lead HBC to pursue a different route. This choice is part of the remit of the Budget Working Group “to make proposals based upon the following measures:

- a. Review the CIPFA report and the future sustainability of the Council
- b. Review of future costs of the Shaping Our Future Programme and the continuation of transformation within the Council
- c. To undertake service reviews based upon information obtained from the Shaping Our Future Programme
- d. To review its contractual management arrangements and decide if they provide value for money”

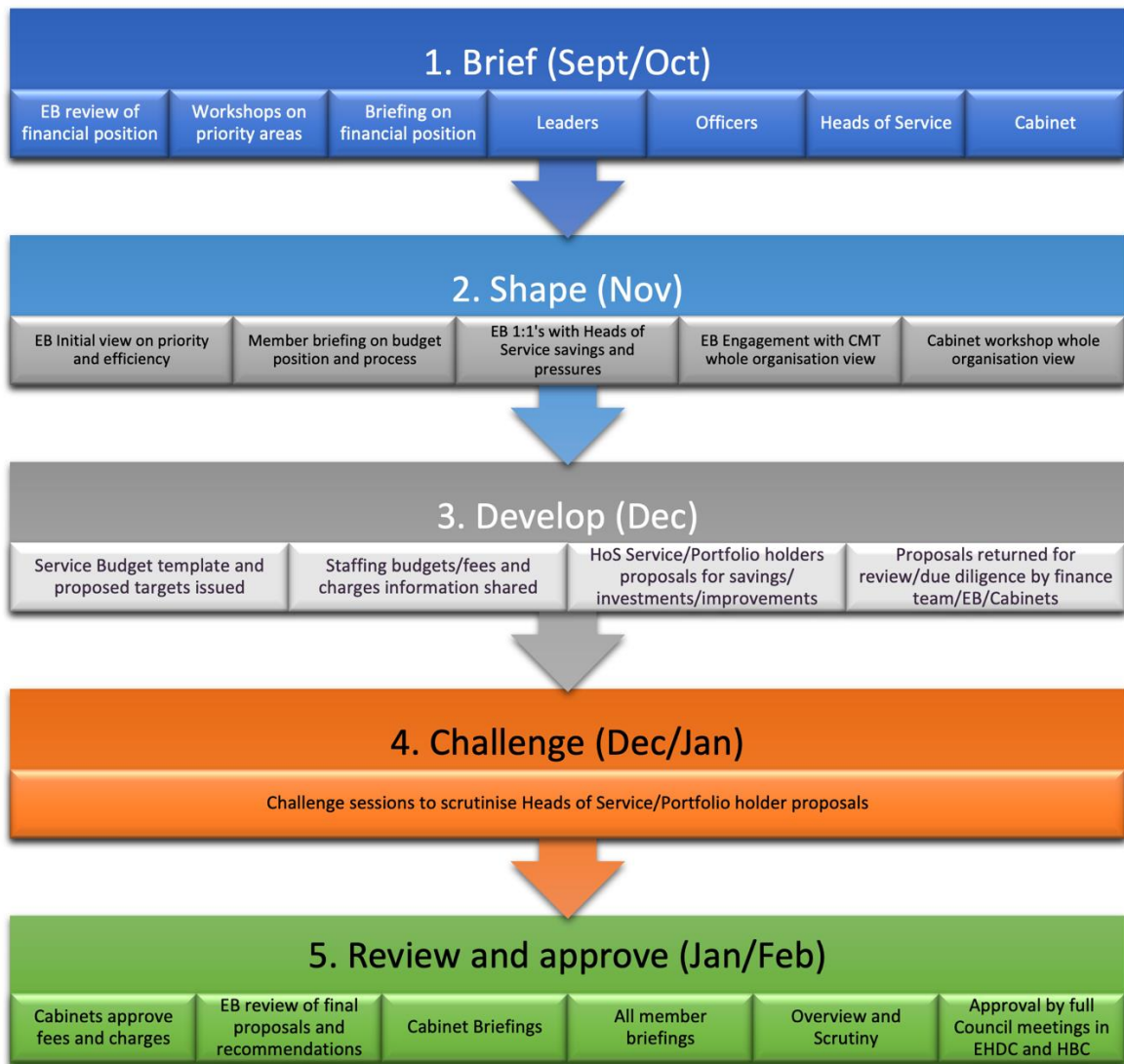
The Cipfa report highlights that achieving transformation targets will be challenging when restructuring begins. Cipfa indicates at paragraph 5.10 that transformation may have to take second place to making the savings that will provide a sustainable financial future. It is important therefore for that the Budget Working Group receives an early report on the future options for the Shaping Our Future transformation programme.

The intended outcome of the Budget Working Group will be to provide a financially sustainable Council that will allow the Cabinet and Councillor to focus on funding opportunities to support the Corporate Strategies that are specific to Havant:

- Using funding from the Freeports to fund the Skills Centre in Leigh Park,
- CIL to fund various street works,
- Levelling Up Fund for the Town Centre Regeneration fund
- The High Streets Task Force to assist the Town Centre work

3.2.1 New approach to budget setting

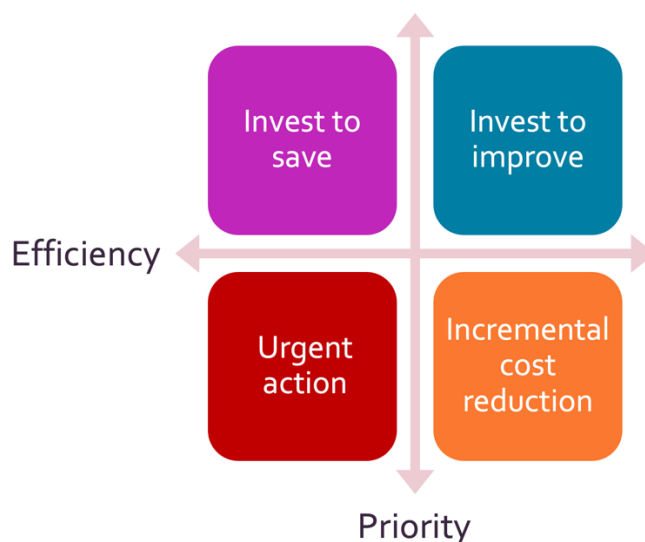
Previous approaches to budget setting have relied on proposals for savings and investments being generated within services. The new approach will include broader consideration of how resources may need to move between services, to deliver the overall goals of the organisations, and to create headroom for the development of new services and initiatives to meet council goals. This will be based on a consistent evidence base to assist the formation of budget proposals and, in particular, link them to service plans and priorities. The stages in this new approach to the annual cycle are illustrated below:



3.2.2 Priority based target setting

Under the Shaping our Future programme, each service has been analysed and categorised. This categorisation has been arrived at by considering the services level of priority and efficiency. As the diagram below illustrates areas have been categorised according to one of four categories, which will drive financial targets over the period of the MTFS.

These categories are used to guide the financial trajectory of each service over the MTFS period:



The following is a summary of targeted savings for future years to tie into current MTFS. These are illustrative figures to show the scale of the budget challenge. It is proposed that invest to improve areas will benefit from the investment of transformational activity within a flat line budget. Invest to save areas will deliver 5% savings, other areas those that are lower priority but currently relatively efficient will see incremental reductions over the period of 15% and services that are both low priority and inefficient at present will be at the forefront of a drive to reduce costs and improve performance. These figures are broad envelopes at this stage and subject to further discussions and agreements. However, this approach yields a saving over the MTFS period of £2.1m.

	Havant	Havant		Savings 23-26
HBC	Net Budget	Revised target	% SAVING	
1 Invest To Improve	465,592	(292,103)	0.0	0
2 Invest To Save	1,661,178	0	5.0	102,021
3 Incremental Cost Reduction	7,944,770	721,817	15.0	1,082,725
4 Urgent Action	3,521,134	766,227	25.0	957,784
	13,592,674	1,195,941		2,142,530

Reviewing this approach will be a major focus of the Budget Working Group.

3.3 Retaining and attracting the right talent

3.3.1 *Creating the right environment*

The USP of the Councils is likely to be different and potentially attract different kinds of staff. To be an attractive employer in a competitive market requires an organisation to be focussed on the opportunity it can offer to and provide its workforce.

The pandemic has shifted attitudes to work and consequently employees want more flexibility, improved work/life balance, a sense of purpose and opportunities to develop and grow. Becoming an employer of choice in the era of covid is different to how it was before, and organisations are competing for skills as many people look for different opportunities. For Havant BC the opportunity is to create an exciting focus that is attractive to people who want to make a significant contribution to the levelling up agenda within the context of an urban environment that is keen to transform its infrastructure and to work in partnership across the functional economic area.

3.4 Service delivery

3.4.1 *In house Service delivery*

The Councils have been working together for over a decade and many services have become intertwined and woven together in ways that will take some time to unpick and unravel. Other services have coexisted but not necessarily joined up.

Maintaining service delivery and the quality of services to the public will be the first consideration in any plans to separate services, ensuring this is done safely and at a pace that can be managed. Part of the transition plan will be to take a detailed look at each service. Much of the detailed service analysis completed under the shaping of future programme will be drawn on to commence this exercise. We already know a lot about patterns of demand, about channels that customers use and how this picture interacts with our IT systems.

Our approach will therefore identify services

- That are highly integrated that will take time to separate
- Where the employing authorities are heavily weighted towards one side of the partnership
- Where continued sharing represents the best option when balanced with broader strategic considerations
- That are currently poorly integrated and therefore easily separable
- Where there is an opportunity for one council to provide the service on behalf of the other
- Where contractual arrangements restrict or enable future service delivery options. boom

Once a set of broad categories have been established specific actions will be identified and added to the programme plan. The Acting CEO, working with the CEO of EHDC will provide

a phasing plan for separation of the services or will identify those that may remain shared in the interim or long term where that either creates value for money or where services will not be sustainable as a standalone service e.g. emergency planning.

Conclusions

The partnership between east Hants District Council and Havant Borough council have served both councils well for many years. Much has been achieved and there is no doubt that because of the partnership we have been able to provide more and better services for our communities. However, the circumstances and strategic drivers that led us into that arrangement have changed significantly. The option to become a stand-alone Council in the first instance and to explore the possibilities that may exist in place-based partnerships in the future is affordable and can be delivered and this business plan is a high-level description how it can be done.

4 Response to the CIPFA report

CIPFA were commissioned by the two Council to examine our approach to the re-evaluation of the JMTA and the capacity of the Councils to cope should they decide to bring that agreement to an end.

Their report highlighted some key issues which we believe we have addressed in this document. We have highlighted the key findings and our response.

Report Comment	Response
The option to seek any alternative Strategic Partner is not defined sufficiently for members to reach a conclusion, and therefore we suggest that further work on that option is ceased	It is not an option at present and no work is currently ongoing, it is identified as an option that has some attractions but any work on this will only commence once a standalone council has been established
There should be an agreement that the split should be phased and that changes in individual services should only take place when both Councils are satisfied that there will be continuity of service.	In the transition planning, the CEO's will identify phases of delivery and appropriate steps to be taken to ensure service continuity is not affected
The continuation of joint service teams may be the best option in the interests of service delivery.	This will be considered on a case-by-case basis where this is the case joint delivery remains an option
A comprehensive Section 113 agreement is agreed to replace the Joint Management Agreement.	At this stage given time scales and capacity the creation of a s. 113 agreement may not be necessary depending on the progress which is made in the transition plan. Given the thoroughness of the plan a s. 113 would only be envisaged if it is felt necessary for services that will continue to be shared.
By the end of March 2022, there is a cross Council agreement on the principles of staff retention and treatment through the splitting process.	Agreed and this would be part of transition planning
Early and comprehensive skills audit	This is already underway and additional capacity is being identified to carry out the necessary work
Suggest that there is no commitment to any new IT developments with the IT support contractor,	There is work underway on the tenancy arrangements and this will continue but no new work is envisaged
That additional resources are engaged, independent of the existing IT support contractor, to identify the application and data consequences of the split.	This is in hand
Chief Executive provides the Cabinet with a detailed assessment of the impact of the split on the 2022/23 budget and reserves including the costs of any additional senior management support, temporary additional staff and	Outline costs are identified in the paper and these will be refined through work with the Budget Working Group as the work progresses

enhancements for staff who continue with the Council throughout the period of the split.	
Clarity of the future structure	As detailed in the report the structure will follow the recommendations of the LGA decision making accountability framework. New structures are being developed now and will be consulted on as soon as possible
early appointment of a Section 151 officer and Monitoring Officer	This is in hand. Arrangements will continue to be shared until each Council has made appropriate arrangements for its individual statutory officers
protocols will need to be developed to manage data security and data use.	These will be developed as part of the transition arrangements
To establish the 'baseline position' (cost/performance/outcomes) for service delivery.	Considerable work has been undertaken to accurately assess cost priority and efficiency of each service and this provides a good baseline for the evaluation future options
To demonstrate the likely financial position for the period of the MTFs, and with an indication for at least 10 years based on the best available data;	We have demonstrated likely financial position over the lifetime of the MTFs and we'll use what data we can to model the next 10 years however there are so many variables this may prove challenging.
To outline the corporate requirements that demonstrate how the Council can best respond to the needs of its community	The work on the indicators and targets that support the corporate strategy identify how the councils relate to community needs. Further refreshes of the corporate strategy will consult with communities and make sure that plans will continue to meet needs.
We do however feel that there is a lack of financial detail of how much each Council expects the split to cost. We accept that given the speed at which this process is being undertaken, this is understandable, but this is a weakness in the Business Case document as currently drafted.	We have now inserted further detail since this comment was made and will continue to refine the exact cost of the split as the transition phase proceeds. Regular monitoring of cost will be undertaken through the Budget Working Group
Also, practical details of governance, project management, risk management, public communications, staff relationships and asset management including ICT are currently missing. However, we accept that planning this to the detail required before a formal decision is taken could be potentially abortive expenditure.	Agreed and all of this will be developed as part of the transition plan
We would urge that the Business Plan identifies clearly that the pace of change has to be realistically measured to ensure business continuity for both Councils.	Agreed and we will clearly need to manage the pace of change to ensure that we can cope with the pressures at the same time ensuring that we deliver outcomes
whether the creation of new structures will move in parallel; will there be redeployment available across both Councils for anyone displaced; will any form of employment guarantee be given to staff; retention and	We are acutely aware of the uncertainty that this causes for all of our staff and are using all communication channels to keep them informed and to reassure them of their value to

motivation activities; and the timescales for the implementation of new structures.

us and of the part they can play in future development

5 Risk Analysis

The split from shared management arrangements carries with it a number of risks. The Corporate Risk Register for each Council will be updated to reflect the risk and mitigations as the decision to split proceeds. In addition, a transition risk register will be established in order to manage the risks over the course of the next few months.

A summary of the main corporate risk areas is included below, including planned mitigations in place to reduce the likelihood and impact of the risks.

