

## NOTICE OF MEETING

<b>Meeting</b>	Executive Member for Policy and Resources Decision Day
<b>Date and Time</b>	Wednesday, 26th September, 2018 at 2.00 pm
<b>Place</b>	Chute Room, Ell Court South, The Castle, Winchester
<b>Enquiries to</b>	members.services@hants.gov.uk

John Coughlan CBE  
Chief Executive  
The Castle, Winchester SO23 8UJ

## FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

## AGENDA

**1. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 – ANNUAL REVIEW AND CONFIRMATION OF EXISTING POLICY WITH REGARDS TO SURVEILLANCE ACTIVITY (Pages 5 - 14)**

To consider a report of the Director Culture, Communities and Business Services and Director of Transformation and Governance – Corporate Services seeking approval to the County Council's policy with regard to RIPA,

**2. STRATEGIC PROCUREMENT & COUNTY SUPPLIES – CONTRACTING APPROVAL FOR ENERGY SUPPLY EXTENSION (Pages 15 - 20)**

To consider a report of the Director of Culture, Communities and Business Services regarding a proposed extension to the current electricity and gas supply contracts using existing purchasing frameworks.

**3. DEVELOPING SERVICES THROUGH LOCAL PARTNERSHIP - PARISH AND TOWN COUNCIL INVESTMENT FUND (Pages 21 - 30)**

To consider a report of the Director of Culture, Communities and Business Services on proposals to develop services through local partnership with parish and town councils and the Hampshire Association of the Local Councils.

**4. INVESTING IN HAMPSHIRE BIDS (Pages 31 - 50)**

To consider a report of the Director of Culture, Communities and Business Services, Director of Economy, Transport and Environment and the Director of Corporate Resources – Corporate Resources regarding bids received from the Investing in Hampshire Fund.

**5. THREE EXTRA CARE DEVELOPMENT OPPORTUNITIES IN GOSPORT, PETERSFIELD AND NEW MILTON - OUTCOME OF PROCUREMENT - LESS EXEMPT APPENDICES (Pages 51 - 60)**

To consider a report of the Director of Culture, Communities and Business Services regarding three extra-care development opportunities in Gosport, Petersfield and New Milton.

**6. EXCLUSION OF THE PRESS AND PUBLIC**

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

**7. THREE EXTRA CARE DEVELOPMENT OPPORTUNITIES IN GOSPORT, PETERSFIELD AND NEW MILTON - OUTCOME OF PROCUREMENT - EXEMPT APPENDICES (Pages 61 - 84)**

To consider the exempt appendices relating to Item 5 on the agenda.

**8. PROPOSED DISPOSAL OF OLD TOWN HALL, ALDERSHOT (Pages 85 - 96)**

To consider an exempt report of the Director of Culture, Communities and Business Services on proposals for the Old Town Hall in Aldershot.

**9. SCHEDULE OF ROUTINE TRANSACTIONS (Pages 97 - 114)**

To consider an exempt report of the Director of Culture, Communities and Business Services regarding proposed routine transactions.

**ABOUT THIS AGENDA:**

**On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.**

**ABOUT THIS MEETING:**

**The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact [members.services@hants.gov.uk](mailto:members.services@hants.gov.uk) for assistance.**

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date of Decision:</b>	26 September 2018
<b>Decision Title:</b>	Regulation of Investigatory Powers Act 2000 – Annual review and confirmation of existing policy with regards to surveillance activity
<b>Report From:</b>	Director of Culture, Communities and Business Services / Director of Transformation and Governance – Corporate Services

**Contact name:** Julie Chambers – Trading Standards Manager (Legal & Compliance)/Peter Andrews – Head of Risk and Information Governance,

**Tel:** 01962 833683  
01962 847309

**Email:** [julie.chambers@hants.gov.uk](mailto:julie.chambers@hants.gov.uk)  
[peter.andrews@hants.gov.uk](mailto:peter.andrews@hants.gov.uk)

#### 1. Recommendation(s)

1.1. That the County Council's proposed Policy with regard to RIPA, attached as appendix 1 to this report, be approved.

#### 2. Executive Summary

2.1. The purpose of this paper is to seek the annual approval of the County Council's Policy on Surveillance as required under the Codes of Practice issued by the Home Office associated with the Regulation of Investigatory Powers Act (RIPA).

2.2. The Policy statement, for which approval is sought, is attached to this report as Appendix 1.

#### 2. Contextual information

2.1. RIPA is the act of parliament that regulates the County Council's use of covert surveillance. The County Council operates a strict control policy, which ensures that only authorised surveillance takes place; where it is lawful, necessary and proportionate to do so.

2.2. The current statutory Codes of Practice made by the Secretary of State for the Home Office under the Regulation of Investigatory Powers Act 2000 require that each local authority must have their RIPA policy confirmed by the

appropriate executive function on an annual basis, that is, the Executive Member for Policy and Resources.

- 2.3. The current Policy was subject to Executive Decision approval on 18 October 2017. This was for a twelve month period and approval for the continued use of surveillance powers for the next 12 months is required.

### **3. Use of Powers**

- 3.1. The County Council uses these powers very sparingly. The Trading Standards Service has adopted the Intelligence Operating Model (IOM) as a means of identifying suspicious activity for further investigation and, thus ensuring resources are used efficiently. The introduction of the IOM has contributed towards the decline in recent surveillance activity as the nature of investigations' identified have not warranted such techniques being used.
- 3.2. In 2017/2018 there was 1 instance of the County Council using its surveillance powers in relation to Directed Surveillance (that is where the person is not aware surveillance is taking place and can be done using cameras or videos), and 1 Covert Human Intelligence Source powers (this is where a person is required to covertly/secretly form a 'relationship' with the person/business under investigation for the purpose of obtaining information to further a criminal investigation, for example through face to face conversations, emails or telephone calls).
- 3.3. In 2017/2018 the County Council made no applications in relation to its communications data powers (this is where a request is made to a telecommunications supplier for subscriber data and service use data (not content), for example, identifying who a particular internet domain is registered to or the identity of the subscriber to a particular telephone number).
- 3.4. It should be noted that the use of surveillance is not the totality of any criminal investigation, but a small part of it, and that criminal investigations may not complete their passage through the criminal court process for many months, if not years after the surveillance activity has ceased.
- 3.5. The principal reasons for the use of surveillance are for prevention and detection of crime and not for criminal proceedings. As such, conviction rates, although excellent, are not the only measure of success (different methods of disposal such as letters of written warning, Simple Cautions and website takedowns are also justifiable indicators of RIPA usage).
- 3.6. Over the last ten years the use of surveillance in the fight against counterfeit goods has resulted in £632,550 worth of counterfeit goods being seized.
- 3.7. When the policy was last submitted to annual review and approval in October 2017, an example of successful use of communications data powers was referred to. It indicated that substantial custodial sentences had been imposed by the Courts and that the Trading Standards Service had commenced proceedings using the Proceeds of Crime Act 2002 to recover the criminal benefit obtained. These proceedings have subsequently been concluded and the defendants in questions have been ordered by the Courts

to repay £250,000 within 6 months or face an additional sentence of imprisonment in default – one defendant being 20 months and the other 9 months.

#### **4. Monitoring of Activity**

- 4.1. Monitoring of the County Council's activity in respect of RIPA is conducted by the Audit Committee. Regular reports on the use of surveillance powers are presented to the Audit Committee on a quarterly basis.
- 4.2. On 20 June 2018, the Audit Committee reviewed the County Council's use of RIPA powers for the previous 12 months). As a result of that review, the Audit Committee has provided its assurance that the County Council is operating its powers in a lawful and proportionate manner, and the continued use of surveillance powers would be appropriate.
- 4.3. The majority of the County Council's RIPA activity is conducted by officers of the Trading Standards Service, and in accordance with the current County Council's RIPA policy, all RIPA activity is authorised via that Service. Additionally, all authorisations by local authorities are subject to judicial approval through a magistrate, in accordance with the provisions of the Protection of Freedoms Act 2012.
- 4.4. The County Council's use of surveillance powers is regularly subject to external inspection. Prior to September 2017 this was carried out by the Office of the Surveillance Commissioner and the Interception of Communications Commissioners Office. From September 2017 all such external inspections are carried out by the Investigatory Powers Commissioner's Office (IPCO). IPCO was formed in September 2017 from the amalgamation of the Office of the Surveillance Commissioner; the Interception of Communication Commissioner's Office and the Intelligence Services Commissioner's Office.
- 4.5. In November 2017, the Assistant Surveillance Commissioner reviewed the County Council's use of directed surveillance, covert human intelligence source and CCTV systems under the Regulation of Investigatory Powers Act, and policies and procedures the County Council has in place. The formal report was received by the County Council in January 2018, where the Assistant Surveillance Commissioner indicated his satisfaction with the County Council's application of its covert activities arrangements. He expressed the view that *'the County Council are taking their responsibilities under the legislation seriously and, that standards and approach are commendably high'*. He further stated that *'The policy of using Trading Standards to maintain standards and skills and advise where necessary is sound, and the commitment and leadership of Julie Chambers means that there can be confidence that any future use will be robust and compliant'*.
- 4.6. Minor recommendations were made for amendment to the policy and procedure in respect of covert surveillance of social networking sites, in order to make the County Council's procedures more robust and stand up to scrutiny. These recommendations being to require any Authorising Officer to have due regard to Note 289, as detailed in the Procedures and Guidance

document published by the Office of the Surveillance Commissioner in July 2016, when considering any application in respect of covert surveillance of social networking sites.

- 4.7. In January 2015 Hampshire County Council joined the National Anti-Fraud Network (NAFN) as a result of changes to the RIPA landscape affecting the acquisition and disclosure of communications data.
- 4.8. On 20 July 2016, the Executive Member for Policy and Resources approved changes to the officers authorised to appear at the Magistrates Court on behalf of the County Council in respect of RIPA approvals, item reference 7638.
- 4.9. In light of the comments and recommendations made by external inspectors, and the absence of any regulatory changes since the approval of the Policy last year, it is recommended that only minor amendments are made to the Policy. These changes are referred to in paragraph 4.6 above.

