
NOTICE OF MEETING

CABINET

TUESDAY, 9 MARCH 2021 AT 12.00 PM

VIRTUAL REMOTE MEETING

Telephone enquiries to Anna Martyn - Tel 023 9283 4870

Email: Democratic@portsmouthcc.gov.uk

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)

Councillor Steve Pitt (Vice-Chair)

Councillor Chris Attwell

Councillor Dave Ashmore

Councillor Suzy Horton

Councillor Lee Hunt

Councillor Darren Sanders

Councillor Lynne Stagg

Councillor Matthew Winnington

Councillor Hugh Mason

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon two working days before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

A G E N D A

- 1 Apologies for Absence**
- 2 Declarations of Interests**
- 3 Record of Previous Decision Meeting - 2 February 2021 (Pages 11 - 16)**

A copy of the record of the previous decisions taken at Cabinet on 2 February 2021 are attached.

- 4 Annual Capital Strategy (Pages 17 - 50)**

Purpose

1. To enable the City Council to adopt a long term Capital Strategy from

2021/22 onwards.

2. To inform members and the wider community of the Council's Capital Strategy.
3. To ensure that Members are aware of the overall strategy, governance procedures and risk appetite.
4. To highlight the inter-relationship between business planning the Capital Strategy, Capital Programme, the Revenue budget, the Medium Term Financial Strategy and Treasury Management.
5. To ensure the council has sufficient liquidity to meet the cashflow arising from the capital programme.

RECOMMENDED (for Council)

1. **That Part I of the Capital Strategy (Capital Expenditure and Aspirations) be approved including:**
 - a) **The Short / Medium / Long-term Aspirations set out in Appendix 1.**
2. **That Part II of the Capital Strategy (Borrowing and Investing) be approved including:**
 - a) **The Minimum Revenue Provision (MRP) for Debt Repayment Policy (Part II, (paragraph 1.5)**
 - b) **The investment indicators in Part II - Appendix 2 (Part II, paragraph 2.5)**
 - c) **That the Director of Finance and Resources (Section 151 Officer) will bring a report to the next Cabinet and City Council if (Part II, paragraph 2.5):**
 - (i) **The Council's gross General Fund (GF) debt exceeds 450% of GF net service expenditure or;**
 - (ii) **Overall investment income from investment properties and long term treasury management investments exceeds 9.0% of GF net service expenditure.**

5 Treasury Management 2021 / 2022 (Pages 51 - 88)

Purpose

To obtain the Council's approval of the updated Treasury Management Policy Statement (attached) which includes the Annual Investment Strategy.

RECOMMENDED (for Council)

1. **That the upper limit for principal sums invested for longer than 365 days contained in paragraph 4.7 of the attached Treasury Management Policy Statement be approved;**
2. **That the upper and lower limits on the maturity structure of borrowing contained in appendix 5.1 of the attached Treasury**

Management Policy Statement be approved;

- 3. That the attached Treasury Management Policy Statement including the Treasury Management Strategy and Annual Investment Strategy for 2021/22 be approved;**
- 4. That the following change compared to the previous Annual Investment Strategy be noted:**
 - i. that a second loans pool be established in 2020/21 consisting of the three £20m loans that were taken from the Public Works Loans Board (PWLB) at the Housing Revenue Account (HRA) Certainly Rate, and that the borrowing costs on these loans be charged to the HRA in their entirety.**
- 5. As set out in paragraph 1.4 of the Treasury Management Policy Statement, the Director of Finance and Resources (Section 151 Officer) and officers nominated by him have delegated authority to:**
 - i. invest surplus funds in accordance with the approved Annual Investment Strategy;**
 - ii. borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £963m approved by the City Council on 9 February 2021;**
 - iii. reschedule debt in order to even the maturity profile or to achieve revenue savings;**
 - iv. to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates;**
- 6. That the Director of Finance and Resources (Section 151 Officer) has the power to delegate treasury management operations to relevant staff;**
- 7. That the Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (paragraph 1.2.2 of Treasury Management Policy Statement).**

6 Review of the Hampshire Minerals and Waste Plan (Pages 89 - 302)

Purpose

To consider the report on the 2020 review of the Hampshire Minerals and Waste Plan (HMWP) (2013) and endorse the decision update the Plan in partnership with the other Hampshire authorities, as per the Council's statutory responsibilities as the minerals and waste planning authority for Portsmouth.

RECOMMENDED (for Council)

- 1. Endorses the decision to update the Hampshire Minerals and Waste Plan, as per the recommendations of 2020 Review of the Hampshire Minerals and Waste Plan report (attached in Appendix 1 and summarised in this report).**
- 2. Recommends that this decision is reported for future consideration by Full Council, in accordance with the requirements of sections 15(8) and 16 of the *Planning and Compulsory Purchase Act 2004* and *National Planning Practice Guidance* on plan making and in-line with Reg 4(1) & Sh 3 of the *Local Authorities Functions and Responsibility Regulation 2000* (as amended).**

7 CIL Money for Eastney & Craneswater (Pages 303 - 312)

Purpose

To consider whether to approve the expenditure of Community Infrastructure Levy - Neighbourhood (CILN) funding in respect of proposed art work enhancement to the current mural located on the wall of No. 1 Waverley Road, Southsea. The consideration has been escalated to Cabinet as a result of differing views between the ward members of Eastney & Craneswater.

RECOMMENDED that the Cabinet

Considers approving the allocation of funding from the relevant CILN fund as supported by Cllr Winnington; or alternatively refusing the allocation as supported by Cllr Stubbs and Cllr Symes.

8 Community Infrastructure Levy - Crowdfunding Platform (Pages 313 - 364)

Purpose

To seek Cabinet agreement to the commissioning of a Portsmouth wide crowdfunding platform to create a Community Infrastructure Transformation Fund (CTF).

RECOMMENDED the Cabinet

- 1. Agrees the commissioning of a city wide CIL Neighbourhood crowdfunding scheme at a cost of £4,800 for three years which will be funded through the Community Infrastructure Levy Administration Provision and that funding be made available (estimated £750) for the effective marketing launch for the Platform.**
- 2. Agrees the creation of an earmarked reserve of £50,000 transferred from the available CIL Neighbourhood Funds to provide funding support to projects that comply with the requirements of [CIL](#)**

Regulations 59F to deliver outcome in support of the provision, improvement, replacement, operation or maintenance of infrastructure within the city.

3. **Agrees the allocation of funding to projects be delegated to the Assistant Director Planning & Economic Growth, Regeneration in conjunction with the Portfolio holder for Planning Policy & City Development.**

9 Supporting People in Financial Hardship (Pages 365 - 372)

Purpose

1. To outline steps taken by the council since the start of the coronavirus pandemic to support Portsmouth residents experiencing financial hardship.
2. To note the contribution of teams across the council, and the collaboration with voluntary sector partners (through for example the HIVE and Tackling Poverty Steering Group) to tackle poverty in the city.

10 Cabbagefield Row, Havant - Update on progress (Pages 373 - 376)

Purpose

1. To update the Cabinet on progress with the Cabbagefield Row Site.
2. To explain the benefits to social housing and Portsmouth of developing the site.

11 Clean Air Fund Eligibility Criteria (Pages 377 - 448)

Purpose

1. Central Government has imposed a Ministerial Direction on the City Council to deliver a Class B Clean Air Zone (CAZ) (and other measures) to reduce levels of nitrogen dioxide to comply with at least the legal limit value in the shortest possible time.
2. The Clean Air Fund (CAF) measures are intended to support the CAZ by ensuring that particular groups of stakeholders who own or depend on non-compliant vehicles for business operations are not disproportionately impacted by the proposed interventions.
3. The purpose of this report is to outline the eligibility criteria for applicants for the CAF, and set out how applications will be prioritised to ensure those most affected receive support first.

RECOMMENDED that the Cabinet

1. **Approve the proposed eligibility criteria and prioritisation lists for determining CAF application outcomes as detailed in the paragraphs below.**
2. **Private Hire and Hackney Carriage applicants may be eligible for the financial incentive where they meet all of the following criteria:**
 - a) **Are the registered keeper and/or owner of a Private Hire or Hackney Carriage taxi/s that is/are non-compliant**
 - b) **The vehicle/s must have been licensed with Portsmouth City Council at**

a time between May 2020 and application.

c) Use reasonable endeavours to continually licence the compliant vehicle/s with Portsmouth City Council for the next 3 years.

d) Have not been in receipt of, are not in the process of applying for, and will not apply for, CAF incentives from another authority.

3. Bus and Coach, and HGV CAF applications may be eligible for the financial

incentive where they meet all of the following criteria:

a) Are a business that owns/leases and uses non-compliant vehicles

a. Bus and Coach: M3 - GVW over 5000kg and more than 8 seats in addition to the driver

b. HGV: N2 - GVW over 3500kg, N3 - GVW over 5000kg

b) Must have owned or leased the vehicle/s for at least 12 months prior to

application*

c) Must have been actively trading for more than 12 months and up to February 2020

d) Must be able to evidence frequency of entry to the proposed Clean Air Zone boundary by the existing non-compliant vehicle/s to be upgraded (average 2 or more days per week), and frequency of entry to the Clean Air Zone by the upgraded compliant vehicle/s

e) Must evidence the sale of any non-compliant vehicle/s that is/are being

replaced through this fund

f) Have not been in receipt of, are not in the process of applying for, and will not apply for, CAF incentives from another authority.

****Exceptions may be considered for applicants who propose to replace an***

existing non-compliant vehicle model that cannot be retrofit with a noncompliant vehicle model that can be retrofit, as part of the CAF application.

4. Applications for financial support for upgrading Buses and Coaches through the CAF will be prioritised based on how well they score in meeting the following criteria, which is listed in order of importance to achieving the grant's objective:

1. You will be prioritised if you are a small or medium size (0-249 employees), ahead of applicants representing large businesses (250+ employees)

2. You will be prioritised if you trade from either Portsmouth or on the Isle of Wight and your commercial operations would be detrimentally impacted or not possible without access to the Clean Air Zone, ahead of applicants who are registered and located outside of Portsmouth and Isle of Wight and/or have the ability to re-route commercial operations to avoid the CAZ.

3. You will be prioritised if the proportion of non-compliant vehicles in your total fleet limits the ability to rotate your fleet so that only your compliant vehicles use the CAZ, ahead of applicants who have a sufficient number/proportion of compliant vehicles in their fleet to make it possible to use them for CAZ use instead.

4. You will be prioritised if you can demonstrate that your business is not in administration, insolvent or has a striking-off notice being made
5. You will be prioritised based on your frequency of use of the CAZ, with higher frequency users be prioritised over those who infrequently use the CAZ, and especially whose use is less than 2 days per week on average.
6. You will be prioritised if not receiving funding would result in an impact on local young people, local older people, and local tourism, ahead of those who in not receiving funding would have no impact on these groups.
7. You will be prioritised if you have not been in receipt of other Government funding; ahead of those who have may have received Covid-19 Bus Service Support Grant for example.
8. You will be prioritised where financial and business need can be proven, ahead of those who cannot demonstrate a financial or business need.
9. You will be prioritised if you are able to demonstrate a good maintenance record of vehicle can be evidenced, ahead of those who cannot demonstrate a good maintenance record.

5. Applications for financial support for upgrading HGVs through the CAF will be prioritised based on how well they score in meeting the following criteria, which is listed in order of importance to achieving the grant's objective:

1. You will be prioritised if you are a small or medium size (0-249 employees), ahead of applicants representing large businesses (250+ employees).
2. You will be prioritised if you trade/operate from an address in either Portsmouth or on the Isle of Wight and your commercial operations would be detrimentally impacted or not possible without access to the Clean Air Zone, ahead of applicants who are registered and located outside of Portsmouth and Isle of Wight and/or have the ability to re-route commercial operations to avoid the CAZ.
3. You will be prioritised if the proportion of non-compliant vehicles in your total fleet limits the ability to rotate your fleet so that only your compliant vehicles use the CAZ, ahead of applicants who have a sufficient number/proportion of compliant vehicles in their fleet to make it possible to use them for CAZ use instead.
4. You will be prioritised if you can demonstrate that your business is not in administration, insolvent or has a striking-off notice being made.
5. You will be prioritised if you regularly conduct commercial operations within the Clean Air Zone (two or more times per week).
6. You will be prioritised if you are a businesses who would be most adversely affected by the CAZ charge as a proportion of your business turnover (i.e. due to transportation costs as proportion of turnover, or dependence on deliveries as part of core business).

7. You will be prioritised if you are a businesses that provide hire or reward services to local SMEs, whose Portsmouth based client can support the application by demonstrating the need and business case for funding for that particular supplier.
8. You will be prioritised where financial and business need can be proven, ahead of those who cannot demonstrate a financial or business need.
9. You will be prioritised if you are able to demonstrate a good maintenance record of vehicle can be evidenced, ahead of those who cannot demonstrate a good maintenance record.

6. Grants cannot be awarded retrospectively to vehicle upgrades being completed as part of the CAF scheme.

7. Non-compliant vehicles that are eligible for an exemption from the CAZ charge cannot also apply to the CAF scheme.

8. Delegated Authority is granted to the Cabinet Members for Environment & Climate Change and Traffic & Transport, to review and amend the eligibility criteria and prioritisation criteria following each round of funding, if uptake of the grant is low.

12 **Social Value Policy** (Pages 449 - 484)

Purpose

To set out the Council's formal position in response to several drivers: restorative opportunities to build back better, and greener; to complement the City Vision and its objectives; unlocking greater value in the supply chain through commissioning, procurement, and contract management; strengthen the 'Portsmouth Pound' through greater support of the local economy and generating inward investment; develop and grow new and existing partnerships, embedding value at the heart of them.

RECOMMENDED (for Council)

- **Formally adopt the social value policy that reinforces a strategic position relating to social value as described in Appendix 1**
- **Adopt the roadmap principles, direction and confirm the key actions required to get to social value maturity within the timeline set out as described in Appendix 2.**

13 **Community Safety Plan 2021 / 2022** (Pages 485 - 556)

Purpose

This community safety plan is a statutory requirement for all local authority areas. In Portsmouth this plan will inform the development of the Health and Wellbeing Strategy and consideration of the priorities set out in the plan will enable the Council to discharge its duty under Section 17 of the Crime and Disorder Act to:

'....exercise its various functions with due regard to the likely effect of the

*exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area"*¹

RECOMMENDED (for Council)

- 1. Recommends to Full Council it endorses the strategic priorities contained in the Safer Portsmouth Partnership Plan 2021-22 (appendix 1) and**
- 2. The council aligns the relevant budgets to support activity in line with section 17 Crime and Disorder Act 1998 (as amended).**

14 Replacement for Capita ONE IT system (Pages 557 - 560)

Purpose

To provide an update on the Capita ONE IT system used by Education.

15 Creating additional specialist school provision and school places for growing numbers of children with SEND (Pages 561 - 562)

Purpose

To provide an update on additional specialist school provision and school places for growing numbers of children with special educational needs and disabilities (SEND)

¹ <https://www.legislation.gov.uk/ukpga/1998/37/section/17>

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Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held remotely on Tuesday, 2 February 2021 at 12pm.

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

Chris Attwell
Steve Pitt
Dave Ashmore
Suzy Horton
Darren Sanders
Lynne Stagg
Matthew Winnington
Hugh Mason

7. **Declarations of Interests (AI 1)**

Agenda item 8 - New Theatre Royal

Councillor Hugh Mason asked the City Solicitor whether his position as a council appointed director on the Kings Theatre would be considered a prejudicial interest.

Peter Baulf, the City Solicitor advised that it was a personal but not prejudicial interest.

8. **Apologies for Absence (AI 2)**

Councillor Lee Hunt sent his apologies.

9. **Record of Previous Decision Meetings - 1 December 2020, 17 December 2020 and 5 January 2021 (AI 3)**

RESOLVED that the minutes of the following meetings be agreed and signed as correct records:

1 December 2020

17 December 2020

5 January 2021

10. **Extension of Food Waste Collections. (AI 4)**

Colette Hill, Assistant Director of Neighbourhoods introduced the report.

Members were pleased that the scheme has made a significant impact on reducing waste and carbon emissions and increasing recycling.

DECISIONS

The Cabinet:

- i) **Noted the progress and outcomes of the existing two food waste collection round trials and agree to continue these for a further 12 months from September 2021.**

- ii) **Approved an extension of a further two rounds for a 12 month period from September 2021 at a cost of £300,000 and that this be funded from the Cabinet Reserve but subject to the following:**
- a. **Full Council approval on 9th February 2021 of the mainstreaming of the current 2 Food Waste Recycling rounds into base budgets at a cost of £300,000 (including the associated necessary savings to fund it).**
 - b. **Full Council approval on 9th February 2021 of the Capital Scheme to fund the associated Capital Costs of £340,000 which includes 2 additional waste vehicles, additional bins and receptacles plus project costs.**

11. Portsmouth Lottery (AI 5)

Catherine Ramsay, Business Development and Projects Manager introduced the report.

During the discussion that followed members noted that the approach was sensible and would help increase participation.

DECISION

The transfer of the Portsmouth Lottery to HIVE Portsmouth as the community strategic partner was approved.

12. This agenda item is no longer required as this report has been combined with the report in agenda item 6. (AI 7)

13. Portsmouth City Council - Budget & Council Tax 2021/22 & Medium Term Budget Forecast 2022/23 to 2024/25 (AI 6)

Chris Ward, Director of Finance & Resources introduced the report and asked members to note the following corrections to the report:

Section 3.4. Should read: That the following amounts be now calculated by the Council for the financial year 2021/22 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992.

The reference to council tax surplus should read deficits.

During the discussion the following points were clarified:

- The £3m underspend from last year would be transferred to the savings account to be spent on the Capital Programme.
- The council works hard every year to spend less than projected.
- There are a number of risks regarding income from business rates and a 1% decrease has been factored in.

RECOMMENDED to Council that the recommendations set out in section 3 of the report be approved subject to the following correction:

That the following amounts be now calculated by the Council for the financial year 2021/22 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992.

14. New Theatre Royal (AI 8)

Claire Looney, Partnership & Commissioning Manager introduced the report.

Members noted that the council had been involved with the trust early last year about the difficulties it was experiencing even before Covid 19. It is of paramount importance that this asset survives particularly as it is in an area where cultural assets are at a premium.

DECISION

The Cabinet authorised officers to complete the negotiations for the sale of the freehold of the New Theatre Royal to Portsmouth City Council in order to retain the building for public use.

15. EU Exit - Provision of Border Control Points at Portsmouth International Port (AI 9)

Mike Sellers, Port Director introduced the report and in response to questions from members he and John Royal, National Farmers Union representing the Livestock industry in the UK clarified the following points:

A number of EU ports had been contacted. Calais replied to state that it would only transport horses and live poultry.

The government is investing in the White Cliffs inland facility but this is at very early stages.

There are no alternatives to Portsmouth available.

As nothing will be ready by 1 July, a transition period has been requested.

Penny Mordaunt MP has applied pressure on the government to progress this issue.

Portsmouth Port is recognised as strategically important and resilient.

Councillor Vernon-Jackson noted that the council will not pursue the building of the BCP at a cost of £7m to facilitate a trade that is limited to £23,000/ year. However, it was agreed that the council would continue to apply pressure on the government to obtain funding.

DECISION

The report was noted.

16. Shareholder Committee - appointment of members (AI 10)

Sophie Mallon, Head of commercial, procurement and regeneration introduced the report.

Members noted the importance of ensuring that the council has oversight of the companies it runs.

DECISION

The Cabinet appointed:

i. Members of the Shareholder Committee in accordance with the terms of appointment as per the Cabinet Report of 26 March 2020 (as detailed below);

ii. Members of the Shareholder Committee to work with the City solicitor to finalise terms of reference and incorporate the Local Government Lawyer best practice guidance (at appendix A) to ensure the necessary constitution changes take place.

17. Forward Plan Omission. (AI 11)

DECISIONS

- 1. The omission to the Forward Plan for 4 January to 23 February 2021 was noted.**
- 2. Publication of the omission notice was noted.**

18. Exclusion of Press and Public. (AI 12)

DECISION

Under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of appendices B, D & F of the Cosham Development Sites report as it contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.

19. Cosham Development Sites. (AI 13)

Tom Southall, Assistant Director Property & Investment introduced the report.

Chris Ward asked members to note that recommendations 2.2 - 2.4 were subject to the approval of 2.5.

Members noted that:

This is part of a significant package of investment in the north of the city which will improve the health and wellbeing of residents in not only Cosham but also Wymering, one of the most deprived communities in the area.

The council has worked with public sector partners for this project.

It will enable the police and fire services to modernise with delivery of services in the new site.

DECISIONS

The Cabinet approved and authorised that:

1. Subject to the approval and successful negotiation of recommendations 2.2 and 2.3 the Freehold of the land known as Portsmouth Craft and Manufacturing Industries (PCMI), 85 Northern Road, Cosham, Portsmouth PO6 3EP as shown edged red on the plan at Appendix A and forming part of title PM24912 be sold freehold to the acquiring party (for the consideration outlined confidentially in Appendix B).
2. The Freehold of the land known as Cosham Fire Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at Appendix C and forming part of title PM35957 and PM37047 be acquired by Portsmouth City Council (for the consideration set out confidentially in Appendix D).
3. The freehold of land known as Cosham Police Station, Wayte Street, Cosham, Portsmouth PO6 3BS as shown edged red on the plan at Appendix E and forming part of title PM13256 be acquired by Portsmouth City Council (for the consideration set out in confidential Appendix F.)
4. The Director of Regeneration and City Solicitor be authorised to finalise negotiations, prepare and complete the necessary documentation in line with the intent of the Heads of Terms, to appoint a third party solicitor and to complete all necessary documentation in order to undertake 1, 2 & 3 above.

And that the Cabinet recommends to City Council that:

5. Authority is delegated to the Director of Finance and Section 151 Officer in consultation with the Leader of the Council to allocate all proceeds of the sale of PCMI, (85 Northern Road) to be used to acquire Cosham Fire Station and Cosham Police Station and that any surplus proceeds remaining are used to bring forward the development opportunity.

The meeting concluded at 1.05pm.

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Councillor Gerald Vernon-Jackson CBE
Leader of the Council

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Agenda Item 4



Title of meeting: Cabinet
City Council

Date of meeting: Tuesday 09 March 2021

Subject: Capital Strategy 2021/22 - 2030/31

Report by: Director of Finance & Resources

Wards affected: All

Key decision: Yes

Full Council decision: Yes

1. Executive Summary

- 1.1. The Council's ten year capital strategy was first approved in March 2019. The Capital Strategy is dynamic and is therefore updated annually as capital investment plans mature.
- 1.2. The Capital Strategy sets out the overarching capital aspirations and how both capital expenditure and investment decisions are made, whilst taking into consideration risks and rewards. There are 2 parts to the Capital Strategy.

Part I - Capital Strategy

- 1.3. The Chartered Institute of Public Finance and Accountancy (CIPFA) describes the capital strategy as "the long-term strategy for investment in assets and for obtaining the resources required for that investment". When a capital scheme is approved by Members, it is at that point in time that a decision is made how to finance the scheme. If the scheme generates either sufficient income or savings, it can be financed from borrowing so long as either the income or savings can be predicted with a high degree of certainty to adequately service the debt.
- 1.4. At the time of scheme approval, should the Council have surplus cash, it may choose to fund capital expenditure financed by borrowing from its surplus cash in the short-term, and delay going out to the market to physically borrow the required cash for the capital scheme until a later date. Prior to any borrowing a full business case and financial appraisal is prepared that can satisfactorily demonstrate with good certainty that cost savings / additional income or value uplift of the development which will accrue directly to the Council will at least cover the cost of that borrowing on a sustained basis over the lifetime of the borrowing undertaken.

- 1.5. Whether to take long term borrowing, or use surplus cash in the short-term and delay a decision to take longer term borrowing forms part of the Treasury Management Policy and is not considered here.

Part II - Borrowing and Investing

- 1.6. Part II considers the implications of the Council's future capital expenditure plans on borrowing and investing.

Making Provision for the Repayment of Debt

- 1.7. Repayment of borrowing must be provided for upon completion of General Fund schemes financed by borrowing, it is the Council's policy to provide for the repayment of the debt over the asset's useful economic life not exceeding 50 years. This is known as the **Minimum Revenue Provision (MRP)** and is based on an annuity method of calculation. This methodology results in a lower MRP for new assets in the early years presenting the council with the opportunity to build income streams and build savings over this period. However, MRP will increase year on year, but not necessarily in real terms after inflation is taken into account.

Timing of Borrowing

- 1.8. When the Council has surplus cash, instead of investing that surplus cash through the Treasury Management Policy it can use it in the short term as a source of finance for capital expenditure. The resulting loss of interest earned on investments can be more cost effective than borrowing the required funds straight away. However, this delays taking external borrowing rather than avoiding the need to borrow completely.

Investments in Property

- 1.9. According to the CIPFA Treasury Management Code, **Investment in Commercial Properties Acquired through the Capital Programme** are also regarded as investments in addition to **Investments of Surplus Cash**.
- As at 31 March 2020 the Council had invested £171.9m in commercial properties with plans to further invest £11.1m in commercial properties from borrowing that was secured in 2016/17. The Government issued revised statutory guidance on local government investments early in 2018, effective from 01 April 2018. The guidance no longer permits Councils to borrow primarily to generate a surplus. The Council had previously approved and borrowed funds to enable the purchase of a £183m commercial property portfolio. At the time the Government issued its revised guidance £128m had already been invested in commercial properties with £55m left to spend. On 25 November 2020, the Chancellor denied access to the Public Works Loans Board (PWLb) for any local authority, which has the purchase of assets primarily for yield in its three-year capital programme. There are no purchases of investment property primarily for yield in the capital programme from 2021/22 onwards.

- 1.10. To ensure that the Council does not become over reliant on Investment income, a number of indicators are calculated in accordance with government guidance. These are included in the Appendix of Part II.

Skills and Knowledge of Staff

- 1.11. Treasury Management and Capital accounting requirements are complex and heavily regulated. As a consequence, staff are provided with adequate training so that they have sufficient **skills and knowledge**, assisted by Link Asset Services, to undertake the treasury management function in house.

Treasury Management Reporting

- 1.12. The Council's strategy for borrowing and investing surplus cash is contained in its Treasury Management Policy elsewhere on the agenda. All **Treasury Management Policies** are considered by the Cabinet and approved by the City Council on an annual basis. All reports on treasury management including monitoring reports are scrutinised by the Governance and Audit and Standards Committee.

2. Purpose of report

- 2.1. The purpose of this report is to:

- enable the City Council to adopt a long term Capital Strategy from 2021/22 onwards
- inform members and the wider community of the Council's Capital Strategy
- ensure that Members are aware of the overall strategy, governance procedures and risk appetite
- highlight the inter-relationship between business planning the Capital Strategy, Capital Programme, the Revenue budget, the Medium Term Financial Strategy and Treasury Management

Simple Business Planning Model



Link Asset Services

- ensure the council has sufficient liquidity to meet the cashflow arising from the capital programme

3. Recommendations

- 3.1. That Part I of the Capital Strategy (Capital Expenditure and Aspirations) be approved including:
 - a) The Short / Medium / Long-term Aspirations set out in Appendix 1.
- 3.2. That Part II of the Capital Strategy (Borrowing and Investing) be approved including:
 - a) The Minimum Revenue Provision (MRP) for Debt Repayment Policy (Part II, paragraph 1.5)
 - b) The investment indicators in Part II - Appendix 2 (Part II, paragraph 2.5)
 - c) That the Director of Finance and Resources (Section 151 Officer) will bring a report to the next Cabinet and City Council if (Part II, paragraph 2.5):
 - (i) The Council's gross General Fund (GF) debt exceeds 450% of GF net service expenditure or;
 - (ii) Overall investment income from investment properties and long term treasury management investments exceeds 9.0% of GF net service expenditure.

