

Appendix to the Minutes

Overview and Scrutiny Committee – 9 February 2022

Question	Answer
Referring to Appendix A Pages 15 and 16	
i. Executive Office £469,000. This heading has not appeared in previous budgets. What does it cover?	This heading was included within the Customer Services lines last year. It was split out to aid transparency. This brings this report in line with outturn reports and regular monitoring. This covers the Executive Team and support staff as related costs.
ii. Head of Programmes Redesign £2,882,000. This heading has not appeared in previous budgets. What are we paying for?	This was in last year's base as £3,039,000. This covers a wide range of services such as ICT, Facility management and business solutions
i. Head of Neighbourhood Support (£681,000) Please remind me: is this income from Fees and Charges or where does it come from?	<p>Neighbourhood Support consists of a number of front line, operational services. Currently this comprises Environmental Health, Parking and Traffic Management, Planning Enforcement and Neighbourhood Quality.</p> <p>Fees and charges apply to most of the services within Neighbourhood Support, by way of example these include parking tariffs, Licensing fees and Pest Control fees. The income generated as a result of the collective activities undertaken by these services, produces a forecast surplus for 22/23, that being £681,000</p>

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li Head of Property (£1,849,000) This looks promising. What are the main sources of income? What are the continuing outgoings?	The main sources of income primarily relate to the council's commercial portfolio, which generates income in the form of rent. The asset value of the council's commercial portfolio is in the region of £30m and includes a range of commercial, retail and leisure, grazing land and industrial premises. A variety of outgoings exist in relation to the management of that portfolio. In addition, the council's wider property portfolio has an asset value in the region of £70m and includes operational assets and items such as community centres and car parks. The most significant outgoings for both are inspections, commercial negotiations, maintenance (including capital investment) and staffing.
Appendix C Page 19	
i This year we are supporting Community Leisure Projects, but there is nothing in the Capital Programme for this in future years. Many of our Communities, especially young people and the sick and elderly, are badly in need of support.	The £178k for 21/22 was for the Hayling Bowls Club Artificial Green and Floodlights and for the Bidbury Mead Artificial Cricket Pitch. All the spend on the Community Leisure Projects code is financed by external grants, S106, CIL. No internal budget. In 22/23 Hayling Skatepark is the only project confirmed to spend on this code in 22/23 again this will be financed by external grants, S106 and CIL, no internal capital budget. We have several other projects in development which will spend against this code. Some will be in 22/23 and others beyond. We cannot confirm when or guarantee delivery as

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Question	Answer
	<p>they are dependent on design, planning approvals and securing funding first.</p> <p>The Skatepark and our play areas will be used by the young people in our area as will the Community Buildings we support which are also used by the older residents. The Council does not have the remit to provide support services for the sick and elderly.</p>
Will the working relationship with Community First continue?	Yes
li An inordinate amount is going to Hayling Island Projects. Why have our less affluent areas not been supported?	Many of the projects referred to relate to works or schemes relating to coastal defence and/or flood defence works and as such, are specific to our coastline on Hayling Island. The Regeneration & Economy Strategy and associated work programme will cover the whole borough, with a focus on Havant Town Centre, Hayling Seafront, Waterlooville and Leigh Park.

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Question	Answer
Appendix E Page 23 RESERVES	
Most of the reserves are to be maintained steadily, but there are great demands on S31 Grant Reserve. Please may we be reminded of what these funds cover? Is it proposed to try to build these up?	The Government has given Councils the s31 grant to compensate them where they have made decisions on changes to the business rate scheme, such as granting extra reliefs to businesses. This grant is used to help fund the overall business rates in the funding part of the budget. The Government gave Councils a lot upfront during the pandemic, but it is all ring fenced for futures funding and as such not available for other spend. The size of this reserve depends on government decisions on reliefs granted.
APPENDIX I – Fees and Charges	
Do we influence the charges for services provided by Norse?	The fees and charges set out by the Council.
General Observations	
Why has the time period for scrutiny of the budget been shortened this year?	The budget setting timetable was delayed this year to integrate with the shaping out Future work stream. Will look at future years' timetables. The Committee can be assured that O & S members would be involved in the newly created Budget Working Group
Where are the Council's assets reported?	On the Council's website