## **5. Finance**

- 5.1. The decision which is sought to be recommended by this report will have no effect upon the budgetary position of Hampshire County Council.

## **6. Performance**

- 6.1. The recommended decision sought ensures that the County Council continues to comply with the statutory Codes of Practice under RIPA.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	no
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	no

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Regulation of Investigatory Powers Act 2000 – Annual review and confirmation of existing policy with regards to surveillance Activity	6885	21 September 2015
Information Compliance - Use of Regulated Investigatory Powers	7558	23 June 2016
Regulation of Investigatory Powers Act 2000 – Ability of officers to seek judicial approval for authorisations granted for related surveillance activity	7638	20 July 2016
Regulation of Investigatory Powers Act 2000 – Annual review and confirmation of existing policy with regards to surveillance	7749	29 September 2016
Information Compliance - Use of Regulated Investigatory Powers		22 June 2017
Regulation of Investigatory Powers Act 2000 – Annual review and confirmation of existing policy with regards to surveillance		18 October 2017
Information Compliance - Use of Regulated Investigatory Powers		20 June 2018

<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
Regulation of Investigatory Powers Act 2000 as amended	2000
Protection of Freedoms Act 2012	2012

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

#### **Due regard in this context involves having due regard in particular to:**

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

2.1. As there are no proposed changes to the existing Policy a full Equalities Impact Assessment is not required, however potential impacts have been considered in the development of this report and no adverse impact has been identified.

### **3. Impact on Crime and Disorder:**

3.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decision it makes on the prevention of crime. The County Council is only able to lawfully carry out covert surveillance activity on the grounds of prevention and detection of crime and disorder. By complying with RIPA and the statutory Codes of Practice this activity will be carried out without unlawfully contravening the requirements of the European Convention on Human Rights and the Human Rights Act 1998. All activity under RIPA will therefore assist the County Council, where it is both necessary and proportionate to do so, in its aim to prevent and detect crime.

### **4. Climate Change:**

How does what is being proposed impact on our carbon footprint / energy consumption?

The activities reported within this report have no effect on climate change

How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The activities reported within this report have no effect on climate change

## **Policy Statement**

Hampshire County Council will not undertake any activity defined within the Regulation of Investigatory Powers Act 2000 without prior authorisation, from a trained, senior officer who is empowered to grant such consents; and subject to Sections 37 and 38 of the Protections of Freedoms Act 2012 and any pertaining regulations relating to the approval of such authorisations by a Magistrate.

The Director of Culture, Communities and Business Services has been appointed the Senior Responsible Officer and, as such, has been given authority to appoint Authorising Officers (for surveillance activities) and Designated Persons (for the purposes of access to communications data) under the Act.

The Authorising Officer or Designated Person will not authorise the use of surveillance techniques, human intelligence sources or access to communications data unless the authorisation can be shown to be necessary for the purpose of preventing or detecting serious crime or of preventing disorder, in accordance with the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012.

In addition, the Authorising Officer or Designated Person must believe that the surveillance or obtaining of communications data is necessary and proportionate to what it seeks to achieve. In making this judgment, the officer will consider whether the information can be obtained using other methods and whether efforts have been made to reduce the impact of the surveillance on other people, who are not the subject of the operation. Furthermore, in respect of covert surveillance of Social Networking Sites (SNS) the Authorising Officer will pay due regard to Note 289 in the Procedures and Guidance document published by the Office of the Surveillance Commissioner in July 2016.

Applications for authorisation of surveillance, the use of a Covert Human Intelligence Sources or the obtaining of communications data will be made in writing on the appropriate form.

Intrusive surveillance operations are defined as activities using covert surveillance techniques, on residential premises, or in any private vehicle, which involves the use of a surveillance device, or an individual, in such a vehicle or on such premises. Hampshire County Council officers are NOT legally entitled to authorise these types of operations.

However public bodies are permitted to record telephone conversations, where one party consents to the recording being made and appropriate surveillance authorisation has been granted. The party who consents to the recording of the telephone conversation could either be an officer of the County Council or a third party. On occasions, officers of the County Council do need to record telephone conversations, to secure evidence.

It is the policy of this authority to be open and transparent in the way that it works and delivers its services. To that end, a well-publicised Corporate Complaints procedure is in place and information on how to make a complaint to

the Investigatory Powers Tribunal will be provided on request to the Senior Responsible Officer.

The County Councils use of its powers under the Regulation of Investigatory Powers Act 2000 will be subject to regular scrutiny by the County Councils Audit Committee.

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Committee/Panel:</b>	Executive Member for Policy and Resources
<b>Date:</b>	26 September 2018
<b>Title:</b>	Energy Supply – extension to contract arrangements
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Steve Clow

**Tel:** 01962 847858

**Email:** Steve.clow@hants.gov.uk

#### 1. Recommendation

That the Executive Member for Policy and Resources approves the following:

- 1.1 To extend the current electricity and gas supply contracts by one year from 1 October 2019 to 1 October 2020 using existing purchasing frameworks. The expected value is up to £18 million to include the County Council and the public sector partner organisations that we procure on behalf of.

#### 2. Executive Summary

- 2.1 The purpose of this paper is to set out the rationale for the recommendation to extend the current electricity and gas contracts through the existing OJEU compliant framework for a period of one calendar year.
- 2.2 The extension would cover the supply contracts currently sourced through LASER (OJEU compliant framework) and the “Preserves” contract currently sourced via SSE.
- 2.3 The extension to would be for the period 1 October 2019 to 1 October 2020 for both contracts.
- 2.4 Extending the current arrangements would allow the County Council to take advantage of existing competitive pricing structures maximising buying discounts for the County Council and its public sector partners for a 12 month extension period until new frameworks become available in the market.

2.5 The period of extension would allow the Director of Culture Community and Business Services (CCBS) to review the specifications and commercial terms of the products and services of both future anticipated LASER and Crown Commercial Service (CCS) frameworks due to be published early in the 2019 calendar year.

2.6 The Director of CCBS would then be able complete an options appraisal and provide recommendations to the Executive Member Policy and resources later in 2019 on the procurement of energy supplies for the period 2020 to 2024.

### **3. Contextual information**

3.1 The current annual spend on electricity and gas is £18m including schools and partner spend (including Police, Fire and some other Local Authorities), of which £13m is electricity and £5m is gas. Of the total spend on energy £5m is consumed by the County Council, £11.4m by schools and £1.6m by Police, Fire and the remainder of partners. By collaborating together the partners receive volume discounts and other benefits. The County Councils Energy Team in Property Services manages the procurement on behalf of the partners. The in house team has a considerable amount of expertise in energy management, carbon reduction, renewable energies and energy performance programmes. The team is self financing through fees and income on projects and programmes of work.

3.2 It should be noted that the Council has reduced its energy consumption by over 35% since 2010 as part of the successful Carbon Management programme. This, together with volume discounts through procurement, delivers the lowest possible cost of energy. The Plan was approved by Cabinet in 2010 and regular updates are given to the Executive Member for Economic Development and Building Land and Procurement Panel. Phase 1 (2010 to 2015) of the programme produced total savings of £29m of which £13.2m was for the County Council and £15.8m for schools. Phase 2 (2015 to 2025) has, to date, produced a further £1.05m of reductions for the County Council. The total accumulated savings over the last 8 years are £14.25m to the Council.

3.3 Electricity and gas have been procured through the OJEU compliant 'Laser' frameworks since 2012. Laser typically provides 4-year supply frameworks which enable public sector bodies to procure energy supply contracts in accordance with OJEU regulations.

3.4 Hampshire County Council signed up to the 2012-16 framework and subsequently to the following framework covering the period 2016-20. Under this framework Hampshire County Council procured its energy supply contracts for the period 2016 – end of September 2019 pending the publishing

of new frameworks in the market. It has taken longer for these to be procured and hence the recommendation is to extend the current best value arrangements.

- 3.5 Another smaller value contract (£600k) which uses the “Preserves” framework for sensitive/specialist sites is currently procured direct with SSE. This contract will also be extended until a single route to market is recommended following an options appraisal.
- 3.6 The Crown Commercial Services (CCS) and LASER frameworks are the principal routes to market for public sector energy procurement. Their current frameworks are due to expire in 2020, but neither have yet published details of their new frameworks and so it is not yet possible to establish which will be the most appropriate vehicle for the purchase of energy.
- 3.7 The proposed extension to the existing arrangements would allow Hampshire County Council to maintain its commitment within known commercial terms as well as benefit from additional services offered by LASER for a year at no extra cost (budgeting services).
- 3.8 Within the scope of the extension, LASER would allow Hampshire County Council to remain within the existing “volume basket” therefore benefiting from energy prices already secured in the future market for 2019-20. This would enable the purchase of energy at a lower cost than the current open market prices.
- 3.9 Whilst there is no guarantee that market prices for October 2019-September 2020 will reduce, given the current market this is unlikely and extending the current arrangement mitigates the inflation in energy prices over the next 2 years. It also gives certainty of future costs for our partners (particularly schools) to aid budget certainty.
- 3.10 The additional budgeting service to be offered by Laser during the extension period will also provide assistance to all stakeholders by providing consumption and cost information at supply point level, broken down per month, for a full year.

#### **4. Other option considered and rejected**

- 4.1. A short term one year contract was considered and rejected. It would require a call off from an existing framework

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	Yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	Yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	Yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	Yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>None</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>None</u>	<u>Date</u>

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	N/A

## IMPACT ASSESSMENTS:

### 1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### 1.2. Equalities Impact Assessment:

An Equalities Impact Assessment is not required for the purchase of energy.