4. Background

- 4.1. In March 2020, the City Council approved the 10 year Capital Strategy starting in 2020/21
- 4.2. The Capital Strategy establishes the approach to both capital expenditure and investment decisions.
- 4.3. This report outlines the Council's Capital Strategy and aspirations for the next 10 years, starting from 2021/22. The Capital Strategy is dynamic and will be updated annually as capital investment plans mature. The Capital Programme and "new starts" (including the Housing Investment Capital Programme) is approved each year by Full Council, in accordance with the Capital Strategy.
- 4.4. The Capital Strategy fulfils the requirements of the revised Prudential Code for Capital Finance in Local Authorities 2017.

5. Reasons for recommendations

- 5.1. Adopting a Capital Strategy will enable a longer term view to be taken of capital expenditure, borrowing and investment. The Capital Strategy is also intended to facilitate integration between the Council's aspirations, its Capital Programme and its Treasury Management Strategy.

6. Integrated impact assessment

- 6.1. This Capital Strategy identifies capital schemes that may be included in future capital programmes. Sums are not earmarked for capital schemes until they are included in the capital programme. Prior to the commencement of any capital scheme, a report and financial appraisal on that scheme will be approved either by the Portfolio Holder, the Cabinet or the City Council and at that time, an Integrated Impact Assessment will be undertaken.

7. Legal implications

- 7.1. The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2011 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance's comments

- 8.1. All financial considerations are contained within the body of the report and the attached appendix.

.....
Signed by: Director of Finance and Resources (Section 151 Officer)

Appendices:

Part I Capital Strategy

Sub Appendices:

Appendix 1 Capital Aspirations

Part II Borrowing and Investment including Investment Indicators

Sub Appendices:

Appendix 2 Investment Indicators

Glossary

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Information pertaining to the Capital Strategy	Financial Services

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:



Portsmouth
CITY COUNCIL

CAPITAL STRATEGY

2021/22- 2030/31

“Working Together: putting people at the heart”

Part I Capital Expenditure and Aspirations

CONTENTS

- 1. Definition, Purpose & Scope**
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1. Definition, Purpose & Scope

Definition

- a. Capital expenditure is the expenditure that is incurred primarily on buying, constructing or improving physical assets, such as:

- Buildings (including schools, houses, libraries and museums)
- Land for development, roads, playing fields; and
- Vehicles, plant and machinery (including street lighting and road signs).

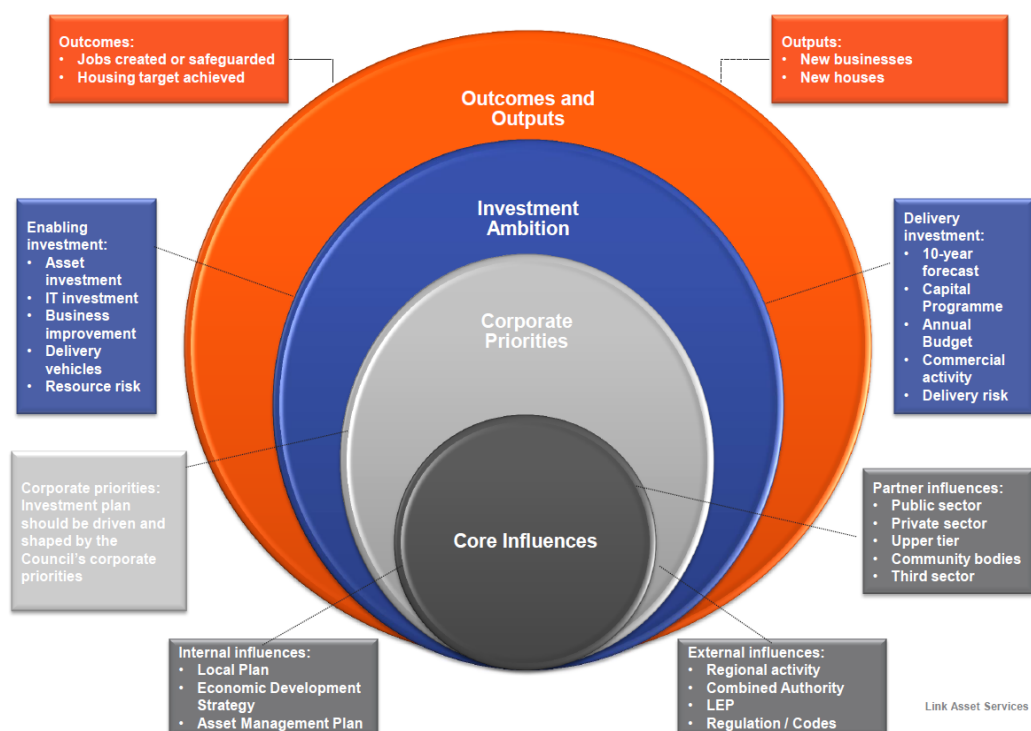
Capital expenditure also includes grants and advances made to the public or private sector for capital purposes, such as advances to Registered Social Landlords to provide adaptations to houses meet the needs of vulnerable people

- b. The Capital Strategy is a high level plan that sets out the Council's approach to Capital expenditure over the short, medium and long term.

- c. The Capital Strategy takes both a "bottom up" and "top down" approach to the identification of the Council's Capital expenditure requirements. It takes a 10 year time horizon and considers:

- What are the short term **needs** of the existing capital assets of the City Council, which of them will be required for future service delivery and what capital expenditure will be needed to sustain them both now and in the future ("Bottom Up" approach)
- What are the Council's medium term **priorities** for service delivery and what capital expenditure will be needed to help deliver those priorities ("Top Down" and "Bottom Up" approach)
- What are the Council's long term **aspirations** for the City of Portsmouth and what capital expenditure will be needed to deliver those aspirations ("Top Down" approach)

Capital Strategy



Purpose

- d. The purpose of the Capital Strategy is to set out a plan and a supporting financial framework to assist in the delivery of the Council's needs, priorities & aspirations. That plan describes what will be achieved, by when with key milestones and how it could be funded.
- e. The Capital Strategy is intended to be a robust vehicle with sufficient guiding principles to achieve the Council's stated vision and priorities but flexible enough to be able to respond to the emerging local priorities that will inevitably arise.
- f. The Capital Strategy is not intended to be static, it is a dynamic plan that will change and evolve continually over time. The Capital Strategy needs to be flexible to respond to emerging national and local priorities. In particular, the nature of the Central Government Capital Financing system is such that many national priorities for Capital expenditure will be cascaded and "drip fed" to Local Authorities over time and will be accompanied by the external funding to support them. These will be incorporated into the Council's Capital expenditure Plans as they arise. The Strategy will however, be robust and will include local priorities and aspirations that the Council aims to fund from the Council's own capital resources
- g. Unless there is a compelling case in the wider public interest, any capital receipts received from assets previously appropriated between the General Fund and the Housing Revenue Account be used in any way to relieve the Council (HRA or General Fund) of its associated ongoing debt burden. Such uses will include:
 - i. A voluntary contribution to the repayment of debt (i.e. Voluntary Minimum Revenue Provision)
 - ii. The funding of (or contribution to) a capital scheme that will generate long term income streams that exceed the ongoing debt burden

- iii. The funding of a capital scheme that will reduce expenditure or avoid costs at a level that exceeds the ongoing debt burden
 - iv. Any combination of the above
- h. Following the December 2017 edition of the CIPFA Prudential Code for Capital Finance in Local Authorities' regulations guidance, there is also a requirement for full Council to approve an annual Capital Strategy linking with the Council's asset management plans and its Treasury Management Strategy. Being aligned with one another, they will generate and create value for the Council by optimising the Council's liquidity; having a framework in place to prioritise capital expenditure and safeguarding against risk of either project overspend or non-delivery and by limiting the uncertainty of its returns.

Scope

- i. The City Council's Capital Strategy encompasses all areas of the Council's activities including some of the traditionally more autonomous service areas such as Housing Revenue Account and the Commercial Port.
- j. The body that approves the budget for PCC is the Full Council. The responsibility for decision-making and ongoing monitoring in respect of capital expenditure, investment and borrowing, including prudential indicators, remains with the Full Council.
- k. New Capital Expenditure will be targeted towards income generation and economic growth whilst ensuring the Council's statutory obligations are also met, (e.g. school places). The priority of new capital expenditure will be assessed in accordance with the following capital expenditure criteria:
 - i. Essential to maintain operational effectiveness - including statutory responsibilities
 - ii. Continued drive towards the regeneration of the City - by increasing prosperity through employment and reducing the extent to which the population needs Council services
 - iii. Income Generation - reducing dependency on central government grants
 - iv. Invest to save - increasing the efficiency and effectiveness of the Council's activity.

2. Portsmouth Vision & Corporate Plan – “Strategic Fit

a. The Vision for Portsmouth is:

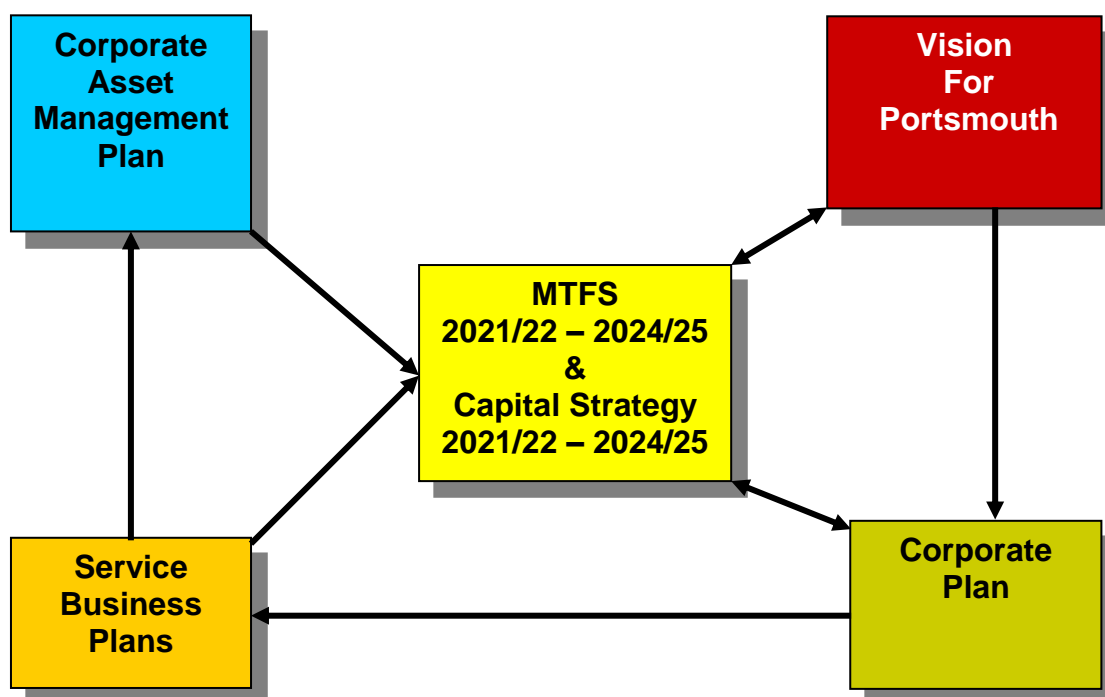
“Make Portsmouth a place that is fairer for everyone: a city where the Council works together with thriving communities to put people at the heart of everything we do”.

In order to deliver this vision, the City’s priorities are to:

- Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives
- Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit
- Make our city cleaner, safer and greener
- Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy and positive about their futures
- Make sure our council is a caring, competent and collaborative organisation that puts people at the heart of everything we do.

- b. The Regeneration priority to "encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit" articulates the vision for the city to become a globally competitive economy supporting local economic growth, innovation and enterprise and enhancing the competitiveness of Portsmouth. The aim of the priority is to ensure local people are able to get those jobs and benefit from regeneration programme. By having a "Portsmouth first" approach to property investment, income generation will maintain services and enable more affordable good quality homes to be built.
- c. The Medium Term Financial Strategy (MTFS) and the Capital Strategy (CS) set out the Revenue Spending plans and the Capital expenditure plans respectively that deliver the longer term aspirational Vision for Portsmouth and the medium term Priorities for the City Council. Both of these strategies set out the financial frameworks that exist to support the achievement of the vision and priorities.
- d. Whilst there is a technical distinction between Revenue and Capital, the focus of attention for the Council is not whether it is Capital or Revenue, but whether the desired outcome is achieved. In this respect, the strategy for capital expenditure is of equal importance to the strategy for revenue spending.
- e. Whilst the MTFS and CS are designed to support the delivery of the day to day revenue and ongoing capital expenditure needs, priorities and aspirations of the Council, those needs, priorities and aspirations are also constrained by the revenue and capital resources available. These strategies therefore introduce criteria based processes to assist the Council in making informed spending decisions that will optimise the outcomes from the resources available.
- f. The MTFS and CS are driven by the Vision for Portsmouth and the Corporate Plan both directly in terms of medium to longer term priorities and ambitions of the Council and via Service Business Plans and the Corporate Asset Management Plan in terms of the short and medium term needs and priorities of the Council. This is illustrated pictorially below:

STRATEGIC FIT



- g. The Corporate Asset Management Plan and Service Business Plans are the more immediate “needs analysis” and “bottom up” drivers that feed the MTFS and CS. Service Business Plans set out all spending plans of the service in order to deliver priority outcomes. Service Business Plans also feed the Corporate Asset Management Plan (CAMP) which seeks to align the Council's asset base with our corporate plans and objectives. The CAMP identifies current and future needs and priorities of services and seeks to provide a series of actions to ensure the Council has the right assets, in the right condition and in the right location
- h. A core feature of this Capital Strategy is assist in the delivery of the Vision and the Corporate Plan. There is a presumption that Capital expenditure will be targeted towards income generation and economic growth whilst ensuring the Council's statutory obligations are also met. The emphasis is therefore on creativity, innovation and regeneration activities.

3. Key Capital Expenditure Principles

- a. In order to determine which current, or future assets, should be either maintained or invested in the following principles will be adopted when consideration is given to capital expenditure decisions:

b.

Principle 1 – Contribution to Council Plan / Priorities

For the Council's non-commercial activities, Capital expenditure will be made where there is a clear and demonstrable contribution to the priorities contained within the Corporate Plan or the aspirations contained within the Portsmouth Vision.

For the Council's commercial activities (such as the Port and Investment Property Portfolio), Capital expenditure will be based on the commercial principles of achieving security of the investment with a specified rate of return and payback through surpluses over a reasonable time period.

Principle 2 - Statutory Obligations

There must be clarity about the details of immediate obligations and the extent to which the current statutory obligation is being met.

Principle 3 – Financial Appraisal

The City Council will only embark on new capital expenditure where that capital expenditure is fully funded and the source of funding in terms of both timing and value can be relied upon with a high degree of confidence. The timing and accessibility of funds to PCC must be considered.

Prior to any Capital expenditure decision being made, the whole life cost of the proposal will be estimated and the Council will satisfy itself that those costs can be accommodated with the council's overall budget. Capital Expenditure must also take into consideration the impact on both existing revenue and capital budgets and future forecasts. This will include both the maintenance and any lifecycle replacement of components required over the estimated useful life of the asset.

Principle 4 – Option Appraisal

Any new capital expenditure decision is to follow a full and proper options appraisal that considers the following for each reasonable alternative:

- Suitability – the extent to which each option makes a contribution to the needs, priorities and aspirations of the Council as defined within the CAMP, Corporate Plan and Vision for Portsmouth
- Feasibility – the capital cost and whole lifecycle cost plus the practical ease of implementing the scheme
- Acceptability – the extent to which the scheme is acceptable to Members of the City Council and the residents of Portsmouth.

Principle 5 - Risk

The Capital expenditure should not place the Council in a position where the risks associated with the Capital expenditure exceed the benefits of undertaking that investment. Neither, should the Council enter into any Capital expenditure where the risks associated with that investment cannot be managed effectively. Such risks may include (but will not be exclusive to) having insufficient resources generally or project management resources in particular to be able to effectively deliver a capital scheme.

Principle 6 – Approved Schemes in Progress (overspends)

The first consideration before any new Capital Expenditure is to ensure that the existing approved capital programme is fully and properly funded. Except in exceptional circumstances, the first call on available capital resources will be to fund any overspendings on approved schemes which are contractually committed. An approved scheme that is in progress will only be cancelled when the Value for Money of that scheme becomes unviable. (I.e. the additional costs and risks outweigh the potential future benefits)

4. Capital Resources

The financial framework governing the allocation of Capital Resources is based on pooling resources and avoiding self-imposed ring-fencing in order to offer Members greater choice and transparency with the overall aim of delivering better outcomes from the resources available. It seeks to strike the correct balance of allocating capital resources between short and medium term needs and priorities and longer term aspirations, in order to support the delivery of the long term Capital Strategy.

Pooled corporate capital resources (i.e. non passported sources of finance) available to the City Council for new capital schemes comprise the following:

- Non ring-fenced capital grants from Government
- Other Corporate Capital Grants & Contributions e.g. Community Infrastructure Levy
- Revenue Contributions to the Capital Programme
- Any allowances for Prudential Borrowing
- Changes to the existing Capital Programme - additions or deductions for any changes in the costs or funding requirements associated with the existing capital programme
- The forecast value of additional capital receipts taking into account:
 - New assets declared surplus to requirements
 - Any increase or decrease in the estimated value of existing assets to be disposed of
 - Any requirements to provide for affordable housing, parking or any other conditions which could have a significant impact on the disposal value and other costs associated with disposal

Unless there is a compelling case in the wider public interest, any capital receipts received from assets previously appropriated between the General Fund and the Housing Revenue Account will be used in any way to relieve the Council (HRA or General Fund) of its associated ongoing debt burden. Such uses will include:

- A voluntary contribution to the repayment of debt (i.e. Voluntary Minimum Revenue Provision)
- The funding of (or contribution to) a capital scheme that will generate long term income streams that exceed the ongoing debt burden
- The funding of a capital scheme that will reduce expenditure or avoid costs at a level that exceeds the ongoing debt burden
- Any combination of the above

5. Short & Medium Term Capital Expenditure Needs & Priorities

- a. The short and medium term Capital expenditure needs of the Council will be driven by the Corporate Plan and be identified in Service Business Plans and the Corporate Asset Management Plan (CAMP).
- b. The CAMP is a consolidation of all existing Capital expenditure needs and priorities drawing on Service Asset Management Plans and other Corporate Priorities. It is both a “bottom up approach” (i.e. needs led) drawing upon changing demographics, changing demand and changing expectations of residents as well as a “top down” approach (i.e. priority led) based on the future direction of the Council set out in the Corporate Plan.
- c. In summary, the CAMP will identify:
 - The assets needed to deliver current and future services
 - The condition and sufficiency of those assets
 - The capital expenditure required to maintain and / or adapt those assets to ensure that they are “fit for purpose”
 - Unsuitable and surplus assets that are not required for the delivery of the Council’s services and could either be:
 - Re-used for another purpose
 - Re-developed or “mothballed” for future re-development
 - Transferred for Community or other Public Use
 - Disposed of via sale.
- d. The City Council has a wide range of service responsibilities, both statutory and non-statutory. In determining the needs and priorities for new Capital expenditure, a balanced approach will be taken to ensure that the needs and priorities of all service areas are considered including taking into account, the capital intensive nature of some services
- e. The Capital Strategy is dynamic and whilst the priorities and aspirations of the Council will remain broadly constant, the Capital expenditure to achieve those priorities may change. The Capital expenditure plans of the Council will be updated continuously and added to the Council’s Capital Programme following the proper approvals in accordance with the Council’s Constitution and Financial Rules. The Capital Planning process is described as part of the Financial Framework supporting the Delivery of the Capital Strategy in Section 7.

6. Long Term Capital Expenditure Aspirations

- a. It is recommended that the City Council endorses the short to medium and long-term aspirations of the Capital Strategy, as set out in appendix 1
- b. The longer term aspirations that the Council has for the City are ambitious and rely on the Council applying the resources at its disposal in ways which deliver the greatest impact. Those resources include Capital Resources which will be targeted at Capital expenditure that has the greatest prospect of delivering the Council's aspirations.
- c. The Council has developed a wide range of longer term Capital expenditure proposals aimed at meeting the "Vision for Portsmouth", some of which have partial funding, but the majority of which, are currently unfunded. Section 7 (Appendix 1) of this Strategy sets out the way in which these unfunded Capital expenditure plans could be achieved.
- d. The Council's key longer term Capital expenditure plans and aspirations aimed at delivering the Vision for Portsmouth are set out in Appendix 1.

7. Summary

- a. This strategy sets out the key capital expenditure priorities over the short, medium and longer term.
- b. Whilst the capital resources available are currently insufficient to meet all the capital expenditure Priorities of the Council, the financial framework set out in this strategy will provide the best opportunity for maximising resources and the best opportunity for applying those resources to that Capital expenditure which will make the greatest contribution to the Council's needs, priorities and aspirations.
- c. Inevitably plans to achieve the Council's objectives over the short, medium and long term will change as will the capital resources available. This strategy has been designed to be flexible enough to accommodate any such changes whilst being robust enough to enable the Council's core objectives to be achieved.

APPENDIX 1
Capital Aspirations (Short / Medium / Long-term)

KEY SHORT / MEDIUM / LONG TERM CAPITAL INVESTMENT NEEDS & PRIORITIES - 2021/22 ONWARDS

Corporate Plan	Nature of Capital Investment	Source of Funding			Expected Outcome
		Total Capital Cost £'000s	Borrowing Requirements £'000s	Other Funding £'000s	
Encourage regeneration built around our city's thriving culture	Jetty Repairs at The Camber Quay	2,500		2,500	Protect income to both the Council and the City
Encourage regeneration built around our city's thriving culture	Redevelopment of Former Horatia and Leamington House Sites	101,000	92,000	9,000	Increase supply of affordable housing
Encourage regeneration built around our city's thriving culture	Tipner Infrastructure	200,000		200,000	Provision of circa 3,500 homes and 1,000,000 sq. ft of marine employment space
Encourage regeneration built around our city's thriving culture	Cosham Masterplan	192,000	57,600	134,400	Provision of a community hub including circa 800 homes
Make our city cleaner, safer and greener	Local Transport Scheme (rolling programme)	6,000		6,000	Improving road safety across Portsmouth
Make our city cleaner, safer and greener	Design & Build 2000 Space Multi Story Car Park at the existing Park & Ride site	32,000		32,000	A city where all residents and visitors have opportunities to enhance their health and well-being and to be involved in building happier and healthier local communities
Make our city cleaner, safer and greener	Environmental Initiatives	9,170		9,170	To facilitate improvements to the city's environment
Make Portsmouth a great place to live, learn and play	Additional School Places - SEND	11,500		11,500	Investing in school buildings to create additional places and provide learning environments that meet the needs of all children
Make Portsmouth a great place to live, learn and play	Maintenance of School Buildings (rolling programme)	8,000		8,000	Maintain and improve PCC Assets
Make Portsmouth a great place to live, learn and play	Improving IT Infrastructure for Education and Children's Social Care	1,500		1,500	Maintain and improve PCC Assets
Make Portsmouth a great place to live, learn and play	PCC Estate Landlords Repairs & Maintenance (rolling programme)	10,400		10,400	Maintain and improve PCC Assets
Make Portsmouth a great place to live, learn and play	Sea Defences - Enhancements - Future Phases	10,000		10,000	To enhance the sea defences
Make sure our council is a caring, competent and collaborative organisation	Digital Strategy	1,750		1,750	Working to ensure we have a modern, flexible, highly skilled, supported and motivated workforce to provide services that meet the needs of our residents
Make Portsmouth a great place to live, learn and play / Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives	Development of new burial site for faith Group	500		500	Dedicated burial space for different faith groups
Make Portsmouth a great place to live, learn and play / Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives	Sports and Leisure Facility improvements (mainly Mountbatten Centre)	5,000	5,000		To ensure that the Mountbatten Centre remains fit for purpose and that it can respond to the latest needs in line with the next re-procurement. Improved physical participation and mental and physical health
Encourage regeneration built around our city's thriving culture	Berth 3 & 5 Linkspan Replacement	25,000	25,000		Protect income to both the Council and the City
Encourage regeneration built around our city's thriving culture	Pilot Boats	2,000		2,000	Maintain and improve PCC Assets

Corporate Plan	Nature of Capital Investment	Source of Funding			Expected Outcome
		Total Capital Cost £'000s	Borrowing Requirements £'000s	Other Funding £'000s	
Make Portsmouth a great place to live, learn and play	Replace Farlington Pavilion (7-10 years) plus match funding	5,000	2,500	2,500	Replace Pavilion
Make Portsmouth a great place to live, learn and play	Replace Langstone Pavilion	1,000	1,000		Replace Pavilion
Make Portsmouth a great place to live, learn and play	Invest in Young People's Play (£1m in alternate years)	5,000	5,000		Replace equipment over a period of years to spread life expectancy and to include works that are not necessarily fixed equipment in fenced sites
Make Portsmouth a great place to live, learn and play	Invest in Public Open Spaces	1,000	1,000		build outcomes of Covid 19 and invest in public open spaces to increase their value as public assets further- increasing maintenance and green features to cope with demand and meet public expectation
Make Portsmouth a great place to live, learn and play	Horsea Island Country Park- post Handover plan	200		200	Provision of country park experience for residents
Make Portsmouth a great place to live, learn and play	Japanese garden	125		125	complete refurbishment of garden
Make Portsmouth a great place to live, learn and play	Sports facilities refurbishment & Improvement	5,000	5,000		Maintained and Improved facilities
Make Portsmouth a great place to live, learn and play	Conversion of west chapel at Kingston Cemetery	500	250	250	Office accommodation and toilets
Encourage regeneration built around our city's thriving culture	Milton and South Kingston lodge refurbishment	1,000	500	500	Increase life & usage of assets
Encourage regeneration built around our city's thriving culture	Seafront & Old Portsmouth refurbishment & improvement (to include St Georges beach huts, Round Tower, Nelsons Column area, Hotwalls seawards side lighting, paving and resurfacing)	500		500	Maintain/Improve customer experience and increase life of assets
Make Portsmouth a great place to live, learn and play	Refurbishment of Southsea Library	250	125	125	Maintain/Improve customer experience
Make Portsmouth a great place to live, learn and play	IT Investment in Library service	250		250	Maintain/Improve customer experience
Make Portsmouth a great place to live, learn and play	Guildhall Renaissance Project	1,700	1,700		(Self funding)quality cultural/leisure provision for residents
Make Portsmouth a great place to live, learn and play	Refurbishment of the Rose Gardens	125		125	Refurbishment of gardens
Encourage regeneration built around our city's thriving culture	Regeneration of Former Tricorn Site	125,000	62,500	62,500	The delivery of Additional Residential accommodation, employment and public realm improvements in the City Centre
Encourage regeneration built around our city's thriving culture	Regeneration of Sainsbury's Site	200,000	180,000	20,000	The delivery of Additional Residential accommodation, employment and public realm improvements in the City Centre
	Total Investment	964,970	439,175	525,795	

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PART II Borrowing and Investing

A key activity is to know when and how much to borrow when the Council requires more cash, and investing when the Council has surplus cash. In this way, it manages the Council's cashflows. This activity is known as treasury management.

1. Net Debt

Borrowings increase when capital schemes are financed from borrowing, and decrease when debt is repaid.

The Council's reserves and working capital are invested until the money is required to finance expenditure.