Risk ID	Risk Title	Category	Identification of areas where there are significant risks	Risk Owner	Pre mitigation			Planned Mitigation Actions	Mitigation Success Factor	Post Mitigation		
					Γ	Δ	Π			Γ	Δ	Π
1	Staffing	Reputation	Potential for reduction in staff morale and increase in staff leaving the organisations due to uncertainty created as a result of the changes.	Management team	4	4	16	Clear communication plan and timely updates to be provided to staff. Existing staff communications to continue. Staff surveys, where required Continued Leadership Conferences to provide key messages to leaders within the organisation Transition plan includes clear change management process	Staff turnover does not increase	3	4	12
2	Impact on partners	Partnership	Damage could be caused with our stakeholders and potential future partners/clients as a result of change	CEO	3	3	9	Clear communication plan with partners and stakeholders at all levels, including information going out in particular with informing stakeholders of senior staffing changes and service provision changes	Partners remain committed	2	3	6
3	Service delivery	Customer	Potential impacts on delivery of services due to the number of services (44 across both authorities) that currently have some shared arrangements and will potentially be split going forward	Managers	4	4	16	Regular monitoring and review of performance ongoing Transition plan to take account of existing shared services and proposals for operations going forward New structures in place at each authority to be in place to provide clarity on service delivery	Continued performance of services as evidenced through performance report	3	3	9
4	Budget incl MTFS	Economic	Costs of the split lead to significant financial impacts resulting in further cuts to services	s151	3	5	15	Balanced budget at each authority CIPFA commissioned report into financial viability Review of MTFS going forward in particular at Havant which has established a budget working group to balance the MTFS Transformation programme to ensure both authorities are financially viable in the future	Balanced MTFS	3	4	12
5	Contracts incl data	Competitive	Numerous contracts exist between the two authorities including contracts where one authority is the lead, joint contracts and delegations and changes could lead to service delivery impacts	MO/Procurement	3	5	15	Priority consideration given to impacts on major contracts and delegations (Capita and Norse) as part of transition arrangements, in particular arrangements for IT at each authority going forward Contract register to be reviewed to provide clarity on position for each contract Review of data implications of split by DPO (Data Protection Officer)	Seamless transition and contractual obligations are fulfilled by each authority	3	4	12

Havant Borough Council: Initial analysis of Business Case for ending Joint Management Agreement

Draft Report

18 February 2022

1. Introduction and Executive Summary of findings

Introduction

- 1.1. East Hampshire District Council and Havant Borough Council have decided to end their joint management agreement. The two Councils announced in January 2022 that they were looking to end their 12-year partnership to set up their own management teams.
- 1.2. We were asked to provide some initial assistance to quantify a number of issues related to the potential impact of this decision, and the likely requirements going forward, for each Council separately as part of the development of Business Cases that could be put to both Councils for a final decision.
- 1.3. Our initial work was to be completed by 18 February 2022 to assist in the construction of the Business Cases.
- 1.4. We were supplied with significant material for us to review. In addition, we commissioned our Data team to update the comparative financial details on both Councils.
- 1.5. We acknowledge the support we received from those who we interviewed, and those who supplied the documents.

Executive summary of findings

- 1.6. We recognise that a formal decision has not yet been made to end the Joint Management Agreement and that our work has involved reviewing rapidly developing documentation that is being compiled at pace. Our work therefore focuses on the risks for the Council in progressing with this matter at speed.
- 1.7. Our overall conclusion is that the Council has the financial resources available to enable the delivery of the proposed separation of the two Councils. However, there are significant risks to the Council, which we outline in the table below:

Risk Area	Assessment	Reasoning and suggested mitigation
Formulation of plan for the splitting of the Councils		<p>We think that the draft of the Business Plan being prepared does contain the appropriate material to ensure that Members are adequately informed in order to make a decision, except we think that an outline financial appraisal should include the anticipated costs of the split.</p> <p>The option to seek any alternative Strategic Partner is not defined sufficiently for members to reach a conclusion, and therefore</p> <p>we suggest that further work on that option is ceased pending a decision by members on which of the other options is acceptable. The Strategic</p>

		<p>Partner option can then be re-evaluated, if required, at some later stage.</p> <p>We have concerns about the breadth of the challenge of separating the services. We suggest that it is formally acknowledged that there should be an agreement that the split should be phased and that changes in individual services should only take place when both Councils are satisfied that there will be continuity of service.</p> <p>We would urge that by the end of March 2022, there is a cross Council agreement on the principles of staff retention and treatment through the splitting process.</p> <p>We urge the Council to be pragmatic about the nature of the split and to accept that for some services, at least in the short term, the continuation of joint service teams may be the best option in the interests of service delivery. To assist this we suggest a comprehensive Section 113 agreement is agreed to replace the Joint Management Agreement.</p>
<p>Preparedness of the organisation to deliver Business as Usual</p>		<p>We are concerned that the Council currently has joint teams with East Hampshire Council and we are encouraged by the commitment of both Chief Executives to develop and agree plans for a phased implementation of changes to ensure that there is no disruption to service delivery.</p> <p>Whilst the majority of staff have clarity on their employment status we are aware that in some teams there is an imbalance of structure, skills and experience. We would urge that to overcome this the Council undertakes an early and comprehensive skills audit to identify any potential shortfalls that can be immediately overcome by additional temporary posts.</p> <p>We would suggest that there is no commitment to any new IT developments with the IT support contractor, and that additional resources are engaged, independent of the existing IT support contractor to identify the applications and data consequences of the split.</p>
<p>Adequacy of financial resources to support splitting of the Council over the MTFS period</p>		<p>We are not fully satisfied that the Council has sufficient resources within the Medium Term Financial Plan period to implement the emerging plan to split from East Hampshire Council. We would urge an immediate review of the need for a provision for possible pension contributions and whether some earmarked reserves are needed in the short term so that there may be some reallocation to assist in the requirements of the split, before there is any further new capital spend. Additionally, we would want the Council to consider reviewing its likely Council Tax take to reflect any growth in the tax base to establish clearly the action it needs to resolve any possible deficit over the MTFS period.</p> <p>We think that the Transformation reserves available are overall sufficient to meet the requirements that will arise, but we would urge that within the next three months the Chief Executive provides the Cabinet with a detailed proposal to use the reserves including the consideration of any temporary additional staff and enhancements for staff who continue with the Council throughout the period of the split.</p> <p>We think there may be an ongoing requirement for additional posts at a senior level that will put further pressure on the Council finances.</p> <p>We suggest the Council should plan for a formal revision of the 2022/23 budget in the Autumn 2022 to represent a target point for an assessment of the financial consequences of the split and the achievement of the Council savings targets. We are encouraged by the proposal to create a budget working group.</p>

Capacity of organisation to implement splitting of the Councils.

We think that the Acting Chief Executive has taken appropriate steps to secure additional capacity to assist delivery of the split. We would encourage the early appointment of a Section 151 Officer and Monitoring Officer and the confirmation of a senior management team below the Acting Chief Executive to give certainty and commitment. We are concerned, however, that the Council has ambitious transformation plans intended to be delivered by April 2023. We think the Council should keep the phasing and the timescale for delivery under review in consideration of the workload that will be generated by the split.

Draft

2. What is our view of the overall financial position of the Council: short term (2022/23); medium term (the current MTFP period); Long term.

Short term

- 2.1 The Council have provided us with an overview of the Councils net revenue spend for 2022/23. This totals £14.431 million.
- 2.2 This was an increase from a budget of £13.593 million set for 2021/22. We noted that in Quarter 3 of 2021/22 monitoring, the Council is showing an overspend on budget of £211k.
- 2.3 The 2022/23 budget includes £0.985 million of savings. This breaks down as follows:

	Staff	Income	Efficiency	Service
TOTAL	294,943	182,221	14,500	493,907

- 2.4 We were provided with a schedule of Fees and Charges for 2022/23 that shows a variety of levels of increase depending on the service area. The Council had required them to be reviewed by Service Heads and recommended for increase where appropriate. In many cases the increase exceeds 5% and there are a significant number of new charges.
- 2.5 The net service expenditure is funded by:

Business Rates Retention	(4,293)
Section 31 grant	(1,992)
Levy payment	1,016
Business Rates Collection Fund (surplus)/Deficit	0
Council Tax	(9,113)
Council Tax Collection Fund (surplus)/Deficit	0
General Grants	0
New Homes Bonus Grant	(474)
Other Financing	0
Lower Tier Services Grant	(150)
New Service Grant	(231)
Contributions to/(from) Earmarked Reserves	806

- 2.6 We were supplied with the detail of the reserves of the Council:

Type	31/3/22
Earmarked reserves	£15.920
General Fund	£3.509

Capital Reserves	£26.197
------------------	---------

- 2.7 The earmarked reserves are primarily as a result of expenditure from Section 31 and Covid reserves. There is a Financial Management reserve of £3.867 million.
- 2.8 By 31 March 2022, The Council will have £44 million invested in short term accounts, with no longer term deposits maturing beyond 12 months. There was external borrowing in place as of January 2022 of £3.2 million, which represents the balance of PWLB borrowing for the refurbishment of the Plaza.
- 2.9 The Chief Financial Officer for the Council has advised the Council, in respect of the 2022/23 budget that *'I must draw to the attention of Members a number of concerns which I have raised within the main body of my report regarding financial risk and future financial sustainability. Primarily the proposition agreed by Council to withdraw from the Joint Management Agreement with East Hampshire District Council and the impact of that decision of the Shaping our Future Programme.'*
- 2.10 Also, that *'The current reserves position is adequate, but I do not believe them to be sufficient to provide the necessary long term financial stability and support without a credible plan in place to tackle the deficits and pressures within the revenue budget.'*
- 2.11 We have been shown a proposed response by the Cabinet to that advice. Essentially it is through the creation of a process involving a Member Working Party to oversee discussions on the nature of service delivery required going forward and an officer working group, all to be brought together in time for the 2023/24 financial year.

Medium Term

- 2.12 The Council's MTFS demonstrates that:
- Net service expenditure will rise to £17.641 million by 2026/27;
 - Of the increase in net cost over the period of £3.193 million, £0.543 million is required for extra costs in Strategic Commissioning and £2.650 million is required for inflationary pressures;
 - The MTFS makes no forecast of any savings;
 - On the income side Business Rates yield will increase by £0.602 million; Council Tax yield by £0.950 million; New Homes Bonus will disappear and the levy payment will increase by £0.04 million;
 - The Council is planning to add £0.806 to earmarked reserves each year;
 - By 2026/27 there is expected to be an in-year deficit of £2.664 million and over the four years of the MTFS, the cumulative deficit will be £8.070 million;
- 2.13 The Capital Plan for the Council to 2026/27 demonstrates that with the exception of £0.4 million funded from specific reserves, the capital plan is

entirely related to Disabled Facilities Grants. We were provided with a list of previously unapproved and new bids for capital totalling £1.190 million. The Council's Treasury Management strategy anticipates no borrowing during the period of the MTFs.

- 2.14 We were supplied with the detail of the forecast for reserves of the Council:

Type	31/3/22	31/3/27
Earmarked reserves	£15.920	£14.026
General Fund	£3.509	£2.232
Capital Reserves	£26.197	£26.197

- 2.15 Following the use of Covid related earmarked reserves in 2022/23 the Council adds each year to the Pensions Resilience reserve. Notable is the annual contribution of £0.806 million to earmarked reserves. General Fund reserves reductions start in 2024/25. In the budget report for 2022/23 it was stated *'There is a single un-ringfenced Capital reserves available with a current balance of £10.3M mostly derived from the sale of land at Brockhampton West.'* This is available from 2022/23. We would urge that the Council should put any use for this in abeyance until such time as the Medium Term Financial Plan is in balance.
- 2.16 In the budget report for 2022/23 it was stated that *'The un-ringfenced covid financial support grant of (£2.1M) will now be set aside to support transformation and if required costs associated with the withdrawal from the Joint Management Agreement with East Hampshire District Council.'*
- 2.17 In the budget report it was stated *'However, the medium to longer term financial position is not sustainable for the Council and the Chief Finance Officer has advised the Cabinet Members that they need to now make significant in roads into the delivery of a robust and credible plan to reduce expenditure.'*
- 2.18 We have seen a document which is a draft of a Cabinet response to the Chief Financial Officers comment in the budget report intended to be a *'recommendation to Council to introduce measures to create a 'credible plan' for management of the budget and medium term financial strategy.'*
- 2.19 This correctly highlights the balanced budget for 2023/24 and the forecast budget deficits from 2023/24. It proposes to respond to our view of the affordability of the decision to withdraw from the Joint Management Agreement. It places a large reliance on a programme of transformation known as 'Shaping Our Future' which programme is about to enter phase 4, which is likely to have a significant budgetary impact in 2022/23 suggesting the Cabinet must therefore make an immediate decision as to whether the Shaping Our Future Programme will provide the budget returns necessary and in sufficient time to address its budget deficit.
- 2.20 The paper accepts the decision to exit the Joint Management Agreement will also bring additional costs at senior management level as costs for

those posts will no longer be shared. The Acting Chief Executive has committed to bringing a future senior management structure to Council for decision by end of May or as soon as possible afterwards. The paper says that for the two key contracts with Capita and Norse South East, the Acting Chief Executive and the Leader will meet with senior members of the contracting parties to re-establish working relations with those providers and to review the value for money offered by those contracts. Also, a service review to meet budget challenges is essential.

- 2.21 The paper also proposes that members selected from across the Council are asked to participate in a Budget Working Group to review service budgets with officers for the purpose of proposing service changes and there will be an officer working group in support of the member led group. This officer group will establish a target operating model for the Council.
- 2.22 The paper also points out that The Council has been identified as part of the Solent Freeport area and The Council has been identified as one of the towns to receive support from the Government's High Streets Task Force.
- 2.23 We reviewed the projections of Council Tax yield over the MTFS period. We noted that there is no increase predicted for growth in the tax base and we think this needs to be addressed.

Long term

- 2.24 We have no information on the long term financial expectation of the Council beyond the MTFS period.
- 2.25 The Council's Capital Strategy says that it is '*presently not actively seeking to generate additional revenue income through the purchase of new investment properties.*'

3. What is our view of the financial needs of the Council to ensure sustainability in the long term?

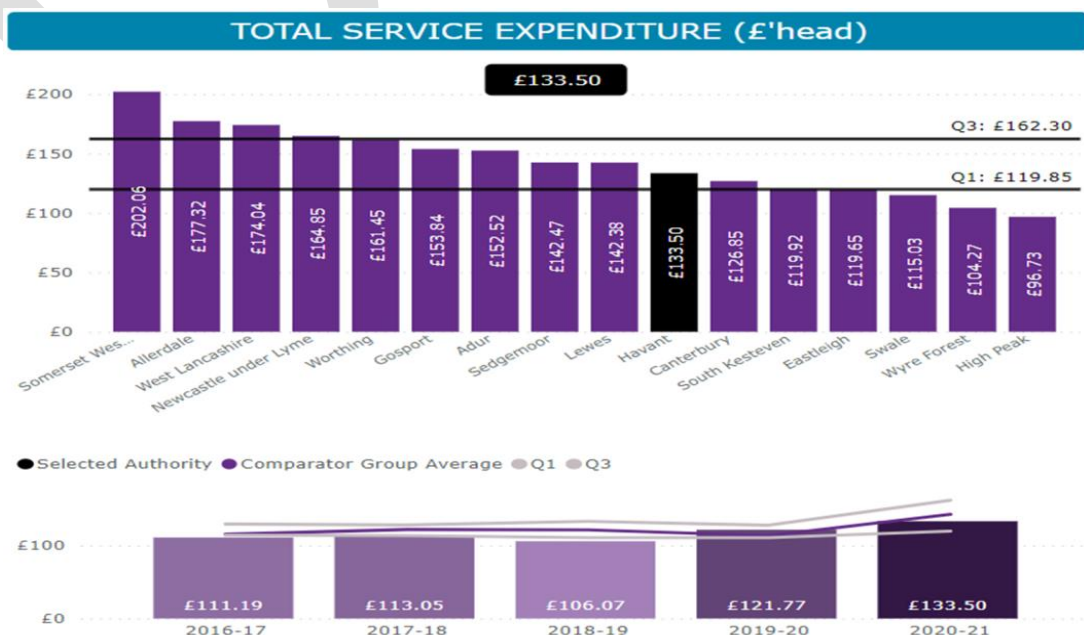
Need for resources

3.1. CIPFA undertook comparative financial analysis of the Council in 2019, based on the 2017/18 financial year. The main findings were that:

- In the 2017/18 outturn the average shire district spent £117.27 (Near Neighbours £117.97) per head of population, the Council spent £113.05.
- The trend since 2011/12 shows that the yield from Highways and Transport Services has increased significantly and the cost of Housing Services, Cultural and Related Services and Environmental and Regulatory Services have reduced and Planning and Development Services costs have decreased and in 2017/18 generated a surplus. Central Services costs have increased by 73% and are now double the shire district average.