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Question	Answer
How much has been set aside for the split with East Hampshire District Council?	£1.3M
Will business case include an estimate of the financial costs of the withdrawal?	<p>It is anticipated that the business case will be submitted by the end of February this year. The final amount is not known. but up to £1.95m has been set aside in the reserves. The cost will be equally funded.</p> <p>£418,000 has set aside for the restructure of the senior officer posts.</p> <p>It is anticipated that the delivery of the transformation programme will result in some savings that could be used to offset some of the costs</p>
What direction were officers given when devising the Budget?	Looking for in year savings of 5% across the services
Provision made for filling vacancies?	yes
Referring to page 15 (to each Cabinet Lead)	

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Question	Answer
How are the costs made up for each of the services you hold in your portfolio please, e.g. % for HR, IT, overheads, transport etc.?	It is a central core a core admin budget which budget holders cannot currently influence but it is hoped to open this up in the future. A breakdown of services has been circulated which show that a majority of the recharges are held in each individual service's budget
What element of the Strategic commissioning is included in each of the services/portfolios?	Strategic commissioning made up by Norse and Capita. Recharged into five Council budget and charged across.
What does programme design encompass?	Services led by Programme Quality and Design Service. The biggest cost is the CAPITA IT contract
How is democratic services broken down?	The service falls under Legal Services. The service was the subject of an in depth review last year and it was felt that an appropriate budget is in place. It is anticipated that there may be a need to review the service in view of the proposed withdrawal from the shared management arrangements with EHDC. In the meantime, the Council is looking into ways of enabling Councillors to obtain information and services without having to use Democratic Services.
Referring to Page 59.	

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Question	Answer
<p>Almost £1m of savings have been made in this budget, from last year's by a 5% cut, in costs, is that correct?</p> <p>Can you advise how those savings have been achieved please, for the services you hold in your portfolio?</p>	<p>Savings breakdown is included and can be discussed</p> <p>Planning Policy Savings had been identified in the delivery of the Local Plan</p> <p>CIL No savings put forward for CIL because the levy covers the administration costs</p> <p>Communities Looking at options to make savings in this service</p> <p>Housing It was estimated that by bringing Brent House into use, the Council could save £250,000</p> <p>Parking</p>

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Question

Answer

HCC require on street parking to be delivered at cost neutral. There are no plans to make a 5% saving but charges had been adjusted to encourage greater use of underutilised car parks and at the same time ensure the total costs of parking is covered by these charges.

The propose fees and charges appendices will be reviewed to ensure that they are correct

Customer Services

The costs of the service is reducing yearly as envisaged under the CAPITA contract

Neighbourhood Quality

A structure review has led to savings in this service

Animal Welfare

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Question	Answer
	Envisage a saving of £57,000 saving.
Referring to page 19 Appendix C	
i How is the sum of £1.6m for Disabled Facilities Grants set please? Do we spend it all every year?	The grant funding amounts to be distributed to local authorities are set centrally by the Department of Health and Social Care. The funding is taken from the Better Care Fund (BCF) programme. When the DFG became a part of the BCF in 2015 there was an increase in the amount distributed to local authorities. Prior to 2015 we usually spent our entire allocation, however since the increase in 2015 we have not done so, despite doing more with the funding. Our local policy has recently been reviewed and will be going through the approval process imminently, and this will give us more freedom to use the funding to assist our residents.
ii. How is the £250k going to be spent on Nutrient Neutrality Mitigation?	This allowance could be spent in a number of ways. This allows for a further land transaction to continue the Council's award-winning mitigation scheme at Warblington Farm. Alternatively, it could fund a strategic acquisition of nutrient neutrality mitigation at a suitable third party scheme, of which there are now many