The Council's forecast net debt, i.e. its borrowings less its investments is summarised in the table below. This forecast is based on the Council using its reserves to finance capital expenditure in the medium term, rather than undertaking new external borrowing. This is beneficial to the Council's revenue budget as the interest on borrowings normally exceeds the return on the Council's investments. However, this position cannot be maintained in the long term with the Council's net debt increasing year on year, and eventually the Council will have to undertake further external borrowing.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m
Borrowings	778	762	747	735	721	710
Less Investments	(387)	(236)	(159)	(128)	(94)	(93)
Net Debt	391	526	588	607	627	617

2. Borrowing

The principle source of borrowing comes from the Public Works Loan Board, (PWLB) which is operated by HM Treasury. The PWLB offers a range of loan durations and principal repayment methods to Local Authorities. The PWLB represents a competitive source of borrowing for the Council.

This Capital Strategy identifies capital aspirations that may be included in future capital programmes. Prior to any borrowing, a full business case and financial appraisal is prepared that can satisfactorily demonstrate with good certainty that cost savings / additional income or value uplift of the development which will accrue directly the Council, will at least cover the cost of that borrowing on a sustained basis over the lifetime of the borrowing undertaken.

Outstanding long-term debt is reviewed regularly with a view to early redemption and rescheduling; although premiums would be payable to the lender and consequently early redemption and rescheduling are rarely financially beneficial to the Council.

2.1. Affordability of Borrowing

In order to ensure future budgets remain affordable, with the exception of debt repaid using capital receipts, the Council needs to be aware that capital expenditure financed from prudential borrowing incurs both **interest costs** and a **Minimum Revenue Provision (MRP)** for the repayment of debt.

Following the decision by the PWLB on 25 November 2020 to decrease their margin over gilt yields by 100 bps to 80 basis points on loans lent to local authorities, interest costs on new borrowing will be significantly lower. At the same time the Chancellor denied access to the PWLB for any local authority that has the purchase of assets primarily for yield in its three year capital programme.

The Council has a policy of calculating MRP on an annuity basis. This means that MRP will start at a relatively low level but require increasing amounts of MRP to be set aside year on year, especially for assets with long useful economic lives. This creates a period of relatively low MRP during the early years when either income can be generated or savings can accrue. The distribution of MRP over the life of a capital scheme is determined by the prevailing interest rate. The lower the interest rate, the higher the MRP is in the early years. Therefore, although the interest costs on new borrowing will be lower, MRP in the early years will be higher.

It is estimated that MRP will increase to the following amounts in the short-term.

Year	MRP
2021/22	£11.3m
2022/23	£11.9m

The inclusion of further schemes in the capital programme financed by prudential borrowing will further increase the MRP.

2.2. Key Risks

There are risks with borrowing more than the Council can afford. In order to mitigate these risks, the **Chartered Institute of Public Finance and Accountancy (CIPFA)** has produced the **Prudential Code** for Capital Finance in Local Authorities, which is a statutory code governing local authority borrowing. The Prudential Code requires the Council to establish various indicators over a minimum of 3 years to demonstrate that its capital programme is both affordable and prudent. The Council publishes its **Prudential Indicators**, over a 5 year period, within its capital programme and the Council then reports its position against the prudential indicators at the end of each financial year.

In order to ensure that the borrowing required to finance the capital programme is affordable, the Council:

- estimates the ratio of its financing costs to its net revenue stream

In order to ensure that the Council's capital programme is prudent, the Council:

- publishes a capital programme which includes estimates of its underlying need to borrow as measured by its capital financing requirement
- Is required to approve an **Authorised Limit** for external debt and an **Operational Boundary** when it approves its capital programme.

The **Authorised Limit** for external debt, as set by the City Council, is the maximum amount of debt which the authority may legally have outstanding at any time. The authorised limit includes headroom to enable the Council to undertake borrowing to take advantage of unexpected movements in interest rates and to accommodate any short-term debt or unusual cash movements that could arise during the year

Whilst the **Authorised Limit** cannot be breached, the **Operational Boundary** is based on the probable external debt during the course of the year. It is not a limit, but acts as a warning mechanism to prevent the authorised limit (above) being breached.

2.3. Sensitivity Analysis

The Council's gross debt at 31 March 2020 was as follows:

	£m	£m
Fixed Rate Borrowing	622	
Finance Leases	1	
Private Finance Initiative (PFI) Schemes	62	
Sub Total - Fixed Rate Debt		685
Lenders Option Borrowers Option (LOBO) Loan	11	
Retail Price Index (RPI) linked loan	68	
Sub Total - Variable Rate Debt		79
Total Gross Borrowing		764

90% of the Council's borrowing has a fixed interest rate, but the Council does have two variable rate loans.

- The lender of the LOBO loan has an option to increase the interest rate every two years. The lenders next option is on 19 March 2021. If the lender does increase the interest rate the Council then has the option to repay the loan.
- The Council has £68m outstanding on a loan which links the instalments payable by the Council to the RPI. The Council has leased the Isle of Wight Ferry Terminal in White Heart Road to Wightlink on an RPI linked rent that mirrors the instalments payable on this loan mitigating the consequences of increases in RPI.

2.4. Minimum Revenue Provision (MRP) for Debt Repayment

Early in 2018 the Government issued revised statutory guidance on MRP requiring the repayment of all General Fund prudential borrowing to be provided for within 50 years. The following MRP policies (applied to calculating the MRP) are set out in the table below and are fully compliant with this policy. It is recommended the City Council

approves the Annual Minimum Revenue Provision (MRP) for Debt Repayment Policies set out in the table below (Recommendation 3.2a).

Borrowing	MRP Methodology
<u>General Fund Borrowing:</u>	
Supported borrowing other than finance leases and service concessions including private finance initiative schemes #	50 year annuity
Finance leases and service concessions including private finance initiative schemes *	MRP equals the principal repayments made to lessors and PFI operators
Prudential borrowing excluding borrowing to fund long term debtors (including finance leases), investment properties and equity shares purchased in pursuit of policy objectives	Annuity over life of asset
Prudential borrowing to fund long term debtors	The repayments of principal are set aside to repay the borrowing that financed the original advance
Prudential borrowing to fund finance leases	The principal element of the rent receivable be set aside to repay the borrowing that financed these assets
Prudential borrowing to fund investment properties with an expected holding period of under 50 years	The repayment of unsupported borrowing will be provided for by setting aside the capital receipt when the property is disposed of unless the carrying (market) value of the property falls below that part of the purchase price financed from unsupported borrowing. If this happens MRP will be made for the shortfall over the residual life of the property
Prudential borrowing to fund investment properties with an expected holding period of over 50 years	Annuity over life of asset
Prudential borrowing to fund equity shares purchased in pursuit of policy objectives	25 year annuity
<u>Housing Revenue Account (HRA)</u>	No MRP debt will be provided until 2023 / 24. From 2024/25 it will be provided again for the HRA Self Financing Payment in equal instalments over 30 years. MRP is not provided for other HRA debt.

The Council applied the last of its supported borrowing 2011/12

* If transactions that take the legal form of finance leases but in substance amount to borrowing, the MRP policy relating to self - financed borrowing will be adopted. An example of when this could happen would be when the Council grants a head lease to an institution in return for an upfront premium and leases the asset back from the same institution in return for a rent.

The Council had a review of its MRP policy in 2016/17. As a consequence, it highlighted that the previous methods used in the past have resulted in over provisions of MRP from 2008/09 to 2015/16 of £22.6m. The Director of Finance and Resources (Section 151 Officer) will release the over provision of MRP back into General Fund balances over a prudent period by reducing the MRP in future years under delegated authority. The Director of Finance and Resources (Section 151 Officer) reduced the MRP by £2.3m in 2019/20. At this rate of release, the Council's MRP will be reduced for a further 6 years. It is not considered prudent to release the over provision of MRP back into the General Fund balances in a single year.

The S.151 Officer is given delegated authority to make a voluntary minimum revenue provision in circumstances where it is considered necessary to relieve the Council of the on-going debt burden associated with an appropriation as described in Part I of the Capital Strategy.

3. Investment of Surplus Cash

All council cash investments have been in accordance with the Council's Treasury Management Policy.

The Council is forecast to have a significant amount of core surplus cash for the foreseeable future.

3.1. Due Diligence

The Council initially identifies suitable investments using credit ratings from Fitch, Moody's, and Standard and Poor. Where possible, credit ratings are compared to insurance premiums against a counter party defaulting. Insurance premiums against a counter party defaulting can be compared to a widely used index of the market (ITRAAX). If the market has concerns about a borrower, it should be reflected in a higher insurance premium. Although credit ratings are supported by an in depth analysis of the borrower, insurance premiums provide a more up to date indicator of a borrower's credit worthiness. Prior to making investments, any news relating to the borrower is also taken into account.

Other sources of information that is relevant to particular sectors is also taken into account either as a substitute for credit ratings and insurance premiums in sectors where these are not available or to supplement credit ratings and insurance premiums. Examples of this are the governance and viability ratings assigned to larger registered social landlords (RSLs) by the Homes and Communities Agency (HCA), and data sets published by the Building Societies Association

For further detail on the Council's investment criteria, see the Treasury Management Policy.

3.2. Investment in Commercial Properties Acquired Through the Capital Programme

According to the CIPFA Treasury Management Code, investment properties acquired through the capital programme are regarded as investments in addition to investments of surplus cash.

3.3. Statutory Guidance

The Government issued revised statutory guidance on local government investments early in 2018 coming into effect from 01 April 2018. The guidance requires Councils not to borrow to acquire investment property portfolios primarily in order to generate profits.

The Government's revised statutory guidance also requires local authorities to present a range of indicators to allow members and other interested parties to understand the total exposure from borrowing and investment decisions. It is recommended that the indicators contained in the Appendix be approved. The Government's statutory guidance requires the Council to consider the long term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure. In particular, the Government's statutory guidance requires the City Council to set limits that cannot be exceeded for gross debt compared to net service expenditure, and for commercial income as a percentage of net service expenditure. It is recommended that if these limits are exceeded, the Director of Finance and Resources (Section 151 Officer) bring a report to the Cabinet and City Council.

3.4. Activity in the Investment Property Market

Prior to this guidance coming into effect, as at 31 March 2018, the Council had spent £128m on acquiring commercial properties outside the Portsmouth economic area solely to generate income to support the services that the Council provides.

The Council's capital programme provided for £183.0m for the acquisition of commercial properties.

- a. £171.9m of this budget was spent by 31 March 2020
 - i. £13.6m on Portsmouth Retail Park and
 - ii. £158.2m outside the Portsmouth economic area, leaving
- b. £11.1m to be spent in 2020/21.

On 25 November 2020, the Chancellor denied access to the Public Works Loans Board (PWLB) for any local authority, which has the purchase of assets primarily for yield in its three-year capital programme. There are no purchases of investment property primarily for yield in the capital programme from 2021/22 onwards.

All such acquisitions require a business case and full financial appraisal. All previous acquisitions were approved by the Director of Property and the Section 151 Officer in consultation with the Leader of the City Council.

The detailed business case and financial appraisal includes building surveys, environmental surveys and valuations in accordance with the Red Book. In addition, properties are revalued on an annual basis.

The Commercial Property Portfolio is managed by an in house team who are qualified members of the Royal Institute of Chartered Surveyors.

3.5. Investment Indicators

Gross General Fund (GF) Debt to GF Net Service Expenditure

The Council's GF borrowing is forecast to be 3.3 times its GF net service expenditure in 2021/22. It is recommended that GF borrowing be limited to 4.5 times GF net service expenditure in 2021/22. This will allow further borrowing to be undertaken if it is financially advantageous.

Income from Investment Properties to General Fund (GF) Net Service Expenditure

The Council will depend on Income from investment properties to fund 6.0% of its estimated GF net service expenditure in 2021/22. In order to ensure that the Council does not become over dependent on income it is recommended that no more than 9.0% of GF net service expenditure will be funded from investment income.

Interest Cover

The Council's investment property portfolio has been financed from borrowing. There is therefore a risk that income from investment properties may be insufficient to pay the interest incurred on the associated debt. However, the net income from the investment property portfolio exceeds the cost of the associated interest 2.6 times.

Loan to Value Ratio

The Council's investment property portfolio has only recently been acquired, but the market value of the properties is thought to be sufficient to repay the borrowing that financed their acquisition.

Forecast Income Returns

The investment property portfolio is expected to make a net return of 3.1% against the value of the properties in 2021/22. There is a dip in the net income from the investment property portfolio in 2019/20 due to one of the properties being refurbished.

Gross and Net Income from Investment Properties

The investment property portfolio is expected to generate a retained income of £5.4m in 2021/22.

External Operating Costs

External operating costs are driven by lease events such as rent reviews and lease renewals. Some years have more lease events than others.

4. Skills and Knowledge

The issues covered by this report are in their nature complex so all the Council's senior finance staff are chartered accountants. Where the Council does not have the necessary in-house skills and services, it employs Link Asset Services to provide interest rate and economic forecasts, and counter party information.

The Finance Manager (Technical and Financial Planning) who manages the treasury function also holds the Association of Corporate Treasurers Certificate in Treasury Management. The Finance Manager (Technical & Financial Planning) is assisted by the Treasury Manager who is a qualified Chartered Certified Accountant and also holds the Association of Corporate Treasurers Certificate in Treasury Management.

At 31 March 2020 £65,760,000 of the Council's investments of surplus cash were being managed externally consisting of £57,910,000 invested in instant access money market funds and £7,850,000 invested in corporate bonds that were being externally managed.

The City Council is also a member of Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Network which provides training events throughout the year. Some training is also provided by Link Asset Services. Additional training for investment staff is provided as required.

Councillors are offered training by an external consultant to provide them with an overview of treasury management after the local government elections.

5. Treasury Management Reporting

Treasury management has been defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as "the management of an organisations borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks". Put simply, the Council's approach to cash flow includes:

- borrowing when the Council requires more cash
- Investing when the Council has surplus cash

In addition to the Capital strategy, the Council also has a Treasury Management Strategy. The Treasury Management Strategy contains:

- the Treasury Management Indicators that set the boundaries within which treasury management activities will be undertaken and
- an Annual Investment Strategy that specifies how surplus cash will be invested

To demonstrate good governance, all treasury management reports are taken to the Governance and Audit and Standards Committee and all Treasury management reports requiring policy decisions are taken to the Cabinet and the City Council.

Report	Reporting of Compliance & Performance in Previous Period	Policy Changes	Audience
Treasury Management Policy		Yes	G&A&S Committee Cabinet City Council
Treasury Management Quarter 1 Monitoring	Yes		G&A&S Committee
Treasury Management Mid-Year Review	Yes	Yes	G&A&S Committee Cabinet City Council
Treasury Management Quarter 3 Monitoring	Yes		G&A&S Committee
Treasury Management Outturn	Yes		G&A&S Committee

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INVESTMENT INDICATORS

Gross General Fund (GF) Debt to GF Net Service Expenditure						
This provides an indication of the Council's financial strength and its ability to repay its debts. Statutory government guidance requires a limit to be placed on the number of times gross debt can exceed net service expenditure.						
	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Forecast	245%	325%	286%	263%	240%	228%
Recommended Limit	400%	450%	450%	450%	450%	450%

Forecast Investment Income to General Fund Net Service Expenditure						
This provides an indication of how dependent the Council is on commercial income and other long term investments to fund its services.						
	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Investment Properties	3.9%	5.5%	5.1%	5.0%	5.0%	4.9%
Long Term Treasury Management Investments	0.8%	0.5%	0.3%	0.1%	0.1%	0.1%
Overall Investment Income	4.7%	6.0%	5.4%	5.1%	5.1%	5.0%

Limit on Investment Income to General Fund Net Service Expenditure						
Statutory government guidance requires a limit to be placed on the Council's dependence on commercial income and other long term income to fund its services						
	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Investment Properties	5.9%	8.2%	7.6%	7.6%	7.5%	7.4%
Long Term Treasury Management Investments	1.2%	0.7%	0.5%	0.1%	0.1%	0.1%
Overall Investment Income	7.1%	9.0%	8.2%	7.7%	7.6%	7.5%

Interest Cover						
This provides a measure of the risk that net income from investment properties will be insufficient to pay the interest on the debt that financed their acquisition						
	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Investment Properties	257%	261%	264%	267%	271%	274%

Loan to Value Ratio						
This indicator shows whether the market value of the investment properties is likely to be sufficient to repay the debt that financed them.						
	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Investment Properties	103%	103%	103%	103%	103%	103%

Forecast Income Returns						
This is a measure of the achievement of the portfolio of properties.						
	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Investment Properties	2.94%	3.08%	3.06%	3.12%	3.25%	3.32%
Long Term Treasury Management Investments	0.74%	0.72%	0.87%	1.32%	1.32%	2.00%

Gross and Net Income from Investment Properties						
This indicator shows how much of the gross income is being retained by the Council.						
	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s
Gross Income	8,724,907	8,833,969	8,944,393	9,056,198	9,169,401	9,284,018
Net Income	5,125,353	5,369,414	5,344,839	5,441,644	5,679,846	5,794,464

External Operating Costs						
This indicator shows the trend in operating costs over time, as the portfolio expands.						
	2020/21 Estimate £'000s	2021/22 Estimate £'000s	2022/23 Estimate £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s
Investment Properties	210,000	75,000	210,000	225,000	100,000	100,000

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Agenda Item 5



Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	05 March 2021 (Governance and Audit and Standards Committee) 09 March 2021 (Cabinet) 16 March 2021 (City Council)
Subject:	Treasury Management Policy 2021/22
Report by:	Chris Ward, Director of Finance and Resources (Section 151 Officer)
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

1. Executive Summary of the Treasury Management Policy Statement

1.1. Treasury Management Policy

The attached Treasury Management Policy sets out the Council's policies on borrowing and investing surplus cash for 2021/22.

The Prudential Code produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) requires the City Council to approve a Capital Strategy (reported elsewhere on the Cabinet Agenda for 9 March 2021) providing an overview of the Council's plans for capital expenditure, its borrowing and its investments.

The Treasury Management Policy also sets a number of treasury management indicators that will establish the boundaries within which treasury management activities will be undertaken. These are contained in paragraph 4.7 and appendix 5.1 of the Treasury Management Policy attached.

1.2. Annual Investment Strategy

The Treasury Management Policy includes the strategy for the investment of surplus cash, known as the Annual Investment Strategy, which establishes the types of investment, investment counter parties and investment durations that the Council will operate within.

2. Purpose of report

- 2.1 The purpose of this report is to obtain the Council's approval of the updated Treasury Management Policy Statement (attached) which includes the Annual Investment Strategy.

3. Recommendations

- 3.1 That the upper limit for principal sums invested for longer than 365 days contained in paragraph 4.7 of the attached Treasury Management Policy Statement be approved;
- 3.2 That the upper and lower limits on the maturity structure of borrowing contained in appendix 5.1 of the attached Treasury Management Policy Statement be approved;
- 3.3 That the attached Treasury Management Policy Statement including the Treasury Management Strategy and Annual Investment Strategy for 2021/22 be approved;
- 3.4 That the following change compared to the previous Annual Investment Strategy be noted:
- (i) that a second loans pool be established in 2020/21 consisting of the three £20m loans that were taken from the Public Works Loans Board (PWLb) at the Housing Revenue Account (HRA) Certainly Rate, and that the borrowing costs on these loans be charged to the HRA in their entirety.
- 3.5 As set out in paragraph 1.4 of the Treasury Management Policy Statement, the Director of Finance and Resources (Section 151 Officer) and officers nominated by him have delegated authority to:
- (i) invest surplus funds in accordance with the approved Annual Investment Strategy;
 - (ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £963m approved by the City Council on 9 February 2021;
 - (iii) reschedule debt in order to even the maturity profile or to achieve revenue savings;
 - (iv) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates;
- 3.6 That the Director of Finance and Resources (Section 151 Officer) has the power to delegate treasury management operations to relevant staff;

- 3.7 That the Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (paragraph 1.2.2 of Treasury Management Policy Statement).

4 Background

- 4.1 The Council's treasury management operations cover the following:

- Cash flow forecasting (both daily balances and longer term forecasting)
- Investing surplus funds in approved investments
- Borrowing to finance short term cash deficits and capital payments
- Management of debt (including rescheduling and ensuring an even maturity profile)
- Interest rate exposure management
- Hedging foreign exchange rate risks

- 4.2 The key risks associated with the Council's treasury management operations are:

- Credit risk - i.e. that the Council is not repaid, with due interest in full, on the day repayment is due;
- Liquidity risk - i.e. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs;
- Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the Council has budgeted;
- Exchange rate risk - the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately;
- Inflation risk, i.e. the chance that cash flows from an investment won't be worth as much in future because of changes in purchasing power due to inflation;
- Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms;

- Procedures (or systems) risk - i.e. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption.

- 4.3 The total borrowings of the Council at 1 April 2021 are estimated to be £778m. The Council's investments at 1 April 2021 are estimated to be £387m. The cost of the Council's borrowings and the income derived from the Council's short-term treasury investments (i.e. excluding commercial property investments) are included within the Council's treasury management budget of £32.5m per annum. The Council's treasury management activities account for a significant proportion of the Council's overall budget. As a consequence the Council's Treasury Management Policy aims to manage risk while optimising costs and returns. The Council will monitor and measure its treasury management position against the indicators contained in the Treasury Management Policy.
- 4.4 The City Council has adopted CIPFA's Treasury Management in the Public Services Code of Practice. The Code of Practice requires the City Council to approve a Treasury Management Strategy before the start of the financial year.
- 4.5 In addition the Government has issued statutory guidance that requires the Council to approve an Annual Investment Strategy before the start of the financial year.
- 4.6 The Treasury Management Strategy, and the Annual Investment Strategy are all contained within the attached Treasury Management Policy Statement.

5. Reasons for recommendations

- 5.1 The recommendations provide assurance that the Council's attached Treasury Management Policy Statement reflects CIPFA's Treasury Management Code of Practice and have regard to statutory guidance issued by the Government. These are designed to:
- Enable the Council to borrow funds as part of managing its cash flow or to fund capital expenditure in a way that minimises risk and costs;
 - Provide for the repayment of borrowing;
 - Ensure that the Council's investments are secure;
 - Ensure that the Council maintains sufficient liquidity;
 - Maximise the yield on investments in a way that is commensurate with maintaining the security and liquidity of the investment portfolio;

- Allow the Housing Revenue Account (HRA) to have the full benefit of borrowing from the Public Works Loans Board (PWLB) at the lower HRA Certainty Rate.

- 5.2 Until 2019/20, the Council operated a single loans pool with a share of borrowing costs being charged to the HRA.
- 5.3 Between 11 March 2020 and 25 March 2020 the PWLB introduced an HRA Certainty Rate that was 1% below the General Fund Certainty rate. In the first quarter of 2020/21 the Council borrowed £60m from the PWLB at the HRA Certainty Rate to finance the HRA capital programme. In order to allow the HRA to have the whole benefit of this lower rate, it is recommended that these loans are placed in a second loans pool and charged to the HRA in their entirety. The cost of the Council's other borrowing will continue to be apportioned between the General Fund and the HRA.
- 5.4 There are no other changes to the Treasury Management Policy.

6. Integrated impact assessment

- 6.1 The contents of this report does not significantly impact Portsmouth's communities (other than through the finances of the City Council), or equality and diversity.

7. Legal implications

- 7.1 The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2011 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance's comments

- 8.1 All financial considerations are contained within the body of the report and the attached appendices.

.....
Signed by:

Appendices: Treasury Management Policy Statement 2021/22

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Location:	Location
Information pertaining to the Treasury Management Strategy	Financial Services

TREASURY MANAGEMENT POLICY STATEMENT FOR 2021/22 INCLUDING:

- **TREASURY MANAGEMENT STRATEGY**
- **ANNUAL INVESTMENT STRATEGY**

**Portsmouth City Council
Director of Finance and Resources (Section 151
Officer)**

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1. INTRODUCTION

1.1 Background

- 1.1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.
- 1.1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.1.4 Whilst any commercial initiatives or loans to third parties will affect the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.
- 1.1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Reporting requirements

1.2.1 Capital Strategy

The revised CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this Capital Strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements and governance procedures.

This Capital Strategy (reported elsewhere on the Cabinet Agenda for 9 March 2021) is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, as distinct from the policy on commercial investments usually driven by expenditure on an asset. The Capital Strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The debt payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Treasury Indicators and Treasury Strategy (this report) - The first, and most important report is forward looking and covers:

- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b. A Mid-year Treasury Management report – This is primarily a progress report and will update members on the treasury management position, amending prudential and treasury management indicators as necessary, and revising any policies if required. In addition, the Governance and Audit and Standards Committee will receive quarterly update reports.

c. An Annual Treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.2.3 Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit and Standards Committee.

In addition, the Governance and Audit and Standards Committee receives quarterly treasury management monitoring reports.

The Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee will be informed of any variances from the Treasury Management Policy when they become apparent, and the Leader of the City Council will be consulted on remedial action.

1.3 Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers:

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy including the risk appetite;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy including the risk appetite;
- creditworthiness policy; and
- the policy on use of external service providers.

1.4 Treasury Management Staff

- 1.4.1 The treasury management function is undertaken by the Director of Finance and Resources (Section 151 Officer). This includes (i) investing surplus funds in accordance with the approved Annual Investment Strategy; (ii) borrowing to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt; (iii) rescheduling debt in order to even the maturity profile or to achieve revenue savings and; (iv) to buy and sell foreign currency and hedge against currency movements to fulfil contracts priced in or indexed against foreign currencies. The Director of Finance and Resources will have the power to delegate authority to undertake these functions to relevant officers including the Deputy Director of Finance and Section 151 Officer, the Finance Manager (Technical and Financial Planning), the Treasury Manager and various back up cash dealers drawn from the Finance Directorate. The Director of Finance and Resources (Section 151 Officer), the Deputy Director of Finance and Section 151 Officer, and the Finance Manager (Technical and Financial Planning) are all qualified Chartered Public Finance Accountants.

1.5 Treasury Management Consultants

- 1.5.1 The Council uses "Link Asset Services, Treasury Solutions" as its external treasury management advisors.
- 1.5.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including from, but not solely, our treasury advisers.
- 1.5.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

- 1.5.4 The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council uses Avison Young in relation to this activity.

2. THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2025/26

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

The capital programme approved by the City Council on 11 February 2021 can be summarised in table A as follows:

Table A	2019/20 Actual	2020/21 Revised Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m	£m	£m
Investment Properties	12	11	-	-	-	-	-
Other Non - Housing Revenue Account (HRA)	219	204	211	108	66	39	37
Sub - Total	231	215	211	108	66	39	37
Housing Revenue Account (HRA)	25	50	71	56	52	49	31
Total	256	265	282	164	118	88	68
Element financed from borrowing	177	56	110	53	26	27	-

Capital expenditure on commercial activities / non-financial investments including investment properties is entirely financed from borrowing.

2.2 The Council's borrowing need (the Capital Financing Requirement)

2.2.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and therefore its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital funding resource, will increase the CFR.

2.2.2 The CFR does not increase indefinitely, and is reduced by the minimum revenue provision (MRP) which is a statutory annual revenue charge that reduces the indebtedness broadly in line with each assets life, thus the economic consumption of capital assets as they are used is charged to the Council's Revenue Budget.

2.2.3 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, or lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £62m of such schemes within the CFR.

The projected CFR is shown below:

Table B	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Financing Requirement (£m)							
Investment Properties	160	171	171	171	171	171	171
Other Non - Housing Revenue Account (HRA)	461	474	549	568	567	569	561
Sub - Total	621	645	720	739	738	740	732
Housing Revenue Account (HRA)	178	200	224	244	261	275	272
Total CFR	799	845	944	983	999	1,015	1,004
Movement in CFR	172	46	99	39	16	16	(11)

Movement in CFR represented by (£m)							
Net financing need for the year (above)	177	56	110	53	26	27	-
Less MRP	(5)	(10)	(11)	(14)	(10)	(11)	(11)
Movement in CFR	172	46	99	39	16	16	(11)

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these sums; consider the scale proportionate to the Authority's remaining activity.