3.2. For this report we have updated our comparative analysis using only Near Neighbour comparisons and focussing on service expenditure, Council Tax yield, reserves, debt and sustainability. We recognise that the 2020/21 figures for individual services will be impacted by the consequences of the pandemic. The main headlines are below:

- Overall Service expenditure per head has risen by 18.1% but is below average against Near Neighbours.



- The trend in service costs per head is generally upwards, the surplus from Highways and Transport has more than halved and Housing costs have quadrupled (both reversing the trend of 2011/12 to 2017/18) and both are now in the most expensive quartile; Environmental and Regulatory Services costs have virtually doubled and Planning and Development Services costs have risen significantly, both services reversing the previous trend. The same reversal of trend applies to Central Services costs that have more than halved.

Availability of resources

3.3. CIPFA undertook a comparative financial analysis of the Council in 2019, based on the 2017/18 financial year. The main findings were that:

- Compared to a cumulative average increase for all shire districts, in Council Tax of 15.3% since 2011/12, the Council has increased the rate of Council Tax only by a total of 7.97% and as a result, compared to the average shire district which funds 63% of its net current expenditure from Council Tax, the Council funds 59.11%.
- In 2017/18, the Council was holding reserves at a level common to most other shire districts and would rate a medium/high resilience index over the period reviewed. The Council was one of only a third of councils that do not have reserves totalling more than their net revenue expenditure.

3.4. For 2020/21 however:

- The Council now only covers 51.3% of its expenditure from Council Tax putting it in the lowest quartile compared to Near Neighbours.
- The Council has the worst level of reserves compared to net revenue expenditure of the comparators. However, the Council has low external debt.

3.5. The Chief Financial Officer has advised the Council, in respect of the 2022/23 budget that *'I must draw to the attention of Members a number of concerns which I have raised within the main body of my report regarding financial risk and future financial sustainability. Primarily the proposition agreed by Council to withdraw from the Joint Management Agreement with East Hampshire District Council and the impact of that decision of the Shaping our Future Programme.'*

Potential impact of the split of services

3.6. We have reviewed the cost of the two Councils services side by side. The following table identifies the cost per head of both for 2020/21.

Service	East Hampshire	The Council
Highways & Transport	-£1.70	-£2.52

Housing	£15.53	£28.95
Culture	£7.37	£0.79
Environment & Regulatory Services	£40.98	£53.12
Planning & Development	£43.39	£18.42
Central Services	£22.76	£34.73

- 3.7. This suggests to us that the services are significantly differentiated and therefore splitting them requires an individual analysis of the capacity of each service to stand alone or to remain as a single service. For example, the Culture Service is unlikely to have the capacity to operate independently.

Draft

4. What is our view of the likely cost implications of the ending of the joint management agreement – what is the expectation of extra costs that will/may need to be incurred?

- 4.1. In principle both Councils are agreed to the split taking place and accept that this is a joint enterprise. We were supplied with details of the staffing structure and noted the detailing of the allocation of posts in terms of which Council each staff member is employed by and where their role is shared.
- 4.2. We noted that at Service Head level this creates an imbalance with a greater number of the postholders being employed by East Hampshire. In discussion, the potential difficulties this may cause are recognised.
- 4.3. In our view the Councils are short of senior managers, and the split could exacerbate this shortage. We understand this view was also taken by the LGA in their Decision Making Accountability analysis. We suggest there could be an ongoing revenue commitment if the Council needs to fund management at tiers 2 and 3.
- 4.4. We comment elsewhere on the HR implications of the split but we recognise that there will be significant pressure on this activity across both Councils and we envisage that this will create a requirement for extra resources in this activity area.
- 4.5. We also reviewed the shared Contracts list. We note that the main areas of sharing relate to employees and technology. The listed value is around £750k. We do not see the separation implications as insuperable. The Norse Contract is a special case and we understand that the Acting Chief Executive has already made contact with the contractor to discuss issues related to their performance.
- 4.6. We note however that the challenge to separate ICT could be more complex. Most of the systems and applications are, we understand, bespoke and service specific, and so separation should not be too complicated. However, separation of the ICT support contract with Capita could be more challenging.
- 4.7. We can foresee that there will be extensive work required to review all applications for suitability and protocols will need to be developed to manage data security and data use.
- 4.8. We envisage that the Council may have to recruit resources to manage the process of disintegration and the establishment of new systems. This may require investment in new technology.

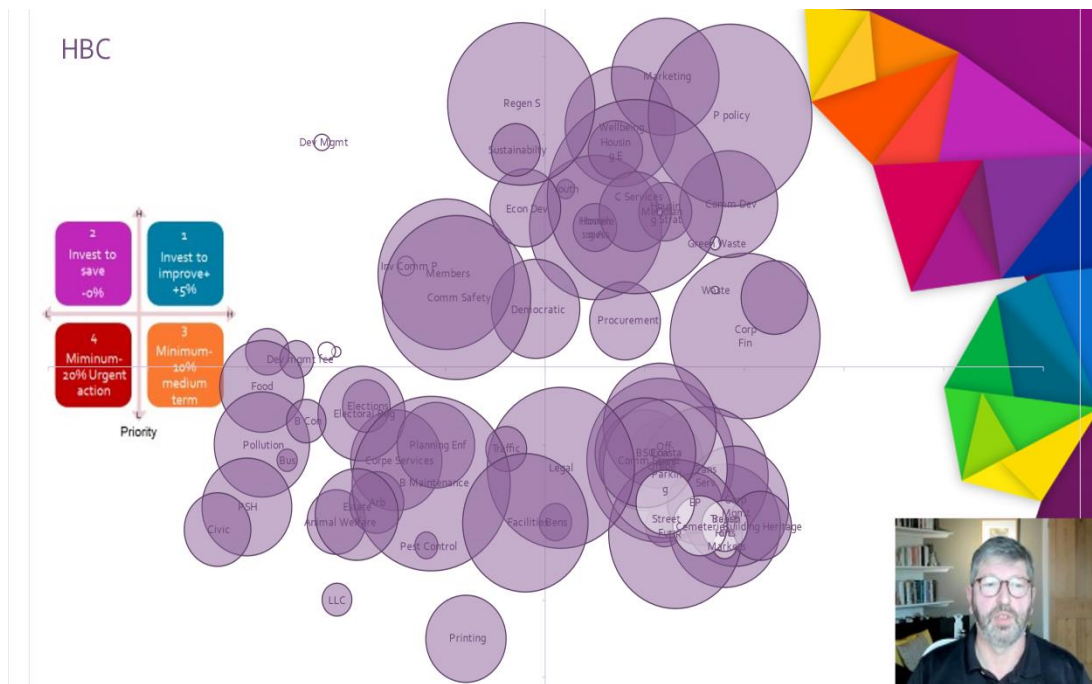
- 4.9. The Council has earmarked £1.95 million of reserves (available following the pandemic support from HM Government) to fund the change in the Council.
- 4.10. We are aware that the Acting Chief Executive has already sought to bolster her senior management from outside the Council. We understand this will give extra financial expertise and we understand that support for transformation will be continued. We think that the early appointment of a Section 151 Officer and a Monitoring Officer is critical. Other areas we think are critical to secure resources are human resources, procurement and contract management, and business planning. Going forward we can see the Council will need to bolster its resources for Planning and Regeneration.

Draft

5. What is our high level view of the strategic options (including those already identified) and Business Case?

Strategic Options

- 5.1. Prior to the establishment of any strategic options, we believe that the Council needs:
 - To establish the 'baseline position' (cost/performance/outcomes) for service delivery;
 - To demonstrate the likely financial position for the period of the MTFs, and to be satisfied that it will remain a viable Council for at least 10 years based on the best available data;
 - To outline the corporate requirements that demonstrate how the Council can best respond to the needs of its community:
- 5.2. This will form the detailed analysis that will form the backdrop to the assessment of any options.
- 5.3. The Council has embarked on a transformation programme designed to bring about significant change in the way it functions. The plan that was accepted in July 2021 described the initial phase of the programme as being internally focussed; gathering insights into how the organisation functions, and building the capacity for change.
- 5.4. As this 'mobilisation' phase draws to a close, and as the 'redesign' phase begins, a paper for the Council called 'Shaping our Future -Transforming key processes' outlines the changes in key corporate processes and describes the transition arrangements for moving from pre-existing systems to new ones, and any bridging arrangements that will need to be put in place to ensure that the Council continues to function and deliver during the transformation period.
- 5.5. We reviewed the Councils current performance and noted that against its own targets there is a mixed picture of RAG ratings of 'green' and amber' with limited 'red' ratings. In most of the critical public facing areas the ratings are positive overall, but are less so for internal activities.
- 5.6. In furtherance of the transformation process we have seen a document called '**Transformation and budgets 22/23-25/26**' which describes the outcome of an exercise designed to achieve a 5% reduction in overall service expenditure. The slide below models this:



- 5.7. We have heard how the programme was created and the work that now gives the Council a platform to implement change and derive permanent benefit from better understanding of service delivery, costs and outputs that will result in improved performance management. Our view is that this provides a sound basis for the Council to manage a transformation in service delivery.
- 5.8. Our understanding is that this would potentially involve a shift of around £1.8 million across the budget of the Council equating to nearly 15% of spend and the breadth and scale of this presents a very significant challenge for the Council overlaying the need to make budget savings.
- 5.9. We have been told that implementation is effectively on hold until after senior managers are in place. We understand that may not be until May when their first priority will be to create their teams, ensure Business Continuity and achieve their budget targets.
- 5.10. We think that the transformation targets will be challenging when a major restructuring is underway, with new staff arriving and staff developing new ways of working. Also, whilst the ambition to reprioritise spend and achieve transformation is appropriate, in our view this may have to take second place to making the savings that will provide a sustainable financial future.

Business Case

- 5.11. We would expect the business case for each Council to reflect on the following:
 - Ensuring sufficient capacity exists to deliver commitments made;

- Ability to respond to the new policy direction of any elected Government for the improved outcomes for its communities whilst being able to shape, influence and deliver for the community;
 - Sufficient strategic capacity and a strategic structure to ensure that the organisation can deliver the ambition of its politicians;
 - Focus on the opportunity it can offer, and provide, to its workforce;
 - Agility and responsiveness to the modern day demands of local government requiring innovation and transformation at ever increasing pace and scale;
 - Value for money and resident satisfaction.
- 5.12. We have seen the current draft of the content of the business plan for the Council and can see that it covers in considerable detail the reasons why the splitting of the Councils is desirable.
- 5.13. There is significant detail of the context in which the Councils find themselves and a drawing out of the differences between them. There is significant detail of staffing issues and the need to put in place appropriate structures that will make the Councils an employer of choice. There is also reference to potential continued sharing of staffing resources where it is sensible to do so.
- 5.14. We think that the draft of the Business Plan being prepared does contain the appropriate material that ensures that Members are adequately informed in order to make a decision. We do however feel that there is a lack of financial detail of how much each Council expects the split to cost. We accept that given the speed at which this process is being undertaken, this is understandable. However, this is a weakness in the Business Case document as currently drafted, and should be addressed as soon as practicable afterwards.
- 5.15. We think there is currently insufficient detail of the financial cost of the split in terms of any possible delays in achieving planned savings; and of the costs of any interim and temporary staff. In our view a financial impact statement is a vital element of the Business Plan.
- 5.16. Also, practical details of governance, project management, risk management, public communications, staff relationships and asset management including ICT are currently missing. However, we accept that planning this to the detail required before a formal decision is taken could be potentially abortive expenditure.
- 5.17. In addition, we are of the opinion that the option to seek a Strategic Partner is not defined sufficiently for members to reach a conclusion.
- 5.18. As a result, we suggest that further work on that option is ceased allowing for a decision by members on which of the remaining options is acceptable. Both Councils effectively already have a Strategic Partner and we have heard that the concept of continuing to 'share' for some services is under consideration. This needs testing first, before any other Strategic Partners are identified.

- 5.19. Also, we are not optimistic that there will be other Councils who can give the time in the short term to establishing a strategic partnership with either Council. We think that the Council needs in the short term to focus efforts on putting itself on a firm footing before embarking on another structural change. The Strategic Partner option can be re-evaluated once that is done.
- 5.20. We would urge that the Business Plan identifies clearly that the pace of change has to be realistically measured to ensure business continuity for both Councils.
- 5.21. The Council has three major priorities to achieve in the next financial year: the split of management; budget savings; and transformation and the 'credible plan'. We think these will be challenging to achieve and we suggest that the Council should plan for a formal revision of the 2022/23 budget by Autumn 2022 to represent a target point for an assessment of the financial progress that has been made. We welcome the proposal to create a budget working group which should assist in delivering this review.

6. What is our view of the speed and extent of any changes that need to take place in terms of the risk to the governance and resilience of service delivery?

- 6.1. Given that the Joint Management Arrangement has been in place for such a long time we think that an element of disruption to service delivery is highly likely.
- 6.2. Only one service, Building Control, is fully integrated, but other services will be problematic to split, such as HR and Finance, where the function is integrated and a split based purely on Council employment will create two services which are not functional. There are some posts that are singular in role e.g. a single Insurance Officer.
- 6.3. This is partly mitigated by the fact that staff are employed by one or other of the Councils and the majority are working exclusively to that Council. We are aware there is already an analysis of to which Council an individual officer directs their effort and, where that is split, the amount of their time they give to either.
- 6.4. Another mitigation will be to minimise the period of uncertainty. We are aware that in a strong labour market, as currently exists, an elongated transition period will create uncertainty. We are aware that both Councils are alive to this and have started to evaluate the potential to mitigate this. We think this is important as, for example, following the decision to end a joint management agreement between Breckland and South Holland Councils in February 2021, it was highlighted in July 2021, that the staff turnover rate was particularly high, but this *'had been down to the recent cessation of the shared partnership'*.
- 6.5. Actions that we have heard about include using the work of the LGA on spans of control and through 'Shaping the Future' to identify the Target Operating Model. Practical actions started include a 'Staffing Principles' document; seeking to give assurance to staff; and communicating as much as possible. However, we recognise there is much more to be decided such as whether the creation of new structures will move in parallel; will there be redeployment available across both Councils for anyone displaced; will any form of employment guarantee be given to staff; retention and motivation activities; and the timescales for the implementation of new structures.
- 6.6. We have been told that there is no 'one size fits all approach' to future service delivery arrangements and that if it is preferable to retain the existing team this can be agreed. We support this approach as, for example, following their decision to end their joint management, some Breckland Council officers continue providing support to South Holland District Council including: Legal Services Manager; Information Governance Officer; Lawyer (x2); Procurement and Contracts Manager (+

3 others) and Environmental Protection Business Support Officer. The officers would work on a 60/40 (BDC/SHDC) basis, except for the Environmental Protection Business Support Officer, where hourly charges will apply.