### 2. Impact on Crime and Disorder:

2.1. Not applicable

### 3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The recommendation does not directly impact the carbon footprint / energy consumption as it focusses on the procurement strategy for energy (the energy cost) as opposed to the consumption itself.

The assessment of the new frameworks to be carried out over the next 6 months will take into account additional products and services and green energy/de-

carbonisation options which should form part of the overall energy efficiency strategy to reduce the footprint of the Council in the long term.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As explained above, the aim of the contract extension is to allow HCC to source the optimum set of compliant products and services in the medium term (4 year framework) to tackle energy consumption.

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date:</b>	26 September 2018
<b>Title:</b>	Developing Services through Local Partnership – Parish and Town Council Investment Fund
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Sam Jones – Rural Programme Manager

**Tel:** 02380 605100

**Email:** sam.jones2@hants.gov.uk

#### 1. Recommendations

- 1.1 It is recommended that the Executive Member for Policy and Resources:
- 1.2 Endorses the approach set out in this report for developing the County Council's partnership with Parish and Town Councils (PTCs) and the Hampshire Association of Local Councils (HALC).
- 1.3 Supports the specific arrangements proposed to operate the PTC Investments Fund of £500,000 which was approved by Cabinet in October 2017. These arrangements to include:
  - PTC Investment Fund criteria allowing for revenue and capital investments usually up to maximum values of £30,000 - as set out in sections 6.4 to 6.8.
  - A PTC Investment Fund governance structure which will include a Programme Board and Local Service Development Team approach – as set out in sections 7.1 to 7.2.
  - Applications for investments greater than £5,000 to be considered at Decision Days for the Executive Member for Countryside and Rural Affairs, with delegated authority for decisions below £5,000 to be given to the CCBS Assistant Director - Culture and Heritage.
  - The formal launch of the PTC Investment Fund in November 2018 in conjunction with HALC and utilising their forthcoming Annual General Meeting for that purpose.
  - Associated collaboration and joint working with HALC, the outcomes of which will inform forthcoming negotiations over longer term County Council financial support for the organisation.
  - Interim core support for HALC, from existing P+R funds, representing a stand still grant of £63,000 for the current year, in light of the delay to concluding negotiations associated with this work.

## **2. Executive Summary**

- 2.1 The County Council recognises the importance of partnerships with local communities in developing local resilience and ensuring responsive and sustainable services.
- 2.2 Through the partnership with HALC and PTCs, the County Council aims to empower local communities and support greater participation in the delivery of local services.
- 2.3 A new Parish and Town Council Investment Fund of £500k has been created to support this and encourage innovation in local service delivery. This fund will look to finance new schemes developed through the partnership which help to reduce a community's reliance upon the County Council's resources. This is not a standard grant scheme but an investment fund and as such will target areas of need and opportunity linked to future service delivery issues. Such targeting and piloting of new approaches will focus on areas mapped jointly with HALC and this will inform the type and level of support given. The process associated with the utilisation of the fund is set out in the report.
- 2.4. The County Council recognises certain areas of the County are also represented by active community groups. The Fund will therefore be available to support properly constituted community groups, particularly in unparished areas.
- 2.5. The purpose of this paper is to:
  - Set out the context and principles required for effective partnership working with PTCs (established through a series of consultation events).
  - Put forward criteria for the PTC Investment Fund and identify the associated work streams necessary to support an effective partnership targeting the delivery of more services at a local level.
  - Identify an appropriate form of governance and support for the management of the PTC Programme and Investment Fund.
  - Seek support for ongoing collaboration and joint working with HALC in securing these objectives.

## **3. Contextual information**

- 3.1. The county of Hampshire is served by 28 Town Councils and 263 Parish Councils, which vary in size, capability and capacity. They range in population from less than 250, up to over 41,000. The PTCs work closely with their communities and provide crucial local knowledge, resources and resilience.
- 3.2. The relationship between PTCs and the County Council is supported through the County Council's partnership with HALC. The Cabinet's continuing vision for the importance and future role of PTCs aligns with HALC's vision, which is as follows:

*'The Association envisages a growing number of parish and town councils throughout the County, serving their communities as the first tier of local government. It wishes to promote a future where principal local authorities recognise the positive contribution made by parish and town councils to local democracy. It aims to communicate effectively with local councils, and respond to their stated needs, in order to help develop the capacity to deliver consistent quality representation, information, facilities and services for all local residents'.*

- 3.3. The diversity and pressures upon County Council Services and Departments has historically meant some have aligned and worked more closely with PTCs than others. This variance generates challenges in consistency and clarity around the County Council's approach in progressing the partnership.
- 3.4. Current County Council Services and Programmes directly involved with developing closer PTC partnerships include:
- **CCBS Countryside Service** – Maintain strong working relationships with PTCs in the; management of Rights of Way, Conservation Sites and Country Parks. The introduction of three Community Engagement Rangers (CERs) in 2015 has greatly improved this partnership, demonstrated by more than a four fold increase in volunteering on the rights of way network.
  - **Rural Programme (Cross Department, led by CCBS)** – Directly tasked with developing and supporting services to our rural communities, as identified by the County Council's Rural Priorities. Examples include the Rural Communities Fund which provides grants for local service solutions, and financial support to Adult Services Village Agent Scheme (see below).
  - **Adult Services** – Lead a number of initiatives that provide for vulnerable adults. Previous years have seen investment in the Village Agents scheme. This has now developed and looks to build local connectivity and seek further investment towards establishing local partnerships and community led micro enterprises aimed at supporting vulnerable residents.
  - **ETE Waste Services** – Specifically the Fly Tipping Strategy, which looks to standardise the approach across the county. Recent investment from the Rural Programme supported the launch of a CCTV pilot in the County's problem hot spot areas.
  - **ETE Highways** (with support from the Countryside Service) – The Parish Lengthsman Scheme was first introduced in 2010, initially providing funding support for two clusters of ten parishes, to carry out simple and straightforward tasks such as; vegetation clearance and sign cleaning on highways and in parish areas. The Council's support for this scheme has steadily grown, with support provided to over 160 Parishes in 2017/18.
  - **Legal Services-** HALC and Legal Services operate a legal helpline that allows Town and Parish Councils to access 40 minutes free legal advice

from the County Council's Legal team. It also enables these councils to obtain legal advice on more complex matters from the County Council's legal team at competitive rates.

- 3.5. Culture Community and Business Services (CCBS) are actively supporting the County Council's initiative to progress the overall partnership approach. This is a natural progression given the department's long standing relationship with HALC and positive relationships with PTCs through both the Rural Programme and work with the Countryside Service (as referenced above). ETE also have very strong and established relationships with PTCs and will form a key part of the ongoing partnership approach. A new dimension which is being actively explored after the May event (referred to in 4.2.) is the role that local councils could play in supporting Adult Services in terms of 'joined up' support for more vulnerable or isolated members of the community.

#### **4. Parish and Town Council Consultation – Key Principles for an Effective Partnership**

- 4.1. The County Council recognises that partnership working at a local level is dependent on ongoing consultation. Since 2016, the County Council has facilitated a series of PTC workshops and hosted round table meetings, attended by Senior County Councillors and Officers, Parish Councillors and elected representatives from HALC.
- 4.2. The most recent dialogue took place at the 'Parish and Town Council Event' in May of this year. This was a well attended event that provided opportunity for open discussions and explored the value of localised partnerships between the County Council and PTCs. It highlighted the positive impact made by the Countryside Service's Community Engagement Rangers and both the challenges and opportunities facing Adult Services which local councils could support.
- 4.3. The key themes and principles that have emerged from these ongoing discussions with PTCs are as follows:
  - a) Accessibility of information and quality of communication by all partners is critical to the development of effective local working.
  - b) Dedicated support is needed to enable PTCs to take forward service delivery; ensuring opportunities and risks are effectively identified and managed.
  - c) A realisation that no 'one size fits all' in any approach to PTCs. There is a strong emphasis on difference in scale and the resources available to the local councils.
  - d) Potential for smaller PTCs to work as 'clusters'. Many already work effectively in this manner. For example, the existing Lengthsman Scheme.
  - e) There is a willingness to take on greater responsibilities, particularly among larger PTCs. This needs to be balanced by caution over capacity, resources and funding among smaller Councils.

## **5. Financial implications**

- 5.1 The budget for the fund forms part of the agreed Medium Term Financial Strategy which was confirmed by Cabinet in October 2017 together with the overall purpose of the allocation.
- 5.2 As this is not a conventional grant stream, but an investment fund, the money allocated will not follow the standard corporate grant application process. The targeting of resources will be based upon a mapping of need and opportunity undertaken jointly with HALC. Any allocation will be based upon a business case compiled jointly between relevant officers of the County Council together with representatives of PTCs and HALC. No expenditure will be confirmed or authorised without specific Executive Member approval (or delegated Officer approval for investments under £5000) in response to a clear set of intended outcomes.
- 5.3 In unparished areas of the County consideration will be given to working with, and supporting, formally constituted community groups. Any such arrangement would be subject to appropriate levels of due diligence in terms of the allocation of funds. This would mirror existing requirements associated with financial support to outside bodies.

## **6. Parish and Town Council Investment Fund – Fund Criteria and Programme Governance Structure**

- 6.1. The PTC Investment Fund is not a grant scheme but will run alongside wider grant programmes. It will be strongly focussed upon developing and piloting new, innovative and sustainable options for local service delivery. It will initiate local solutions for services that are important to local communities and where the longer term County Council funding is under significant pressure. It is therefore clearly aimed at providing start up funding for initiatives designed to reduce reliance upon County Council funding for service delivery in answer to the ongoing decline in resources.
- 6.2. In its approach the County Council will look to build upon the existing relationship with HALC and take account of the principles established through consultation with PTCs and local communities (section 4.3). This will inform ongoing discussions with HALC over the outcomes sought by the County Council, as part of its forthcoming dialogue and negotiation over long term funding for the organisation.
- 6.3. Due to a delay in concluding longer term negotiations approval is sought to provide interim core support funding to cover the current financial year. A standstill grant award of £63,000 is requested and HALC have confirmed that, following the very sad death of their late Chief Executive Steven Lugg, they have nominated an acting Chief Executive to conclude forthcoming negotiations with the County Council. All involved wish to pay tribute to Steven Lugg's very significant contribution to the sector, from both a professional and personal perspective.