2.3 Core funds and expected investment balances

2.3.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table C Year End Resources £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Fund balances / reserves	244	268	230	205	200	194	191
Capital grants unapplied	58	58	58	58	58	58	58
Capital receipts	17	19	21	23	25	27	29
Provisions	13	13	13	13	13	13	13
Other	29	29	29	29	29	29	29
Total core funds	361	387	351	328	325	321	320
Working capital*	67	67	67	67	67	67	67
Over / (under) borrowing - see overleaf	(36)	(67)	(182)	(236)	(264)	(294)	(294)
Expected investments	392	387	236	159	128	94	93

*Working capital balances shown are estimated year-end; these may be higher mid-year

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.

3.1 Current borrowing position

3.1.1 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table D	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External Debt (£m)							
Debt at 1 st April	590	701	721	711	701	692	683
Expected change in Debt	111	20	(10)	(10)	(9)	(9)	(9)
Other long-term liabilities (OLTL) at 1 st April	66	62	57	51	46	43	38
Expected change in OLTL	(4)	(5)	(6)	(5)	(3)	(5)	(2)
Actual gross debt at 31 March	763	778	762	747	735	721	710
The Capital Financing Requirement	799	845	944	983	999	1,015	1,004
Over / (under) borrowing	(36)	(67)	(182)	(236)	(264)	(294)	(294)

Within the above figures the level of debt relating to commercial activities / non-financial investment is:

Table E	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External Debt for investment properties							
Actual debt at 31 March £m	160	171	171	171	171	171	171
Percentage of total external debt %	21%	22%	23%	23%	24%	24%	25%

- 3.1.2 Within the range of prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 3.1.3 The Director of Finance and Resources (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and proposals in the budget.

3.2 Treasury Indicators: limits to borrowing activity

- 3.2.1 **The operational boundary.** This is the limit, set as part of the capital programme, beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and of other cash resources (as described in Table B).

Table F	2020/21 Estimate (£m)	2021/22 Estimate (£m)	2022/23 Estimate (£m)	2023/24 Estimate (£m)	2024/25 Estimate (£m)	2025/26 Estimate (£m)
Commercial activities/ non-financial investments	160	171	171	171	171	171
Other Debt	629	723	766	786	805	808
Other long term liabilities	57	51	46	42	38	35
Total	846	945	983	999	1,014	1,014

- 3.2.2 **The authorised limit for external debt.** This is a key prudential indicator, set as part of the capital programme, and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

Table G	2020/21 Estimate (£m)	2021/22 Estimate (£m)	2022/23 Estimate (£m)	2023/24 Estimate (£m)	2024/25 Estimate (£m)	2025/26 Estimate (£m)
Commercial activities/ non-financial investments	160	171	171	171	171	171
Other Debt	647	742	785	805	825	828
Other long term liabilities	57	51	46	42	38	35
Total	864	964	1,002	1,018	1,034	1,034

3.3 Prospects for interest rates

- 3.3.1 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 27th November 2020. However, following the conclusion of the review of PWLB margins over gilt yields on 25th November 2020, all forecasts below have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

- 3.3.2 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5th November, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

3.4 Bond yields / Public Works Loans Board (PWLB) rates.

- 3.4.1 There was much speculation during the second half of 2019 that bond markets were in a bubble, which was driving bond prices up, and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be

expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

3.4.2 Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

3.4.3 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geopolitical, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

3.5 Investment and borrowing rates

3.5.1 **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.

3.5.2 **Borrowing interest rates** fell to historically very low rates because of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019 required an initial major rethink of local authority treasury management strategy and risk management. It also introduced the following rates for borrowing for different types of capital expenditure:

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

3.5.3 However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. Because of these increases in margins, the Council has only borrowed for HRA financing so far in 2020/21.

3.5.4 On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority, which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows:

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

3.5.5 **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows.

3.5.6 There will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

3.6 Borrowing strategy and risk appetite

3.6.1 It is often possible to borrow money short term at lower rates than it is possible to borrow long term. This often leaves the Council with two choices:

- Borrowing at either short term or variable interest rates. This would often enable the Council to borrow relatively cheaply, but the Council would need to accept that its borrowing costs might be volatile, as it exposes the Council to the benefits and dis-benefits of interest rate movements that can give rise to budget variances. This is a major risk when interest rates are expected to increase.
- Borrowing long term at fixed rates. This provides stable and predictable revenue costs of borrowing. Fixed interest rates avoid the risk of budget variances caused by interest rate movements but prevent the council from benefiting from falling interest rates on its borrowing. There is a risk that the Council could become locked into relatively high rates of interest if interest rates fall.

3.6.2 The Council attaches a high priority to a stable and predictable revenue cost of borrowing in the long term. This reflects the fact that debt servicing represents 18.9% of the General Fund net revenue budget and 7.0% of the HRA net revenue budget.

3.6.3 The Council's objective in relation to debt is as follows:

- To borrow as cheaply as possible for the long-term at a fixed rate

This means that the Council is not totally risk averse, and the Council may borrow either short term or at variable rates if long-term interest rates are expected to fall.

Treasury management staff will act flexibly to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

3.7 Policy on borrowing in advance of need

- 3.7.1 Section 12 of the Local Government Act 2003 gives a local authority the power to invest for “any purpose relevant to its functions under any enactment or for the prudent management of its financial affairs”. While the speculative procedure of borrowing purely to invest at a profit is clearly unlawful, there is no legal obstacle to the temporary investment of funds borrowed for the purpose of funding capital expenditure incurred in the reasonably near future.
- 3.7.2 Borrowing in advance of need may enable the City Council to obtain cheaper loans than those available at the time when expenditure is incurred, although the consequent investment of funds borrowed in advance of need does expose the City Council to credit risk. The interest payable on funds borrowed in advance of need is likely to exceed the interest earned on the investment of those funds in the current economic climate. The Council may determine to borrow in advance of need in circumstances where it is reasonably expected that the total cost of borrowing over the whole life of the loan in present value terms is lower by borrowing in advance of need.

3.8 Debt rescheduling

- 3.8.1 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as PWLB new borrowing rates exceed PWLB premature debt repayment rates by around 0.80%.

3.9 Approved Sources of Long and Short Term Borrowing

	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)		●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Internal (capital receipts & revenue balances)	n/a	n/a
Finance leases	●	●

3.10 Apportionment of Borrowing Costs to the Housing Revenue Account (HRA)

- 3.10.1 From 2020/21 the Council will operate two loans pools for the purposes of apportioning borrowing costs to the HRA.
- 3.10.2 The first loans pool will consist of all the Council's loans taken out prior to 2020/21 for both General Fund and HRA purposes. The Council will continue to operate this loans pool and apportion costs according to locally established principles. The principles upon which the apportionment of borrowing costs should be based are as follows:
- The apportionment is broadly equitable between the HRA and the General Fund, and is detrimental to neither;
 - The loans portfolio is managed in the best interests of the whole authority;
- 3.10.3 It is recommended that a second loans pool is established in 2020/21 consisting of the three £20m loans that were taken from the PWLB at the HRA Certainty Rate which was 1.0% below the PWLB General Fund Certainty Rate. The borrowing costs on these loans will be charged to the HRA in their entirety.
- 3.10.4 From 25 November 2020 the PWLB General Fund Certainty Rate was reduced by 1.0%, thereby removing the differential between the General Fund and HRA PWLB rates. Any future borrowing will therefore be included in the first loans pool covering both the HRA and the General Fund.

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

4.1.1 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

4.1.2 The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

4.1.3 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.

4.1.4 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk that is measured by the following means:

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings including outlooks and credit watches.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
3. **Other information** sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 5.2 under the categories of ‘specified’ and ‘non-specified’ investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.

- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity.
5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £200m, (see paragraph 4.3).
 6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
 7. This authority will set a limit for its investments that are invested for **longer than 365 days**, (see paragraph 4.7).
 8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
 9. This authority places **sector and geographical limits** on its investment portfolio in order to avoid the concentration of risk, (Appendix 5.3).
 10. Because of the change in accounting standards for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments, which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, (MHCLG), concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.

4.2 Creditworthiness policy

- 4.2.1 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
 - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
 - It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 4.2.2 The Director of Finance and Resources (Section 151 Officer) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality that the Council may use, rather than defining what types of investment instruments are to be used.

- 4.2.3 Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 4.2.4 The criteria for providing a pool of high quality investment counterparties, (both specified and non-specified investments) is:
- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a double A sovereign Long Term rating
 and have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):
 - i. Short Term - F1, P-2, or A-2
 - ii. Long Term – A-
 - Banks 2 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
 - Banks 3 - Secured lending to banks partly owned by the City Council.
 - Building societies. The Council will use all societies which:
 - i. Meet the ratings for Banks 1 outlined above or;
 - ii. Have assets in excess of £350m;
 or meet both criteria.
 - Money Market Funds (MMFs)
 - UK Government (including gilts, Treasury Bills and the DMADF)
 - Local authorities
 - Housing associations. In addition to ratings from the credit agencies, housing associations will only receive investments if they have a viability rating of V1 and a governance rating of G1 from Homes England.
 - Supranational institutions that meet the ratings for banks outlined above
 - Corporate Bonds. The Council will invest in corporate bonds which:
 - i. Meet the ratings for Banks 1 outlined above or;
 - ii. Have a credit rating of BBB+ or;
 - iii. Have a credit rating of BBB- but form part of a portfolio managed by professional fund managers
 - Universities that meet the ratings for Banks 1 outlined above

- Pooled investment vehicles including equity funds, property funds, corporate bond funds and multi asset funds
- Subsidiary companies of the City Council

A limit of £200m will be applied to the use of non-specified investments

4.2.5 Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

4.2.6 Time limits are applied to most investment categories to limit credit risk as the longer the duration of an investment is, the more time there is for the credit quality of the counter party to deteriorate. There are no time limits applied to corporate bonds managed by a professional fund manager, pooled investment vehicles, and subsidiary companies of the Council. Corporate bonds can be sold if there is a need to disinvest and a professional fund manager will have more resources to assess credit quality. Investments in pooled investment vehicles often do not have a predetermined maturity; the Council would withdraw its investment at the appropriate time. The Council controls its subsidiary companies and therefore is in a position to have a considerable influence on their credit quality.

4.2.7 Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

Table H	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 highest quality	AA-	£26m	6yrs
Banks 1 higher quality	A+	£20m	6yrs
Banks 1 medium quality	A	£15m	6yrs
Banks 1 lower quality	A-	£10m	6yrs
Banks 2 the Council's own banker if the criteria for Banks 1 is not met	-	Minimised	Minimised
Banks 3 partly owned by the Council	-	£10m	5yrs
UK Government including DMADF	UK sovereign rating	unlimited	6yrs
Local authorities	N/A	£30m	6yrs
Housing associations higher quality	AA-	£30m	10yrs
Housing associations lower quality	A-	£20m	10yrs
Corporate bonds purchased by City Council but not meeting criteria for Banks 1 above	BBB+	£7m	365 days
Corporate bonds managed by a professional fund manager	BBB-	£0.32m per bond up to a limit of £8m	Unlimited
Pooled investment vehicles	-	£50m	Unlimited
Subsidiary companies of the Council	-	£30m	Unlimited
	Fund rating	Money Limit	Time Limit
Money Market Funds	AAA	£26m	liquid
Enhanced Money Market Funds	AA	£20m	liquid

- 4.2.8 The proposed criteria for specified and non-specified investments are shown in Appendix 5.2 for approval.

4.3 Other limits

- 4.3.1 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.
- a) **Non-specified investment limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £200m.
 - b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of double A** from Fitch or equivalent.
 - c) **Other limits.** In addition:
 - limits in place above will apply to a group of companies;
 - sector and geographic limits will be monitored regularly for appropriateness.

4.4 Environmental, Social and Governance Factors

- 4.4.1 The Council will seek to move towards investments that improve the environment, bring wider social benefits, and are with organisations with good governance.
- 4.4.2 The Council will avoid investments in fossil fuel extraction unless they are making substantial investment into renewable energy technologies as part of a strategy to move to becoming a clean energy supplier.
- 4.4.3 The Council will give weight to the environmental, social and governance elements of credit ratings in making investment decisions, provided that the overall risk profile of the investment portfolio (including liquidity risk) is not compromised, and that decisions remain consistent with responsible financial management and stewardship.

4.5 Investment Strategy and Risk Appetite Statement

- 4.5.1 All the investment guidance available, both statutory and from the Chartered Institute of Public Finance and Accountancy (CIPFA), makes it clear that all investing must follow SLY principles - security, liquidity, yield. In accordance with the guidance issued, the Council's first priority in investing is security, followed by liquidity. After these priorities are met, the Council will seek to maximise yields. The Council will consider the environmental and social implications of its investments once SLY principles have been met.

- 4.5.2 The Council's objectives in relation to investment can accordingly be stated as follows:

Sums are invested with a diversified range of counter parties using the maximum range of financial instruments consistent with a low risk of the capital sum being diminished through movements in market prices.*

* Financial instruments include term deposits, certificates of deposits, corporate bonds, money market funds, structured notes and shares in pooled investment funds

- 4.5.3 This means that the Council is not totally risk averse. Treasury management staff have the capability to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.
- 4.5.4 In particular, when investing surplus cash, the Council will not necessarily limit itself to making deposits with the UK Government and local authorities, but may invest in other bodies including unrated building societies, Registered Social Landlords (RSLs), universities and corporate bonds. The Council may invest surplus funds through tradable instruments such as treasury bills, gilts, certificates of deposit, corporate bonds, covered bonds and repos / reverse repos.
- 4.5.5 The Council will invest its surplus cash to provide sufficient liquidity to meet its cash flow needs, but is mindful that the value of its investments will fall in real terms unless investment returns are at least equal to inflation. In order to earn investment returns in excess of inflation on as much of its surplus cash as possible, the Council will invest as much as it can in longer-term higher yielding investments whilst maintaining sufficient liquidity to meet its cash flow needs.
- 4.5.6 The Council may invest in lower risk structured investment products that follow the developed equity and other market indices where movements in prices may diminish the capital sum invested. These investments, and indeed any other investment, could also be diminished if the counter party defaults. Although the Council only invests in counter parties offering good credit quality, the credit quality of an investment counter party can decline during the life of the investment. This is particularly the case with long-term investments.
- 4.5.7 The Council may invest in externally managed pooled investment vehicles such as corporate bond funds, equity funds, property funds and multi asset funds, if the Council has cash for a term that is sufficient to cover cyclical movements in prices.
- 4.5.8 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed:
- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments short term or variable.

- Conversely, if it is thought that Bank Rate is likely to fall, consideration will be given to locking in higher rates currently obtainable, for longer periods.

4.6 Investment return expectations.

- 4.6.1 The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population.
- 4.6.2 There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter-term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations.

4.7 Investment treasury indicator and limit - total principal funds invested for greater than 365 days.

- 4.7.1 These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.
- 4.7.2 The Council is asked to approve the following treasury indicator and limit:

Table I - Upper limit for principal sums invested for longer than 365 days			
	2022	2023	2024
	£m	£m	£m
Current investments as at 31 March in excess of 1 year maturing in each year	200	134	103

4.8 Investment performance

- 4.8.1 This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day, 1, 3, 6 or 12 month LIBID. The Council is appreciative that the provision of LIBOR and associated LIBID rates is expected to cease at the end of 2021. It will work with its advisors in determining suitable replacement investment benchmark(s) ahead of this cessation and will report back to members accordingly.

4.9 End of year investment report

- 4.9.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5. APPENDICES

- 5.1 Maturity structure of borrowing**
- 5.2 Credit and counterparty risk management**
- 5.3 Sector and Geographic Investment Limits**

APPENDIX 5.1**Maturity Structure of Borrowing**

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Table J		
Maturity structure of fixed interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	0%	30%
20 years to 30 years	0%	40%
30 years to 40 years	0%	40%
40 years to 50 years	0%	50%
Maturity structure of variable interest rate borrowing 2020/21		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	0%	30%
20 years to 30 years	0%	40%
30 years to 40 years	0%	40%
40 years to 50 years	0%	40%

APPENDIX 5.2**CREDIT AND COUNTERPARTY RISK MANAGEMENT**

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy below.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance and Resources (Section 151 Officer) has produced its treasury management practices (TMPs).

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy Guidelines – The main strategy guidelines are contained in the body of the Treasury Strategy Statement.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments that would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Office deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Bonds issued by supranational banks of less than one year's duration.
3. A local authority, housing association or university.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers pooled

investment vehicles, such as money market funds, rated AA by Standard and Poor's, Moody's and / or Fitch rating agencies.

5. A body that is considered of a high credit quality (such as a bank or building society) with a minimum Short Term rating of A-2 / P-2 / F1 as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are contained in Table H.

Non-specified investments – are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any investments with:

	Non Specified Investment Category	Limit £
a.	<p>Supranational bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds with a AAA long-term rating - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.). However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>£26m for up to 6 years</p> <p>£26m for up to 6 years</p>
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>Unlimited investments for up to 6 years</p>
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	<p>£10m for up to 1 day</p>
d.	<p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies that have a minimum asset size of £350m.</p>	<p>£6m for up to 2 years</p>
e.	<p>All banks and building societies that have a minimum long-term credit rating of A-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	<p>Up to £26m (depending on credit quality) for up to 6 years</p>

	Non Specified Investment Category	Limit £
f.	Loan capital in a body corporate with a credit rating of at least BBB+. This will enable investments to be made in large commercial companies such as British Telecom. A short-term investment in a BBB+ rated counterparty may be less likely to default than a long-term investment with an A- rated counterparty.	£7m for 365 days
g.	Corporate bonds bought on the Council's behalf by professional fund managers who will target an average credit rating of at least BBB+ for the corporate bond fund. The average credit rating of the corporate bond fund may fall to BBB if there was a downgrade to a single issue or a broad downgrade. We would not want the fund manager to be a forced seller in this situation. If this situation arises, a strategy will be agreed with the fund manager to return the average rating of the portfolio to BBB+.	£8m for an unlimited duration
h.	Pooled investment vehicles including equity funds, property funds and multi asset funds with the potential to generate returns in excess of inflation and thus maintain the value of the principal invested in real terms. The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting requires movements in the market value of pooled investments to be charged to General Fund balances.	£50m for an unlimited duration
i.	Subsidiary companies of the Council. In particular, funds could be invested to facilitate the establishment of a subsidiary company to develop housing in the greater Portsmouth area on a commercial basis.	£30m for an unlimited duration
j.	Banks partly owned by the City Council. The Council is an equity shareholder in Hampshire Community Bank (HCB). Purchasing bonds in HCB would contribute to the regeneration of Hampshire and offer interest of up to 3.5%. Investing in HCB carries greater risk than the other approved investments contained in the Council's Annual Investment Strategy, as HCB is a new entity that is in the process of developing its business, and currently has neither a banking license nor a credit rating. However, HCB will be able to offer assets as security to cover a bond. These assets would consist of loans of the highest credit quality to the small and medium enterprise (SME) sector. The loan assets offered as security would pass to the Council in the event of HCB defaulting.	£10m for 5 years

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately.

APPENDIX 5.3**SECTOR AND GEOGRAPHIC INVESTMENT LIMITS****Sector Investment Limits**

AA money market funds offer security and same day access. By aggregating investments they can also invest in financial institutions that may not be interested in the relatively small sums that the Council can invest. Although AA money market funds are well diversified in their investments, there is a risk that more than one fund could have investments with the same bank or that the Council may also have invested funds in the same bank as a money market fund. Therefore it is proposed that the Council should aim to have no more than £80m invested in money market funds.

Most building society lending is secured against residential properties. If property prices fall there may be inadequate security to support building societies lending giving rise to a systemic risk.

As RSL's offer one principal service and their assets principally consist of residential properties, excessive investments in RSLs would also expose the Council to a systemic risk.

Excessive investments in investment products tracking equity, property or other markets could also expose the Council to a systemic risk.

In order to minimise systemic credit risk in any sector the following limits will be applied:

Money market funds	£80m
Building societies	£155m
Registered Social Landlords	£80m
Investments tracking the equity, property or other markets	£70m

Geographic Investment Limits

In order to minimise systemic credit risk in any region, the following limits will be applied to the geographic areas where investments can be made in foreign countries.

Asia & Australia	£80m
Americas	£80m
Eurozone	£60m
Continental Europe outside the Eurozone	£60m

Agenda Item 6



Title of meeting: Cabinet

Date of meeting: 9th March 2021

Subject: Review of the Hampshire Minerals and Waste Plan

Report by: Assistant Director of Planning and Economic Growth

Wards affected: All

Key decision: Yes

Full Council decision: Yes

1. Purpose of report

- 1.1. To consider the report on the 2020 review of the Hampshire Minerals and Waste Plan (HMWP) (2013) and endorse the decision update the Plan in partnership with the other Hampshire authorities, as per the Council's statutory responsibilities as the minerals and waste planning authority for Portsmouth.

1.2. Recommendations

- 2.1 It is recommended that Cabinet:

- Endorses the decision to update the Hampshire Minerals and Waste Plan, as per the recommendations of 2020 Review of the Hampshire Minerals and Waste Plan report (attached in Appendix 1 and summarised in this report).
- Recommends that this decision is reported for future consideration by Full Council, in accordance with the requirements of sections 15(8) and 16 of the *Planning and Compulsory Purchase Act 2004* and *National Planning Practice Guidance* on plan making and in-line with Reg 4(1) & Sh 3 of the *Local Authorities Functions and Responsibility Regulation 2000* (as amended).

3. Background

Introduction

- 3.1 Portsmouth City Council, as a minerals and waste planning authority, has a statutory duty to prepare a Local Plan to guide the need for and locations of minerals and waste management development. The Council has worked jointly on minerals and waste matters with Hampshire County Council, Southampton City Council, New Forest National Park Authority and the South Downs National Park

Authority ('the Hampshire authorities') over many years; culminating in the adoption of the *Hampshire Minerals and Waste Plan* (HMWP) in October 2013.

- 3.2 The HMWP (2013) covers the period up to 2030 and the geographical areas of the Hampshire authorities; it forms part of the Development Plan for Portsmouth alongside the Portsmouth Local Plan. The HMWP seeks to ensure the Plan area has the development to maintain a reliable and timely supply of minerals and efficient management of Hampshire's waste, whilst protecting the environment and communities. It contains policies to enable minerals and waste decision-making as well as minerals and waste site allocations (for rail depots, wharves, quarries and landfill sites).
- 3.3 Portsmouth contains a small number of safeguarded minerals and waste processing and transfer facilities, an Energy from Waste facility, a mineral importation wharf and an identified potential site for an importation wharf at the HM Naval Base, as well as some safeguarded mineral resource areas. The HMWP seeks to protect these assets from replacement, encroachment or sterilisation by alternative development. There are no site allocations for new minerals and waste development within the City Council area, with the exception of the potential wharf at the Naval Base should the site become available. Portsmouth heavily relies on the wider provision in the county (as well as nationally) to be able to meet its growth needs.

Review of the Hampshire Minerals and Waste Plan

- 3.4 Planning Regulations¹ and National Planning Policy² require that policies in Local Plans should be reviewed at least once every five years to assess whether they require updating, and to update as necessary. As such, the HMWP was reviewed in 2018. At that time, the review concluded that the policies were working effectively to achieve the Plan's vision and there was presently no requirement to update the HMWP. The 2018 Review also recommended that the HMWP be reviewed again in two years, when there may be more clarity around particular supply issues. Following this decision, a Plan Review Workshop was undertaken in September 2019, attended by a wide range of Stakeholders, to explore the issues raised within the 2018 Review and how trends in minerals supply and sustainable waste management provision were developing.
- 3.5 The second review of the HMWP was undertaken in 2020, which also took into account the feedback from the 2019 workshop. It concluded that the Plan now requires some updating to ensure compliance with the National Planning Policy Framework (updated 2019) and National Planning Policy for Waste (2014). The aggregate delivery requirements (land-won, marine, secondary and recycled) have not achieved their policy targets in recent years and could also be updated to reflect the soft sand wider supply issue within the south east. The waste management delivery policies should be updated to more closely align the approach of the waste hierarchy (prevention, reuse, recycling, recovery, then disposal). The potential for a

¹ Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)

² MHCLG (updated 2019) National Planning Policy Framework, para. 33.



Waste Infrastructure Strategy could also be explored to provide greater certainty on the types of activities required, including when and where. The Development Management policies would also benefit from a refresh in their terminology and in some cases the means of delivery (e.g. the inclusion of natural capital, net gain and agent of change principle). The HMWP's Vision, Plan Objectives, Spatial Strategy and Key Diagram will also be renewed.

- 3.6 To support the Plan update, an update of the existing evidence base including an assessment of mineral and waste site options (from a new Call for Sites) would also be carried out to ensure any suitable sites for enabling sustainable minerals and waste development are included in the Plan, helping providing certainty to the industry and local communities.
- 3.7 A draft Development Scheme for the update of the HMWLP has been produced, including the proposed timetable for plan production and public participation (See Appendix 2, para.10). It proposes to gather evidence from March to September 2021 prior to the first ('Regulation 18' stage) public consultation in October 2021. This is to be followed by subsequent consultations in first half of 2022 ('Reg 19'), with Submission of the Plan scheduled for Winter 2022.
- 3.8 The updated HMWP will need to be prepared, submitted, and adopted by the five authorities as a joint document, though each will authority will need to 'adopt' the HMWP individually. This means that drafts and decisions will need to undergo democratic processes at the various plan preparation stages by each of the authorities involved.
- 3.9 Hampshire County Council will lead the technical preparation of update of the HMWP, working with the partner authorities. Hampshire County Council will provide planning, specialist, and managerial staff resources sufficient to prepare a sound plan. The partner authorities would be expected to commit to providing the financial support to deliver the programme of work, as well as some support and staff time where required.

4. Reasons for recommendations

- 4.1 Recommendations:
 - Endorse the decision to update the Hampshire Minerals and Waste Plan, as per the recommendations of 2020 Review of the Hampshire Minerals and Waste Plan (2013) report.
 - Recommend that this decision is reported for future consideration by Full Council.
- 4.2 Minerals and waste planning issues are most appropriately addressed jointly and at a wider geographic scale. Approving the update of the HMWP would allow the continuation of a well-established partnership that addresses these issues at the most appropriate scale. This would ensure the City Council meets

the requirements of its statutory role as the Minerals and Waste Planning Authority as well as its legal obligations under the Duty to Co-operate³.

4.3 The proposed updates to HMWP would ensure that the Portsmouth Development Plan remains compliant with the national planning policy, in ensuring the continuation of a steady and adequate supply of minerals and sustainable waste management provision.

4.4 The partnership authorities are, informally, in agreement on the recommendations of the 2020 Review Report.

5. Integrated impact assessment

5.1 This report seeks approval for the review of the existing Development Plan Document. The direction, content and potential impacts of updated policies in future drafts of the updated HMWP will be subject to further democratic approval and would be subject to assessment in their own right.

6. Legal implications

6.1 This review complies with Portsmouth City Council's obligation to conduct a review of the Minerals and Waste Plan for the Portsmouth in accordance with sections 15(8) and 16 of the *Planning and Compulsory Purchase Act 2004*. The report to review the HMWP must be considered by Cabinet and then reported for future consideration by Full Council in accordance with these Regulations. See Reg 4(1) & Sh 3 of the *Local Authorities Functions and Responsibility Regulation 2000* (as amended).

7. Director of Finance's comments

7.1 Portsmouth will pay a share of the cost to update the Hampshire Minerals and Waste Plan along with Hampshire, Southampton and other partners. Portsmouth share of this is £65,340 payable over three years. The annual £22,780 cost will be met from existing cash limited resources.