- 6.7. Further mitigation would come in the form of overarching project management that would have to be focused on the needs of both Councils. We understand that a Joint Management Committee under the terms of the Agreement, including an adjudication process, exists.
- 6.8. We think this needs to be supported by an appropriate body at senior officer leadership level focused on resolving cross over issues with an element of joint management of the process.
- 6.9. We would urge the Council to give the earliest possible consideration to the formal appointment of the statutory posts of Monitoring Officer and Section 151 Officer, even ahead of the agreement of a full Senior Management structure.
- 6.10. The Acting Chief Executive has been in place for only a short time, but we have seen demonstrable enthusiasm for the task in hand and a clear sightedness about the challenge that the Council faces.
- 6.11. The Acting Chief Executive demonstrated to us that she was urgently putting in place support that would assist her in delivering the change, such as talking to the Councils two main contractors, and seeking to recruit a person to provide high level financial support. Also, there have been discussions with people who have been involved in the splitting of shared arrangements to understand the pitfalls and issues that arose.
- 6.12. The Acting Chief Executive has given thought to the shape of the future structure with a greater focus on operational delivery. Restructuring the officer team will benefit from the work done for the Council on spans of control and layers of management.
- 6.13. The approach to change is initially focussed on leaving service teams alone where there is no good reason to change; where there would be minimal change; or where an easy split is possible. These are the 'quick wins' where change is mutually beneficial.
- 6.14. We noted that the Council has shown 'Medium Term Financial Strategy', 'Corporate Project delivery' and 'IT provision long term' as 'red' risks. We think that these need to be kept under review at the highest level although we note that £400k has been included in the budget to meet the needs for future IT.

This page is intentionally left blank

NON-EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

7th March 2022

Council Tax – Empty Homes Premium review

FOR DECISION

Portfolio Holder: Cllr Tony Denton

Key Decision: No

Report Number: HBC/031/2022

1. Purpose

1.1. This paper is submitted to Cabinet, prior to Full Council:

For policy decision

2. Recommendation

2.1. Cabinet is requested to recommend to Full Council to approve

2.2. The introduction of a Premium Deferral process to the existing Council Tax Empty Homes Premium scheme as detailed in Appendix C

3. Executive Summary

3.1. This report is recommending amendments to the current policy which came into force 1st April 2020.

3.2. The amendments seek to introduce a deferral of the premium in certain circumstances, where applying the premium can be seen as unfair and possibly against the aims of the scheme ie to bring empty homes back into use.

- 3.3. The Empty Homes Premium supports both the Homelessness and Empty Homes Strategies. This report has been shared with the Environmental Health Service Manager and the Head of Housing and Community Engagement.
- 3.4. There are no additional resources implications.
- 3.5. Appendix A contains the current policy.
- 3.6. Appendix B provides relevant statistics.
- 3.7. Appendix C details the recommended amendments to the scheme.

4. Additional Budgetary Implications

- 4.1. None

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

- 5.1. The current Council Tax Empty Homes Premium can be found in appendix A.
- 5.2. The scheme is administered as part of our Council Tax billing, collection, and recovery arrangements.
- 5.3. The Council Tax Empty Homes Premium scheme supports the Councils Empty Homes and Homelessness strategies by encouraging owners, through a financial levy (premium) to bring their dwellings back into use.
- 5.4. In 2020, when the scheme was introduced, it was always envisaged that a review would be conducted to ensure that the scheme met the objectives of reducing empty dwellings within the borough / district and identify any areas within the scheme that require amendment.
- 5.5. It should be acknowledged, that any findings from the review, need to be looked at in the context of the pandemic and central governments changes to Stamp Duty, which was designed to stimulate the housing market.
- 5.6. Appendix B contains statistics showing the number of empty dwellings from 2016 to 2021 – there is also a breakdown of the type of Council Tax payers who are being charged the premium.

- 5.7. The direction of travel is an overall reduction in empty properties. The reduction cannot with any certainty be attributed to this scheme, however, when you take into account conversations with Council Tax payers who are facing the Premium charge, this scheme does encourage owners to bring empty properties back into use.
- 5.8. Whilst administering the scheme a number of cases have been identified, where the scheme perhaps unfairly penalises companies or individuals, ie when a dwelling has occupation restrictions, such as on a retirement complex, or when a property development company takes on a property to bring back into use, but is presented with a premium charge as the dwelling has already been empty for longer than two years, whilst owned by the previous owner.
- 5.9. It is therefore recommended that the scheme is amended by introducing a deferral process to enable the review of these charges in specific circumstances. This would give clarity to both owners and officers. The recommended Deferral process can be found in Appendix C.
- 5.10. It should be noted that the Council Tax Empty Homes Scheme is only one enabler for encouraging empty homes back into use. The Environmental Health Team work closely with the Council Tax team to identify these dwellings, where a more direct approach is appropriate to engage with the owner to understand what challenges need to be overcome to bring the property back into use.

6. Options considered

- 6.1. Option 1 – Do nothing – continue with the scheme as is – the downward trend in the number of long-term empty properties, would support the continuation of the scheme. Continuation of the scheme would also support the Council’s Empty Homes and Homelessness Strategies. Where cases as detailed in Section 5.8 above arise going forward, extra work, correspondence, and customer dissatisfaction will continue.
- 6.2. Option 2 – Reduce or withdraw the Premium – the downward trend in the number of long-term empty properties, would not support the reduction or withdrawal of the Premium. This option would not support the Council’s Empty Homes and

Homelessness Strategies. This option would remove or reduce the cases detailed in Section 5.8 and therefore extra work, correspondence, and customer dissatisfaction.

- 6.3. Option 3 – Retain existing scheme but introduce a deferral process as detailed in appendix C - the downward trend in the number of long-term empty properties, would support the continuation of the scheme. Continuation of the scheme would also support the Council's Empty Homes and Homelessness Strategies. By introducing a deferral process, this recognises that there are cases where a premium is unfair and ensures that prospective developers are not deterred from purchasing a dilapidated dwelling.

7. Resource Implications

7.1. Financial Implications

- 7.2. The changes recommended by this report should reduce the time taken to answer customer correspondence and queries, as a clear process can be followed.

- 7.3. The scheme is not intended to generate additional Council Tax, but to encourage dwellings back into use. Therefore, although there is currently additional income, this should reduce over time and should not be relied upon.

- 7.4. For clarity, there are no budgetary implications.

Section 151 Officer comments

Date: 31st January 2022

No further financial comments as very clear in the report

7.5. Human Resources Implications

- 7.6. There are no Human Resources implications.

7.7. Information Governance Implications

- 7.8. There are no Information Governance implications

- 7.9. Links to Shaping our Future Programme
- 7.10. The Empty Homes Scheme supports the Council's Empty Homes and Homelessness Strategies. Reducing homelessness and or providing suitable accommodation for its residents is seen as a high priority for the Council.

Shaping our Future Lead comments/sign-off

Date: 31 January 2022

I have nothing further to add to the comments above – Kim Sawyer

- 7.11. Other resource implications
- 7.12. Training – any changes to the existing scheme will be communicated to the relevant staff and training delivered as appropriate.

8. Legal Implications

- 8.1. The Council exercised its powers, permitted by section 11B Local Government Finance Act 1992 as amended by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, to introduce the Empty Homes Premium (Levy), effective from 1st April 2020.
- 8.2. This report is recommending an amendment to the current scheme under the above legislation.

Monitoring Officer comments

Date: 28 Jan 2022

There are no further comments to add to the legal implications comments above.

9. Risks

- 9.1. Making amendments, introduce a potential to reduce the effectiveness of the scheme. However, if the appropriate checks are conducted and evidence provided, this risk can be mitigated.
- 9.2. Currently there is a risk that the Scheme could deter new owners from purchasing a dwelling in need of refurbishment due to the Premium being levied. Especially if the dwelling has been left vacant over five years.

10. Consultation

- 10.1. The Empty Homes Premium supports both the Homelessness and Empty Homes Strategies. This report has been shared with the Environmental Health Service Manager and the Head of Housing and Community Engagement.

11. Communication

- 11.1. Any changes to the scheme will be communicated to the Revenues Team and the appropriate changes will be made to the Council's website.

12. Appendices

- 12.1. Appendix A – Current Empty Homes Scheme
- 12.2. Appendix B – Statistics relating to Empty Dwellings
- 12.3. Appendix C – Recommended amendments to current scheme

13. Background papers

- 13.1. None

Agreed and signed off by:

Portfolio Holder: Cllr Tony Denton – 11th February 2022

Director: Lydia Morrison – 20th December 2021

Monitoring Officer: Daniel Toohey – 28th January 2022

Section 151 Officer: Matthew Tiller – 31st January 2022

Contact Officer

Name: Brian Wood

Job Title: Head of Customer Services

Telephone: 01730 234150

E-mail: brian.wood@easthants.gov.uk

This page is intentionally left blank

NON EXEMPT

HAVANT BOROUGH COUNCIL

Cabinet

18th December 2019

Council Tax Empty Homes Premium

Brian Wood – Head of Customer Services

FOR RECOMMENDATION TO COUNCIL

Portfolio: Cabinet Lead for People and Communications – Cllr Lulu Bowerman

Head of Service: Brian Wood, Head of Customer Services

Key Decision: No

1.0 Purpose of Report

1.1 The purpose of this report is to consider adopting new premiums for residential properties empty and unfurnished for two years or more under new powers provided by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which come into force from April 2019.

1.2 Currently, Long Term Empty properties (empty more than two years) attract a Premium of 50% - thus paying 150% Council Tax.

1.3 These measures support the Council's 'Empty Property Strategy' to encourage the occupation of long-term empties that have been empty for over two years.

2.0 Recommendation

2.1 That Cabinet recommends to Council:

That the level of Empty Homes Premium on dwellings that have been unoccupied for more than two years, be applied as follows:

1) From 1 April 2020, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, and 200% premium for dwellings unoccupied for more than five years; and

2) From 1 April 2021, 100% premium in addition to the full council tax charge for each dwelling unoccupied and unfurnished between two and five years, 200% for dwellings unoccupied between five and ten years, and 300% for properties unoccupied for more than ten years.

3) That in co-ordination with the Private Sector Housing Team, owners of dwellings that would be affected by the above changes are contacted during 2020, to encourage occupation and are informed of the changes to the level of premium.

3.0 Executive Summary

3.1 Section 12 of the Local Government Finance Act 2012 introduced a new Section 11B into the original 1992 Act giving local authorities the power to levy extra council tax of not more than 50% on long-term empty homes, known as the empty homes premium. The Council has used this power since April 2013 and imposed the maximum premium of 50% over and above the charge which would apply if the domestic property was occupied.

3.2 For the empty home premium to apply, properties must have been empty and substantially unfurnished for at least two years, excluding any occupation for less than six weeks. The government can prescribe classes of properties where the premium should not apply and has prescribed an exemption for occupants serving in the Armed Forces absent for job-related purposes. Liability for the empty homes premium is determined by the length of time that the property has been empty, irrespective of any change in ownership, and includes any period the property may be in probate

3.3 The Rating (Property in Common occupation) and Council Tax (Empty Dwellings) Act 2018 provided for the premium to be increased from 1st April 2019 as follows

Length of time empty	Current	From April 2019	From April 2020	From April 2021
2 years + to 5 years	50%	100%	100%	100%
5 years + to 10 years	50%	100%	200%	200%
10 years +	50%	100%	200%	300%

3.4 Since the introduction of the Empty Homes Premium the number of properties in Havant empty for more than two years has reduced from approx. 300 at 1 April 2013 to 101 as at August 2019.

3.5 The breakdown of properties in Havant, empty for more than two years at August 2019 is:

Between 2 – 5 years	73
Over 5 and up to 10 years	22
Over 10 years	6
Total	101

Band	A	B	C	D	E	F	G	H	total
Number	21	25	22	16	13	4	0	0	101

3.6 Based on the 101 properties and the Council Tax level for 2019/20 increasing the premium would increase Council Tax income approximately as follows:

Financial Year	2020/21	2021/22
Overall Increase	£119,272	£128,484
HBC element 11.95%	£14,253	£15,353

3.7 It should be noted when considering the extra revenue raised, that should this legislation have the desired effect, i.e. the number of properties empty for more than two years reduces, therefore any extra revenue raised will eventually reduce. Based on the experience since the introduction of the empty homes premium in 2013 it is expected that this outcome will be likely.

3.8 This report is specifically mentioned in the Empty Homes Strategy (section 12) as an enabler to meet the strategies objectives.

4.0 Additional Budgetary Implications

4.1. The Billing, Collection and Recovery of any extra Council Tax will be absorbed within the current Capita contract.

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s

5.1 This report supports the Business Plan to develop and introduce policy around the Management of Empty Properties, led by the Private Sector Housing Manager.

6.0 Options considered and reasons for the recommendation

6.1 Option 1 – To leave the empty Homes Premium at 50%. This does not provide any further incentive for property owners to bring properties back into use but would reduce the risks outlined in 9.0.

6.2 Option 2 – To increase the premium to 100% from 2020/21 onwards. Although this would provide a short-term incentive to encourage properties to be brought back into use, it does not differentiate between empty properties that have been vacant for more than 5 or 10 years.

6.3 Option 3 - To apply all three of the increased premiums. This is the recommended option. It will not solve the issue of empty homes on its own but provides an important part of an Empty Home strategy that also includes incentives and enforcement. At the very least it provides a relatively small amount of increased revenue for the council.

7.0 Resource Implications

7.1 Financial Implications - The potential additional revenue is set out within the report. If the legislation has the desired effect the number of properties empty over two years will reduce so the potential additional revenue received because of increasing the empty homes premium will eventually be reduced.

7.2 Initial dialogue with Capita to introduce any changes to Council Tax premiums indicate that the Billing, Collection and Recovery of any extra Council Tax will be absorbed within the current contract price.

7.3 Human Resources Implications – None

7.4 Information Governance Implications - None

7.5 Other Resource Implication - Additional communications focusing on changes to The Empty Rate Premium.

8.0 Legal Implications

8.1 Section 11B of the Local Government Finance Act 1992 has been amended by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 to allow for the maximum percentage by which Council Tax may be increased to change to 100% from the financial year beginning 1st April 2019 and then to be further increased each financial year up to 2021 to a maximum of 300% as described in the main body of the report.

9.0 Risks

9.1 There is a risk that raising additional charges on empty properties could lead to an increase in tax avoidance tactics. This could include the creation of fictitious tenancies, increased claims for single person discount and claims for exemption from premium payments. Although steps can be taken to mitigate the risks through on-site inspections it not always possible to establish if a property is empty. Please see 11.1 Partnership Working.

9.2 There are instances where the Premium has made it difficult for charge-payers to pay their arrears, especially if they are paying a full Council Tax on another property. The debt recovery arising from the Premium places a demand on staff time.

10.0 Consultation

10.1 There is no statutory requirement to consult on these proposals. However, The Empty Homes Team welcome additional measures to support bringing empty properties back in to use.

10.2 The Housing Team will be integral to enabling the 'Empty Homes Strategy' therefore this report has been shared with Tracey Wood, Head of Housing and Community Engagement.

11.0 Partnership Working

11.1 The subject of empty homes is one that spans multiple teams across the local authority, as well as other partner organisations. The Private Sector Housing Team will be assisting with verification of information provided to Council Tax and in the interests of enabling the 'Empty Homes Strategy' the council is committed to sharing information between relevant council departments and on occasion external partners where appropriate and in line with data protection legislation.