#### 6.4 Investment Fund Criteria:

The fund will have three primary purposes:

##### **Capital Funding:**

- To provide capital funding (usually up to a maximum of £30,000) to existing Town and Parish councils to enhance existing or provide new local infrastructure. Evidence will be required to demonstrate long term sustainability for management and maintenance of the asset/s.

##### **Revenue Funding:**

- **Community Resilience** - Provide pump priming revenue funding for schemes which either support the capacity of the County Council to deliver its services in the local area, or help to reduce a community's reliance on County Council services. For example, schemes which support local communities to be more resilient in managing their rights of way and green spaces. The usual maximum pump prime revenue funding will be £30,000 per scheme.
- **Training and Support, Increasing Local Capacity** – To fund training and supporting initiatives specifically for local council and community members that increase the local capacity and ability to deliver key aspects of local service provision. For example, Rights of Way Parish training workshops. The maximum revenue funding will be £10,000 per scheme.

*Note: The 'usual' maximum funding limits listed above are intended as a guide. In a similar manner to other existing County Council Funds and Grants, all applications greater than £5,000 will be considered at the Executive Member Decision Day (see section 5.9 below for further details).*

- 6.5 It is recognised that different PTCs have varying levels of resources and reserves, therefore some flexibility will be permitted in terms of the amount of match funding required. This will be dependent upon the value and financial saving the scheme will create in supporting County Council services.
- 6.6 Given the nature and characteristics of building local delivery schemes, match funding 'in kind' will be considered. For example, volunteer hours in a schemes development and delivery.
- 6.7 The County Council recognises certain areas of the County are also represented by active community groups. The Fund will therefore be available to support properly constituted community groups, particularly in unparished areas.
- 6.8 Further consultation will be undertaken with HALC regarding the roll out and launch of the Fund, with a view to agreeing the final details by the 15th of October 2018 and with the aim to formally launch in November 2018.

## **7. Establishment of a New Governance Structure for the Partnership:**

- 7.1 This will provide the strategic lead, decision making process and operational capacity required to meet the partnership's goals. Suggested composition and role to include:

### **PTC and Rural Affairs Programme Board:**

- Membership; Executive Member for Countryside & Rural Affairs, Assistant Director CCBS (Corporate Rural Lead officer) and the Head of Countryside and Rural Services.

*Note: This membership would form the core of the board and fellow officers may be brought in subject to the nature of applications and growth of the programme.*

The Programme Board will:

- Lead the County Council's approach to the PTC and HALC partnership, oversee delivery and report upon the management of the PTC Investment Fund. It will also ensure that the overall focus and direction of the programme remains targeted and effective.
- Review the business cases for local service schemes as presented by the Local Service Development Teams (see below). Schemes requesting investments greater than £5,000 will go for approval to the Executive Member for Countryside and Rural Affairs. Those below £5,000 to be determined through delegated officer authority to the Assistant Director - CCBS(Corporate Rural lead).
- Provide a similar function as the strategic lead and decision making body for the Rural Programme and offer advice and support to the Rural Hampshire Theme within the County Council's Commission of Enquiry supporting the 2050 Vision.

### **Local Service Development Teams:**

- Membership; Rural Programme Team (co-ordination and development role), officers from the County Council departments committed to developing services through the PTC partnership, representatives from HALC and members of PTCs looking to actively engage in the local delivery of services.

The Local Service Development Teams will:

- Primary Role – Develop and seek authority and investment to deliver local schemes which support and/or reduce pressure on County Council services. In doing so they will undertake:

Stage 1:

- County Council officers will work with HALC on a mapping exercise which identifies PTCs either individually or in clusters that demonstrate a willingness and ability to support local service delivery in key areas.

Stage 2:

- County Council officers, HALC and the PTCs (identified and engaged through Stage 1) will jointly develop schemes that support areas of service delivery at risk, or where opportunities for new ways of working exist. The team(s) presenting the business cases to the Programme Board and (subject to approval) lead on local delivery.
- These joint Departmental and PTC business cases will; identify the County Council function that the investment is going to support, how that function is going to be supported as a result of the investment and through monitoring and review, report upon the viability and cost versus benefit to the County Council of expanding the scheme beyond the initial pilot area/s.
- Secondary Role - To develop and present to the Board solutions addressing the existing barriers to local service delivery as identified in PTC consultations (see section 4.3), specifically:
  - The improvement of communications between the County Council and PTCs for example, understanding key contact points and associated barriers.
  - The availability and access of essential information for PTCs, for example online toolkits.
  - Viability of developing dedicated support models for PTCs looking to actively engage in local delivery, for example review of the successes of the Countryside's Community Engagement Ranger model.

*Note: The resources required to support the operational needs of these groups is to be identified during their development and funding approval to be sought through the Programme Board.*

- 7.2 It is felt that the combination of a targeted service development team approach coupled with the support and direction of a programme board offers a form of governance most likely to deliver positive results.

### Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

### Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Hampshire County Council's Rural Delivery Strategy	24.03.2014
Medium Term Financial Strategy Update Cabinet on 16 October 2017	16.10.2017
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

### Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

The proposal is expected to support all members of the community in maintaining access to important services and as such no negative impacts are anticipated.

### **2. Impact on Crime and Disorder:**

2.1. Not applicable.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Supporting and facilitating local solutions helps address the logistic challenges behind service provision in rural areas, thus positively impacting transport needs

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The paper promotes the culture of self help and looks to develop local resilience enabling communities to adapt and respond to local challenges

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources		
<b>Date:</b>	26 September 2018		
<b>Title:</b>	Investing in Hampshire Bids		
<b>Report From:</b>	Director of Culture, Communities and Business Services, Director of Economy, Transport and Environment and the Director of Corporate Resources		
<b>Contact names:</b>	Karen Murray/David Fletcher/Rob Carr		
<b>Tel:</b>	01962 847831/846125/847508	<b>Email:</b>	<a href="mailto:karen.murray@hants.gov.uk">karen.murray@hants.gov.uk</a> <a href="mailto:david.fletcher@hants.gov.uk">david.fletcher@hants.gov.uk</a> <a href="mailto:rob.carr@hants.gov.uk">rob.carr@hants.gov.uk</a>

#### 1. Recommendations:

- 1.1. That the Executive Member approves the application for an Investing in Hampshire award to the Live Theatre Winchester Trust for £375,000.
- 1.2. That the Executive Member approves the application for an Investing in Hampshire award to the Winchester Excavations Committee for £200,000.
- 1.3. That the Executive Member approves the application for an Investing in Hampshire award to Centre for Social Innovation/South Efford House, Lymington for £75,000 (note that it is proposed that this would be paid under different terms to the usual Investing in Hampshire support – with 50% paid in advance, 50% on achievement of agreed milestones).

#### 2. Executive Summary

- 2.1. This report considers three requests for funding under the Investing in Hampshire Fund. The first request is in respect of a contribution towards the transformation and improvement of the Theatre Royal, Winchester. The second request asks for a contribution towards the cost of publishing further volumes of the Winchester Studies and the third request is in respect of a contribution towards the Centre for Social Innovation/South Efford House in Lymington.
- 2.2. These projects are very different in nature but reflect both the rich and diverse heritage of the county and the strategic importance of the range of facilities provided for the benefits of residents.

- 2.3. The County has always sought to provide support and develop strong links with the organisations that have responsibility for running and maintaining the most significant facilities and heritage assets across the county and the Investing in Hampshire Fund was established to facilitate financial contributions to key projects.

### **3. The Theatre Royal, Winchester (Appendix 2)**

- 3.1. The Live Theatre Winchester Trust is an independent Trust who operates and maintains the Theatre Royal, Winchester.
- 3.2. The Theatre is the best surviving example of a Cine Variety theatre in the country and is Grade 2 listed. The Theatre seats 400 and presents over 200 annual performances and receives over 70,000 visitors annually. In addition over 300 young people per week participate in workshops, youth theatre and dance.
- 3.3. The Trust also operates the Hat Fair, the country's longest running Outdoor Arts Festival which is supported by Arts Council England (ACE). Revenue funding to 2022 from ACE has recently been confirmed.
- 3.4. The Trust's new Chief Executive (appointed in 2017) has had a significant impact on programming and has achieved a balanced budget for the first time in many years. The last refurbishment of the Theatre was undertaken between 1996 and 2001 and during 2014 it celebrated 100 years as a theatre although the building actually dates back to 1850.
- 3.5. In order to continue the Theatre's development a number of essential improvements are required, these are detailed in Appendix 2. The proposed improvements would support the Theatre's financial sustainability and wider effective community engagement. The County Council provides an annual revenue grant of £88,000 and upon completion of the entire project (Phases 1-3) this grant could be substantially reduced or withdrawn.
- 3.6. The overall project cost for all 3 phases is £3.273m. The Trust plans to raise the bulk of the funding through external grant funding applications including to the Arts Council, Heritage Lottery and individual Trusts and Foundations. The Trust itself will contribute £185,000 via a restoration levy with a significant match funding contribution from Winchester City Council.
- 3.7. The Trust both recognises and appreciates the long standing and very significant financial support provided by both Hampshire and the City of Winchester Councils reflecting the significance of the Theatre. Equally the financial position of both Authorities is understood and the Trust is making this application based upon the firm intention to steadily reduce reliance upon local authority funding.

### **4. Winchester Studies (Appendix 3)**

- 4.1. The Winchester Excavations Committee is a registered charity and has been operating since 1962. Upon completion of archaeological excavations in 1971 subsequent work has focused on publishing the results in a series of volumes known as the Winchester Studies.