.....
Signed by:

Appendices:

Appendix 1: Hampshire authorities, *2020 Review of the Hampshire Minerals & Waste Plan* (2013). Version 2 – November 2020

Appendix 2: Hampshire authorities, *Hampshire Minerals & Waste Plan Development Scheme* - December 2020

³ Localism Act 2011, S.110, 33A.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Hampshire Minerals and Waste Plan (2013)	https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan
National Planning Policy Framework (2018)	https://www.gov.uk/government/publications/national-planning-policy-framework--2
National Planning Policy Guidance: Local Plans	https://www.gov.uk/guidance/local-plans--2

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

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HAMPSHIRE COUNTY COUNCIL, NEW FOREST NATIONAL PARK AUTHORITY,
PORTSMOUTH CITY COUNCIL, SOUTH DOWNS NATIONAL PARK AUTHORITY &
SOUTHAMPTON CITY COUNCIL

2020 Review of the Hampshire Minerals & Waste Plan (2013)

Version 2 – November 2020



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Executive Summary

Introduction

The Hampshire Minerals and Waste Plan (HMWP) was adopted in October 2013¹.

The National Planning Policy Framework requires that Local Plans should be reviewed to assess whether they require updating at least once every five years².

An initial Review was carried out in 2018 and this concluded that whilst a number of issues had been identified, the policies were effective in that they enabled development and the Vision was being implemented. Following the 2018 Review there was a commitment to undertake a Review Workshop and a further review in 2020.

The Workshop was held on 25th September 2019 and this is the 2020 Review of the HMWP.

In 2019, the Planning Advisory Service (PAS) issued a toolkit to assist with plan reviews and this is incorporated. As such, this Review considers in more detail the Vision, Plan Objectives and Spatial Strategy (and the Key Diagram). In addition, compliance with national policy is assessed.

Effectiveness of Plan Policies

This section considers each of the 34 policies contained within the HMWP in turn. The trends over the past seven years are reviewed based on information set out in the Monitoring Reports which support the HMWP.

A RAG (Red, Amber, Green) Monitoring status is provided for each of the policies and is determined as follows:

Monitoring shows no issues	Green
Monitoring shows some issues to be reviewed	Amber
Monitoring shows issues to be reviewed and may need to be addressed	Red

¹ Hampshire Minerals & Waste Plan (2013) -

<https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

² National Planning Policy Framework (Para. 33) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

The summary of the RAG Monitoring status of each of the policies is outlined below.

Summary of Monitoring status

Policy Number & Title	RAG status	
	2020	2018
Policy 1: Sustainable minerals & waste development	Green	Green
Policy 2: Climate change – mitigation and adaptation	Green	Green
Policy 3: Protection of habitats and species	Green	Green
Policy 4: Protection of the designated landscape	Green	Green
Policy 5: Protection of the countryside	Amber	Amber
Policy 6: South West Hampshire Green Belt	Green	Green
Policy 7: Conserving the historic environment and heritage assets	Green	Green
Policy 8: Protection of soils	Green	Green
Policy 9: Restoration of minerals and waste sites	Green	Green
Policy 10: Protecting public health, safety and amenity	Green	Green
Policy 11: Flood risk and prevention	Green	Green
Policy 12: Managing traffic	Green	Green
Policy 13: High-quality design of minerals and waste	Green	Green
Policy 14: Community Benefits	Red	Red
Policy 15: Safeguarding - mineral resources	Amber	Amber
Policy 16: Safeguarding – minerals infrastructure	Green	Green
Policy 17: Aggregate supply - capacity and source	Amber	Red
Policy 18: Recycled and secondary aggregates	Amber	Amber
Policy 19: Aggregate wharves and rail depots	Red	Red
Policy 20: Local land-won aggregates	Red	Red
Policy 21: Silica sand development	Red	Red
Policy 22: Brick-making clay	Red	Red
Policy 23: Chalk Development	Amber	Amber
Policy 24: Oil and gas Development	Green	Green
Policy 25: Sustainable waste management	Amber	Amber
Policy 26: Safeguarding – waste infrastructure	Green	Green
Policy 27: Capacity for waste management development	Green	Green
Policy 28: Energy recovery development	Amber	Amber
Policy 29: Locations and sites for waste management	Amber	Amber

Policy 30: Construction, demolition and excavation waste development	Amber	Green
Policy 31: Liquid waste and waste water management	Green	Green
Policy 32: Non-hazardous waste landfill	Red	Red
Policy 33: Hazardous and low level waste development	Green	Green
Policy 34: Safeguarding potential minerals and waste wharf and rail depot infrastructure	Green	Green

Issues requiring review

This section explores in more detail the policies with issues identified through the Monitoring Reports (i.e. policies with an Amber 'Monitoring' status).

Consideration is given to the circumstances around the short-term breaches that may have occurred or the trends that have raised an issue with delivery.

A RAG (Red, Amber, Green) Review status and review update requirement is provided for each policy and is determined as follows:

Review shows that the policy does not need to be updated.	Green
Review shows that the policy does need to be updated with additional allocations, where possible.	Amber
Review shows that the policy requirements need to be updated.	Red

The summary of the RAG Review status of each of the policies is outlined below.

Summary of Review status

Policy Number & Title	RAG status
Policy 5: Protection of the countryside	Green
Policy 15: Safeguarding - mineral resources	Green
Policy 17: Aggregate supply - capacity and source	Red
Policy 18: Recycled and secondary aggregates development	Red
Policy 23: Chalk Development	Green
Policy 25: Sustainable waste management	Amber
Policy 27: Capacity for waste management development	Amber
Policy 28: Energy recovery development	Green
Policy 29: Locations and sites for waste management	Amber
Policy 30: Construction, demolition and excavation waste development	Red

Policy 34: Safeguarding potential minerals and waste wharf and rail depot infrastructure	Green
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Issues to be reviewed and may need addressing

This section explores in more detail the policies with issues identified through the Monitoring Reports (i.e. policies with a Red 'Monitoring' status).

Consideration is given to the circumstances around the short-term breaches that may have occurred or the trends that have raised an issue with delivery.

A RAG (Red, Amber, Green) Review status and review update requirement is provided for each policy and is determined as follows:

Review shows that the policy does not need to be updated.	Green
Review shows that the policy does need to be updated with additional allocations, where possible.	Amber
Review shows that the policy requirements need to be updated.	Red

The summary of the RAG Review status of each of the policies is outlined below.

Summary of Review status

Policy Number & Title	RAG status
Policy 14: Community Benefits	Red
Policy 19: Aggregate wharves and rail depots	Amber
Policy 20: Local land-won aggregates	Amber
Policy 21: Silica sand development	Amber
Policy 22: Brick-making clay	Amber
Policy 32: Non-hazardous waste landfill	Amber

Effectiveness of the Vision, Plan Objectives, Spatial Strategy & Key Diagram

Due to the generic nature of the Vision, this is generally being achieved although the issues regarding delivery of minerals could impact the support of the economy. As some of the policies are not meeting their aims, the Plan Objectives are not all being achieved.

In line with the need to update some of the policies, the Plan Objectives, Spatial Strategy and Key Diagram need to be further reviewed to ensure they are fit-for-purpose. This includes ensuring all policies are represented and there is no ambiguity.

Whilst the Vision represents the pillars of sustainability which meets the objectives of the NPPF, it is recognised that the Vision would benefit from an update to be more geographically representative and less generic. Aligning with the 2050 Hampshire principles and the climate change agenda would strengthen it further.

Policy drivers

There have been a number of Government policy publications and announcements since 2013 which have an impact on the HMWP policies.

The policy drivers and the policies they impact are summarised in the Table below.

Summary of Policy Drivers

Policy Driver	HMWP Policy
National Planning Policy Framework (2019)	All policies.
National Planning Policy for Waste (2014)	Policies 25 – 34.
Planning Practice Guidance (2014 onwards)	All policies.
River Basin Management Plan (2016)	Policies 2, 3, 9, 10, 11 and 31
Clean Growth Strategy (2017)	Policies 1 and 2.
The 25 Year Environment Plan (2018)	Policies 2 – 6, 9 and 25.
Industrial Strategy (2018)	Policies 1, 2, 18, 25, 28 and 30.
Resources and Waste Strategy (2018)	Policies 1, 18, 30 and 32.
South Inshore and South Offshore Marine Plans	Policies 17 and 24.
Review of designated landscapes	Policy 4.
Climate change Act 2008 Order 2019	Policy 2.
Environment Bill (2020)	All policies.
Biodiversity net gain	Policy 3.
Fixing our broken housing market – Housing White Paper (2017)	Plan-making.
Strategic Environmental Assessment Regulations	Policy 29.
The Town & Country Planning (General Permitted Development) (England) Order 2016	Policy 16 and 26.
Community Infrastructure Levy	Policy 1.
Court rulings	Plan-making.
Government Oil and Gas Consultations	Policy 24.
Planning for the future – White Paper (2020)	Plan-making.
Changes to the current Planning system consultation (2020)	Plan-making

Review Workshop Outcomes

A Review Workshop was held on 25th September 2019 to explore the issues raised in the 2018 Review.

The Workshop was attended by approximately 60 participants including representatives from the minerals and waste industry, statutory consultees, neighbouring minerals and waste planning authorities and from the wider south east, districts and boroughs, and Members.

The Workshop was structured around presentations and round table discussion sessions on the following issues:

- The 2018 Review of the HMWP outcomes
- The changed policy landscape: NPPF, 25 Year Plan, Waste & Resources and Brexit etc.
- Sustainability issues: Climate change, biodiversity net gain, horizon scanning etc.
- Biodiversity net gain
- Waste & Resources Strategy
- Soft sand
- Marine aggregates.

A number of key messages were highlighted at the Workshop which can be used to inform this Review and the scope of the Plan update:

General messages

A number of general issues were raised which impact the whole Plan:

- Climate change.
- The need to future proof the Plan and make it flexible.
- On-going Government updates and the need for implementation guidance.
- The need for Duty to Cooperate and liaison with industry.
- Consideration of the monitoring indicators as well as the policies themselves.

Minerals messages

A number of minerals issues were raised including:

- Safeguarding, particularly in relation to prior extraction and wharves.
- Consideration of regional-level supply issues.
- Greater emphasis on the Local Aggregate Assessment.
- Demand should take into account Local Plan delivery and infrastructure.

Waste messages

Issues raised regarding waste including:

- The need to consider all waste streams, not just household waste.
- Review of the data, types of site (not just facility type) and how they are delivered.
- The need for more waste sites, such as resource parks.

Compliance with National Policy

This section applies the PAS toolkit to determine compliance with national policy. As the toolkit is geared towards all Local Plans, some parts have been struck out and highlighted as 'not applicable'. In addition, the toolkit does not include compliance with the National Planning Policy for Waste (NPPW) (2014) which is relevant to Waste Local Plans and therefore, the requirements have been included.

The review of Local Plan Content compliance has demonstrated that overall, the HMWP is compliant and is not silent on any policy requirement. However, there are several policy areas where the general policy approach is in conformity, but the specific wording may need to be refreshed to ensure that the policy is fully compliant.

The key policy areas requiring a policy refresh include:

- Reference to government policy (post 2013);
- The Vision and its relevance to minerals and waste;
- The removal of some areas of ambiguity in policies;
- Clearer identification of the Strategic Policies;
- Reference to net gain, natural capital, and the agent of change;
- Clearer climate change measures;
- Clearer delivery of the waste hierarchy; and
- An update on terminology, such as 'sustaining' rather than 'protecting' historic assets.

Conclusion

This 2020 Review has considered the effectiveness of the HWMP since its adoption in 2013. Unlike the 2018 Review, consideration has been given not only to the monitoring data but compliance with national policy. In addition, the Vision, Plan Objectives, Spatial Strategy and Key Diagram have been taken into account.

Development Management Policies

The monitoring data suggests that most of these policies are performing well with Policy 14 (Community benefits) as the exception. However, reviewing national policy compliance, highlights that the policies would benefit from a refresh in their terminology and in some cases, their delivery.

In addition, Policy 2 (Climate change – mitigation and adaption) needs to be strengthened and Policy 9 (Restoration of minerals and waste developments) needs to ensure that climate change is suitably imbedded in its implementation.

Minerals Policies

The 2018 Review highlighted that the required 7-year landbank for sand and gravel (for both sharp sand and soft sand) was not being met along with other mineral requirements. The situation remains in 2020 as well as an increasing risk to recycled and secondary aggregate delivery and capacity issues at the wharves.

The aggregate delivery requirements (Policy 17 (Aggregate supply – capacity and source)) would benefit from being updated. This would help ensure the requirements of the NPPF were being met.

Whilst the policies are enabling suitable development to come forward, they would benefit from outlining any additional sustainable opportunities to help meet requirements and provide certainty to industry and communities.

Waste Policies

The 2020 Review shows that in general, the waste forecasts continue to be relatively accurate and additional capacity is coming on stream albeit focused more on recovery than recycling. However, to ensure compliance with the NPPW, they would benefit from an update to enable greater alignment with the waste hierarchy.

Landfill capacity continues not to meet the forecasted need. Therefore, the policy would benefit from considering possible sustainable options alongside other sites for waste management.

Monitoring Indicators

This Review has not assessed these in detail but it is recognised that not all indicators obtain the information required to monitor the effectiveness of the Policies. However, any update of the policies should include a further review of the monitoring indicators to ensure that they are SMART³.

Vision, Plan Objectives, Spatial Strategy and Key Diagram

The issues identified through this Review could suggest that the economy was not being supported adequately. The current Vision could be considered to be lacking in spatial identity and specificity in its aims in relation to minerals and waste. The Vision would also benefit from aligning itself with the visionary Hampshire 2050 work and the climate change agenda.

The Plan Objectives generally align with the policies and would help achieve the current Vision. As some of the Policies are currently not delivering their aim, this would

³ Specific, Measurable, Achievable, Relevant and Timely.

suggest the Plan Objectives are not being met. An update of the Policies and/or Vision would need to include a review of the Plan Objectives to ensure they align.

Any update to the Policies would need to be reflected in both the Spatial Strategy and Key Diagram. To ensure compliance with national policy, the Policies, Spatial Strategy and key Diagram need to be unambiguous.

Review limitations

It is recognised that there are limitations to this Review. However, the application of the PAS Guidance has enabled a more thorough assessment.

The monitoring indicators were set when preparing the Plan and were an attempt to quantify the impacts of the decisions made within the framework of the HMWP. Any update to the policies should include a further investigation of the indicators and triggers.

The 2018 Review highlighted that there were at the time several uncertainties which could have an impact on future supply and capacity requirements of minerals and waste. However, uncertainty has only been increased due to the national pandemic, which is impacting on the economy; the longevity of these impacts is unknown.

The Government continues to drive forward changes to boost the housing market. Whilst an increase in development will have a direct impact on demand for construction aggregates, the rate of this increase is unclear.

Duty to cooperate correspondence has been issued to minerals and waste planning authorities who have a relationship with Hampshire in terms to minerals and waste movements to inform this Review. However, it is recognised that the minerals data is out-of-date (2014) as the new data was not available at the time. Further focussed liaison can be addressed as part of the Plan update.

Next Steps

It is recommended that a partial update of the HMWP is undertaken to ensure compliance with the NPPF and NPPW but also to ensure that the Plan is delivering a steady and adequate supply of minerals and enabling sustainable waste management provision.

In addition, the Vision, Plan Objectives, Spatial Strategy and Key Diagram will need to be further reviewed to ensure that all requirements of the Plan are delivered but also that the Vision aligns with the 2050 principles for Hampshire and the climate change agenda.

To support the partial Plan update, an assessment of mineral and waste site options would ensure any suitable sites for enabling sustainable minerals and waste development are included in the Plan helping provide certainty to the industry and local communities.

1. Introduction

- 1.1 The Hampshire Minerals and Waste Plan (HMWP) was adopted in October 2013⁴.
- 1.2 The Plan covers the administrative areas of Hampshire County Council, the unitary authorities of Portsmouth City Council and Southampton City Council, the New Forest National Park Authority, and the area of the South Downs National Park Authority within Hampshire (the Hampshire Authorities).
- 1.3 The Plan is based upon the principle of ensuring we have the right developments to maintain a reliable and timely supply of minerals and excellent management of our waste, whilst protecting the environment and our communities. It contains policies to enable minerals and waste decision-making, as well as minerals and waste site allocations (rail depots, land-won sand and gravel quarries, brick-making clay quarries and landfill) which support Hampshire's 'vision and objectives' for minerals and waste development to 2030.
- 1.4 The effectiveness of the policies in the HMWP have been reviewed through Monitoring Reports on an annual basis from 2012/13 to 2018 (please note we latterly changed to calendar year reporting to standardise data collection and make all the data comparable).
- 1.5 The annual Monitoring Reports (MRs) can be viewed here:
<https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>
- 1.6 The National Planning Policy Framework (NPPF) requires that Local Plans should be reviewed to assess whether they require updating at least once every five years⁵. A recent update to the Planning Practice Guidance (PPG) suggests that if a local planning authority decides not to update their policies, they should publish the reasons within 5 years of the adoption date of the plan⁶.
- 1.7 Having been adopted in 2013, the HMWP was due a review in 2018 to assess if the intended outcome (the Vision; '*Protecting the environment, maintaining communities and supporting the economy*') of land use for minerals and waste development in Hampshire is supported by the correct 'direction of travel' and whether the Plan policies are effective.

⁴ Hampshire Minerals & Waste Plan (2013) -

<https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

⁵ National Planning Policy Framework (2019) (Para. 33) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁶ Planning Practice Guidance (Paragraph: 051 Reference ID: 61-051-20180913) (Revision date: 13 09 2018) - <https://www.gov.uk/guidance/plan-making>

- 1.8 Elements of national and regional minerals and waste policy have also been under review by Government since the adoption of the HMWP, further indicating that a review now would be timely.

2018 Review of the HMWP

- 1.9 A Review of the HMWP took place in 2018 (5 years since adoption) and considered the performance of the 34 policies against the monitoring indicators and data. Where the data suggested there was an issue, this was investigated, and the Review concluded whether policies required an update or not.
- 1.10 The 2018 Review concluded that the policies were working effectively to achieve the Vision and there is no requirement to update the HMWP. The reasons for this decision were as follows:

Waste

- In general, the waste forecasts have been relatively accurate.
- Landfill capacity is identified as not meeting the forecasted need. However, Policy 32 allows for additional landfill capacity and there is also reserve capacity.
- The implications of the Britain's exit from the European Union ("Brexit") on the waste industry are unknown at this time.

Minerals

- The landbank and permitted reserves of sand and gravel, silica and brick-making clay are not meeting their required levels. However, review of the mineral supply policies has highlighted that these do not exclude further development proposals to come forward and would be supported where a shortfall in supply is identified. The policies are considered to be flexible and enable development, where required.
 - The allocations in the HWMP are coming forward (relatively to the timescales set out in the Plan) as well as unplanned opportunities.
 - The landbank is being impacted by a delay in decision-making which is not the result of policy.
- 1.11 It was determined that the effectiveness of the Hampshire Minerals & Waste Plan should be reviewed again in 2020 to test whether the delays in decision-making can be overcome, the remaining allocations are submitted as applications and the implications of Brexit are better understood.
- 1.12 A commitment was made to undertake a Stakeholder Workshop in 2019 to investigate the issues raised within the 2018 Review and how the trends in minerals supply and sustainable waste management provision are developing. This is covered in more detail in Section 7 of this Report. It was also determined that the HMWP Local Development Scheme would be updated to reflect the commitment to a future review in 2020 and Stakeholder event in 2019.

Structure of this review

1.13 This 2020 Review has a number of sections:

- Section 2: *Effectiveness of Plan Policies (review of MRs)* – outlines the findings of the review of the annual MRs to provide information and trends over the past five years against each of the 34 policies within the Plan. A Monitoring RAG (Red, Amber and Green) status is provided for each policy.
- Section 3: *Issues requiring review* – explores the policies that have been found to have an ‘Amber’ Review status and what the circumstances were in determining this summary. The review of each policy concludes whether an update of the Plan is required and provides a Review RAG status.
- Section 4: *Issues to be reviewed and may need addressing* - explores the policies that have been found to have a ‘Red’ Monitoring status and what the circumstances were in determining this summary. The review of each policy concludes whether an update of the Plan is required and provides a Review RAG status.
- Section 5: *Effectiveness of the Vision, Plan Objectives and Spatial Strategy* – delineates the findings of the policy review and whether this exposes a lack of delivery in the purpose of the Plan.
- Section 6: *Policy Change Drivers* – reviews the policy legislation and drivers that have been released since the HMWP was adopted and concludes whether any of these indicate whether an update of the Plan is required.
- Section 7: *Review Workshop Outcomes* – outlines the issues raised at the Review Workshop held in September 2019.
- Section 8: *Compliance with National Policy* – assess whether the HMWP is compliant with the National Planning Policy for Waste (produced after the Plan was adopted) and the revised National Planning Policy Framework.
- Section 9: *Conclusion* – outlines a summary of the findings and a proposed way forward in relation to the need for an update of the HMWP.

Duty to Cooperate

- 1.14 To support this Review, letters have been sent to minerals and waste planning authorities with which there are is a strategic movement of minerals and/or waste. This is to determine whether there are any key issues which could impact the continuation of this movement. Unfortunately, due to the delay caused by the current national pandemic, updated minerals data was not available at the time of this Review.
- 1.15 The responses received from the relevant minerals and waste planning authorities, did not raise any issues which need to be outlined in this Review.
- 1.16 Should the Plan be updated, this exercise will be repeated to inform the update and will make reference to the results of the 2019 national Aggregate Survey. Meetings will also take place with neighbouring authorities to discuss the findings of this Review and the planned update. Where necessary, Statements of Common Ground will be prepared.

2. Effectiveness of Plan Policies (review of Monitoring Reports)

2.1 This section considers each of the 34 policies contained within the HMWP in turn. The policy wording is provided as well as trends over the past five years based on information set out in the MRs. Specifically, this considers the monitoring indicators and triggers for each policy.

2.2 Where relevant to the indicator, contextual information is provided on how the statistics compare to the total number of applications or permissions. In the last 7 years (October 2013 to August 2020):

- Hampshire County Council has processed 248⁷ applications;
- A total⁸ of 230 permissions have been granted (49 Minerals / 181 Waste)
- A total of 16 new development sites⁹ have been permitted (6 Minerals / 10 Waste)

2.3 A RAG (Red, Amber and Green) Monitoring status is provided for each policy and is determined as follows:

Monitoring shows no issues	Green
Monitoring shows some issues to be reviewed	Amber
Monitoring shows issues to be reviewed and may need to be addressed	Red

2.4 In addition, the content of the policy is reviewed for compliance with the National Planning Policy Framework and/or National Planning Policy for Waste.

⁷ Excludes Environmental Impact Assessments

⁸ Total = Total of all permissions granted by Hampshire County Council.

Policy 1: Sustainable minerals and waste development

Policy wording

The Hampshire Authorities will take a positive approach to minerals and waste development that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework (NPPF). Minerals and waste development that accords with policies in this Plan will be approved without delay, unless material considerations indicate otherwise.

Where there are no policies relevant to the proposal or the relevant policies are out of date at the time of making the decision, the Hampshire Authorities will grant permission unless material considerations indicate otherwise, taking into account whether:

Any adverse impacts of granting planning permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole; or

Specific policies in that Framework indicate that development should be restricted.

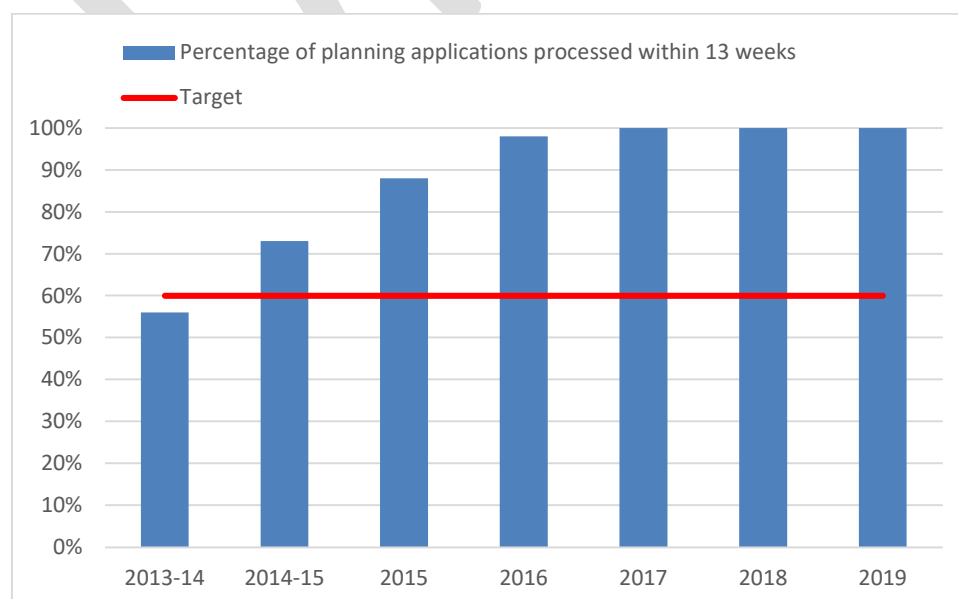
Monitoring indicator

Percentage of Planning Applications processed within 13 weeks.

Monitoring trigger (threshold) for policy review

60% of planning applications within 13 weeks.

7-year trend for planning applications processed by Hampshire County Council



Over the last seven years (October 2013 to August 2020) around 248 minerals and waste applications were processed. This includes 14 in 2013 (post adoption of the Plan in October), 36 in 2014, 34 in 2015, 58 in 2016, 34 in 2017, 30 in 2018, 30 in 2019 and 12 until August 2020.

RAG Monitoring status

The number of planning applications processed within 13 weeks (or within an agreed extension of time) has increased over the 7-year period and remained at 100% since 2017.

Green

Policy 2: Climate change

Policy wording

Minerals and waste development should minimise their impact on the causes of climate change. Where applicable, minerals and waste development should reduce vulnerability and provide resilience to impacts of climate change by:

- a. being located and designed to help reduce greenhouse gas emissions and the more sustainable use of resources; or
- b. developing energy recovery facilities and to facilitate low carbon technologies; and
- c. avoiding areas of vulnerability to climate change and flood risk or otherwise incorporate adaptation measures.

Monitoring indicator

Percentage of planning permissions granted against Environment Agency (EA) advice.

Monitoring trigger (threshold) for policy review

Number of planning permissions granted against EA advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against EA advice.

Green

Policy 3: Protection of habitats and species

Policy wording

Minerals and waste development should not have a significant adverse effect on, and where possible, should enhance, restore or create designated or important habitats and species.

The following sites, habitats and species will be protected in accordance with the level of their relative importance:

- a. internationally designated sites including Special Protection Areas, Special Areas of Conservation, Ramsar sites, any sites identified to counteract adverse effects on internationally designated sites, and European Protected Species;
- b. nationally designated sites including Sites of Special Scientific Interest and National Nature Reserves, nationally protected species and Ancient Woodland;
- c. local interest sites including Sites of Importance for Nature Conservation, and Local Nature Reserves;
- d. habitats and species of principal importance in England;
- e. habitats and species identified in the UK Biodiversity Action Plan or Hampshire Authorities' Biodiversity Action Plans.

Development which is likely to have a significant adverse impact upon such sites, habitats and species will only be permitted where it is judged, in proportion to their relative importance, that the merits of the development outweigh any likely environmental damage. Appropriate mitigation and compensation measures will be required where development would cause harm to biodiversity interests.

Monitoring indicator

Planning permissions granted against Natural England (NE) advice (Planning permissions in designated areas).