12.0 Communication

12.1 If Council approves the recommendation the Revenues team will contact all council tax payers at annual billing stage likely to be subject to the premium from April 2020 to advise them of the change.

Appendices: *None*

Background Papers:

Link to legislation –

<http://www.legislation.gov.uk/ukpga/2018/25/section/2/enacted>

Agreed and signed off by:

Monitoring Officer: (30th September) David Brown

S151 Officer: (30th September) Lydia Morrison

Director: (30th September) Lydia Morrison

Portfolio Holder: (30th September) Lulu Bowerman

Contact Officer: Brian Wood
Job Title: Head of Customer Services
Telephone: 01730 234150
E-Mail: brian.wood@easthants.gov.uk

This page is intentionally left blank

Havant BC

September	Total Dwellings	Empty – no discount	Empty over 2 years
2016	54401	618	49
2017	54902	443	43
2018	55159	317	90
2019	55405	313	99
2020	55639	287	92
2021	55994	211	90

Breakdown of Empty over 2 Years

Council Taxpayer	Number
Investment Companies	1
Landlords – Property Companies	7
Executors of Estate	14
Housing Assoc – LA's	11
Property Development Company	1
Mixed domestic – commercial	7
Companies	0
Individuals	49
Total	90

This page is intentionally left blank

Appendix C – Empty Homes Premium Scheme – Deferral Scheme

Deferring the Council Tax Empty Premium Charge

The Council accepts that there are certain circumstances where it is reasonable to consider deferring the Premium. These are as follows:-

- **Change of ownership** – only where the new owner has taken genuine action to return the property to occupation within a period of up to 12 months from taking ownership and can provide evidence to the Council's satisfaction which supports this action.

- **Inherited Properties in need of renovation** – only where the new owner has taken genuine action to return the property to occupation within a period of up to 12 months from taking ownership and can provide evidence to the Council's satisfaction which supports this action.

- **Legal or official actions causing a delay** – only where action to return the property to occupation has been delayed by legal action or by the actions of any official body with powers to take such action, eg: the Council, solicitors or a utility company, etc. The Owner must have taken action to return the property to occupation within a period of up to 12 months from the date the official action ended and can provide evidence to the Council's satisfaction which supports this action.

- **Properties with a restrictive covenant that affects occupation** – only where the owner is genuinely seeking to sell or rent the property and can provide evidence to the Council's satisfaction which supports this action

Any deferral of the Premium agreed by the Council will not apply for any period prior to 1st April 2021.

Where the Council agrees to defer the Premium, this will mean that the Owner of the Property will remain liable only for the standard Council Tax charge for the applicable property for the agreed period of deferral.

It is expected that the property will have been brought back into occupation by the end of the period of deferral. Where this is the case, the Premium will no longer apply.

Where that is not the case, and the Property remains empty, the Premium will be charged retrospectively from the first day that the Property became empty. This is regardless of whether a period of deferral had been allowed.

The Council will not defer the Premium where evidence shows that the Owner:-

- a) hasn't taken all reasonable steps to return the property to occupation;
- b) has caused any delay in works being started within the six month period from the date of their taking ownership.
- c) is responsible for the delay in completing works even if the works were started within the six month period after a change in ownership.

Each application for a deferral of the Council Tax Empty Homes Premium will be considered on its own merits and in accordance with these Policy guidelines.

Period of Deferral

The Council will decide the length of time for which the Premium will be deferred. As indicated above, this will be on basis of the evidence supplied and the facts known.

The maximum period for deferring the Premium will be 12 months.

The Council will only allow one period of deferral (lasting individually or cumulatively for 12 months) per Property (regardless of a change in Ownership).

The period of deferral will normally start from the date an application and supporting evidence is received by the Council. The Council must be satisfied that the circumstances supporting the deferral existed at the time of the application. The deferral will continue for a period of up to 12 months so long as those circumstances remain unchanged.

The Council reserves the right to make routine inspections of the property during the period of the deferral and may review the award to satisfy itself that the circumstances of the deferral remain applicable.

The start date for deferring will normally be the date the application is received by the Council providing the Council is satisfied the reasons for the deferral existed at that time and the deferral will continue for a period of twelve months subject to those circumstances continuing.

The Council will comply with any Regulations issued by the Secretary of State in relation to any application and have regard to any related national policy guidance.

Claiming a deferral of the Council Tax Empty Homes Premium

All applications under these policy guidelines to defer the Premium must be made using the Council's application form and be signed by the owner of the empty property or their representative. Applications should be made via the Council's Website.

The Council may arrange an appointment to visit any applicant who is unable to complete the application form or to verify the details provided which may require access to the empty premises.

The applicant must include all relevant supporting evidence when submitting their application. The Council may reasonably request additional evidence in support of an application. This must be provided within one month of such a request. If the additional evidence is not provided within this timescale the application will be determined on the evidence submitted but may fail due to insufficient evidence.

The Council reserves the right to verify any information or evidence provided by the Applicant with third parties where appropriate.

Payment of Council Tax and the Empty Homes Premium should not be withheld whilst awaiting the outcome of an application or the review of a previous decision.

Changes of Circumstances

The Council may need to withdraw the deferral of the premium if the circumstances relating to the empty property have materially changed. The applicant must notify the Council of any change in circumstances affecting the deferral within 21 days. Failure to do so may result in the deferral being revoked in full.

A deferral will be withdrawn effective from the date on which the change in circumstances occurred. From that date the premium will be due.

Notification

The Council will inform the applicant in writing of the outcome of their application within 28 days of receipt, or as soon as possible after. Where the application is unsuccessful, the Council will set out the reasons why this decision was made and explain the right of review.

The Right to Seek a Review of the Council's Decision

As there is no statutory appeals mechanism the Council will operate its own appeals procedure. This will apply where a decision not to defer the premium has been made and an applicant disagrees with that decision and requests a review.

A request for a review must be made in writing to the Head of Customer Services within one calendar month of the written decision being issued. The Head of Customer Services will review all the evidence held and may ask for further clarification to be provided.

A decision on the review will be made within 20 working days of the request. The decision will be notified to the applicant in writing, setting out the reasons for the decision and this will be final with no further right of appeal.

Example

Property Details

No 10 Acacia Avenue has been empty and unfurnished since 1 April 2012. Under the proposed policy, from 1 April 2021 this property will attract a Council Tax Empty Homes Premium of 200%.

Mr A buys No 10 Acacia Avenue on 1 October 2021 and intends to renovate the property for re-letting. Mr A applies and is granted a deferral of the Premium from 1 October 2021 for a period of up to 12 months.

Scenario 1

Mr A completes renovation of the property on 1 March 2022 and the property is let on 1 April 2022.

No premium is payable.

Scenario 2

Mr A completes renovation of the property on 1 March 2022 but is unable to let the property within 12 months of acquiring the property.

No premium is payable from 1 October 2021 to 30 September 2022, but a premium is chargeable from 1 October 2022 (the rate of premium chargeable is based on the time expired since the property first became empty and is irrespective of changes of ownership).

Scenario 3

Mr A does not complete the renovation of the property within 12 months of acquiring the property meaning it is not capable of being re-let (and reoccupied) within the 12 months since the property was acquired.

The premium is payable as though no deferral had been granted.

This page is intentionally left blank

NON-EXEMPT

HAVANT BOROUGH COUNCIL

Planning Policy Committee

22 February 2022

Community Infrastructure Levy (CIL) Spending Protocol

FOR DECISION

Cabinet Lead: Councillor Gwen Robinson – Cabinet Lead for Housing, Communities and CIL

Key Decision: Yes

Report Number: *HBC/442/22*

1. Purpose

- 1.1. This report is submitted to the Planning Policy Committee for onward recommendation to Council.
- 1.2. The report considers whether the revised Community Infrastructure Levy Spending Protocol should be approved for use in CIL spending decisions.

2. Recommendations

- 2.1. Members are requested to recommend to Council:
 - a) To approve the Community Infrastructure Levy (CIL) Spending Protocol in the Appendix for use in CIL spending decisions;
 - b) To grant delegated authority to the Head of Planning to amend the CIL Spending Protocol, in consultation with the Cabinet Lead for Housing, Communities & CIL (or any future Cabinet Lead responsible for Community Infrastructure Levy matters). Such changes shall be limited to

- i. the correction of factual errors and changes necessary to accommodate national or local changes in regulations, guidance or procedures and shall not otherwise alter the meaning of the protocol;
 - ii. amending the Annual Funding Awards for the Neighbourhood Portion as set out in Part 4 of the CIL Spending Protocol where scrutiny by the Planning Policy Committee suggests this should be the case; and
 - iii. Amending the branding of the Spending Protocol to align with the Council's Corporate Strategy and wider place-making and regeneration agenda and commentary within the document.
- c) To grant delegated authority to the Head of Planning, in consultation with the Cabinet Lead for Housing, Communities & CIL (or any future Cabinet Lead responsible for Community Infrastructure Levy matters) to prepare guidance and relevant processes for the implementation and administration of CIL spending decisions in line with the Spending Protocol;
- d) To grant delegated authority to the Community Infrastructure Officer/Team Leader, in consultation with the Head of Planning and the Cabinet Lead, to approve spends from the neighbourhood portion and interim Strategic CIL spends with a value of no greater than £10,000.
- e) To grant delegated authority to the Cabinet Lead responsible for CIL to approve interim spends greater than £10,000, in consultation with the S151 Officer, and, where the value exceeds £50,000, after consideration by the Planning Policy Committee.
- f) To grant delegated authority to the Community Infrastructure Officer/Team Leader, in consultation with the Head of Planning and the Cabinet Lead, to approve spends from the neighbourhood portion;
- g) To grant delegated authority to the Community Infrastructure Officer/Team Leader to assign available neighbourhood portion funds for 2022/23 in line with section 4.8 of the Spending Protocol;

3. Executive Summary

- 3.1. The Council collects Community Infrastructure Levy (CIL) monies from developers that undertake building projects in the borough. The purpose of the CIL Spending Protocol is to guide spending decisions in relation to these funds, and to make that process transparent.
- 3.2. While a protocol already exists and has guided previous rounds of CIL spending, the Cabinet agreed in July 2020 that an update was needed to take into account experience gained from earlier years.
- 3.3. The revised protocol gives a basic introduction to CIL, sets out the principles which guide the spending of the Strategic CIL and the Neighbourhood Portion and explains how the collection and spend of monies is monitored.
- 3.4. The Council is asked to approve the revised protocol for use in future spending decisions, together with a number of related recommendations.

4. Additional Budgetary Implications

None

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

Background

- 5.1. Havant Borough Council is responsible for making the final decision on the allocation of funding raised through the Community Infrastructure Levy (CIL) in its area. The aim of the CIL Spending Protocol is to ensure that the decision-making process is transparent. It will guide the way future spend from CIL funds is allocated to projects.
- 5.2. The Council introduced its Community Infrastructure Levy in 2015. Systems for collection are well established and several annual spending rounds have taken place, which have funded significant strategic and local community infrastructure projects. The process has been guided by a CIL Spending Protocol. It is necessary to update this protocol, to take account of experience gained from use of previous iterations of the protocol on annual

spending rounds to 2021 and changes in priorities. The update was agreed by Cabinet in July 2020 and was included in the Corporate Action Plan for 2020/21.

- 5.3. The revised protocol, attached as an Appendix to this report, gives a basic introduction to CIL, sets out the principles which guide the spending of the Strategic CIL and the Neighbourhood Portion and explains how the collection and spend of monies is monitored.

Clear and strong principles guiding decision making

- 5.4. The aim of CIL spending is to provide the infrastructure that's needed to implement the Council's Corporate Strategy together with its key development and place-making strategies, namely the Local Plan and the Havant Regeneration Strategy.
- 5.5. While criteria have always been used to assess CIL bids, the revised protocol sets out clearly the guiding principles which should underpin all CIL spending decisions:
 - a) funding infrastructure to support the development of the area, in line with national regulations
 - b) making best use of funds by clearly defining expectations of CIL funded projects and only allocating CIL funds to those project which meet them
 - c) maximising the reach of CIL by enshrining the principle of match funding.

Neighbourhood Areas

- 5.6. It is proposed that in future spending of the Neighbourhood Portion is to be considered on a borough-wide basis, as opposed to by smaller areas.
- 5.7. The Neighbourhood Portion will be made available on an annual basis to project delivery teams responsible for infrastructure assets owned and managed by Havant Borough Council¹.

¹ In some cases, particularly in Leigh Park, the facilities may be owned and operated by Portsmouth City Council

- 5.8. The revised protocol also sets out how the uplift in CIL spending in areas with an adopted neighbourhood plan will be managed. The CIL regulations provide that 25% of the CIL receipts from development falls due to such areas, rather than 15% where there is no neighbourhood plan. It is proposed that the original 15% of CIL receipts for the area is considered as part of the wider allocation of funds, with the uplift of 10% ringfenced specifically to the Neighbourhood Plan area.
- 5.9. At this point, Emsworth is the only part of the Borough which is covered by a Neighbourhood Plan.

Delegations

- 5.10. Several delegations are proposed through this report:
- 5.11. The first (recommendation 2.1b) is to allow officers, in consultation with the Cabinet Lead responsible for CIL, to make amendments to the protocol. Any changes to the Spending Protocol made under this delegation would be exceptional and would only be used to make changes that are necessary to correct factual errors or to ensure compliance and consistency with national or local regulations, guidance and procedures. A further element of this delegation is to allow changes to be made to the Annual Funding Awards for the Neighbourhood Portion as set out in Part of the Protocol. The protocol sets out that the Planning Policy Committee will keep under review the appropriateness of the split between the Infrastructure Asset Themes. This delegation allows changes to be made to the Protocol if the planning Policy Committee determines that the split is no longer appropriate and should be changed.
- 5.12. Authorisation is sought under recommendation 2.1c for officers, in consultation with the Cabinet Lead, to prepare guidance and relevant processes for the implementation and administration of CIL spending decisions in line with the Spending Protocol; These matters have been removed from the protocol itself, as flexibility is required to adapt to changing circumstances, for example in staffing and administration arrangements. Any

documents prepared under this delegation would not alter or supersede the content of the protocol and would be in line with the principles set out in it.

- 5.13. A further delegation sought is for the approval of interim spends from the strategic pot between formal spending rounds (recommendations 2.1d and 2.1e). It is proposed that interim spends up to £10,000 may be authorised by officers in discussion with the Cabinet Lead. This delegation is designed to allow for limited overspends on agreed projects should the need arise. Any spend above this amount would have to be authorised through a delegated report to the Cabinet Lead, in consultation with the Monitoring Officer, and, where the amount exceeds £50,000, after consideration by the Planning Policy Committee. This delegation would allow funds to be committed to strategic projects outside of the annual allocation process if it becomes expedient to do so. The protocol makes clear that such interim spends should be exceptional and sets out criteria that must be met for such decision to be made.
- 5.14. A delegation is also sought for officers to approve spends from the Neighbourhood Portion, in consultation with the Cabinet Lead (recommendation 2.1f). Only spends that follow the process and meet the criteria set out in the CIL Protocol will be approved under this delegation.
- 5.15. Finally, recommendation 2.1g seeks a delegation for officers to assign available neighbourhood portion funds to the infrastructure asset themes set out in section 4.8 of the CIL Spending Protocol. This delegation is only required for the financial year 2022/23, as this report is being considered after the setting of the budget. In future years, these funds will be assigned through the budget setting process.

6. Options considered

- 6.1. The proposed protocol takes into account the experience gained from several years of CIL spending rounds. It sets out transparently the expectations of CIL funded projects.