- 4.2. To date nine volumes have been published with a further 8 yet to be published, although much work has already been undertaken on all of them.
- 4.3. The committee are committed to complete the publications' programme by 2023 and are embarking on a major fund-raising initiative.
- 4.4. The work is of considerable local and national importance and without additional funding this work would be at risk of not being completed.
- 4.5. The cost of completing the publication of the Winchester volumes is estimated at between £800,000 and £1,000,000. The Committee plans to raise the bulk of the funding through fund-raising, applications to charitable trusts and private donations.
- 4.6. The award of a grant would be conditional upon a Steering Group being established comprised of a number of stakeholders, including the County Council. The Steering Group would be responsible for ensuring that the work of the Winchester Excavations Committee is aligned to the work of the Hampshire Cultural Trust (HCT) particularly in relation to public engagement and impact and to resolve matters concerning the ownership and management of the artefacts and research.

## **5. The Centre for Social Innovation - redevelopment of South Efford House, Lymington (Appendix 4)**

- 5.1. The Centre for Social Innovation is the over arching brand for the redevelopment of South Efford House, Lymington (the former headquarters of the New Forest National Park Authority, vacated in 2011) to deliver:
  - A fit-for-purpose, business-led, open innovation centre in the New Forest,
  - Affordable, flexible and managed workspace combined with business support, and
  - Ultrafast broadband in a rural environment
- 5.2. This is in an area of Hampshire where there is no current equivalent provision, and brings a key facility in the New Forest back into full economic use.
- 5.3. The Centre for Social Innovation (C4Si) has taken a 10 year lease on South Efford House. Over the last 2 years, C4Si has invested £370,000 of private sector funds into the project.
- 5.4. The centre will comprise of 3 interlinked and synergistic 'academies':
  - Business Innovation Academy,
  - Digital Innovation Academy, and
  - Social Innovation Academy
- 5.5. The Social Innovation Academy providing a regional "Community Hub" for voluntary, community and social enterprise organisations to:
  - Network, collaborate and develop,
  - Deliver and co-ordinate their programmes and services
  - Innovate and evolve services for local communities

- 5.6. In May 2018, C4Si, with support from New Forest District Council (NFDC) and Hampshire County Council secured a £220,000 loan from the Enterprise M3 LEP. The loan will unlock the project by providing a capital injection for refurbishing and fitting-out South Efford House.
- 5.7. In that context, C4Si has asked both the County Council and NFDC whether they could make a revenue seed funding contribution of £150,000 (£75,000 each) to support the early stages of the development of the Centre and its activities.
- 5.8. New Forest District Council's Cabinet agreed at their meeting on 1 August 2018 to support the project with seed funding of £75,000. The offer is co-dependent on Hampshire County Council agreeing to offer funding at the same level.
- 5.9. It is proposed that conditions associated with the offer of funding from Hampshire County Council should include the following:
- That the Enterprise M3 LEP due diligence process has been satisfactorily concluded;
  - All relevant planning consents are in place;
  - That New Forest District Council offers support to the equivalent value (confirmed at their Cabinet meeting on 1 August 2018);
  - That any funding agreement will be with the Centre for Social Innovation Community Interest Company (CIC) (company number 11046598) as opposed to C4Si (company number 10384229) which is a Private Limited Company, but registered at the same address
  - That payments are to be staged with 50% of the funds issued 'up-front' with the balance being payable upon completion of agreed milestones (note that this is a variation from the usual approach to awarding of such funding)
  - The centre should deliver its support in conjunction with identified business support networks including but not limited to the local Growth Hubs
  - A clawback arrangement will be put in place to ensure that if for any reason the centre ceased to operate within a short period of time, for example 3 years, each authority would seek to recover a proportion, if not all of the original seed funding
- 5.10 It is proposed that New Forest District Council acts as the awarding body on behalf of the two local authorities and assumes responsibility for the funding agreement with C4Si and ensures all conditions are met and appropriate evidence of spend is provided to both authorities.

## **6. Financial Arrangements**

- 6.1. The proposed award to The Live Theatre Winchester Trust is conditional upon a successful application to Arts Council England in respect of its proposed refurbishment and improvement project.

- 6.2. An award to the Winchester Excavations Committee would be made on the understanding that there could be no further financial support from the County Council.
- 6.3. Any awards approved under the Investing in Hampshire Fund are only paid out after evidence has been provided to the Director of Corporate Resources of appropriate expenditure on the relevant project.

## **7. Legal Implications**

- 7.1. Subject to certain restrictions, the County Council has the power under Section 1 of the Localism Act 2011 to do anything that individuals generally may do including the power to give grants.

## **8. Grants Criteria**

- 8.1. Awards in excess of £100,000 are only made in exceptional circumstances as detailed in the funding criteria. The projects relating to both the Winchester Excavations Committee and The Live Theatre Winchester Trust deliver significant benefits in support of the County Council's corporate priorities as detailed in the attached appendices.
- 8.2. A copy of the criteria used for considering grants from the Investing in Hampshire fund is attached as Appendix 1 to this report.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

#### **1.2. Equalities Impact Assessment:**

No negative impact has been identified.

### **2. Impact on Crime and Disorder:**

2.1. None

### **3. Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

N/A

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

N/A

## FUNDING CRITERIA FOR INVESTING IN HAMPSHIRE

The following criteria should be taken into account when considering a request for funding.

1. Assistance will be considered only in response to direct applications from properly constituted organisations seeking assistance. The application must show that the organisation is properly and legally organised and has its own bank account. Funding would only be awarded if the proposal was to support activity within agreed County Council priorities.
2. Applications will only be considered for specific capital projects for the improvement or maintenance of significant assets or facilities within Hampshire, within agreed priorities and where other substantial funding exists.
3. The wider economic benefits to the residents of Hampshire should be considered together with any complementary benefits for Hampshire County Council. Awards would normally only be given to projects within the remit of Policy and Resources.
4. Awards will not usually be made in respect of applications from the following:-
  - Government Institutions
  - Schools
  - Overseas and out of County organisations which have no direct Hampshire involvement
  - Bodies requesting funds for onward distribution to other charities e.g. mayoral appeals, carnivals, fetes, or for their own fundraising events.
5. Apart from exceptional circumstances, the requesting body would be expected to provide their own funding towards the project.
6. As a general rule, grants in excess of £100,000 will not be awarded unless significant benefits and funding are available. In exceptional cases, where the benefits are significant and directly relate to services and functions close to the County Council's key objectives, then an award greater than the level above would be considered.
7. Given the longer term nature of capital projects, requests can be considered well in advance, but funding will only be released once evidence of capital expenditure has been provided to the County Council or other arrangements made consistent with the agreement of the Director of Corporate Resources

### Theatre Royal Winchester Building Transformation Project

Applicant	Live Theatre Winchester Trust
Name / Location of Project	Theatre Royal Winchester Building Transformation Project
Summary of Project / Bid	<p>As the best surviving example of a Cine Variety Theatre in the country and a grade 2 listed building the Theatre Royal Winchester is a real asset to Hampshire which needs to be enabled to flourish and grow its audiences and its participants in the decades ahead.</p> <p>The Live Theatre Winchester Trust wants to develop the building it operates to become a more effective and accessible cultural magnet for the people of Hampshire. It also wants to find ways of becoming more financially sustainable as a charity and less reliant on regular revenue funding from the County Council and to support its growing aspirations to engage with local communities.</p> <p>The Trust both recognises and appreciates the long standing and very significant financial support provided by both Hampshire and the City of Winchester Councils reflecting the significance of the Theatre. Equally the financial position of both Authorities is understood and the Trust is making this application based upon the firm intention to steadily reduce reliance upon local authority funding.</p> <p>It seeks to do this by implementing the following key improvements to the existing Theatre Royal Winchester building, currently planned across three phases:</p> <ul style="list-style-type: none"> <li>• <b>Rework the external visibility and access</b> to ensure more people notice the theatre and are encouraged, enabled and welcomed to come in.</li> <li>• <b>Develop the outdoor space</b> between the Theatre and the Winchester Discovery Centre as part of a longer term strategic vision to develop a more joined up, cohesive offer between the two buildings. The aspiration is for this area of town to become a cultural hub for the city of Winchester, driven by performance and creative learning.</li> <li>• <b>Redesign and redevelop the foyer and bar</b> area to create a more contemporary, exciting and flexible space. This will enable a new, miniature cabaret style performance area, a day time creative café and a digitally equipped meeting space.</li> <li>• <b>Update the projection and sound facilities</b> in the auditorium to enable live streaming and high quality digital cinema to be shown.</li> <li>• <b>Introduce air cooling</b> into the main auditorium and replace the boilers to enable a more conducive environment for watching performance all year round and to improve the environmental performance and cost efficiency of the building.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Create a better environment for people with special needs</b> including introducing braille signage and increasing the size and scope of the disabled cloakroom.</li> <li>• <b>Improve the back stage facilities</b> for artists and visiting users including upgrading the existing rehearsal/meeting room facility to encourage more hiring opportunities.</li> <li>• <b>Replace carpets and refurbish worn seating</b></li> </ul> <p><u>Project Outcomes:</u></p> <ul style="list-style-type: none"> <li>• Increased audiences by 20% or 14,000 a year</li> <li>• An additional 25,000 users of the building a year as a result of the new day time cafe and increased flexibility in how the spaces can be used</li> <li>• 15% less energy use resulting in a 30% reduction in carbon footprint and £3,000 of savings in energy bills</li> <li>• Additional gross turnover as a result of all the changes and developments envisaged of up to £300,000</li> <li>• An increase in the wider economic impact (as measured by the AIM economic impact calculator) from c£1.4M to over £2M a year</li> </ul>																
Funding Requested	£375,000	2018/19															
Funding Arrangements (including matched funding)	<p>The project is envisaged in 3 phases.</p> <p>Phase 1 is fully costed with planning permission applied for and architects' drawings and plans prepared.</p> <p>Phase 1 applications for funding are submitted or in the process of being submitted. The total cost of phase 1 is £893,782.</p> <p>Applications submitted already or due to be submitted imminently for phase 1 include:</p> <table data-bbox="486 1435 1252 1693"> <tr> <td>Arts Council England Small Scale Capital</td> <td>: £ 388,000</td> </tr> <tr> <td>Town Improvement Fund (CIL):</td> <td>£ 35,000</td> </tr> <tr> <td>Foyle Foundation:</td> <td>£ 15,000</td> </tr> <tr> <td>Garfield Weston Foundation:</td> <td>£ 40,000</td> </tr> <tr> <td>29<sup>th</sup> May 1961 Charitable Trust:</td> <td>£ 15,000</td> </tr> <tr> <td>Backstage Theatre Trust:</td> <td>£ 15,000</td> </tr> <tr> <td>The Mackintosh Foundation:</td> <td>£ 6,000</td> </tr> </table> <p>Phase 2 is estimated to cost £950,000 and will include an application to the Heritage Lottery Fund (£195,000) as well as Winchester City Council (300,000) and a public fundraising campaign. The estimated cost of Phase 3 is £1.5m. The application to Winchester City Council for all 3 proposed phases is in the order of £950,000.</p>			Arts Council England Small Scale Capital	: £ 388,000	Town Improvement Fund (CIL):	£ 35,000	Foyle Foundation:	£ 15,000	Garfield Weston Foundation:	£ 40,000	29 <sup>th</sup> May 1961 Charitable Trust:	£ 15,000	Backstage Theatre Trust:	£ 15,000	The Mackintosh Foundation:	£ 6,000
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What are the benefits for Hampshire	The population of Hampshire is increasing in both size and age. At the same time there are significant new housing developments in and around Winchester that are attracting a younger demographic																