Monitoring trigger (threshold) for policy review

Number of planning permissions granted within designated sites (SPA / SAC / Ramsar / SSSI etc.) against NE advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against NE advice.

Green

DRAFT

Policy 4: Protection of the designated landscape

Policy wording

Major minerals and waste development will not be permitted in the New Forest or South Downs National Parks, or in the North Wessex Downs, the Cranborne Chase and West Wiltshire Downs, and Chichester Harbour Areas of Outstanding Natural Beauty (AONBs), except in exceptional circumstances. In this respect, consideration will be given to:

- a. the need for the development, including in terms of any national considerations;
- b. the impact of permitting, or refusing the development upon the local economy;
- c. the cost and scope for meeting the need outside the designated area, or meeting the need in some other way; and
- d. whether any detrimental effects on the environment, landscape and / or recreational opportunities can be satisfactorily mitigated.

Minerals and waste development should reflect and where appropriate enhance the character of the surrounding landscape and natural beauty, wildlife and cultural heritage of the designated area.

Minerals and waste development should also be subject to a requirement that it is restored in the event it is no longer needed for minerals and waste uses.

Small-scale waste management facilities for local needs should not be precluded from the National Parks and AONBs, provided that they can be accommodated without undermining the objectives of the designation.

Monitoring indicator

Planning permissions granted against Natural England advice (Planning permissions in designated landscape areas).

Monitoring trigger (threshold) for policy review

Number of planning permissions granted within designated landscape areas (NP / AONB) against NE advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against NE advice.

Green

DRAFT

Policy 5: Protection of the countryside

Minerals and waste development in the open countryside, outside the National Parks and Areas of Outstanding Natural Beauty, will not be permitted unless:

- a. it is a time-limited mineral extraction or related development; or
- b. the nature of the development is related to countryside activities, meets local needs or requires a countryside or isolated location; or
- c. the development provides a suitable reuse of previously developed land, including redundant farm or forestry buildings and their curtilages or hard standings.

Where appropriate and applicable, development in the countryside will be expected to meet highest standards of design, operation and restoration.

Minerals and waste development in the open countryside should be subject to a requirement that it is restored in the event it is no longer required for minerals and waste use.

Monitoring indicator

Planning permissions granted in the countryside contrary to policy AND Restoration conditions in exceptional developments.

Monitoring trigger (threshold) for policy review

Number of planning permissions granted in the countryside contrary to policy = 0 AND For exceptional developments, number of planning permissions granted without restoration conditions = 0.

7-year trend

Only one planning permission has been granted in the countryside that was contrary to policy over the last seven years (2015) [230 total permissions].

RAG Monitoring status

One application has been granted contrary to policy.

Amber

Policy 6: South West Hampshire Green Belt

Policy wording

Within the South West Hampshire Green Belt, minerals and waste developments will be approved provided that they are not inappropriate or that very special circumstances exist.

As far as possible, minerals and waste developments should enhance the beneficial use of the Green Belt.

The highest standards of development, operation and restoration of minerals or waste development will be required.

Monitoring indicator

Planning permissions granted in the Green Belt contrary to policy AND Restoration conditions in exceptional developments.

Monitoring trigger (threshold) for policy review

Number of planning permissions granted in the Green Belt contrary to policy = 0 AND For exceptional developments, number of planning permissions without restoration conditions = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted contrary to policy.

Green

Policy 7: Conserving the historic environment and heritage assets

Policy wording

Minerals and waste development should protect and, wherever possible, enhance Hampshire's historic environment and heritage assets, both designated and non-designated, including the settings of these sites.

The following assets will be protected in accordance with their relative importance:

- a. scheduled ancient monuments;
- b. listed buildings;
- c. conservation areas;
- d. registered parks and gardens;
- e. registered battlefields;
- f. sites of archaeological importance; and
- g. other locally recognised assets.

Minerals and waste development should preserve or enhance the character or appearance of historical assets unless it is demonstrated that the need for and benefits of the development decisively outweigh these interests.

Monitoring Indicator

Planning permissions against English Heritage (EH) advice.

Monitoring trigger (threshold) for policy review

Number of planning permissions against English Heritage (EH) advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against Historic England (formerly English Heritage) advice.

Green

Policy 8: Protection of soils

Policy wording

Minerals and waste development should protect and, wherever possible, enhance soils and should not result in the net loss of best and most versatile agricultural land.

Minerals and waste development should ensure the protection of soils during construction and, when appropriate, recover and enhance soil resources.

Monitoring indicator

Number of planning permissions that result in a net loss of Best & Most Versatile (BMV) agricultural land in Hampshire AND Planning permissions against Natural England (NE) advice.

Monitoring trigger (threshold) for policy review

Number of planning permissions that result in a net loss of BMV land in Hampshire > 0 AND Number of planning permissions granted against NE advice = 0.

7 year tend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against NE advice or resulted in a loss of BMV land.

Green

Policy 9: Restoration of minerals and waste developments

Policy wording

Temporary minerals and waste development should be restored to beneficial after-uses consistent with the development plan.

Restoration of minerals and waste developments should be in keeping with the character and setting of the local area, and should contribute to the delivery of local objectives for habitats, biodiversity or community use where these are consistent with the development plan.

The restoration of mineral extraction and landfill sites should be phased throughout the life of the development.

Monitoring Indicator

Relevant planning permissions have restoration and aftercare conditions.

Monitoring trigger (threshold) for policy review

Number of relevant planning permissions without restoration and aftercare conditions = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No relevant applications have been granted without restoration or aftercare conditions.

Green

Policy 10: Protecting public health, safety and amenity

Policy wording

Minerals and waste development should not cause adverse public health and safety impacts, and unacceptable adverse amenity impacts.

Minerals and waste development should not:

- a. release emissions to the atmosphere, land or water (above appropriate standards);
- b. have an unacceptable impact on human health;
- c. cause unacceptable noise, dust, lighting, vibration or odour;
- d. have an unacceptable visual impact;
- e. potentially endanger aircraft from bird strike and structures;
- f. cause an unacceptable impact on public safety safeguarding zones;
- g. cause an unacceptable impact on:
 - i. tip and quarry slope stability; or
 - ii. differential settlement of quarry backfill and landfill; or
 - iii. subsidence and migration of contaminants;
- h. cause an unacceptable impact on coastal, surface or groundwaters;
- i. cause an unacceptable impact on public strategic infrastructure;
- j. cause an unacceptable cumulative impact arising from the interactions between minerals and waste developments, and between mineral, waste and other forms of development.

The potential cumulative impacts of minerals and waste development and the way they relate to existing developments must be addressed to an acceptable standard.

Monitoring indicator

Planning permissions against Environment Agency (EA) advice AND Planning permissions against Environment Health Officer (EHO) advice.

Monitoring trigger (threshold) for policy review

Number of planning permissions granted against EA advice = 0 AND Number of planning permissions granted against EHO advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against EA or EHO advice.

Green

DRAFT

Policy 11: Flood risk and prevention

Policy wording

Minerals and waste development in areas at risk of flooding should:

- a. not result in an increased flood risk elsewhere and, where possible, will reduce flood risk overall;
- b. incorporate flood protection, flood resilience and resistance measures where appropriate to the character and biodiversity of the area and the specific requirements of the site;
- c. have site drainage systems designed to take account of events which exceed the normal design standard;
- d. not increase net surface water run-off; and
- e. if appropriate, incorporate Sustainable Drainage Systems to manage surface water drainage, with whole-life management and maintenance arrangements.

Monitoring indicator

Planning permissions granted against Environment Agency (EA) advice.

Monitoring trigger (threshold) for policy review

Number of planning permissions against EA advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against EA advice.

Green

Policy 12: Managing traffic

Policy wording

Minerals and waste development should have a safe and suitable access to the highway network and where possible minimise the impact of its generated traffic through the use of alternative methods of transportation such as sea, rail, inland waterways, conveyors, pipelines and the use of reverse logistics. Furthermore, highway improvements will be required to mitigate any significant adverse effects on:

- a. highway safety;
- b. pedestrian safety;
- c. highway capacity; and
- d. environment and amenity.

Monitoring indicator

Planning permissions granted contrary to Highway Authority (HA) advice.

Monitoring trigger (threshold) for policy review

Number of planning permissions contrary to HA advice = 0.

7-year trend

0% over each of the last seven years [230 total permissions].

RAG Monitoring status

No applications have been granted against HA advice.

Green

Policy 13: High-quality design of minerals and waste development

Policy wording

Minerals and waste development should not cause an unacceptable adverse visual impact and should maintain and enhance the distinctive character of the landscape and townscape.

The design of appropriate built facilities for minerals and waste development should be of a high-quality and contribute to achieving sustainable development.

Monitoring indicator

Planning permissions in the view of MWPA are of satisfactory design.

Monitoring trigger (threshold) for policy review

Number of planning permissions without satisfactory design = 0.

7-year trend

0 over each of the last seven years.

RAG Monitoring status

No relevant applications have been granted without satisfactory design.

Green

Policy 14: Community benefits

Policy wording

Hampshire Authorities encourage negotiated agreements between relevant minerals and waste developers/operators and a community as a source of funding for local benefits.

Monitoring indicator

Percentage of major applications with community benefits.

Monitoring trigger (threshold) for policy review

Percentage of major applications with community benefits > 50%.

7-year trend

0 over each of the last seven years.

RAG Monitoring status

No applications have been granted with community benefits.

Red

Policy 15: Safeguarding – mineral resources

Policy wording

Hampshire's sand and gravel (sharp sand and gravel and soft sand), silica sand and brick-making clay resources are safeguarded against needless sterilisation by non-minerals development, unless 'prior extraction' takes place.

Safeguarded mineral resources are defined by a Mineral Safeguarding Area illustrated on the Policies Map.

Development without the prior extraction of mineral resources in the Mineral Safeguarding Area may be permitted if:

- a. it can be demonstrated that the sterilisation of mineral resources will not occur; or
- b. it would be inappropriate to extract mineral resources at that location, with regards to the other policies in the Plan; or
- c. the development would not pose a serious hindrance to mineral development in the vicinity; or
- d. the merits of the development outweigh the safeguarding of the mineral.

The soft sand / potential silica sand resources at Whitehill & Bordon (Inset Map 5), further illustrated on the Policies Map are included within the MSA and are specifically identified for safeguarding under this policy.

Monitoring indicator

Area of Mineral Safeguarding Area (MSA) sterilised by non-mineral development granted permission by Local Planning Authority (LPA) against Minerals Planning Authority (MPA) advice.

Monitoring trigger (threshold) for policy review

Area of MSA sterilised by non-mineral development granted permission by LPA against MPA advice = 0 hectares.

7-year trend

19.3 hectares of MSA was sterilised by development in the first five years of the Plan:

- 4.1 ha in 2015 (application 15/00392/REM, Edenbrook, Hitches Lane, Hart).
- 14.5 ha in 2016 (application 16/10764, Land at Buckland Manor Farm, Alexandra Road, Lymington, New Forest).
- 0.7 ha in 2016 (application 16/10497 Merryfield Park, Derriitt Lane, Sopley).

A further 14.3 hectares of MSA have been sterilised in the last two years of the Plan:

- 8.3 ha in 2017 (application 17/01470/FUL - Land at former Ford Motor Co Wide Lane Southampton and application O/17/80319 – Land at Satchell Lane, Hamble-Le-Rice, Southampton. Site allowed by Planning Inspectorate during appeal).
- 6.0 ha in 2018 (application 18/02994/FULLS, Stoneham Golf Club, Bassett Green Road, Southampton and application APP/18/00287 – Former Council Depot Site, Harts Farm Way, Havant).

RAG Monitoring status

33.6 ha of land has been sterilised against MPA advice in the 7-year period.

Amber

Policy 16: Safeguarding – minerals infrastructure

Policy wording

Infrastructure that supports the supply of minerals in Hampshire is safeguarded against development that would unnecessarily sterilise the infrastructure or prejudice or jeopardise its use by creating incompatible land uses nearby.

Minerals sites with temporary permissions for minerals supply activities are safeguarded for the life of the permission.

The Hampshire Authorities will object to incompatible development unless it can be demonstrated that:

- a. the merits of the development clearly outweigh the need for safeguarding; or
- b. the infrastructure is no longer needed; or
- c. the capacity of the infrastructure can be relocated or provided elsewhere. In such instances, alternative capacity should:
 - i. meet the provisions of the Plan, that this alternative capacity is deliverable; and
 - ii. be appropriately and sustainably located; and
 - iii. conform to the relevant environmental and community protection policies in this Plan; or
- d. the proposed development is part of a wider programme of reinvestment in the delivery of enhanced capacity for minerals supply.

The infrastructure safeguarded by this policy is illustrated on the Policies Map and identified in 'Appendix B - List of safeguarded minerals and waste sites'.

Monitoring indicator

Number of safeguarded sites developed for non-mineral uses by Local Planning Authority (LPA) permission against Mineral Planning Authority (MPA) advice.

Monitoring trigger (threshold) for policy review

Number of safeguarded sites developed for non-mineral uses by LPA permission against MPA advice = 0.

7-year trend

0 over each of the last seven years.

RAG Monitoring status

No safeguarded sites have been developed for non-mineral uses against MPA advice.

Green

DRAFT

Policy 17: Aggregate supply – capacity and source

Policy wording

An adequate and steady supply of aggregates until 2030 will be provided for Hampshire and surrounding areas from local sand and gravel sites at a rate of 1.56mtpa, of which 0.28mtpa will be soft sand.

The supply will also be augmented by safeguarding and developing infrastructure capacity so that alternative sources of aggregate could be provided at the following rates:

- 1.0mtpa of recycled and secondary aggregates; and
- 2.0mtpa of marine-won aggregates; and
- 1.0mtpa of limestone delivered by rail.

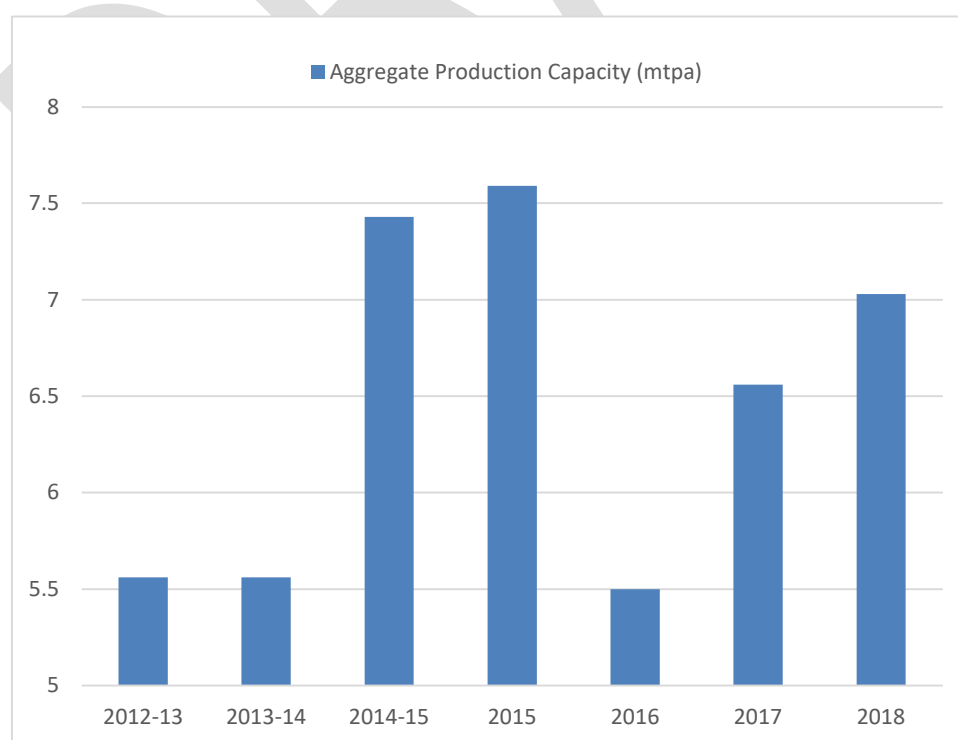
Monitoring Indicator

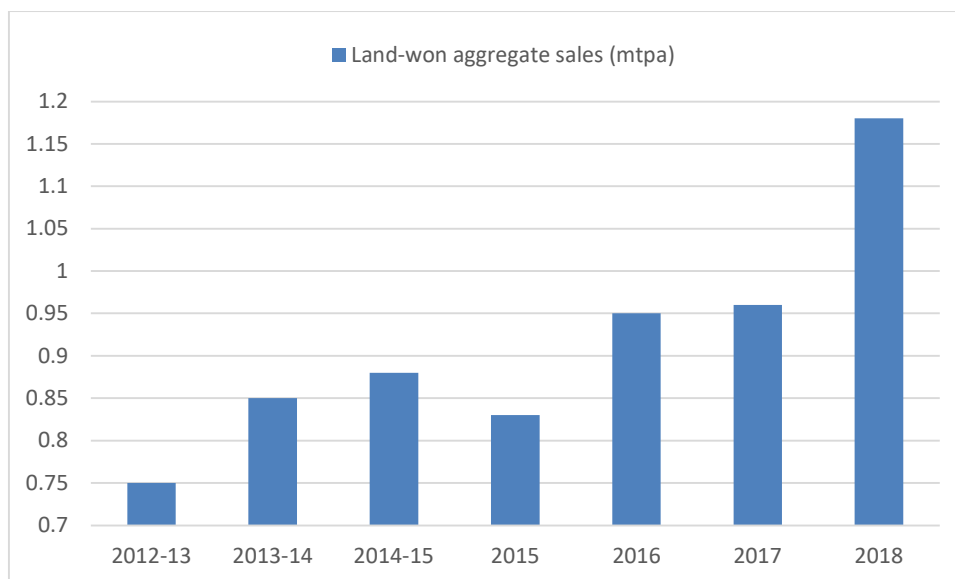
Reduction in aggregate production capacity AND Land-won aggregate sales.

Monitoring trigger (threshold) for policy review

Aggregate production capacity is not reduced by more than 556,000 tonnes per annum (10% of 5.56mtpa) AND Land-won aggregate sales are not constrained by lack of capacity.

7-year trend





RAG Monitoring status

Sales of land-won aggregate have increased over the seven years. The loss in capacity is significantly greater than 556,000 between 2015/16. However, 2017 and 2018 suggest a recovery in production capacity.

Amber

Policy 18: Recycled and secondary aggregates development

Policy wording

Recycled and secondary aggregate production will be supported by encouraging investment and further infrastructure to maximise the availability of alternatives to marine-won and local land-won sand and gravel extraction.

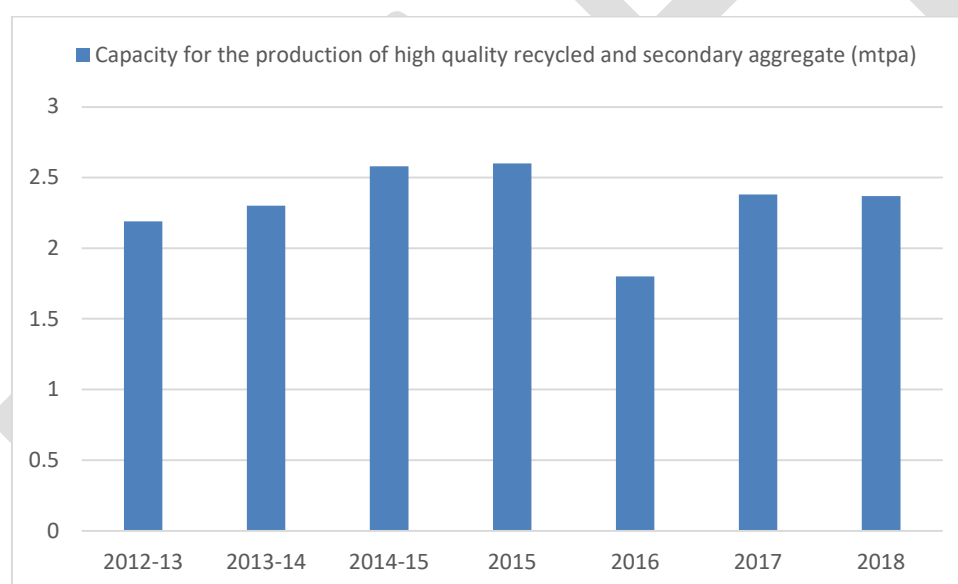
Monitoring indicator

Production of high quality recycled and secondary aggregate.

Monitoring trigger (threshold) for policy review

Year on year decrease in the (capacity for) production of high quality recycled and secondary aggregates.

7-year trend*



RAG Monitoring status

Whilst there has been a year on year increase during the period 2012/15, there was a significant decrease in capacity in 2016 which has recovered in 2017/2018.

Amber

Policy 19: Aggregate wharves and rail depots

Policy wording

The capacity at existing aggregate wharves and rail depots will where possible and appropriate be maximised and investment in infrastructure and /or the extension of suitable wharf and rail depot sites will be supported to ensure that there is sufficient capacity for the importation of marine-won sand and gravel and other aggregates.

1. Existing wharf and rail depot aggregate capacity is located at the following sites:
 - i. Supermarine Wharf, Southampton (Aggregates wharf)
 - ii. Leamouth Wharf, Southampton (Aggregates wharf)
 - iii. Dibles Wharf, Southampton (Aggregates wharf)
 - iv. Kendalls Wharf, Portsmouth (Aggregates wharf)
 - v. Fareham Wharf, Fareham (Aggregates wharf)
 - vi. Marchwood Wharf, Marchwood (Aggregates wharf)
 - vii. Bedhampton Wharf, Havant (Aggregates wharf)
 - viii. Burnley Wharf, Southampton (Aggregates wharf)
 - ix. Eastleigh Rail Depots, Eastleigh (Aggregates rail depot)
 - x. Botley Rail Depot, Botley (Aggregates rail depot)
 - xi. Fareham Rail Depot, Fareham (Aggregates rail depot)
2. Further aggregate rail depots are proposed provided the proposals address the development considerations outlined in 'Appendix A - Site allocations' at:
 - i. Basingstoke Sidings, Basingstoke (Rail depot) (Inset Map 2)
 - ii. Micheldever Sidings, Micheldever (Rail depot) (Inset Map 4)

The rail depot proposals are illustrated on the 'Policies Map'.

3. New wharf and rail depot proposals will be supported if the proposal represents sustainable development. New developments will be expected to:
 - a. have a connection to the road network; and
 - b. have a connection to the rail network or access to water of sufficient depth to accommodate the vessels likely to be used in the trades to be served; and
 - c. demonstrate, in line with the other policies in this Plan, that they do not pose unacceptable harm to the environment and local communities.

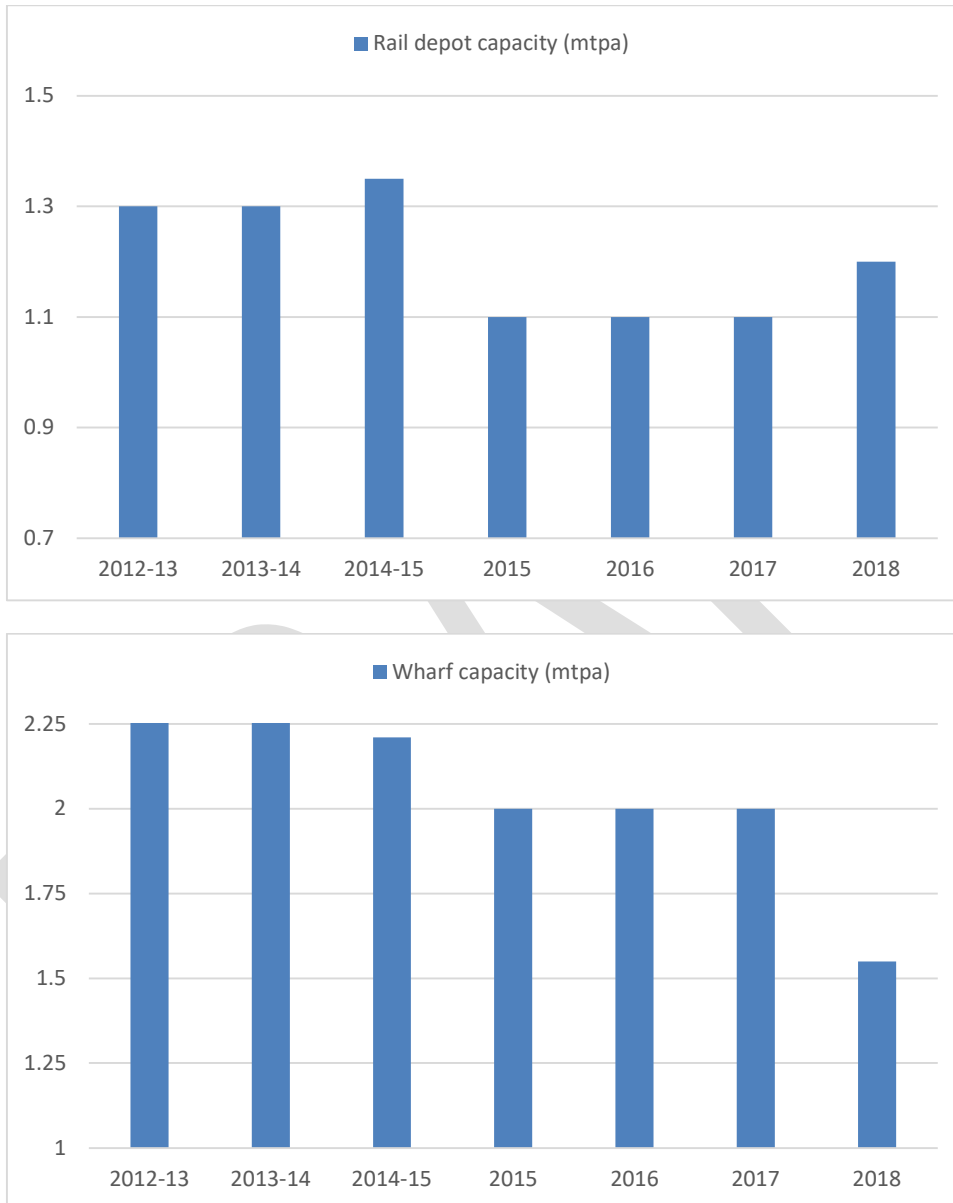
Monitoring indicator

Rail depot capacity AND Wharf capacity.

Monitoring trigger (threshold) for policy review

Rail depot capacity reduced by more than 130,000 tonnes per annum (10% of 1.3 mtpa) AND Wharf capacity reduced by more than 256,000 tonnes per annum (10% of 2.56 mtpa).

7-year trend



RAG Monitoring status

There has been a significant decrease in rail depot and wharf capacity from 2015. Rail depot capacity has had a slight increase in capacity in 2018 whilst wharf capacity has continued to decline.