- 6.2. An alternative would have been not to update the protocol. This would leave the decision making processes more open to interpretation and variation in each spending round, which in turn could lead to inconsistency in decision making and less transparency.
- 6.3. A further alternative would have been a draft protocol which was considered, and approved, by the Planning Policy Committee on 19 July 2021². Upon further discussions between officers and Cabinet members, it was concluded that the approach would not maximise the delivery of the relevant strategies, and officers were instructed to prepare an alternative approach, which is the subject of this report.

7. Resource Implications

7.1. Financial Implications

While the CIL Protocol sets out the process and the criteria to be applied to decision on allocating funds from the Community Infrastructure Levy, no specific financial implications arise from its contents. Agreeing the protocol will assist in transparent decision making in future CIL spending decisions.

Section 151 Officer comments

Date: 10 December 2021

Financial changes in this report reflect changes in both the Council's constitution and national guidance.

7.2. Human resources Implications

The administration of CIL is covered by existing posts within the Planning Service.

² <https://havant.moderngov.co.uk/ieListDocuments.aspx?CId=531&Mid=11432&Ver=4>

7.3. Information Governance Implications

While as part of the process of collecting and spending CIL, personal information is handled, the CIL protocol itself, which is the subject of this report, does not involve the use of personal identifiable information/data and/or personal sensitive or confidential information/data.

7.4. Other resource implications

CIL funding includes an allowance of 5% of the total income taken to be spent on CIL administration, which funds the posts referred to under the 'Human Resources Implications' heading.

8. Legal Implications

- 8.1. The collection and spend of CIL is governed by The Community Infrastructure Levy Regulations 2010 as amended. The proposed Protocol is in line with these provisions.

Monitoring Officer comments

The Community Infrastructure Levy (CIL) is one important source of funding which can contribute to the cost of infrastructure needed to support development across the Council area.

To ensure consistent and equitable application of the money collected, a clear CIL governance structure to oversee the spending of CIL monies is desirable and this report proposes the key governance arrangements around this to ensure CIL serves its purpose.

Mark Watkins, DMO

9. Risks

- 9.1. Risks to the Council as a result of this decision are minimal. The protocol is designed to ensure that funds will be spent in line with the Community Infrastructure Regulations.

10. Consultation

- 10.1. The CIL protocol has been drafted in close consultation with the Leader and the Cabinet Lead for Housing, Communities and CIL. The content of the update was also presented to Cabinet Briefing.

11. Communication

- 11.1. No particular communications are planned following approval of this protocol, although it will be made available on the CIL pages of the Council's website.

12. Appendices

- 12.1. Community Infrastructure Levy Spending Protocol (2022)

13. Background papers

- 13.1. Government Neighbourhood Planning Guidance
Paragraph: 107 Reference ID: 41-107-20200925 (Revision date: 25 09 2020)
<https://www.gov.uk/guidance/neighbourhood-planning--2>

Agreed and signed off by

Portfolio Holder: Cllr Gwen Robinson, 6.1.2022

Director: Simon Jenkins, 7.1.2022

Monitoring Officer: Daniel Toohey, 24.1.2022

Section 151 Officer: Lydia Morrison, 20.1.2022

Chief Operating Officer: Kim Sawyer 14.12.2021

Contact Officer

Name: Jacqueline Boulter

Job Title: Principal Planning Officer

Telephone: (023) 9244 6533

E-mail: Jacqueline.boulter@havant.gov.uk

This page is intentionally left blank

**Community Infrastructure Levy (CIL)
Spending Protocol**

Revised 2022

Contents

1.	Introduction & Overview	3
	What is the Community Infrastructure Levy?	3
	Status of this document	3
2.	Guiding principles	4
	Funding Infrastructure to support development.....	4
	Best use of Funds.....	4
	Maximising the reach of CIL	5
3.	Strategic CIL	6
	Principles of Strategic CIL spend.....	6
	Annual Strategic CIL Funding Proposal	6
4.	Neighbourhood Portion	7
	Principles of Neighbourhood Portion CIL spend	7
	Neighbourhood Portion Distribution	7
	Annual Funding Awards.....	8
5.	Interim Spending Decisions	9
	Provisions for Strategic CIL Interim Spends.....	9
	Provision for Neighbourhood CIL Interim Spends	9
6.	Monitoring and Reporting	10

1. Introduction & Overview

What is the Community Infrastructure Levy?

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

Status of this document

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

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

² www.havant.gov.uk/localplan

³ www.havant.gov.uk/have-with-havant

2. Guiding principles

Funding Infrastructure to support development

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

Best use of Funds

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

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

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

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

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

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

Maximising the reach of CIL

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

3. Strategic CIL

Principles of Strategic CIL spend

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

Annual Strategic CIL Funding Proposal

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

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

4. Neighbourhood Portion

Principles of Neighbourhood Portion CIL spend

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

Neighbourhood Portion Distribution

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

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

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

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

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

Annual Funding Awards

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

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

- 4.9 This distribution will be kept under review (see section 6).
- 4.10 The amount of neighbourhood portion available will be confirmed as part of the budget setting process. This will also include confirmation of the amount of unspent Neighbourhood Portion from previous years, which delivery teams may roll over year on year, enabling pot building for larger projects if desired.
- 4.11 Despite funds being 'made available' through the budget process, delivery teams will have to make funding requests for specific projects to the CIL Team. The decision on funding will be made by the Community Infrastructure Officer, in discussion with the Head of Planning and the Cabinet Lead. Eligibility of the project for CIL funding will then be confirmed. As an additional safeguard for the appropriate use of funds, CIL monies will not be released until proof of successful delivery has been received by the CIL Team.
- 4.12 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

5. Interim Spending Decisions

Provisions for Strategic CIL Interim Spends

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

Provision for Neighbourhood CIL Interim Spends

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

6. Monitoring and Reporting

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

Cabinet Lead Reports – Full Council Councillor Alex Rennie

Leader of the Council

Corporate Strategy

The new Corporate Strategy for 2022-2025 was approved at full Council on 23 February alongside the 2022-23 budget.

A major focus of the strategy is on regeneration particularly targeting our town centres and seafront as well as our commitment to open spaces and play parks. We are also committed to capturing the potential benefits from a Solent Freeport and the levelling up agenda of central government.

Services are now creating detailed service plans to deliver the Corporate Strategy and monitoring of progress will be provided through our performance reports.

Shaping our Future

Following the approval of the new Corporate Strategy and developments in terms of the exiting of the Joint Management Team Arrangement, officers are currently reviewing the approach to transformation for Havant, which will remain an important plank in the Council's Medium Term Financial Plan. I expect the Budget Review Working Group to advise on the approach to transformation also, aided by the supporting officers.

More information on the scope and approach to these plans will come forward in the next few weeks.

Communications

Local plan: press release, web updates, FAQs and user-friendly guide being developed. Meeting held with local paper to give background information.

Water quality monitoring: promotion of this new technology and will be ongoing in the run up to summer

Corporate strategy: Promotion via press release, web updates and social media

Budget promotion: explaining increase in council tax via all channels

Councillors' intranet: development of councillors' intranet and testing

Storm Eunice: Ongoing updates throughout the storm to ensure that residents were informed - via all channels

Promotion of High Streets Task Force support: including video of Cllr Rennie

Digital Strategy

Our strategic digital priorities remain important to our transformation plans, as shaped in the Digital Strategy. Introducing enhanced e-payment options for our residents is a must and officers are putting together a business case for investment which will be considered alongside other transformation initiatives.

The Council remains committed to moving towards a paper-less way of working for both staff and councillors and very shortly plans will be brought forward to propose changes to access to IT to support everyone in making this shift.

Service resilience remains high on the agenda, during times of worldwide uncertainty and increasing cybercrime. I am pleased to advise that we have successfully secured £100,000 funding to source and implement an additional layer of protection for our data in the shape of off-line back-ups. Provided by the DLUHC, the solution will be implemented in the coming months as part of the 5 Councils IT infrastructure. This will not affect your day to day use of IT but will have a major impact on our service resilience as a Council by making sure our data and systems can be readily restored. The very recent situation for Gloucester City Council illustrates the impact a cyber-attack can have.
<https://www.bbc.co.uk/news/uk-england-gloucestershire-60124133>

Partnership for South Hampshire Joint Strategy

On 14th February I attended a meeting of Leaders regarding the Partnership for South Hampshire's Joint Strategy. This will be a strategy which covers the Solent sub-region that will be key to meeting the overall need for housing, providing a strong message to Government on the region's ambitions and looking at strategic scale green infrastructure.

The meeting was productive and the strategy is moving forwards as set out in the Statement of Common Ground, which has previously been agreed by the Partnership's Joint Committee. Whilst there is likely to be a delay to the programme, this is commonplace for such a complex strategy. Once approved, this strategy will be a key part of the new local plan for the Borough, addressed elsewhere in the agenda.

Cabinet Lead Reports

This page is intentionally left blank

Cabinet Lead Reports – Full Council 16 March 2022

Councillor Lulu Bowerman

Cabinet Lead for Environment and Commercial Contracts

Norse

Environmental Services

Waste services

The new Glass Bank skips have now arrived in Havant and it is planned that the artwork designed for them by the HBC Comms team will be applied later this month. The sensors that can communicate remotely when the bins are getting to full capacity are due to arrive in late March for installation. It is intended that the new glass banks will then be delivered to locations across the borough with the busiest sites receiving the first deliveries.

All waste services in Havant Borough continue to run as scheduled. Any issues or missed bins are reported to customer services and resolved as quickly as possible. Any issues are communicated by the Council to affected residents via social media.

Grounds Maintenance and Street Cleaning

Crews are now engaged in hedge and shrub bed maintenance throughout the Borough while also clearing up from Storms Eunice and Franklin which brought some tree damage to most areas.

Hayling Seafront

During February several B Site Beach Huts were re-located to protect them, fortunately just before the storms. Discussions are currently taking place with Natural England to seek agreement to a larger scale relocation of beach huts currently located in the car park west of Inn on the Beach and we hope that this will take place in the next few months.

Norse received compliments for their good customer service response to the storm e.g saving the possessions from a damaged Beach Hut that had been scattered by the storm.

Norse SE Liaison Team

The 4-person team that is the interface between Norse SE and the Council is experiencing significant turnover at present with the 3 most experienced

officers having now left. Recruitment is in progress and a full team is expected to be in place in the next few weeks.

Capita

The positive picture regarding the call response times of the customer services contact centre has continued, with the associated performance indicator being achieved once again. This continues to be supported by effective communications between the Council, Norse, and Capita.

Capita will be very busy in the next month or so with the annual Garden Waste renewals and associated calls.

The Revenues and Benefits lines are still under pressure due to additional workloads relating to the contact centre support for Council Tax recovery work. This is being monitored closely.

Annual billing arrangements have been successfully run and will include elements relating to the communication of the £150 Energy Bills Rebate announced by the Government earlier this year. Plans relating to the administration of that rebate are currently being worked on for an effective delivery.

Climate Change and Environment

The Climate Change and Environment Action Plan was due to come to O&S during February but due to the situation with the Local Plan and the Action Plan being in draft, I felt it was an excellent opportunity to work with the Planning Policy officers to find ways to enhance the environment elements of the Local Plan. The first meeting of the CCEP (Climate Change and Environment Panel) is due to take place on 22 March when there will be an opportunity to discuss and review the environment elements of the Local Plan.

There are also plans to share The Climate Change and Environment Action Plan with local groups for comment. Having visited the Eco Club at Warblington School this month, I was very encouraged to find a high level of interest and knowledge in the Environment and Climate Change and will be visiting other schools in the future to encourage discussions.

Councillor Climate Awareness Programme

The council has identified tackling climate change as a key priority in our corporate strategy, and staff and councillors will be working hard to reach net-zero carbon by 2050.

To ensure that all councillors and staff are thinking about the impact on the climate of council services, an interactive and engaging programme of one-hour sessions has been set up and I would encourage all councillors to attend. There will be 4 sessions later this month, covering:

Carbon, tipping points and our simplest solutions, Nature, soil and the future of food, Population, pollution and finding a balance, Technology, economics and justice: making the impossible possible

This page is intentionally left blank

Cabinet Lead Reports – Full Council 23rd February 2022

Councillor Tony Denton

Cabinet Lead for Finance

Finance

Finance Services covers all aspects of corporate services, including accountancy, procurement, accounts payable, accounts receivable, cashiering and insurance.

The 2022/23 budget was set at full February Council following Overview and Scrutiny and Cabinet. It was a challenging budget setting process, but ended with a breakeven budget set for 2022/23. A budget Working Group has been set up to achieve a balanced budget for the MTFS by October 2022.

Regular quarter performance reports are reported to Members. These cover both the financial and performance positions in order to give a rounded position on service delivery.

The quarter 3 performance report monitoring reported to Members highlighted a projected year end deficit of **£0.211 million**. Officers have been requested to take management action which would mean that the Council would breakeven by the end of the year. The main financial issue is around income not fully recovering from the pandemic. No major new areas have been identified since quarter 2.

Revenues & Benefits

Business Grants

Two grant schemes were launched in January to support local businesses. The Government's new Omicron Hospitality and Leisure Grant – closing at midnight on 18th March 22 and another Additional Restrictions Grant (discretionary scheme) which ran from 5th January to 23rd January, and from 18th February to 2nd March.

Payments as at 28th February 22

Omicron Hospitality and Leisure Grant – 98 payments - £349k

Additional Restrictions Grant – January – 370 payments - £784k

This page is intentionally left blank

Cabinet Lead Reports – Full Council

Councillor Tim Pike

Cabinet Lead for Regeneration and Estates

Havant Regeneration Strategy

The Regeneration and Economy Strategy which is due to come to Cabinet and full council this month, sets out the Council's ambitions to create Sustainable Places, Successful People and Better Businesses across the Borough. Its aim is to ensure all our communities can share in our future economic growth and prosperity. This will align with the Corporate Strategy that was approved by Council in February.

Havant Town Centre

Work continues to progress regeneration proposals across the town centre, including key sites such as Plaza car park and the public sector uses nearby. The outline business case for the redevelopment of Civic Plaza car park site and Bulbeck road car park was presented to Cabinet for approval earlier this month. Additionally, a package of public realm projects and works have been proposed to enhance the town centre and encourage further investment.

Waterlooville

Work continues to discuss with landowners of prominent vacant sites in the town centre their intentions for the site and co-ordination needed to bring the sites into productive longer-term use.

Leigh Park

Economies for Healthier Lives funding has now been awarded to Havant Borough Council as one of four projects chosen. The funding will be used for Leigh Park. This project will entail forming a partnership to deliver training/apprenticeships/employment to 18–25-year-olds in Leigh Park who would otherwise be unemployed. The funding agreement has been signed and work is underway to finalise partnership agreements with University of Portsmouth and Havant and South Downs College. Officers continue to develop a wider regeneration plan for Leigh Park, exploring opportunities to link with the Economies for Healthier Lives work.

Welcome Back Fund (WBF)

Officers across the Borough Council are working to conclude the Welcome Back Fund programme. Several projects continue to be delivered across the borough and will be closed by the end of March 2022. Recent projects across the borough include half term activities at Meridian Shopping Centre and steam cleaning at Greywell precinct in Leigh Park.

The business engagement consultancy work has completed. The findings will inform future work.

Havant Thicket Reservoir

The tree felling works, which had paused, will restart in Spring 2022. The stakeholder groups consist of six subgroups being established for Access, Local Economy, Environment, Recreation, Education and Pipeline. The focus currently being on the northern access of the site which will be installed first to enable construction access. Procurement for this is expected to begin soon.