<p>Residents?</p>	<p>with families.</p> <p>Improving the ability of The Theatre Royal to engage more people within its existing footprint is a relatively cost effective way of ensuring a vibrant cultural offer is maintained as the population expands.</p> <p>The improvements envisaged will particularly enable older residents and young families to engage with the organisation.</p> <p>The new café will be a portal for those who may not be traditional theatre goers or for those for whom main house productions feel expensive.</p> <p>The informal stage will provide performances for the very young as well as a platform for music, poetry and storytelling which can often be a real joy to older residents or those living with dementia. (By 2020 it is estimated that 31% of those aged 65 or above in Hampshire will be doing so.)</p> <p>The Trust are also keen to find ways to encourage and platform emerging artists, especially those graduating from the two universities with campuses in the City. The more flexible public spaces will offer these opportunities.</p> <p>Air cooling and live streaming in the auditorium will enable year round programming, a safer and more conducive environment for Hampshire residents to enjoy performance and the opportunity to present the best work from around the globe such as The Met Opera and The Bolshoi Ballet.</p> <p>Improved access and visibility will help the Theatre connect with a more diverse cross section of the community including enabling those with special needs to engage more readily with our work and spaces.</p>
<p>What are the complementary benefits for HCC?</p>	<p>These developments will help LTWT to cope with the current round of revenue cuts in progress by enabling them to earn more of their own revenue. (They are currently having to manage cuts of 20% from the County Council’s grant stream and would expect ongoing revenue funding to cease altogether on completion of this project).</p> <p>The project will also support better partnership working with the County Council to support our priorities. Specifically these improvements will help the Theatre become even better at creating strong inclusive communities and enabling people to live safe and healthy lives in a rich and diverse environment.</p> <p>LTWT are an expanding independent charity employing local people, in particular graduates from the local universities and providing volunteering opportunities for diverse people. These improvements will help us continue to grow and support the local economy in this and other ways.</p> <p>The proposed project would complement the future plans for the next door Discovery Centre and facilitate planned partnership working.</p>

Any other relevant factors?	<p>A decision on this proposed investment by the end of September 2018 may well help the current funding applications under consideration and therefore act as a lever for significant additional inward investment. In particular it could make all the difference to the current Arts Council England application (decision due by end October 2018) as they prefer to fund projects where local authority resource is already confirmed and committed.</p> <p>This will also be the case when the Trust comes to apply to The Heritage Lottery Fund next year, so having confirmed resource already in place will be a powerful catalyst for phase 2 fundraising. The Theatre Royal currently receives £88,000 revenue support a year from the Council.</p>

### Winchester Studies

Applicant	Winchester Excavations Committee
Name / Location of Project	Publication of the Winchester Studies
Summary of Project / Bid	<p>Between 1962 and 1971 The Winchester Excavations Committee carried out the largest programme of archaeological excavations and historical research ever undertaken in a British City. The excavations form a central component of the entire archaeological archive excavated in the city since the 1940s. In 1968 the Committee founded the Winchester Research Unit to complete the excavations and historical research and to prepare the results for publication in a series of ‘Winchester Studies’. Of particular significance is the rigorous research framework within which the excavations took place, thus ensuring the quality and depth of information uncovered and preserved in the archives, which contains hundreds of thousands of artefacts and significant documentary information. Given this quality and the fact that these archives were generated in a city which played such a pivotal role in the development of the English nation 1000 years ago, they represent a research resource of international significance. The knowledge residing in the minds of those concerned with the excavations is part of this archive, and the opportunity to complete its publication with this knowledge still to the fore is of great importance.</p> <p>The committee is a registered charity.</p> <p>To date nine volumes have been completed and published. The project has been led throughout by Professor Martin Biddle now Professor (emeritus) of Archaeology at Oxford University. In 2017 two further major volumes were published - The People of Early Winchester and the Historic Towns Atlas (jointly with the Historic Towns’ Trust) and this year some of the research outcomes were brought to a wider audience through the publication of a popular book “The Search for Winchester’s Anglo Saxon Minsters”.</p> <p>Currently the main publications’ team is in Oxford under the direction of Professor Biddle and over the next three years it is intended that the Oxford team will produce three further major volumes:</p> <p>Winchester Studies 4.i - The Anglo-Saxon Minsters  Winchester Studies 6.i – Winchester Castle: Fortress, Palace, Garrison and County Seat  Winchester Studies 3.i Venta Belgarum, Prehistoric, Roman, Post Roman</p>

	<p>Work on the above volumes is partly complete.</p> <p>In addition to the above considerable analysis and research has been undertaken in preparation for the publication of other key volumes, arrangements are being made for the outsourced preparation of these volumes by appropriate academics.</p> <p>Winchester Studies 7.i - Ceramics of Medieval Winchester  Winchester Studies 9.ii - The Animals of Early Winchester  Winchester Studies 5 - The Brooks and other Town sites of Medieval Winchester  Winchester Studies 10 - Environment, Agriculture and Gardens in early Winchester  Winchester Studies 6.ii - Wolvesey Palace</p> <p>The committee have embarked on a major fund-raising initiative to ensure the completion of the publications' programme by 2023. The estimated costs of doing this are between £800,000 and £1,000,000. Over the last few years the project has been supported largely through private donations and much of the work undertaken on a voluntary/pro bono basis. While these contributions will continue, significant new funding is now needed to ensure the completion of the project. Without new funding there would be a significant risk to completing this epic work.</p>		
Funding Requested	£200,000 one-off payment	Financial Year 2018/19	
Funding Arrangements (including matched funding)	<p>Private donations £170,000  Application to the Linbury Trust for £100,000</p> <p>It is expected that a commitment from the county council at this stage of a major new fund-raising initiative would significantly enhance the success of the campaign while enabling the publication work to continue.</p>		
What are the benefits for Hampshire Residents?	<p>The project is of great significance to Hampshire and also the country with the outputs being of vital academic importance, and which bring enormous benefit to education at every level, particularly at post-graduate level at all Hampshire universities. The breadth of learning encompassed in the volumes is a major contribution to the history and understanding of capital places, how they come into being, develop, prosper and change, and even decline, seen in the case of Winchester in the perspective of more than two thousand years. The true value of this research is in how it underpins and supports new opportunities for public engagement and learning about how this history has shaped our</p>		

	<p>present and future. How, for example, the detail in the archives demonstrated the internationalism of nationhood through mapping the movement of people and ideas across the globe; how we have always been connected across geographies and cultures. This authentic depth of knowledge also has the potential to offer a unique cultural tourism experience in Winchester if translated in a meaningful way to bring stories alive for modern audiences.</p> <p>Professor Biddle, together with his team and various authors, are pre-eminent in their fields covering the 2000 years of the City from the Iron Age, through Roman, Anglo-Saxon and medieval times down to the emergence of the modern city in the Victorian period.</p>
<p>What are the complementary benefits for HCC?</p>	<p>The project underlines the importance of Winchester, one of Hampshire's principal cities, as a tourist destination, and provides the logical and intellectual basis for the concept of the Royal City project, and, for example, The Birth of a Nation Exhibition.</p>
<p>Any other relevant factors?</p>	<p>Most of the artefacts are curated by the Hampshire Cultural Trust (HCT) who will continue to work in close partnership with the Committee. To facilitate the relationship, a Steering Group will be established with membership from the key stakeholders and experts including the HCT, the County Council, Winchester City Council, the University of Winchester and English Heritage. The Steering Group will support the objective of ensuring that the academic research and publication is firmly connected with parallel work being undertaken by the HCT and its partners focused on public engagement and impact.</p> <p>In addition the Steering Group will seek to resolve outstanding matters concerning ownership and management of the archives in a way that confirms their long-term stewardship and access, in accordance with professional sector standards.</p> <p>The Patron of the Committee is Lady Mary Fagan KG, DCVO former Lord Lieutenant of Hampshire</p>