Red

Policy 20: Local land-won aggregates

Policy wording

An adequate and steady supply of locally extracted sand and gravel will be provided by maintaining a landbank of permitted sand and gravel reserves sufficient for at least seven years from:

1. the extraction of remaining reserves at the following permitted sites:
 - i. Bramshill Quarry, Bramshill (sharp sand and gravel)
 - ii. Eversley Common Quarry, Eversley (sharp sand and gravel)
 - iii. Eversley Quarry (Chandlers Farm), Eversley (sharp sand and gravel)
 - iv. Mortimer Quarry, Mortimer West End (sharp sand and gravel)
 - v. Badminton Farm (Fawley) Quarry, Fawley (sharp sand and gravel)
 - vi. Bury Farm (Marchwood) Quarry, Marchwood (sharp sand and gravel)
 - vii. Bleak Hill Quarry (Hamer Warren), Harbridge (sharp sand and gravel)
 - viii. Avon Tyrell, Sopley (sharp sand and gravel)
 - ix. Downton Manor Farm Quarry, Milford on Sea (sharp sand and gravel)
 - x. Blashford Quarry (including Plumley Wood / Nea Farm), near Ringwood (sharp sand and gravel / soft sand)
 - xi. Roke Manor Quarry, Shootash (sharp sand and gravel)
 - xii. Frith End Sand Quarry, Sleaford (soft sand)
 - xiii. Kingsley Quarry, Kingsley (soft sand)
2. extensions to the following existing sites, provided the proposals address the development considerations outlined in 'Appendix A - Site allocations':
 - i. Bleak Hill Quarry Extension, Harbridge (sharp sand and gravel) (Inset Map 13) – 0.5 million tonnes
 - ii. Bramshill Quarry Extension (Yateley Heath Wood), Blackbushe (sharp sand and gravel) (Inset Map 1) – 1.0 million tonnes
3. new sand and gravel extraction sites, provided the proposals address the development considerations outlined in 'Appendix A - Site allocations':
 - i. Roeshot, Christchurch (sharp sand and gravel) (Inset Map 11) – 3.0 million tonnes
 - ii. Cutty Brow, Longparish (sharp sand and gravel) (Inset Map 3) – 1.0 million tonnes
 - iii. Hamble Airfield, Hamble-le-Rice (sharp sand and gravel) (Inset Map 9) – 1.50 million tonnes
 - iv. Forest Lodge Home Farm, Hythe (soft sand / sharp sand and gravel) (Inset Map 10) – 0.57 million tonnes
 - v. Purple Haze, Ringwood Forest (soft sand / sharp sand and gravel) (Inset Map 12) – 4.0 million tonnes

4. Proposals for new sites outside the areas identified in Policy 20 (including extension of sites identified in Policy 20 (1)) will be supported where:

- a. monitoring indicates that the sites identified in Policy 20 (1), (2) or (3) are unlikely to be delivered to meet Hampshire's landbank requirements and / or the proposal maximises the use of existing plant and infrastructure and available mineral resources at an existing associated quarry; or
- b. the development is for the extraction of minerals prior to a planned development; or
- c. the development is part of a proposal for another beneficial use, or
- d. the development is for a specific local requirement.

The extension and new sites identified above are shown on the 'Policies Map'.

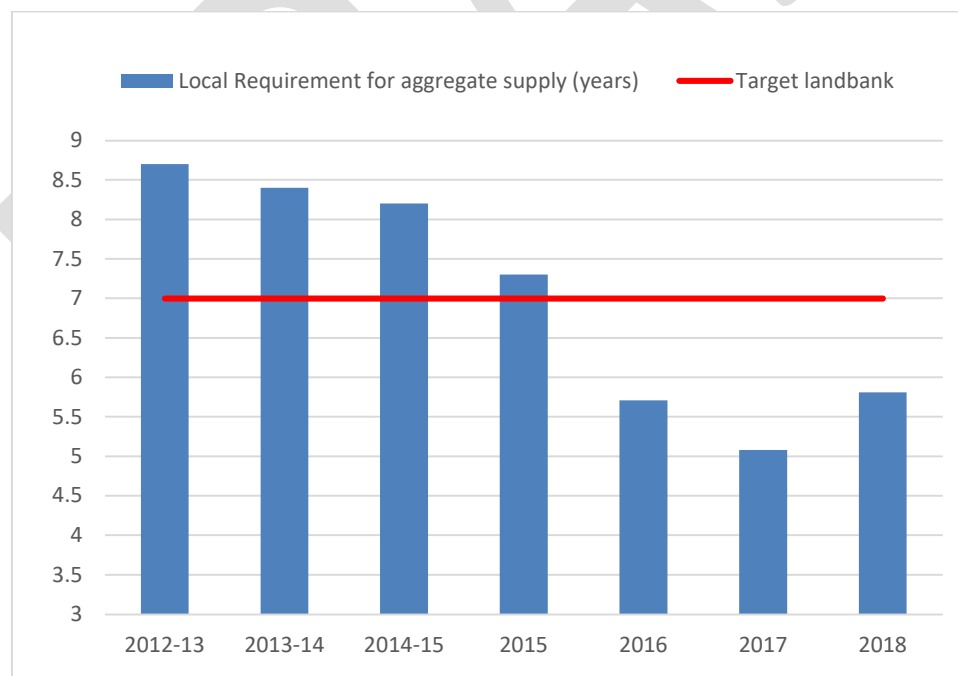
Monitoring indicator

Landbank for Aggregate supply.

Monitoring trigger (threshold) for policy review

Landbank falls below 7 years worth of aggregate supply (*Breach of benchmark over two successive years*).

7-year trend



RAG Monitoring status

The landbank for aggregate supply dropped significantly below the required 7 years in 2016 based on the Local Requirement and has remained below the threshold.

Red

DRAFT

Policy 21: Silica sand development

Policy wording

1. An adequate and steady supply of silica sand will be provided by maintaining a landbank of permitted reserves sufficient for at least 10 years from:
 - i. Frith End Sand Quarry, Sleaford (silica sand)
 - ii. Kingsley Quarry, Kingsley (silica sand)
2. Proposals for silica sand extraction within the Folkestone bed formation and outside the permitted silica sand sites identified above will be supported where:
 - a. the availability of deposits with properties consistent with silica sand uses is demonstrated; and
 - b. monitoring indicates that there is a need to maintain a 10 year landbank; and
 - c. the proposals do not have an unacceptable environmental or amenity impact either alone or in combination with other plans or projects; or
 - d. prior extraction is necessary in order to avoid sterilisation of the deposits due to planned development.

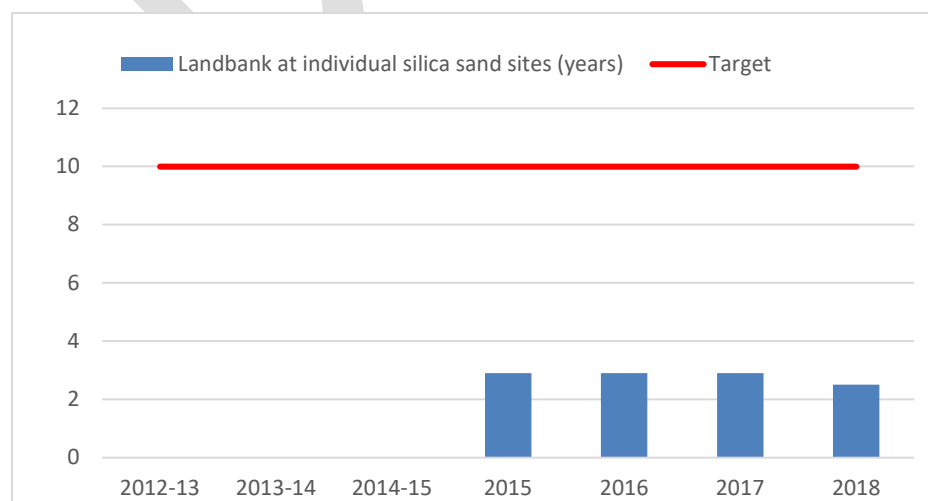
Monitoring indicator

Landbank at individual silica sand sites.

Monitoring trigger (threshold) for policy review

Landbank falls below 10 years at individual silica sand sites (*Breach of benchmark over two successive years*).

7-year trend



RAG Monitoring status

While there has been a lack of availability of data to determine a baseline of silica sand provision, a 10-year landbank has not been achieved for each individual site.

Red

DRAFT

Policy 22: Brick-making clay

A supply of locally extracted brick-making clay for use in Hampshire's remaining brickworks that will enable the maintenance of a landbank of at least 25 years of brick-making clay, will be provided from:

1. the extraction of remaining reserves at the following permitted site:
 - i. Michelmersh Brickworks
2. and extension of existing or former brick-making clay extraction sites at the following sites, provided the proposals address the development considerations outlined in 'Appendix A - Site allocations':
 - i. Michelmersh Brickworks (Inset Map 7); and
 - ii. Selborne Brickworks (Inset Map 6).

The sites identified above are shown on the 'Policies Map'. Extracted brick-making clay from Michelmersh and Selborne should only be used for the manufacture of bricks, tiles and related products in the respective brickworks.

3. Clay extraction outside the sites identified could take place where:
 - a. it can be demonstrated that the sites identified in Policy 22 (2) are not deliverable; and
 - b. there is a demonstrated need for the development; and/or
 - c. the extraction of brick-making clay is incidental to the extraction of local land-won aggregate at an existing sand and gravel quarry.

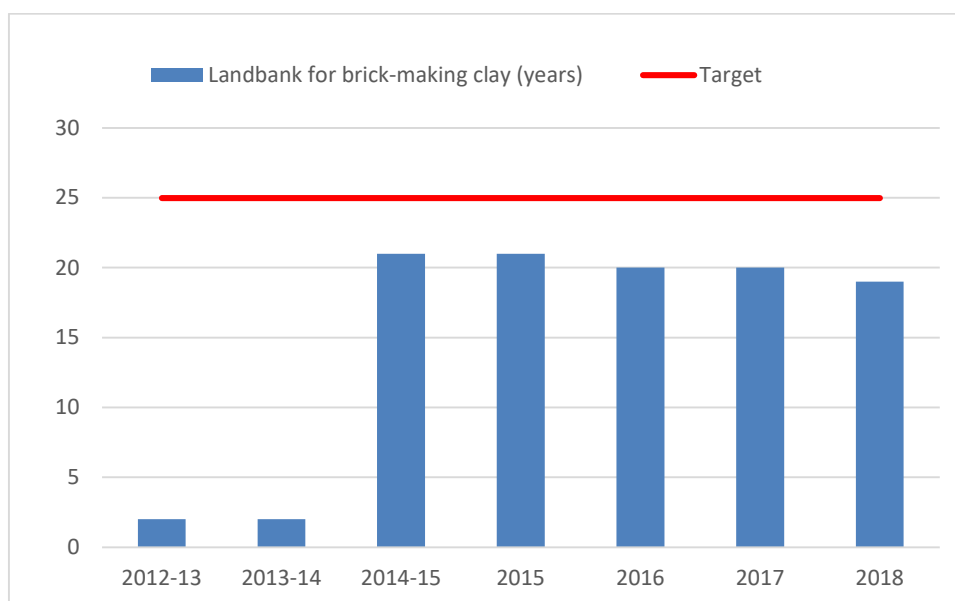
Monitoring indicator

Landbank for brick-making clay.

Monitoring trigger (threshold) for policy review

Landbank falls below 25 years worth of brick-making clay supply (*Breach of benchmark over two successive years*).

7-year trend



RAG Monitoring status

Despite a relative improvement in landbank in 2014/15, the 25-year landbank has not been achieved and continued to decline in 2018.

Red

Policy 23: Chalk development

Policy wording

The small-scale extraction of chalk will only be supported for agricultural and industrial uses in Hampshire. Extraction of chalk for other uses, such as aggregate, a fill material or for engineering will not be supported.

Monitoring indicator

Amount of chalk extracted in tonnes per annum (tpa).

Monitoring trigger (threshold) for policy review

Amount of chalk extracted in tonnes per annum (tpa) < 25,000tpa.

7-year trend

The amount of chalk development only exceeded 25,000 tpa in 2015. Extraction at each site was relatively small-scale, only slightly going over 25,000.

Extraction returned to less than 25,000 tpa in 2016 and has continued to remain below the threshold.

RAG Monitoring status

Extraction exceeded the 25,000 tonnes during the 7-year period, although this returned to a level below the threshold in 2016 and remains below the threshold.

Amber

Policy 24: Oil and gas development

Policy wording

Oil and gas development will be supported subject to environmental and amenity considerations.

1. Exploration and appraisal of oil and gas will be supported, provided the site and equipment:
 - a. is not located within the New Forest National Park or South Downs National Park except in exceptional circumstances, where the reasons for the designation are not compromised and where the need for the development can be demonstrated; and
 - b. is sited at a location where it can be demonstrated that it will only have an acceptable environmental impact; and
 - c. the proposal provides for the restoration and subsequent aftercare of the site, whether or not oil or gas is found.
2. The commercial production of oil and gas will be supported, provided the site and equipment:
 - a. is not located within the New Forest National Park or South Downs National Park except in exceptional circumstances, where the reasons for the designation are not compromised and where the need for the development can be demonstrated; and
 - b. a full appraisal programme for the oil and gas field has been completed; and
 - c. the proposed location is the most suitable, taking into account environmental, geological and technical factors.

Monitoring indicator

Planning permissions granted in the countryside contrary to policy.

Monitoring trigger (threshold) for policy review

Number of planning permissions granted in the countryside contrary to policy = 0.

7-year trend

0 over each of the last seven years.

RAG Monitoring status

No relevant applications have been granted in the countryside contrary to policy.

Green

DRAFT

Policy 25: Sustainable waste management

Policy wording

The long-term aim is to enable net self-sufficiency in waste movements and divert 100% of waste from landfill. All waste development should:

- a. encourage waste to be managed at the highest achievable level within the waste hierarchy; and
- b. reduce the amount of residual waste currently sent to landfill; and
- c. be located near to the sources of waste, or markets for its use; and / or
- d. maximise opportunities to share infrastructure at appropriate existing mineral or waste sites.

The co-location of activities with existing operations will be supported, where appropriate, if commensurate with the operational life of the site, and where it would not result in intensification of uses that would cause unacceptable harm to the environment or communities in a local area (including access routes), or prolong any unacceptable impacts associated with the existing development.

Provision will be made for the management of non-hazardous waste arisings with an expectation of achieving by 2020 at least:

60% recycling; and
95% diversion from landfill.

Monitoring indicator

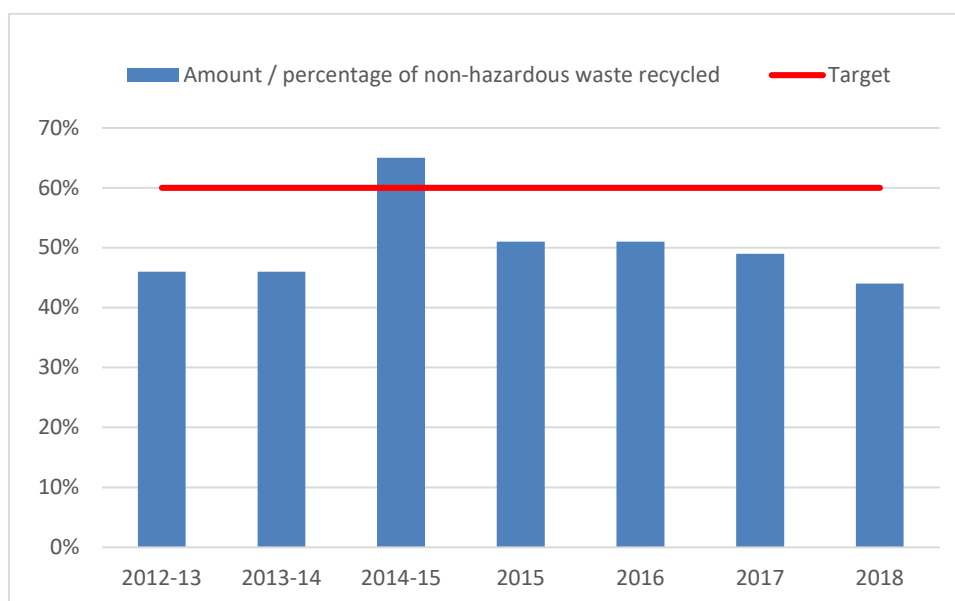
Amount / percentage of non-hazardous waste recycled*.

Monitoring trigger (threshold) for policy review

Recycling not reaching 60% by 2020.

*It is noted that there is not an indicator which monitors the level of diversion from landfill.

7-year trend



The 2018 Environment Agency Waste Data Interrogator shows that of all household, commercial and industrial 'waste removed' from sites in Hampshire – 39% (43%) was sent for 'recovery' while 5% (6%) was treated. Please note this figure will include some waste arisings which did not originate in Hampshire.

The 2016 and 2017 'waste removed' data has been corrected.

Based on data from Waste Data Flow, MSW waste arisings in 2018 were 799,007 (814,641) tonnes. The treatment of this waste was as follows:

- Recycled 25% (26%)
- Composted 13% (13%)
- Recovered 57% (56%)
- Landfill 5% (5%).

RAG Monitoring status

The percentage recycled trend shows a decline since 2014/15 and at present does not look to achieve the 60% by 2020.

Amber

Policy 26: Safeguarding – waste infrastructure

Policy wording

Waste management infrastructure that provides strategic capacity is safeguarded against redevelopment and inappropriate encroachment unless:

- a. the merits of the development clearly outweigh the need for safeguarding; or
 - b. the waste management infrastructure is no longer needed; or
 - c. the waste management capacity can be relocated or provided elsewhere and delivered;
- or
- d. the proposed development is part of a wider programme of reinvestment in the delivery of enhanced waste management facilities.

The infrastructure safeguarded by this policy is illustrated on the Policies Map and identified in 'Appendix B - List of safeguarded minerals and waste sites'.

Monitoring indicator

Number of safeguarded sites developed for non-waste uses by Local Planning Authority (LPA) permission, against Waste Planning Authority (WPA) advice.

Monitoring trigger (threshold) for policy review

Number of safeguarded sites developed for non-waste uses by LPA permission, against WPA advice = 0*.

*Please note that "sites developed" is measured through planning permissions granted for development, rather than a physical development, as waiting until a site is developed would introduce significant delays to the monitoring process.

7-year trend

0 over each of the last seven years

RAG Monitoring status

No safeguarded sites have been developed for non-waste uses against WPA advice.

Green

Policy 27: Capacity for waste management development

Policy wording

In order to reach the objectives of the Plan and to deal with arisings by 2030 of:

2.62 mtpa of non-hazardous waste;

2.49 mtpa of inert waste;

0.16 mtpa of hazardous waste.

The following minimum amounts of additional waste infrastructure capacity are estimated to be required:

0.29 mtpa of non-hazardous recycling capacity; and

0.39 mtpa of non-hazardous recovery capacity; and

1.4 mt of non-hazardous landfill void.

Proposals will be supported where they maintain and provide additional capacity for non-hazardous recycling and recovery through:

- a. the use of existing waste management sites; or
- b. extensions to suitable sites:
 - i. that are ancillary to the operation of the existing site and improve current operating standards, where applicable, or provide for the co-location of compatible waste activities; and
 - ii. which do not result in inappropriate permanent development of a temporary facility and proposals for ancillary plant, buildings and additional developments that do not extend the timescale for completion of the development; or
- c. extension of time to current temporary planning permissions where it would not result in inappropriate development; or
- d. new sites to provide additional capacity (see Policy 29 - Locations and sites for waste management).

Monitoring indicator

Capacity and operational status of waste management facilities - provision of additional recycling and recovery capacity:

2011-2015 = 370,000 tonnes

2016-2020 = 205,000 tonnes

2021-2030 = 102,000 tonnes

Monitoring trigger (threshold) for policy review

No net loss of waste management capacity from closure of sites and/or no new recycling or recovery capacity proposals. (*Breach of benchmark over two successive years*).

7-year trend

Additional capacity delivery is shown in

Table 1 below.

Table 1: Targets for additional capacity to be delivered and actuals 2011-20

	Target (2011-15)	Actual (2011-15)	Target (2016-20)	Actual (2016-20)	Difference
Recycling (tpa)	108,693	16,888	114,693	58,640	-147,858*
Recovery (tpa)	260,904	354,950	89,904	290,640	294,782*
Landfill	0	0	0	0	0
Total	369,597	371,838	204,597	349,280	146,924*

*Capacity granted permission up to August 2020

RAG Monitoring status

No net loss in waste management capacity over the five years. Combined recycling and recovery capacity provision meeting requirements, however recycling targets not being met.

Green

Policy 28: Energy recovery development

Policy wording

Energy recovery development should:

- be used to divert waste from landfill and where other waste treatment options further up the waste hierarchy have been discounted; and
- wherever practicable, provide combined heat and power. As a minimum requirement the scheme should recover energy through electricity production and the plant should be designed to have the capability to deliver heat in the future; and
- provide sustainable management arrangements for waste treatment residues arising from the facility.

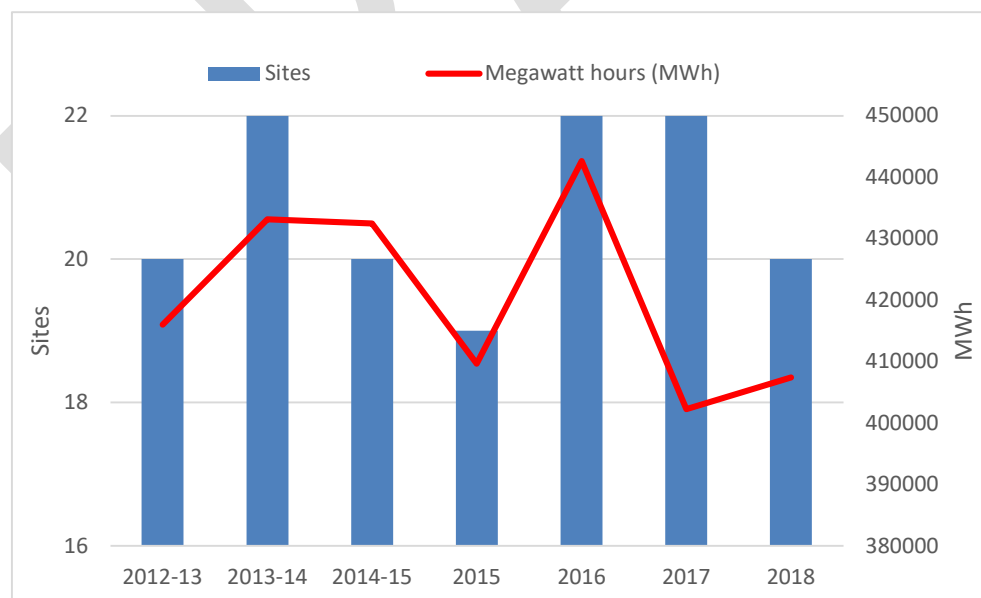
Monitoring indicator

Number of facilities and amount of renewable energy produced.

Monitoring trigger (threshold) for policy review

Decrease in number of facilities and/or amount of renewable energy produced (*Breach of benchmark over two successive years*).

7-year trend



RAG Monitoring status

The number of sites and amount of renewable energy produced has varied over the seven years with a noticeable decline in 2014/15 but increasing again in 2016. 2018 sees a return to 2012/13 figures.

Amber

DRAFT

Policy 29: Locations and sites for waste management

Policy wording

1. Development to provide recycling, recovery and/ or treatment of waste will be supported on suitable sites in the following locations:
 - i. Urban areas in north-east and south Hampshire;
 - ii. Areas along the strategic road corridors; and
 - iii. Areas of major new or planned development.
2. Any site in these locations will be considered suitable and supported where it:
 - a. is part of a suitable industrial estate; or
 - b. has permission or is allocated for general industry/ storage; or
 - c. is previously-developed land or redundant agricultural and forestry buildings, their curtilages and hardstandings or is part of an active quarry or landfill operation; or
 - d. is within or adjoins sewage treatment works and the development enables the co-treatment of sewage sludge with other wastes; and
 - e. is of a scale compatible with the setting.
3. Development in other locations will be supported where it is demonstrated that:
 - a. the site has good transport connections to sources of and/or markets for the type of waste being managed; and
 - b. a special need for that location and the suitability of the site can be justified.

Monitoring indicator

Planning permissions in accordance with Policy 29.

Monitoring trigger (threshold) for policy review

Planning permissions not in accordance with Policy 29.

7-year trend

Only two planning permissions in the first five years of the plan were not in accordance with Policy 29; one in 2014-15 and one in 2015.

There have been no issues of non-compliance between 2016 and 2018.

RAG Monitoring status

Two relevant planning permissions have been granted contrary to Policy 29 during the first 7-year plan period.

Amber

DRAFT

Policy 30: Construction, demolition and excavation waste development

Policy wording

Where there is a beneficial outcome from the use of inert construction, demolition and excavation waste in developments, such as the restoration of mineral workings, landfill engineering, civil engineering and other infrastructure projects, the use will be supported provided that as far as reasonably practicable all materials capable of producing high quality recycled aggregates have been removed for recycling.

Development to maximise the recovery of construction, demolition and excavation waste to produce at least 1mtpa of high quality recycled/secondary aggregates will be supported.

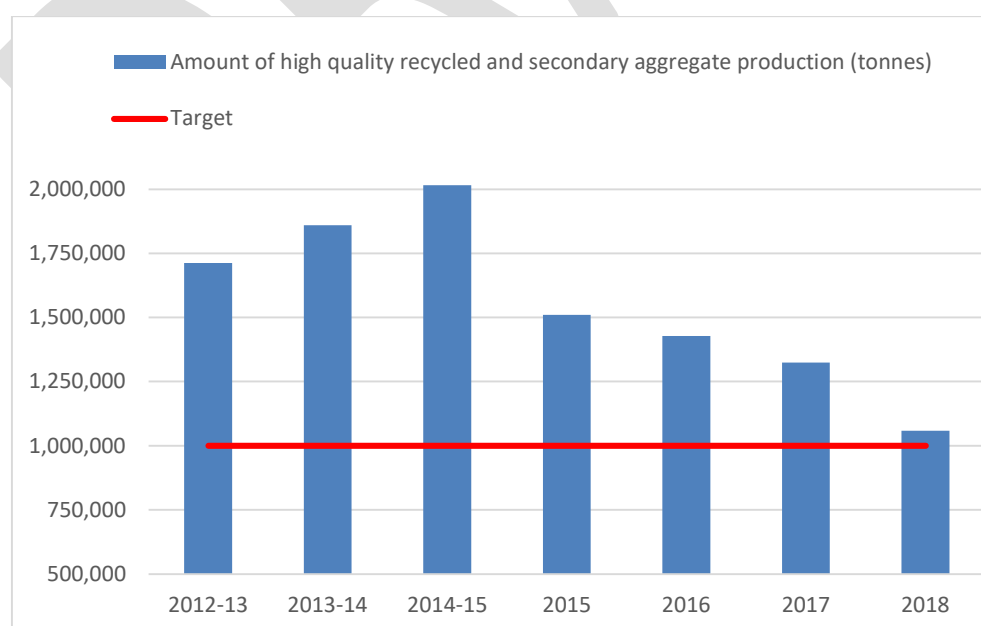
Monitoring indicator

Amount of high quality recycled and secondary aggregate production.

Monitoring trigger (threshold) for policy review

Once 1mtpa production reached, production of high quality recycled and secondary aggregate production decreases below 1mtpa (*Breach of benchmark over two successive years*).

7-year trend



This indicator shows the four broad classifications for beneficial uses of inert waste. Overall, the amount of inert waste put to beneficial uses has reduced by 19.7% from 1.32 million tonnes (mt) in 2017 to 1.06mt in 2018:

- Recycled: 0.72mt
- Recovered: 338 thousand tonnes (kt)
- Reclamation: 0kt
- Construction: 0kt

RAG Monitoring status

Production of recycled and secondary aggregate has not decreased below 1mtpa however has decreased steadily for four successive years and the current trend suggests that production could fall below the 1mtpa in the next year.

Amber

Policy 31: Liquid waste and waste water management

Policy wording

Proposals for liquid waste management will be supported, in the case of waste water or sewage treatment plants where:

- a. there is a clearly demonstrated need to provide additional capacity via extensions or upgrades for waste water treatment, particularly in planned areas of major new development; and
- b. they do not breach either relevant 'no deterioration' objectives or environmental quality standards; and
- c. where possible (subject to relevant regulations), they make provision for the beneficial co-treatment of sewage with other wastes and biogas is recovered for use as an energy source in accordance with Policy 28 (Energy recovery development);

and in the case of other liquid waste treatment plants:

- d. they contribute to the treatment and disposal of oil and oil/water mixes and leachate as near as possible to its source, where applicable.