Economy

Havant Business Partnership

The next Havant Business Partnership event takes place on Wed 9 March. The partnership is a joint initiative with Havant & South Downs College and is one of the principal ways in which the Council engages with leading employers in the Borough. The next event will provide an opportunity to showcase the ambitions of the Havant Regeneration and Economy refresh along with contributions from local businesses, KSM Communications and Cybrid Havant outlining their success with training and recruitment, supported by Havant and South Downs College. The event will be hosted by Spectrum Workspace, based in Marples Way, Havant.

Business Focus Group

As part of the Regeneration & Economy Strategy refresh, we have recently hosted 2 very successful business focus groups through which local businesses have been able to contribute to the development of the strategy. Key issues and opportunities identified by the businesses included infrastructure investment, station improvements, sustainable transport, improving the housing mix along with addressing skills shortages and supporting young people into work. The detailed feedback from the businesses is reflected in the final version of the strategy and there is an encouraging level of commitment from participants to working with the Council moving forward.

Economic profiles

Over the last few months, the Economy team have been working with the Insights team to make economic profile data for the borough more easily accessible to businesses and residents. Published in a new user-friendly and interactive format, the profiles contain a range of datasets including unemployment claimant counts, job density, business counts and business survival rates, for example. This information is now live on the council's website <https://www.havant.gov.uk/economic-profiles> .

Civil Engineering and Landscape Team

Warblington Footbridge Feasibility – HBC CIL Funded

The Disability Impact Assessment is under way and engagement with Network Rail to progress the design.

Havant Park – HBC Revenue Funded

Works on Havant Park walls have now been completed. We are chasing Norse to rectify the issues with loose slabs on top of walls. NORSE are due to complete the work by the end of February.

Bushy Lease Cycle Route – HBC CIL Funded

The report detailing the findings of the ecological survey is now expected in March 2022 and detailed design is ongoing. Design for Phase 1 (Park House Farm Way to the Hermitage stream) is still on course to be completed by April 2022.

Hobby Close, Waterlooville – drainage: CIL neighbourhood fund & WeBig Local

The tender documentation for the CIL scheme is being drawn up with legal team being instructed to assist with drawing up this unusual contract format. We still plan to be on site in early summer this year and have advised the local community stakeholders accordingly. Access will be via Chaffinch Green using Portsmouth City Council land.

Scratchface Lane, Bedhampton recreation ground – unfunded

Following implementation of the similar Hobby Close scheme (above) we will use our experience as empirical evidence of the proposed access arrangements to progress a planning application. However, depending on Hobby Close, this may trigger a decision not to proceed with the current proposal of creating a new land form to address the drainage issues naturally. If the current proposal is then not to proceed, a capital bid will be made in 2023/24 for more conventional drainage works to address the long standing issues.

Transforming Cities Fund – HCC / DfT Funded

The CELT team has been commissioned to assist HCC designing and implementing schemes along the east-west corridor through Havant town centre (walking and cycling improvements in Centenary Gardens and Havant Station forecourt and southern car park), along with bus stop improvements in Purbrook Way and Botley Drive. Delivery on-site required by the end of March 2023. The three schemes are now designed, with costings and assessments now developed. Local members have recently been briefed about the bus stop schemes.

Elmleigh Road, Havant Off road cycle route – HBC CIL / HCC / DfT Funded

CELT is developing the detailed design for the scheme under commission from HCC. Detail design is progressing. Major problems with the drainage system in the area have been identified as part of the surveys and will be added to the scheme to resolve. Delivery on-site is planned for autumn / winter 2022/23.

Bedhampton TCF – HCC funded

CELT is in the process of being commissioned to undertake detailed design for the scheme near the Bedhampton Hill / Bedhampton Road / Maylands Road roundabout in Bedhampton. This follows preliminary design by Atkins. The scheme involves improvements to the bus stops east of the junction to improve punctuality and facilities for pedestrians.

Rusty Cutter Link Road congestion scheme – HBC CIL Funded

Design work has restarted on this scheme which will provide congestion relief to this important link. The details of overlap with S278 works have been identified and will be incorporated into the design.

Jubilee Park, north drainage – HBC funded

Works are complete for phase 2, some minor adjustments need to be made to the ramps, this will be undertaken by the end of February.

Emsworth Town Centre Accessibility - HCC Funded

Emsworth Town Centre Accessibility comprises 3 schemes: 1. Havant Road (Improving accessibility for cyclists), 2. Victoria Road (Safer routes to school) and 3. Bridge Road (Improving accessibility for pedestrians). We are still awaiting further instruction from the client following the provision of cost estimate for the Havant Road scheme. The scheme is likely to be implemented in Q3 2022 due to the timescales involved in the revoking the TRO for the mandatory cycle lane between Highland Road and Bridge Road. Pre design of the Victoria Road scheme is ongoing, and we are still on course to commence construction during the summer holiday. The Bridge Road scheme is on hold until such time as both the Havant Road and the Victoria Road schemes are implemented.

Local Walking and Cycling Infrastructure Plan (LCWIP) – HCC Funded

We are awaiting the outcome of the public consultation.

Milton Road Bus layby and Elettra Avenue HBC CIL Funded

HCC Asset Management comments are still being incorporated into the design and we would expect to resubmit the scheme for approval in March 2022.

Hambledon Road – HBC CIL & WCC Funded

ITS have provided comments on the part of the scheme that interfaces with the Puffin crossing on Hambledon Road. A vehicle speed survey to determine how to replace the southbound vehicle detection will need to be carried out. We would expect to submit the design for approval in March 2022.

Havant Rugby Football Club – HBC CIL Funded

Quotations received in September were higher than budget. Client Manager seeking more funding through CIL to progress the project.

Hooks Row, Leigh Park Shared Path – HBC CIL Funded

Scheme near completion with small outstanding works required including signage and lining, awaiting HCC approval as within highway.

Havant Park Feasibility Project – HBC CIL Funded

CIL funded project to draw up a master plan incorporating all the future aspirations for Havant Park. The plan will illustrate what the park will look like in 20 years' time. The project has now been incorporated into the Regeneration Report which includes the wider aspirations of the town centre and surrounding infrastructure. Regeneration Report is due to go to Cabinet in March 2022.

Future Role of Hayling Route, Billy Trial

A second draft has been forwarded to various other teams including Coastal Partners, the Council's Climate, Environment Officer and Portfolio Holder. Waiting for feedback from teams and will incorporate comments moving forward. It is expected that a further draft of the study will be more widely available in February/ March, with the full study not finalised until late spring 2022.

Emsworth, The Promenade - HBC Funded

The final draft report has been issued internally for comment. This will clarify potential costs and timeframes to deliver works identified. Once we have all this information, we will be passing the report on to the portfolio holder and local councillors for comment.

Hayling Island Access Improvements Phase 2 – HCC Funded

Construction completed, barriers and bollards to be completed by the end of March 2022

Havant wide memorial bench project

Bench supplier added to Integra this week – order placed – anticipated delivery mid-April for installation by Norse.

Mengham Park

Estates project to create bund / physical barrier in Mengham Park to stop illegal access. Site plan and design principal has been approved by Estates. The works require planning permission and will need to carry out a tree impact assessment. Tree consultant has been appointed and has requested a topographical survey to carry out report.

Emsworth SINC (Lead Estates)

Section 106 funded project to mitigate the loss of grassland meadow to allow for housing on site north of Emsworth Rec. Estates have request CELT to manage the implementation and management of a site of importance for nature conservation in Emsworth Rec. The draft site plan has been drawn up which seeks to fence off (using post and wire fencing) a 5.9HA area of open space in the north west corner of Emsworth Rec to allow for the creation of the SINC. The design includes mown footpaths and social spots to allow residents to still use and enjoy the area of the park. We will also install an Interpretation board to inform and help manage users' behaviour of the SINC and HBC Marketing team have been lined up to do the work. Next stage is to engage with all relevant stake holders to get everyone on board with the scheme and then go out to tender for the work.

Cabinet Lead Reports – Full Council 16th March

Councillor Gwen Robinson

Cabinet Lead for Affordable Housing, Communities and CIL

Housing

Housing Association Liaison

Following on from a very successful strategic meeting in December, hosted by the Leader with our partner Registered Providers, I have, with Tracey Wood set up some follow up meetings with our key partners.

Our first meeting was with PCC, their Director and Cabinet Lead. It was a very positive meeting where many areas were explored as to where we can work better together for the benefit of our residents. There will be quarterly strategic meetings moving forwards and officers will meet as well to discuss operational matters. I will update you when we have more information on some possible projects we can work on together.

We then met with Guinness who as our LSVT partner (Large Scale Voluntary Transfer) hold a significant number of properties. We discussed performance in terms of repairs and focused again on how we can work together more closely to ensure better outcomes for our residents.

Guinness then shared with us their work on social investment in Havant. I wanted to share this with you as I was unaware of some of this and there are some great initiatives happening out there which I am sure will be of interest to you all too.

Guinness's Social Investment in Havant

At Guinness, we want to support our residents, and members of the communities we operate in, by offering extra services and opportunities alongside the homes and housing services we deliver. We do this through the three themes of our [Social Investment Strategy](#):

- Alleviating Hardship – from food and consumables poverty;
- Education, Employment and Training – through a range of work experience opportunities, developing and supporting career aspirations and direct funding; and
- Inclusive Communities – to improve health and wellbeing and to support different groups with whatever their needs or aspirations may be.

We have recently targeted more investment directly into Havant communities and are very keen to continue to explore opportunities to work with existing and new partners.

- Guinness has invested £20,000 into a new food pantry in Havant – “Munch” which opened in November 2020. Havant Borough Council co-financed the pantry and it is delivered from The Dickinson Centre at Park Community School. Members have access to a selection of groceries, fresh and frozen food for a weekly subscription of £5. After it opened it quickly became the most used of the seven pantries that Guinness supported at the time across the country (we now support nine).
- Guinness recently started working with local organisation Motiv8. In 2021 we provided a small amount of funding to provide summer holiday activities for young people. Following the success of this programme, we provided further funding at the end of last year, along with other partners, to enable Motiv8 to provide diversionary activities for young people throughout the whole school year. They are taking place at Havant Rugby Club, the Front Lawn Community Hub, and the Wellmeadow drop-in youth club at Staunton Country Park.
- Guinness will shortly start working more intensively with HBC’s employability support programme which is supported by ESF funding. Residents aged over 18 years and over can access this free service and will be provided with 1-1 support to help them build confidence, identify and provide relevant training and support that can enable them to reskill and/or support them into meaningful employment.
- Last year we provided funding to Havant charity Stop Domestic Abuse in recognition of the increased demand domestic abuse services have faced during the pandemic. It was part of a wider package of support to six different domestic abuse charities operating within our communities.
- We have very recently filled a Kickstart placement in Havant and have been supporting the Government’s scheme through a partnership with other social housing providers.

Alongside our local partnerships, we have a broad range of support and opportunities available to all of our residents, including of course those living in Havant. These include learning how to set up your own business, becoming more confident online, accessing free courses on a range of topics including construction, apprenticeships, and access to support with mental health.

We advertise these opportunities on our website, via social media, and through our resident newsletters which are sent to all of our homes.

We regularly update our website with our latest opportunities / partnerships / offers:

[Advice and support – The Guinness Partnership.](#)

Communities, including Sport, Leisure and Play Parks

Havant Community Lottery

Havant Lottery currently has 107 registered Good Causes, 724 players are purchasing tickets. £163,000 has been raised for local Good Causes since 2018. The next prize draw takes place on Saturday 23rd April, supporters are encouraged to buy tickets to be in with a chance to win a £1,000 B&Q gift voucher.

Waterlooville Events Team

The Waterlooville Events Team Lottery have changed their name and focus. The volunteer led group is now called the 'Waterlooville Community Grotto' and will manage the Grotto which is currently based at Waterlooville Library. Other events such as the Summer Fete will be organised by the Waterlooville Action Group and the Cinema may be managed by a local church or community group.

New HR policy

A new Armed Forces HR Reserves Forces Training and Mobilisation policy is being presented to the HR and Joint Staff Committee on 3rd March. We do not currently employ any Reservists at HBC, but this policy may attract Reservists to apply for job opportunities at Havant Borough Council in the future. This new policy will also support the newly acquired Silver ERS (Employers Recognition Scheme) award which Havant was granted in July 2021 in addition to the bronze award.

Sport & Leisure

Hayling Island New Skatepark Provision

A specialist skatepark contractor, Maverick, has been appointed through a tender process to undertake the design and build of the new skatepark following Sport and Leisure officers securing a further £25,000 of S106 funding. The £200,000 project is now fully funded, through £75,000 Veolia Community Fund, £80,000 S106 and £45,000 raised by Hayling Skatepark Group.

Following kick off meetings, the project is currently preparing community consultation by way of engaging with the user group and the wider community through survey. The contractor will then begin to design the new concrete skatepark based on the engagement.

Officers are managing the engagement, design and build through to completion.

Waterlooville Recreation Ground Play area refurbishment

Officers have attended kick off meetings with the contractor Eibe Play, who were appointed following a tender process, to build a vibrant, inclusive and natural looking design in Waterlooville Recreation Ground.

Construction of the £90,000 project is scheduled to begin in March 2022. Officers will continue monitoring the contract and the delivery of the project through to successful completion.

Get Up & Go – Get Going Again Funding

Following successfully securing £70,000 funding from Hampshire County Council's Get Going Again fund, planning is underway for the next phase of the Get Up and Go project. This will include significant adaptations and new activities as the project transitions to provide support to clinically extremely vulnerable residents through engagement in community-based physical activity and social opportunities.

Officer focus is also currently on delivering a final evaluation of Get Up and Go in its current form, for Sport England as funders and for all stakeholders. This is using focus groups, case studies and surveys working with the insight team. This insight will form a summary project report, as well as assist in shaping the new project delivery.

Football Foundation - Local Authority Grass Pitch Programme

As part of the Football Foundation's Local Authority Grass Pitch Improvement Programme, Officers are currently working with partners at the Football Foundation, Hampshire FA, Ground Maintenance Association and Norse to assess the quality of the borough's 23 grass football pitches. This review will be completed by the end of March 2022.

This first stage of the programme will provide findings that will enable officers and partners to devise a delivery plan on how to improve pitch quality.

This delivery plan is anticipated to unlock the opportunity for substantial funds from the Football Foundation to be utilised towards the improvement of grass pitches and support the growth of local football clubs.

Havant are one of only two local authorities in Hampshire to be part of this scheme.

Community Infrastructure Levy

The revised Community Infrastructure Levy (CIL) Spending Protocol is addressed through a separate report before the Full Council in this agenda. This has already been considered by the Planning Policy Committee. The deputations given by the Emsworth Neighbourhood Planning Forum and Cllr

Kennett were certainly noted and following the Planning Policy Committee, myself, the leader and Cllr Bowerman have met with the Forum to discuss their concerns openly. The Forum, working with the Emsworth Residents Association and the Emsworth Community Land Trust, are intending to bring forward a number of infrastructure projects. Discussions are ongoing and reassurance was given that within the proposed CIL Spending Protocol, the Council will continue to work with and support the Forum in bringing forward projects in Emsworth.