**Investing in Hampshire – Centre for Social Innovation, South Efford House,  
Lymington**

Applicant	Centre for Social Innovation CIC (C4Si CIC)) Company Number: 11046598
Name / Location of Project	Centre for Social Innovation - Refurbishment of South Efford House and Annex, Milford Road, Lymington, SO41 0JD
Summary of Project / Bid	<p>The Centre for Social Innovation is a not for profit Community Interest Company. It has secured a 10 year lease on South Efford House, formerly a government horticultural research facility which was later occupied by the New Forest National Park Authority until 2011. The building had remained vacant since until C4Si moved in.</p> <p>C4Si has over the last 2 years, invested £370,000 of private sector funds to bring the vacant employment site back into economic use.</p> <p>The C4Si project involves the refurbishment of South Efford House and Portakabin Annex to establish three Innovation Academies:</p> <ul style="list-style-type: none"> <li>– Business Innovation Academy,</li> <li>– Digital Innovation Academy, and</li> <li>– Social Innovation Academy</li> </ul> <p>The refurbishment of South Efford House will provide a fit-for-purpose, business-led, open innovation centre in the New Forest. The centre will house affordable, flexible workspace and provide ultrafast broadband in a rural environment. The aim is to establish Business and Digital Academies in the building.</p> <p>This element of the project delivers flexible, managed workspace combined with business support in a location in Hampshire with no current equivalent provision</p> <p>This C4Si initiative aligns with other such projects supported by Hampshire County Council, for example, the Aldershot Enterprise Centre, operated by WSX Enterprise (total HCC support £160,000). The Aldershot centre is now thriving and has since secured additional EM3 LEP funding to expand the facility.</p> <p>The other element of the project is refurbishment of a 4000sq. ft. Portakabin to the rear of South Efford House. This will become the Social Innovation Academy and will provide a regional “Community Hub” for Voluntary, Community and Social Enterprise (VCSE) organisations to:</p>

	<ul style="list-style-type: none"> <li>• Network, collaborate and develop,</li> <li>• Deliver and co-ordinate their programmes and services</li> <li>• Innovate and evolve services for local communities</li> </ul> <p>The New Forest Group Training Association (GTA), Brockenhurst and Totton Colleges, New Forest District Council, local businesses and the New Forest Business Partnership will all have access to the facility.</p> <p>The C4Si model is broadly based on the Big Society Capital 9 Social Outcomes matrix with employment, education and training being just one. C4Si projects, by combining its economic and social benefits, the overall Return on Investment (ROI) including social ROI would have a value in the region of £20- £25 for every £1 invested.</p>		
Funding Requested	£75,000	Financial Year	2018/19
Funding Arrangements (including matched funding)	<p>New Forest District Council and Hampshire County Council have supported C4Si in preparing an application to the Enterprise M3 LEP's Growing Enterprise Fund. In May 2018, the LEP approved a £220,000 loan. The loan is to unlock the project by providing a capital injection for refurbishing and fitting-out South Efford House.</p> <p>In that context, C4Si has asked both HCC and NFDC whether they could make a revenue seed funding contribution of £150,000 (£75,000 each) to support the early stages of the development of the Centre and its activities.</p> <p>NFDC Members and officers are keen to support the project and officers from the two authorities have agreed that any funding from either should be co-dependent on securing an equivalent sum from the other.</p> <p>The proposed (and if agreed, combined) public sector support matches the private sector investment already committed (£370k).</p> <p>Longer term, it is envisaged that the revenue generated from letting business space will make the centre financially self-sustaining and any surplus will be used to operate the Social Innovation Academy.</p> <p>HCC and NFDC officers have agreed in principle that should funding be awarded there should be caveats in place to ensure the funding is used as intended. This would include a clawback arrangement in the event there was an unforeseen and early closure of the centre. Similarly, up-to-date planning consent</p>		

	<p>needs to be in place before any funding would be released. NFDC anticipate planning consent will be agreed in September 2018.</p>
<p>What are the benefits for Hampshire Residents?</p>	<p>The overarching benefits include:</p> <ul style="list-style-type: none"> <li>• Provision of much needed workspace and services to help businesses start and grow in a part of Hampshire without such current provision</li> <li>• Stimulating innovation in businesses and amongst voluntary, community and social enterprise organisations to deliver higher value economic and social impact</li> <li>• Improving the skills and talents of the local workforce</li> </ul> <p>C4Si's business model anticipates the following outputs by 2020:</p> <ul style="list-style-type: none"> <li>• Create 100 new jobs</li> <li>• Create 50 apprenticeships, internships or graduate placements</li> <li>• Help 150 people in need through our Social Innovation Academy</li> <li>• Bring 10,000 sq. ft. rural based building back into productive economic use</li> <li>• Take 60 companies through C4Si investment readiness or incubation programme</li> </ul> <p>The employment and training opportunities created will be a combination of direct and indirect with a significant focus on increasing take up of apprenticeships. C4Si is working with Brockenhurst College and other partners to develop the New Forest Group Training Association (GTA) who will be based at the Centre.</p> <p>The centre has been promoted to local micro, small and start up businesses as a flexible workspace with room to expand. There is clear demand with a rapid take-up of space. The centre also provides meeting and conference facilities, and support and advice for start-ups.</p> <p>The Social Innovation Academy offers the potential to be a mechanism for innovation in the care sector and a route to greater collaborative working with the voluntary and community sector and social enterprises.</p> <p>This would enable on-site and outreach services which could include those provided by Hampshire County Council. For example, by 2020 C4Si outcomes include helping 50 young people vulnerable to exclusion or with mental health issues. This could be assistance with skills development, securing an</p>

	<p>apprenticeship or other support methods that could be delivered through the Social Academy.</p>
<p>What are the complementary benefits for HCC?</p>	<p>The C4Si overall objectives align well with both Hampshire County Council's and New Forest District Council's corporate objectives.</p> <p>We would propose that the Social Innovation Academy could facilitate and add value to Hampshire County Council's own service delivery locally.</p> <p>We have had initial discussions with Sallie Bacon and Martha Fowler-Dixon to explore the potential opportunities and benefits such a Social Academy could present to Hampshire County Council.</p>
<p>Any other relevant factors?</p>	<p>C4Si's business objectives are to:</p> <ul style="list-style-type: none"> <li>• Drive economic development in the New Forest and wider Hampshire region,</li> <li>• Create and retain the next generation of entrepreneurs, businesses and high skilled jobs,</li> <li>• Improve education and training with a work skills focus</li> <li>• Facilitate new and innovative approaches to unmet social issues</li> <li>• Promote evidence based outcomes that deliver social value.</li> </ul>

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date:</b>	26 September 2018
<b>Title:</b>	Three Extra Care Development Opportunities in Gosport, Petersfield and New Milton – Outcome of Procurement
<b>Report From:</b>	Director of Culture, Communities and Business Services

**Contact name:** Louise Hague / Nigel Holmes

**Tel:** (01962) 846578      **Email:** Louise.hague@hants.gov.uk  
(01962) 846162      Nigel.holmes@hants.gov.uk

#### 1. Recommendation(s)

- 1.1. That approval be given to accept the tender submissions, to include the payment of the required capital funding and the associated site transfers, on the basis set out in this report and appendices to support the development and operation of the three Extra Care schemes at Bulmer House in Petersfield, Addenbrooke in Gosport, and Fernmount in New Milton with the Director of Culture, Communities and Business Services (Strategic Manager – Assets and Development) authorised to settle the detailed terms and conditions to conclude the site transfers and to release this capital funding to meet any such grant shortfall and/or other unforeseen yet legitimate development costs;
- 1.2. That approval be given to obtain prior notification consent to demolish, and to fund the demolition of the buildings currently on each site, as set out in this report and appendices.
- 1.3. That approval be given to enter into any related legal or planning agreements deemed necessary and that the Director of Culture, Communities and Business Services (Strategic Manager – Assets and Development) be authorised to settle the detailed terms and conditions.

#### 2. Executive Summary

- 2.1. The purpose of this paper is to secure Executive Member approval to three business cases to support the delivery of Extra Care Housing developments (including replacement Day Care services on one site) on three County Council owned sites following a recent procurement exercise to select development partners. Two of the sites were former care homes for older people, namely Addenbrooke in Gosport and Bulmer House in Petersfield

whilst the third at Fernmount in New Milton was a former day centre for adults with learning disabilities.

2.2. This paper seeks to:

- Provide the background to the Older Persons' Extra Care Housing programme and briefly update on its progress;
- Summarise the context of the use of the above three sites as potential locations for new build Extra Care Housing schemes;
- Set out the outcome of a recent tender exercise and identify the recommended delivery partners, including an assessment of the financial and legal implications of each choice.

### **3. Contextual information**

- 3.1. In October 2011, a capital envelope of £45m was approved to deliver new build Extra Care Housing for older people and to allow the extension of two in-house nursing homes. This funding was intended to enable the delivery of schemes rather than fund the cost directly and would be made available either as a "top-up" grant or as a higher capital and/or in-kind land value contribution in relation to the development of a selected number of County Council owned sites. In relation to the latter mechanism, a partner framework was procured with 4 registered providers appointed with the intention of delivering 100% affordable rent schemes.
- 3.2. From this partner framework, initial mini-competitions were run on a number of County Council owned sites including the above at Addenbrooke and Fernmount (plus the former Nightingale Lodge/Master's House site, Romsey which was recently awarded a development contract by EMPR in December 2017). The site at Bulmer House was not initially submitted for development in this framework as an 'off market' negotiation with an adjacent Housing Association, which provides sheltered housing and had some access rights to the site, was explored further. These negotiations were eventually terminated when the Housing Association withdrew due to a change in their strategic direction and concerns about the Government's plans for future funding of supported housing.
- 3.3. The above concerns about changes to supported housing funding threatened the viability of all three developments locally as well as similar developments at a national level. The proposals were announced in November 2015 during the Chancellor's Autumn Statement. The Statement revealed plans for reductions in actual rents for three years plus long term proposals to potentially further reduce rents and remove them from housing benefit and into the emerging Universal Credit System. These proposals, plus a general reduction in capital grant subsidies from the then Homes & Communities Agency (now Homes England), passed further commercial risks onto providers who in turn required greater levels of capital grant from the County Council. As a result the framework bids for Addenbrooke and Fernmount were considered too costly to be taken further.
- 3.4. Consequently it was agreed that a new Extra Care Housing commissioning strategy be prepared and that both these two sites plus Bulmer House would

be re-procured under this new approach. A revised commissioning strategy was duly approved by the Executive Member at his meeting on 20<sup>th</sup> January 2017 (ref: 7905). The new approach saw the introduction of a mixed tenure policy to both expand choice and utilise private equity in return for reduced County Council capital grants. Changes were also made to further improve viability by introducing a greater ratio of one rather than two bedroom flats, reduced communal areas and an open procurement approach to increase competition from a changing provider market. This new policy proved successful in the re-procurement of Nightingale Lodge in Romsey and the lessons learnt from that have been further applied to these three sites.