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Question	Answer
	<p>(https://www.push.gov.uk/work/mitigation-schemes-available-to-developers/).</p> <p>Will need to negotiate with landowner to move into Phase 2. The scheme will be fully funded by developers. The Council's capital investment will be repaid in full through developer contributions.</p>
iii. How is the £500k going to be spent on Hayling Island BMA – what is BMA?	<p>BMA is the annual Beach Management Activity for Eastoke, Hayling Island where we have secured ~£3.3million of GiA now over seven years to recycle beach material and recharge from licenced dredging extraction areas; this also allows us to recover officer time. More detailed info https://coastalpartners.org.uk/project/south-hayling-beach-management-plan/</p>
iv. How is the £292k going to be spent on the Hayling Island Strategy?	<p>Spend profile attached. The project has completed various technical assessments to understand the flood and erosion risks to Hayling Island, following this has undertaken an “options appraisal” which will shortly be presented as a draft Coastal Management Strategy to manage the Hayling Island Coastline for the next 100 years. More details can be found</p>

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Question	Answer
	https://coastalpartners.org.uk/project/hayling-island-coastal-management-strategy-2120/
v. How is the £337k going to be spent on the Langstone FCERM – what is FCERM and why does it increase by >600% in 2023/24?	Spend profile attached. FCERM is Flood and Coastal Erosion Risk Management. We have previously worked through the appraisal phase to develop an outline design which was approved by Cabinet 28th October 2020 and have since been developing the Detail Design for the project. Upon completion of the design and subject to further Cabinet approval and closing any funding gaps the scheme will move into a Construction Phase which I assume reflects the reported financial figures in the Overview & Scrutiny paper. More information on the project can be found https://coastalpartners.org.uk/project/langstone-coastal-defence-scheme/
vi. Can you please explain the difference between the various elements of Capital Funding, e.g. difference between the REFCUS and Specific Reserves.	The legislation is strict on how capital spend can funded. Specific ear marked reserves are money put aside in previous years for funding future capital.

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Question	Answer
	Refcus stands for Revenue Expenditure Financed by Capital under statute. These are revenue items allowed to be finance by capital. In this case it is disabled facilities grant.
What would the impact on reducing play areas	Funding had been received to upgrade 3 play parks per year Undertaking a review – using CIL to finance upgrading. No reduction but large increase in play parks
It is proposed to introduce CCTV in parks to prevent vandalism?	Included in Corporate Strategy as one of the options available to protect CI assets.
Once the Budget has been agreed in February each year, how often does the S151 officer report on the Actual state of the finances versus the Budget, throughout the year and how widely and often is that reported to Members please?	Reports are made monthly to EB and cabinet liaison and quarterly to cabinet. This is currently being embedded
Appendix M	
How far along the process have each of the services in your portfolio come, and what are the outcomes for those services looking like?	In a state of pause due to split with EHDC. Preliminary has been completed but not proceeded with the applied programme

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Are the high energy costs still negotiated with Horizon Leisure Trust?	The Council purchases energy through the HCC framework and it anticipated that this will not significantly increase as a result of the increase in energy costs generally. There is no arrangement with Horizon Leisure Trust.
Will the income from the disposal of Brockhampton Lane land be used for business Transformation?	The money gained from the disposal of the Brockhampton land has been retained as a capital receipt. There is no intention to use this money other than for regeneration
Could the charges on page 8 enforcement fantasy charges could we have them rounded up?	Feedback noted
Could the officers advise on what the total additional annual cost will be on our salary bill as a result of the Government's 1.25% increase in National Insurance?	We have included a provision of £128k within the revenue budget to cover the additional Employer NI contribution, this is currently only an estimate as the pay negotiations have not yet been concluded for 2021/22.