CIL Recent Expenditure

Since 03/02/22, we are pleased to confirm the following spends are either complete or in process of being completed (date information collated 02/03/2022):

Project Reference in Exacom	Name of Project	Date agreed	Strategic CIL (S) or Neighbourhood CIL (N)	Amount of CIL spent (rounded)
200	Enhanced Access for People with Disabilities at 3rd Hayling Scout Group	24/02/2021	N	£8,000

S106 Recent Expenditure

Similarly, we are pleased to confirm the following S106 spends are either complete or in process of being completed since 03/02/2022 (date information collated 02/03/2022):

Project No in Exacom	Name of Project	Planning Application No and Name	Amount per Planning Application	Total Amount of S106 Spend (rounded)
203	Community Worker (Major Development Area)	APP/10/00828 (Grainger Development Site Land West of, London Road, Waterlooville)	£6,400	£6,400

Our public facing Exacom System provides up-to-date information on CIL and S106 income and expenditure and can be viewed via this link:

<https://pfm.exacom.co.uk/havant/>

This page is intentionally left blank

Cabinet Lead Reports – Full Council 16 March 2022

Councillor Clare Satchwell

Cabinet Lead for Planning, Hayling Seafront Strategy and Coastal Management

Development Management

Workload

Case officers continue to operate with a blended mix of working from home and attendance at the Plaza when required. Site visits are being carried out with appropriate risk assessments in place.

The Planner publication has reported that nationally planning application submissions in January 2022 were 10% lower than in January 2021. This would suggest the market is beginning to return towards pre-Covid submissions (although the number of applications submitted is still well above January 2020 levels).

The team continues to maintain a high level of performance, with over 90% of applications determined within agreed deadlines during Quarters 1-3 of 2021/22.

Casework

A large number of significant planning applications remain under consideration by the team, including a number of cases where technical issues and/or S106 negotiations are prolonging the time being taken to reach a decision. These include Wellington Way redevelopment, Waterlooville (264 apartments and multi-storey car park); new 81 bed hotel at Larchwood Avenue, Bedhampton; Padnell Grange, Cowplain (86 dwellings); Camp Down, Purbrook (hybrid application for up to 780 dwellings, community/nursery facility, retail unit and public open space); land west of Coldharbour Farm Road, Emsworth (44 dwellings); former SSE site, Bartons Road, Havant (191 apartments); land west of B&Q, Purbrook Way, Havant (new Lidl foodstore); land west of Hulbert Road, Havant (100 dwellings); Brockhampton West (up to 29,000sqm employment units); Cabbagefield Row, Leigh Park (150 dwellings); Land north of Long Copse Lane, Emsworth (210 dwellings); Land east of St George's Avenue, Havant (194 dwellings); Southmere Field, Havant (65 dwellings); Land at Lower Road, Bedhampton (43 dwellings) and Land west of Havant Crematorium, Havant (reserved matters application for 70 dwellings).

In addition to these, there have been recent major applications registered with the Authority which include Rook Farm, Hayling Island (300 dwellings); Land

rear of Fathoms Reach, Hayling Island (51 dwellings); and Dunsbury Park, Havant (6,877sqm of storage and distribution units).

Planning Committee

An application for Land west of Hulbert Road, Havant (up to 100 dwellings) was considered by the Committee at its meeting on 11th November. The application was contrary to the adopted Local Plan – however in engaging the ‘tilted balance’ set out in the National Planning Policy Framework the Committee concluded that the adverse impacts of granting planning permission in this instance would not significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole. A resolution was secured to grant permission subject to the necessary S106 Agreement being completed.

The same Committee meeting saw a resolution to grant permission secured in respect of 34 additional dwellings at Forty Acres, Bedhampton. Permission was granted on 23rd December.

The Committee meeting held on 3rd February saw permission granted for revisions to the transport conditions attached to the proposed development at 32 New Lane, Havant (redevelopment of Pfizer site with new distribution warehouse facility).

Planning Policy

The agenda item regarding the withdrawal Havant Borough Local Plan, the preparation of a new local plan and the Housing Delivery Position Statement provide the main updates regarding planning policy.

Nonetheless, in terms of moving forward, the officers report highlights the challenging necessity to address the need for housing in Havant Borough. In reality, it will be impossible to do this within the Borough’s boundaries through the new plan. Thus, we must look to our neighbours and nearby local authorities to accommodate this need. This will also be challenging, particularly as both Portsmouth City and Gosport Borough have unmet need – Fareham’s submitted local plan already accommodates 900 of Portsmouth’s unmet need. This question of unmet need across the Solent will be resolved through the Partnership for South Hampshire’s emerging Joint Strategy (see separately the update from the Leader). Nonetheless, in the meantime, we must also seek any bilateral agreements that it is possible to reach. Test Valley Borough Council are currently consulting on a Draft Local Plan which only meets the need for housing in their Borough. As such, I have instructed officers to respond to the consultation and seek an accommodation of Havant Borough’s unmet need. Moving forwards, we will need to leave no stone unturned in meeting the need for housing within the Borough. However, we will need our neighbours and nearby local authorities to be equally as exhaustive in their search for suitable development sites.

Houses benefit from a 'permitted development rights' to undertake a number of common household projects without needing to seek planning permission from the Local Planning Authority. An article 4 direction is a tool which is employed by Local Planning Authorities to remove selected permitted development rights if there is the justification to do so. The Council began the preparation of an article 4 direction for the Langstone Conservation Area in 2011 with all of the statutory steps in its preparation taking place, save for the last one. This involves the confirmation of the Article 4 Direction to the Secretary of State following the one-year grace period to avoid compensation claims to the Council, as is commonplace. Regrettably, due to human error at the time this did not take place. This only came to light late last year following the determination of the planning application in question.

Confirmation of the Article 4 has now taken place and so planning permission will be required for a number of household development projects which otherwise have the potential to cause harm to the special character of the Langstone Conservation Area

Hayling Seafront Strategy

The Hayling Island Seafront Ambition and engagement report was presented to Cabinet in March to update on work underway to develop a Hayling Island Seafront Strategy. Work includes:

- An update on the engagement programme that ran last Autumn. The council received over 650 responses and a full report can be seen within the Cabinet papers
- A revised ambition for Hayling Island Seafront following on from the engagement programme
- The start of the development of a brand for the seafront and early opportunities to implement the agreed branding
- A high-level Masterplan and delivery plan will follow after Cabinet endorsement.

The team continue to work with Coastal Partners, Neighbourhood Team and neighbouring authorities to ensure collaborative working.

Several Welcome Back Fund projects to beautify the seafront have been implemented recently such as shrub clearance on Sinah Commons (detailed below) and Eastoke boardwalk painting.

Welcome Back funded SSSI conservation work undertaken in February

Officers from Neighbourhood Quality have been working with colleagues from the Coastal Partnership and partners, Natural England to draw up plans for the maintenance and enhancement of the Sight of Special Scientific Interest (SSSI) on Hayling Island Seafront.

The aim of the project was three-fold, namely, to open the space, to educate visitors as to the intrinsic value of the site and protect it from unlawful encampments by effective management.

The pilot area had been previously surveyed by an ecologist and areas featuring rare wildlife and nationally important flora and fauna had been mapped and indeed identified as being at risk from non-native invasive species.

Funding was secured from the “welcome back fund” to enable a detailed plan that was drafted in partnership with Natural England whose assent was granted for necessary remedial work which was undertaken by NORSE during last week of February.

The work has created clear spaces or scallops enhancing the natural habitat removing brambles and holm oaks in amongst the gorse and will be monitored for the summer period. It is intended to work with volunteer conservation groups moving forward to clear further areas in autumn 2022.

The site is very much part of the Season 22 offer as it sits within the area subject to the “Blue Flag” application which was submitted in January.

Coastal Management

South Hayling Beach Management Activities (BMA) (2017-2024)

Regular inspections of the south Hayling frontage are ongoing. Storm Barra and Storm Eunice saw some beach draw-down, but not sufficient to warrant urgent large scale beach management works. The promenade was cleared by Norse during January 2022, and similar works are likely to be undertaken following Storm Eunice. A beach survey will be carried out during February 2022 to inform our next planned beach management campaign, scheduled for mid-March 2022. It is likely that this campaign will last for 3 weeks on site and will build the beach back to its design profile and volume prior to the Easter holidays. These works are funded by Environment Agency Grant in Aid funding.

Flood Protection – Winter Preparations

All flood boards have been installed along the Eastoke frontage for the winter period and will remain in situ until the Spring. The flood boards are regularly checked by CP Engineers and NorseSE during this time. The boards will remain in place until just prior to the Easter holidays, at which point they will be removed and stored for the summer period.

West Beach – Scoping and Regeneration

Monitoring is ongoing and limited change has occurred so far this winter. The current position of the beach crest lies within the estimated initial cutback risk zone area identified prior to the structure being removed. It is expected that over time, under average wave and weather conditions the beach crest will

continue to roll back into the 'rebound zone'. The next survey of this site is scheduled for February 2022, when additional data will be available to understand any change in position of the beach crest.

Hayling Island Coastal Management Strategy

The option appraisal stage of the project will shortly be coming to an end. The project team have now reviewed the Option Appraisal Report and updated Economics Report, setting out the draft coastal management strategy and the associated costs and benefits. A draft cabinet report has been prepared to engage and inform HBC on the draft coastal management strategy, prior to public engagement. The report is currently in circulation for initial review.

We are currently in the process of planning the engagement with landowners and key stakeholders, programmed for March and April 2022. Following this, we plan to further engage with the public on the draft leading options in June 2022. Engagement dates and locations will be confirmed nearer the time.

Langstone Flood and Coastal Erosion Risk Management (FCERM) Scheme – Detailed Design

The Project Team have been working collaboratively with AECOM and our other Consultants as the project moves through Detailed Design. The Ground Investigation (GI) Interpretive report has now been received from AECOM and is currently undergoing updates following a first review. A final version of the Phase 2 (Non-destructive testing/inspection) Structural Investigations (SI) report has also been received. A design freeze was agreed on 11th February, confirming the leading options to take forwards to Detail Design to further develop, refine and optimise. The purpose of the design freeze was to confirm the type of defence solution and overall alignment following integration of results from the GI, SI and feedback from stakeholder engagement. The projects next milestone is the 50% Design.

The Optimised Programme, which sees the programme extended by 1 year has now been successfully implemented into the project allowing for further opportunity for design reviews, and community and stakeholder engagement.

The formal financial approval letter received from the EA in January 2022 for the OBC confirms both technical assurance and financial approval for the Grant in Aid (£1,139,937), Local Levy (£794,000) and second tranche of Other Government Departments (£541,563) elements for the project. A number of meetings have been held this month to discuss and explore potential financial contributions for the project from Stakeholders. With further meetings being arranged for the upcoming months. Work continues with AECOM on the Saltmarsh Restoration Feasibility Study funded by the Water Environment Improvement Fund (WEIF).

The Project team are currently working with AECOM and our other Consultants towards the 50% Design review meeting milestone, scheduled for 26th April 2022, with planned acceptance of this expected on 1st June 2022. A public engagement event is now scheduled for July 2022 to share the 50% detailed design with community groups through our Stakeholder Working Group.

Broadmarsh Coastal Park, Flood and Coastal Erosion Risk Management (FCERM) Feasibility Study

Following completion of the project and feasibility study, a cabinet report is currently being drafted to go back to Executive Board and Cabinet to progress the project to the next stage.

Warblington Seawall Repairs

Following a report of erosion of land from the farmer at Warblington, an inspection was carried out during early January 2022. The seawall fronting the farmland has become undermined due to lowering beach levels, and a small void has formed on the face of the structure. Discussions are ongoing regarding the environmental impact of repairs to the structure, and applications for consents for work will be considered over the next month.

Coastal Environmental Initiatives.

The Coastal Environment team are actively working across a number of initiatives that aim to protect and improve the natural coastal environment within the Havant Borough, such as:

- **Hayling Island Coastal Management Strategy – additional studies:** £75k additional funding has now been secured from the Environment Agency (EA), linked to the Hayling Island Flood and Coastal Erosion Risk Management (FCERM) Strategy. This will be used to undertake additional work to support the policy option selection at key sites along the east coast of Hayling Island that present some of the best opportunities for coastal habitat creation on the Island. The funding will enable more detailed investigations at these sites and enhanced engagement with landowners at key locations to help present and discuss opportunities – prior to formalising the strategic policy at these sites.
- **Langstone FCERM scheme – Saltmarsh Feasibility Study:** We are currently working with our consultants to investigate the feasibility of using Beneficial use of Dredged Sediments (BuDS) / other management techniques to improve the degraded saltmarsh habitat fronting Langstone village. We are undertaking a feasibility study that will conclude whether the saltmarsh can be restored, and by what technique and at what cost. A report will be provided in March. This is being fully funded by the

Environment Agency's Water Environment Improvement Fund (WEIF), following a successful application for funding from the team. Within February, the team have also worked alongside the Blue Marine Foundation and wider partners to include an ask for £100k funding towards actual saltmarsh restoration on the ground. This request has been submitted as part of an 'Endangered Landscapes Programme' bid. We don't yet know full costs of any restoration works, but if the bid is successful, this £100k funding would be considered a healthy contribution to help unlock other funding sources.

- **Chichester Harbour Protection and Recovery of Nature (CHaPRoN), Southern Water Summit and linked initiatives:** CHaPRoN has a vision of 'working together for the protection and recovery of nature', focussed on Chichester Harbour. Coastal Partners are represented on the CHaPRoN Steering Group and are a key member of the Coastal Resilience Working Group. Over the past month, we have met to discuss the Group's action plan for habitat restoration within the Harbour, highlighting and prioritising opportunities. Linked to this, we have also attended the second technical working group of the Southern Water Harbour's summit, aiming to unlock opportunities for water quality improvements and habitat restoration. There is a big and positive drive towards improving our local coastal environment and we pleased to be involved in such initiatives on behalf of HBC. Members of the team also recently gave a talk to the Havant Climate Alliance, receiving positive feedback on the work being undertaken.
- **Regional Habitat Compensation Programme (RHCP):** Work has commenced on the 2021/22 Annual RHCP report, to update on progress on habitat creation linked to this programme. Ongoing delivery of this programme ensures that we can continue to protect our communities from coastal flooding and erosion, as it's a legal requirement in order to build new Flood and Coastal Erosion Risk Management schemes where they are most needed. We have also met with regulators to discuss the need for a Solent Wide Coastal Grazing Marsh study, which will help unlock future habitat creation initiatives. Over the coming year, the team will be investigating funding options for this and aim to establish a scope for the project.

This page is intentionally left blank

Motion to Full Council – 16 March 2022

Ukraine

This Council condemns the actions taken by the Russian Government with it's illegal and unjustified invasion of Ukraine. The Borough stands in solidarity with the Ukrainian people, flying its flag outside the Plaza with pride and applauds the efforts of local residents who have donated money and goods to the country.

In addition, the Council:

- Welcomes the sanctions placed on Russia by the Government and supports sanctions on oligarchs and individuals who benefit from the patronage of the Russian leadership.
- Calls on the Council's Chief Finance Officer to ensure that the Council divests any financial interest it may hold in Russian companies and investments.
- Makes clear the Council will not invest in any Russian company through its Treasury Management Strategy until such time that the Russian Government ends its illegal occupation of Ukraine and takes steps to reintegrate itself in the international community.
- Requests the Hampshire Local Government Pension Fund divests any similar interests and asks that the Chief Finance Officer to write to the fund managers to make clear this view.
- Welcomes the Council's decision to allow vacant space in the Meridian Centre to be used to support humanitarian donations and calls upon the Council to continue to take all reasonable steps to be part of the national programme to house refugees.

Proposed by: Councillor Imogen Payter

Seconded by: Councillor Alex Rennie

This page is intentionally left blank