- 3.5. Good progress can therefore be reported on the overall Extra Care Housing strategy as the 52 new apartments in the Chesil Street, Winchester scheme opened in July 2018 and the demolition works at Nightingale Lodge were also completed in the same month. The Government have also recently abandoned their above plans to review the way supported housing rents are funded. These will now remain unchanged and fully within the Housing Benefit system and a proposed cap on rent and service charge levels will not be introduced after all. This appears to have installed renewed confidence for providers to invest in such services as witnessed in the tenders submitted for the three sites covered in this report.

#### **4. Summary of the Three Development Opportunities**

- 4.1. Further details on each site and the development opportunities these presented are given in Appendices 1 to 3 attached to this report. However, all three sites presented similar characteristics which influenced the decision to procure them at the same time albeit as separate Lots.. These are summarised as follows

- Each site was tendered subject to meeting Design Principles prepared by the County Council as landowner and agreed informally with each Local Planning Authority. In addition to submitting design proposals each bidder also had to submit details of how they would build and operate each development.
- The Design Principles requested proposals for c.50 one and two bedroom flats, with a 2:1 ratio in favour of 1-bedroom units.
- A mixed tenure proposal was required with a minimum of 70% of flats being made available for affordable rent and a maximum of 30% being available for purchase, either as affordable shared ownership or outright market sale.
- A separate space to establish a Day Service facility for use by Older Persons in the wider Petersfield community was also required at Bulmer House to replace a former service previously operated at this site (known as Ramshill).
- A schedule of communal areas and gardens was also specified and advice on local planning and car parking policies was also provided.

- Bidders were informed of the higher care mix required at each site in order to generate revenue savings targets for Adult Health & Care. However, care provision was not part of this opportunity and bidders were informed that such services would be procured later by the County Council as a separate procurement.

## **5. Procurement Exercise and Outcome**

- 5.1. Each site was procured as an OJEU compliant open market tender. The tender documentation provides that a selected partner would be granted a building lease of 250 years for a notional sum of £1. The County Council will also reserve rights to use the integrated Day Centre for its own or another providers' use at Bulmer House.
- 5.2. Bidders were asked to provide a detailed commercial assessment of their development costs and expected sources of income from rents, sales and other sources of capital grant assumed from bids to Homes England, other public bodies and their own sources of funding through Recycled Capital Grants. It was also made clear that any further shortfall in funding still required could be provided by the County Council as 'gap funding.' In meeting the criteria of 'Most Economically Advantageous Tender' for the County Council, the lowest capital request for HCC 'gap funding' would be scored the highest mark. The tender evaluation had a scoring ratio of 40% commercial / 60% quality. The design of the scheme and its probability of achieving planning permission at first attempt was a key weighting within the quality element of the evaluation criteria.
- 5.3. The procurement received a good level of interest with 36 parties obtaining the information pack that supported each Extra Care development opportunity. Details of the actual bidders for each site are provided in the confidential Appendices to this report.
- 5.4. It should be noted that each selected development partner would need to make a formal application to Homes England for their anticipated capital grant, plus a similar request for authority to direct any of their Recycled Capital Grant to each site. Should there be any reduced award this shortfall may also need to be met by the County Council. However, the risks to the Council of having to meet this full cost are considered low as Homes England have already indicated that it does have funds available to support developments on sites in public ownership which are 'ready to go' and within benchmarked subsidy levels. This also applies to their approval on bidders using Recycled Capital Grant.
- 5.5. Bids were also assessed with regards to the capacity of each developer to deliver the consented scheme on the individual sites and within acceptable timeframes. These timescales are set out in detail in the Appendices. It is currently anticipated by the bidders that the schemes will be completed with first occupation between December 2020 and July 2021, although experience on the delivery of these developments suggests first occupation may actually occur towards the end of 2021.

## **6. Finance**

- 6.1. On the basis that bids are awarded as outlined in the Appendices, the total requested 'gap funding' grant from the County Council is £3,558,110 for the combined provision of c.150 flats across all three sites. This is considered a very positive outcome given that the level of required County Council grant is less than previously forecast for these sites when the new strategy was approved by EMPR in January 2017.
- 6.2. In the event that the anticipated Homes England grants are either not awarded or only at a reduced level, or the requests to divert Recycled Capital Grants are not supported, then in order for these projects to proceed it may be necessary for the County Council to meet a further additional funding shortfall. Given the experience of similar developments, it is also considered prudent to identify a capital provision to cover unidentified abnormal costs, together with a build cost contingency. The extent of the County Council's maximum potential financial exposure is set out Section 4 of each of the attached Appendices. However, as set out in paragraph 5.4 above, the risks of the County Council having to provide such additional funding over and above the requested "gap funding" is considered very low.
- 6.3. Awarding the contracts with the minimum requested 'gap funding' position of £3,558,110, the payback period for each site (set out in the respective appendix) based on a model 50 unit scheme and assumed annual revenue savings has been calculated in accordance with the revised extra care business model (which also assumes prudential borrowing).
- 6.4. The alternative use land value for each site is also set out in the Appendices. At the levels of value identified the Deeming Provisions relating to best value set out in the Local Government Act 1972 can be relied upon in respect of the proposed site transfers. In addition, there are appropriate claw-back mechanisms in the ground lease(s) which protect the onward value position of the land. However, It should be noted that the Fernmount site forms part of the Adults' Health & Care Learning Disabilities Transformation Programme, and therefore the assumed 'receipt' from the long leasehold sale of this site will need to be transferred to support this programme.
- 6.5. Approval is also sought to obtain prior notification consent to demolish, and fund the demolition of, the buildings currently on each site, if considered appropriate. Further details are provided in each Appendix. By demolishing the buildings, the level of grant payable by the County Council would decrease, although not by as much as the cost of demolition due to savings the developer can make demolishing whilst on site. However demolition in advance will de-risk the site, shorten the development timeline, as well as maintaining momentum and demonstrating progress on redevelopment.

## **7. Performance**

- 7.1. This proposal accords with all 4 of the County Council's Corporate Priorities as follows:

- “Hampshire maintains strong and sustainable economic growth and prosperity” – the redevelopment of each site will provide temporary job opportunities during the construction of the building and will also support jobs in the care and support and housing management sectors going forward.
- “People in Hampshire live safe, healthy and independent lives” – the new facilities will provide residential accommodation with appropriate levels of care and support to enable older people to retain their independence and maintain their quality of life for as long as possible.
- “People in Hampshire enjoy a rich and diverse environment” – the new developments are designed, and will be built, to a high standard in accordance with the County Council’s Extra Care guidelines, Local Planning Authority requirements, and Building Regulations.
- “People in Hampshire enjoy being part of strong, inclusive communities” – the three schemes will provide Extra Care units to meet the housing needs of older people as well as providing enhanced community facilities in the form of the replacement day services (at Bulmer House) for access and use by local older people.

## **8. Consultation and Equalities**

8.1. Please see the three attached Equalities Impact Assessments for each site.

## **9. Future direction**

- 9.1. It is recommended that the County Council accepts the tenders as described in Appendices 1, 2 and 3. Legal formalities will include entering into a Disposal Agreement and 250 year Building Lease plus other legal documentation as required. The County Council will retain the freehold interest in the land, which will enable it as landowner to influence the onward use of the sites through the user clause and overage and repayment mechanisms.
- 9.2. In the event that the County Council is unable to proceed to contract award with the preferred bidder in compliance with the procurement regulations then approval is sought for the County Council to be able to revert to the runner-up bidder if available with a view to awarding the contract to them in accordance with the procurement regulations. Further detail is provided in section 4 of the Appendices.
- 9.3. Completion of the contract and disposal agreement (which will be conditional on obtaining planning permission as well as the outcome of applications for funding) will follow the requisite tender standstill period, after which the providers will be required to make applications for funding to Homes England and it is proposed that specific Project Boards are established to ensure all parties work together to achieve completion of the project as soon as practicably possible.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u> Strategy for the Older Persons' Extra Care Housing and Programme Update (Ref: 7905)	<u>Date</u> 20/01/2017
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

#### **Due regard in this context involves having due regard in particular to:**

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

Please see the links below for the Equalities Impact Assessments relating to the closure of each of the three sites:

Lot 1: Bulmer House, Petersfield & Lot 2: Addenbrooke, Gosport – [Outcomes of Consultation EIA \(Community\)](#)

Lot 3: Fernmount, New Milton – [http://www3.hants.gov.uk/councilmeetings/meetingssummary.htm?sta=0&currentpage=1&tab=1&date\\_ID=613](http://www3.hants.gov.uk/councilmeetings/meetingssummary.htm?sta=0&currentpage=1&tab=1&date_ID=613) (see 'Transformation of In-house Learning Disability Services' report)

### **2. Impact on Crime and Disorder:**

2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

**3. Climate Change:**

- 3.1 The proposed development will be constructed to comply with the prevailing requirements of Local Planning Policy and Building Regulations in place for residential accommodation.

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