Monitoring indicator

Number of and capacity of Waste Water Treatment Works (WWTW) with co-disposal of liquid wastes and/or biogas recovery.

Monitoring trigger (threshold) for policy review

Decrease in number of WWTW and/or capacity for co-disposal of liquid wastes and/or biogas recovery (*Breach of benchmark over two successive years*).

7-year trend

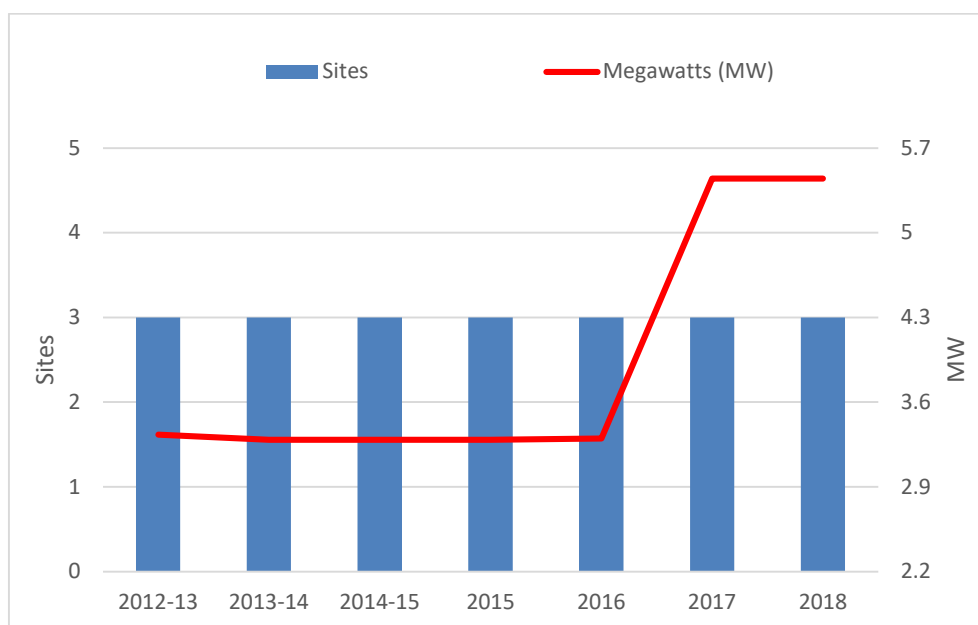


Figure only records capacity of those WWTW with co-disposal capability. Please note that this capacity is also included in the capacity reported for the Policy 28 monitoring indicator.

RAG Monitoring status

The number of sites and capacity has not decreased during the 7-year period, but the biogas capacity has increased in 2017/2018.

Green

Policy 32: Non-hazardous waste landfill

Policy wording

Development for landfill capacity necessary to deal with Hampshire's non-hazardous residual waste to 2030 will be supported.

Non-hazardous landfill capacity will be provided and supported in accordance with the following priority order:

1. the use of remaining permitted capacity at existing landfill sites:
 - i. Blue Haze landfill, near Ringwood
 - ii. Squabb Wood landfill, near Romsey
 - iii. Pound Bottom landfill, Redlynch
2. proposals for additional capacity at the following existing site provided the proposals address the relevant development considerations outlined in 'Appendix A – Site allocations':
 - i. Squabb Wood landfill, near Romsey (Inset Map 8)
3. in the event that further capacity is required, or if any other shortfall arises for additional capacity for the disposal of non-hazardous waste, the need may be met at the following reserve area, provided any proposal addresses the relevant development considerations outlined in 'Appendix A - Site allocations':
 - i. Purple Haze, near Ringwood (Inset Map 12)
4. proposals for additional capacity at any other suitable site where:
 - a. there is a demonstrated need for non-hazardous landfill and where no acceptable alternative form of waste management further up the waste hierarchy can be made available to meet the need; and
 - b. there is an existing landfill or un-restored mineral void, except where this would lead to unacceptable continuation, concentration or increase in environmental or amenity impacts in a local area or prolong any impacts associated with the existing development; and
 - c. the site is not located within or near an urban area, (e.g. using suitable guideline stand-offs from the Environment Agency); and
 - d. the site does not affect a Principal Aquifer and is outside Groundwater Protection and Flood Risk Zones; and
 - e. through restoration proposals, will lead to improvement in land quality, biodiversity or public enjoyment of the land; and
 - f. the site provides for landfill gas collection and energy recovery.

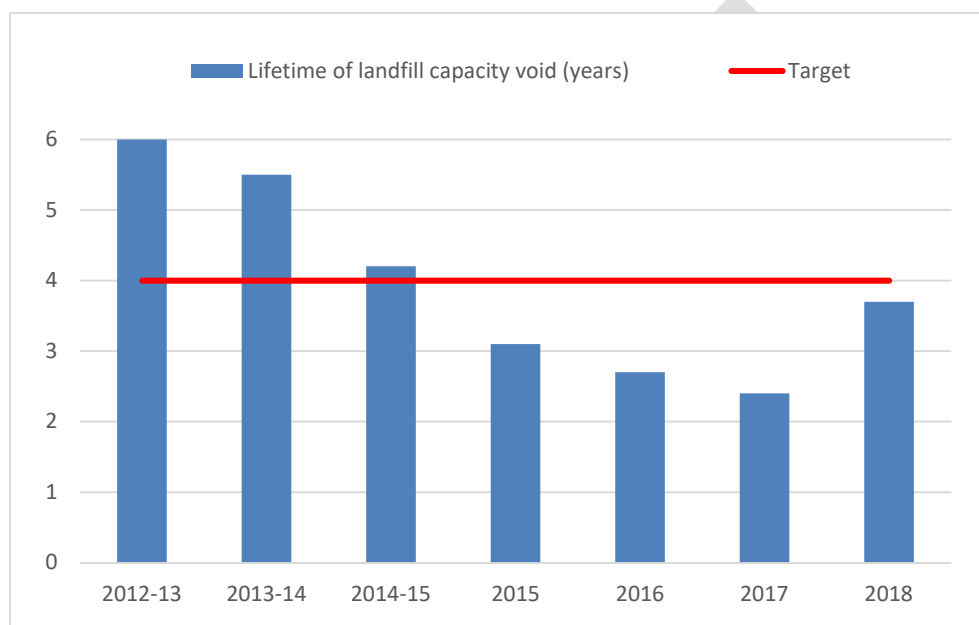
Monitoring indicator

Lifetime of Landfill capacity void.

Monitoring trigger (threshold) for policy review

Lifetime of Landfill capacity void drops below four years.

7-year trend



Landfill capacity as of 31.12.18 based upon averaged annual inputs as recorded by the Environment Agency and voids as reported by the operators.

In 2017, no more waste was accepted at Squabb Wood and in May 2018 Pound Bottom¹⁰ ceased landfilling operations, both sites are now in restoration.

Based on data from the Environment Agency's Waste Data Interrogator, the amount of non-hazardous waste received at Hampshire's operating non-hazardous landfills (Blue Haze and Pound Bottom (Pre May 2018)) was 110,113 (169,066) tonnes, of which 65% (62%) came from Hampshire. Around 168,036 (177,687) tonnes of household, industrial and commercial waste received in non-Hampshire landfills came from Hampshire. At the same time, around 38,197 (63,801) tonnes of waste from other authorities was received at landfills in Hampshire.

The recent increase in lifetime of landfill capacity is due to the reduced quantities being accepted at Blue Haze.

¹⁰ The Pound Bottom landfill is within the Wiltshire administrative boundary, however as the HMWP applies to the whole New Forest National Park it is monitored here. Due to this, other figures from the EA on Hampshire's waste may not include Pound Bottom

RAG Monitoring status

The lifetime of landfill capacity has been below four years since 2015.

Red

DRAFT

Policy 33: Hazardous and Low Level Radioactive Waste development

Policy wording

Developments to provide sufficient capacity necessary to deal with hazardous and Low Level Radioactive Waste will be supported, subject to:

- a. no acceptable alternative form of waste management further up the waste hierarchy can be made available, or is being planned closer to the source of the residues; or
- b. in the case of landfill, it will be for material that is a proven unavoidable residue from a waste management activity further up the waste hierarchy and;
- c. it will contribute to the management of hazardous or radioactive waste that arises in Hampshire (accepting cross-boundary flows).

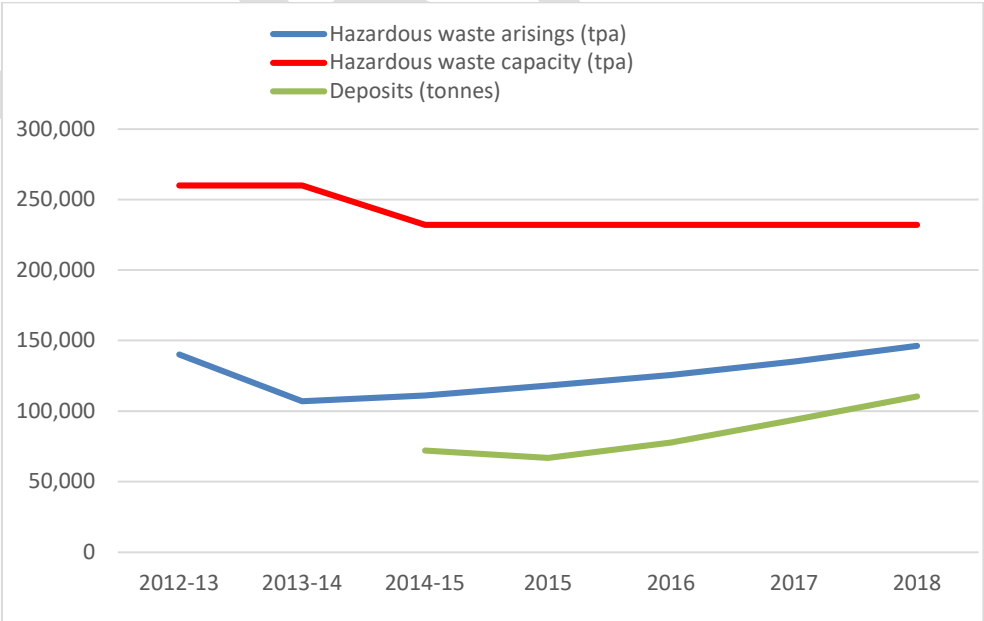
Monitoring indicator

Amount of hazardous waste management arisings and capacity.

Monitoring trigger (threshold) for policy review

Hazardous waste management capacity is higher than estimated arisings.

7-year trend



Arisings in 2018 (2017) were 146,302 (135,100) tonnes. Deposits were 110,386 (93,900) tonnes. Capacity remains at 232,000 tonnes per annum.

Data on arisings from Hampshire and deposits in Hampshire is from the Environment Agency's Hazardous Waste Data Interrogator.

RAG Monitoring status

The hazardous waste management capacity has been maintained above the level of arisings during the 7-year period.

Green

Policy 34: Safeguarding potential minerals and waste wharf and rail depot infrastructure

Policy wording

The following areas are safeguarded, so that their appropriateness for use as a minerals or waste wharf or rail depot can be considered, if they become available or are released from their current uses:

- i. land located to the north west of Hythe identified in the Port of Southampton Master Plan; and
- ii. land identified in the Southampton Core Strategy as operational port land; and
- iii. Marchwood Military Port (also known as Marchwood Sea Mounting Centre); and
- iv. land at HM Naval Base and commercial port as identified in the Portsmouth Core Strategy for port and employment uses; and
- v. existing and former railway siding and other land that could be rail linked.

The locations identified for safeguarding are shown on the Policies Map.

Monitoring indicator

Planning permissions granted contrary to advice of the Minerals Planning Authority (MPA) / Waste Planning Authority (WPA).

Monitoring trigger (threshold) for policy review

Number of planning permissions granted contrary to advice of the MPA/WPA = 0.

7-year trend

There was only one occurrence in the first five years of the Plan where a planning permission was granted in a safeguarded area contrary to MPA advice (application 14/00865/OUT, Land at Chapel Hill, Kingsclere, Basingstoke was permitted affecting Basingstoke Sidings). However, this has been specifically safeguarded through Policy 16 and therefore, should not be considered under Policy 34. There have been issues of non-compliance between 2016 and 2018.

RAG Monitoring status

There has been one occurrence of planning permission being granted within a safeguarded area contrary to the MPA/WPA advice. However, this site is not considered under Policy 34.

Green

Summary of Monitoring status

Policy Number & Title	RAG status	
	2020	2018
Policy 1: Sustainable minerals & waste development	Green	Green
Policy 2: Climate change –mitigation and adaptation	Green	Green
Policy 3: Protection of habitats and species	Green	Green
Policy 4: Protection of the designated landscape	Green	Green
Policy 5: Protection of the countryside	Amber	Amber
Policy 6: South West Hampshire Green Belt	Green	Green
Policy 7: Conserving the historic environment and heritage assets	Green	Green
Policy 8: Protection of soils	Green	Green
Policy 9: Restoration of minerals and waste sites	Green	Green
Policy 10: Protecting public health, safety and amenity	Green	Green
Policy 11: Flood risk and prevention	Green	Green
Policy 12: Managing traffic	Green	Green
Policy 13: High-quality design of minerals and waste	Green	Green
Policy 14: Community Benefits	Red	Red
Policy 15: Safeguarding - mineral resources	Amber	Amber
Policy 16: Safeguarding – minerals infrastructure	Green	Green
Policy 17: Aggregate supply - capacity and source	Amber	Red
Policy 18: Recycled and secondary aggregates	Amber	Amber
Policy 19: Aggregate wharves and rail depots	Red	Red
Policy 20: Local land-won aggregates	Red	Red
Policy 21: Silica sand development	Red	Red
Policy 22: Brick-making clay	Red	Red
Policy 23: Chalk Development	Amber	Amber
Policy 24: Oil and gas Development	Green	Green
Policy 25: Sustainable waste management	Amber	Amber
Policy 26: Safeguarding – waste infrastructure	Green	Green
Policy 27: Capacity for waste management development	Green	Green
Policy 28: Energy recovery development	Amber	Amber
Policy 29: Locations and sites for waste management	Amber	Amber
Policy 30: Construction, demolition and excavation	Amber	Green

Policy 31: Liquid waste and waste water management	Green	Green
Policy 32: Non-hazardous waste landfill	Red	Red
Policy 33: Hazardous and low level waste development	Green	Green
Policy 34: Safeguarding potential minerals and waste wharf and rail depot infrastructure	Green	Green

DRAFT

3. Issues requiring review

- 3.1 This section explores in more detail the issues identified through the Monitoring Reports (MRs) and those policies given an 'Amber' Monitoring status.
- 3.2 Consideration is given to the circumstances around the short-term breaches that may have occurred or the trends that have raised an issue with delivery.
- 3.3 Where comments have been raised by Plan practitioners (namely Development Management or Policy officers) on the implementation of the relevant policy these are also outlined.
- 3.4 A RAG (Red, Amber, Green) Review status and review update requirement is provided for each policy and is determined as follows:

Review shows that the policy does not need to be updated.	Green
Review shows that the policy does need to be updated with additional allocations, where possible.	Amber
Review shows that the policy requirements need to be updated.	Red

Protection of countryside (Policy 5)

- 3.5 One planning permission has been granted in the countryside that was contrary to policy over the last seven years (2015).
- 3.6 This was planning application 14/01791/CMA at Stapeley Manor Farm. As the application was a Certificate for Lawful Use (CLU) it is not subject to the same process as a full planning application. Instead the planning authority has to decide whether there is sufficient evidence that the development has been present without issue for a certain amount of time. As the development already exists and the CLU simply acknowledges and regularises this fact, there is no opportunity to attach conditions. This process is set out in national legislation and there is no scope to alter it at a local level.

Relevant national policy updates

- 3.7 There are no policy updates that have been identified relevant to protection of the countryside.

Should this issue be addressed?

- 3.8 Taking into account the single circumstances in which an application was granted contrary to policy, it is not considered that the issue needs to be addressed through an update of the Plan.

RAG Review status

- 3.9 The wording of the policy does not need to be updated.

Green

Safeguarding: Mineral resources (Policy 15)

- 3.10 A total of seven applications have resulted in sterilisation of the Mineral Safeguarding Area (a total of 33.6 hectares of land). In each case, the relevant Mineral Planning Authority (MPA) was consulted and submitted its concerns.
- 3.11 Subsequent decisions undertaken by the Local Planning Authority were beyond the control of the MPA.
- 3.12 In February 2016, a Supplementary Planning Document (SPD) on Minerals & Waste Safeguarding¹¹ was adopted by Hampshire County Council, the New Forest National Park Authority and Portsmouth and Southampton City Councils to assist the implementation of the safeguarding policies set out in the HMWP. Six of the seven applications that resulted in sterilisation of the Mineral Safeguarding Area were validated after the adoption of the Supplementary Planning Document.
- 3.13 Engagement is on-going with Districts and Boroughs to raise awareness of safeguarding including raising awareness of the SPD. Two of the applications were in the New Forest District and three were in the borough of Eastleigh. The Council has worked closely with both authorities to ensure safeguarding considerations are outlined in their Local Plans, which once adopted, should enable early engagement on safeguarding issues on sites allocated for development.
- 3.14 Whilst there has been some sterilisation of resources, the MPAs have also experienced some success in facilitating prior extraction and enabling subsequent development. An example of this is the Whitehill & Bordon relief road¹² the proposed route of which was within the Mineral Safeguarding Area. Where levelling of ground levels and drainage works have taken place as part of the development, the extracted mineral resources have been taken to a local operator and incorporated into the mineral supply.

Relevant national policy updates

- 3.15 Hampshire County Council worked alongside a selection of other Mineral Planning Authorities, the Minerals Product Association and the Planning Officers Society to update the guidance on mineral safeguarding¹³. Whilst it is recognised this is not government policy, it is the leading national guidance on mineral safeguarding.

Should this issue be addressed?

¹¹ Minerals & Waste Safeguarding in Hampshire – Supplementary Planning Document (2016) - <http://documents.hants.gov.uk/planning-strategic/HMWPMineralsandWasteSafeguardinginHampshireSPDFinalFeb2016.pdf>

¹² Relief Road (Hybrid) Application: <https://planningpublicaccess.easthants.gov.uk/online-applications/applicationDetails.do?activeTab=summary&keyVal= EHANT DCAPR 234061>

¹³ MPA/POS Minerals Safeguarding Guidance (2019) - https://www.mineralproducts.org/documents/MPA_POS_Minerals_Safeguarding_Guidance_Document.pdf

- 3.16 Whilst there have been incidents of sterilisation, the Mineral Planning Authorities are continuing to work proactively to implement the policies and it is not considered that changes are required to the existing policy. Therefore, it is considered that this issue does not need to be addressed through an update of the Plan. However, the Plan would benefit from reference to the SPDs to increase awareness.

RAG Review status

- 3.17 The wording of the policy does not need to be updated.

Green

Aggregate supply – capacity and resource (Policy 17)

- 3.18 Although Policy 17 states that an adequate and steady supply of sand and gravel will be provided for Hampshire until 2030 at a rate of 1.56 million tonnes per annum (mtpa), the delivery of this landbank provision falls to Policy 20 (Local land-won aggregates) which enables the development to meet this requirement. Therefore, this issue is reviewed in 'Local land-won aggregate (Policy 20)).
- 3.19 Whilst the maintenance of the landbank is monitored through Policy 20, the rate by which this is calculated – 1.56 mtpa of sand and gravel – is set out in Policy 17. When the HMWP was prepared, the 'apportionment' figure was based on an average figure of 10-years land-won aggregate sales. Sales during this period (2001-2010) peaked in 2001 at 2.29 mtpa of land-won aggregate but then showed a steady decline.
- 3.20 Table 2 shows the 10-year (yr) average (Av.) sales in 2018 for the period 2009-2018. This also shows general steady decline in sales from 2009, until 2012 where sales have gradually risen year on year. Both the 10-year and 3-year averages are significantly below the 1.56 mtpa of which 0.28 mtpa should be soft sand.

Table 2: 10-year average sales in million tonnes per annum 2009-2018

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Last 3-yr Av.	Last 10-yr Av.
Soft sand sales	0.1	0.14	0.12	0.16	0.12	0.11	0.12	0.2	0.23	0.23	0.15	0.22
Sharp sand & gravel sales	0.95	0.84	0.71	0.58	0.73	0.78	0.71	0.75	0.73	0.96	0.77	0.81
Total	1.05	0.98	0.83	0.75	0.85	0.88	0.83	0.95	0.96	1.18	0.93	1.03

- 3.21 Mineral Planning Authorities are required through the NPPF to produce annual Local Aggregate Assessments¹⁴ (LAA). The LAA reports on the landbank. In the Hampshire LAA¹⁵, this has historically been calculated using the 'Local Requirement' (the 1.56 mtpa apportionment). However, guidance¹⁶ on preparing LAAs was agreed by the South East England Aggregate Working Party in 2019 which specifies that the LAA rate should be calculated taking into account a number of factors:

- Average of 10-years of aggregates sales data

¹⁴NPPF (Para. 207) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733637/National_Planning_Policy_Framework_web_accessible_version.pdf

¹⁵ Hampshire Local Aggregate Assessment -

<http://documents.hants.gov.uk/mineralsandwaste/2017LocalAggregateAssessment.pdf>

¹⁶ SEAWP Supplementary Local Aggregate Assessment Guidance (July 2019) -

<https://documents.hants.gov.uk/see-awp/SEAWP-SuppLAAGuidance-July2019.pdf>

- Average of 3-years of aggregates sales data;
- Economic forecasts;
- Population, housing and capital programme growth and;
- Major Infrastructure projects.

3.22 Taking these factors into account, the 2018 LAA Rate¹⁷ was established as 0.92mtpa for sand and gravel (compared to the 1.28Mt Local requirement) and 0.23Mt for soft sand (compared to 0.28mtpa Local requirement).

3.23 The NPPF requires a landbank of at least 7 years¹⁸ of permissions. A landbank calculated using the Local Requirement rate of 1.56 mtpa provides a lower landbank than those calculated based on the 2018 LAA rate and the 10- or 3-year averages as the figure is significantly higher (see Table 3).

Table 3: Sand and gravel landbank provision in 2018

	Permitted Reserve	Landbank based upon Local Requirement	Landbank based upon 2018 LAA Rate	Landbank based upon 10-yr Av. sales between 2009-2018	Landbank based upon 3-yr Av. sales between 2016-2018	Landbank based upon 2018 sales
	Million tonnes	Years				
Soft sand	0.634	2.26	2.76	4.14	2.88	2.76
Sharp sand & gravel	8.433	6.59	9.17	10.90	10.54	8.78
Total	9.067	5.81	7.88	9.75	8.80	7.68

3.24 Whilst Policy 17 states a provision of 1.56 mtpa of sand and gravel, this was a point in time and could be argued to no longer be relevant. As the requirement within the NPPF is for at least 7 years, using this Local Requirement rate has the impact of reducing the landbank which may not reflect the current market conditions.

3.25 Tables 2 and 3 highlights that the provision of soft sand does not meet the required 0.28 mtpa as specified by Policy 17. Soft sand supply is recognised as a regional issue and is a regular item of discussion at the South East England Aggregate Working Party meetings¹⁹.

3.26 A number of Mineral Planning Authorities in the South East have soft sand resources that are constrained by designations such as Area of Outstanding Natural Beauty

¹⁷ Hampshire 2019 Local Aggregate Assessment -

<https://documents.hants.gov.uk/mineralsandwaste/2019LocalAggregateAssessment.pdf>

¹⁸ NPPF (Para. 207)

¹⁹ SEAWP Minutes - <https://www.hants.gov.uk/landplanningandenvironment/seeawp/seeawpdocuments>

(AONB) or National Park. National Policy states that 'as far as practical' landbanks should be maintained by minerals from 'outside' National Parks and AONBs²⁰.

- 3.27 Mineral Planning Authorities in the South East have prepared a Position Statement on Soft Sand which sets out the existing supply situation, relevant national and local policy and the issues regarding supply. This Position Statement will then form the basis of Statements of Common Ground between Authorities.
- 3.28 As with sharp sand and gravel, the sales averages in Table 2 suggest that the 0.28 mtpa is higher than the actual demand level in Hampshire. The application of all the rates all result in a landbank lower than the required 7 years which also suggests there is insufficient permitted reserves (sites).
- 3.29 The remaining part of Policy 17 seeks to safeguard and develop infrastructure to ensure aggregates can be provided at specific rates: 1 mtpa of recycled and secondary aggregate; 2 mtpa of marine-won aggregate; and 1 mtpa of limestone by rail.
- 3.30 Monitoring seeks to ensure there is no significant reduction (more than 556,000 tonnes) in capacity for aggregate production as well as a reduction in land-won sales.
- 3.31 The Monitoring data shows that the sales of land-won aggregate have increased significantly from 2016. There was also a significant reduction in aggregate production capacity in 2016 but this appears to be making a steady recovery. However, this still indicates that there is not sufficient capacity to meet demand.
- 3.32 The review of Policies 18 (see 'Recycled and secondary aggregates development') and Policy 30 (see 'Construction, demolition and excavation waste development') show that capacity provision remains above 1 mtpa but that capacity remains unsteady.
- 3.33 The provision of marine-won aggregate is generally determined by wharf capacity which is where marine-won aggregate is landed. Policy 19 considers capacity of wharves and rail depots in more detail (see 'Aggregate wharves and rail depots' (Policy 19)). However, the monitoring data shows decreasing wharf capacity since 2016.
- 3.34 It should be noted that in 2016, capacity was surveyed for the first time through the Aggregate Monitoring (AM) survey. Prior to receipt of this data, capacity had been judged on the highest level of sales in previous years. It is recognised that circumstances may change at sites over time which can impact on capacity and it is believe this is what has resulted in the reduction of capacity. Although the recent drop in capacity in 2018 suggests this is not the only reason.

²⁰ NPPF (2018) (Para. 205) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733637/National_Planning_Policy_Framework_web_accessible_version.pdf

- 3.35 In addition, Tipner Wharf in Portsmouth has now been redeveloped. This regeneration proposal was recognised in the HMWP and therefore, the site was not safeguarded.
- 3.36 It should also be noted that an application was submitted to extend Kendalls Wharf in Portsmouth²¹. However, this application has stalled as the proposed compensation measures have not been approved by Natural England.
- 3.37 In relation to rail depots, capacity was also surveyed through the AM survey in 2016. This concluded that a 1 mtpa capacity remained at the existing rail depots. No new rail depot proposals have come forward in the last 5 years, but capacity increased slightly in 2018.
- 3.38 The monitoring trigger for Policy 17 is a reduction of 556,000 tonnes in capacity. The 556,000 tonnes are a 10% reduction of the total aggregate capacity (including land-won). The most significant lack in capacity is at wharves and land-won sites (see Table 4). However, the ability to deliver the required land-won capacity is driven by Policy 20.

Table 4: Aggregate supply capacity in 2018

	Target rate	Sales	Capacity	% Sales / Production
	mtpa	Mt		%
Land-won Aggregate	1.56	1.18	1.875	63%
<i>Soft Sand</i>	0.28	0.23	0.637	36%
<i>Sharp Sand and Gravel</i>	1.28	0.96	1.237	78%
R/S sites	1.0	0.72	2.368	30%
Wharves*	2.0	1.45	1.547*	94%*
Rail Depots	1.0	0.68	1.2	57%

Footnotes

Source: Aggregate Monitoring Survey, 2018. Please note that capacity data collection is still in the early stages, and as such, results should be treated with caution. Where capacity data has not been made available sales have been used. *Wharf Capacity Data is based upon sales

Relevant national policy updates

- 3.39 In 2017, the white paper 'Fixing our broken housing market'²² was published which set out a broad range of reforms that the government intends to introduce to help reform the housing market and increase the supply of new homes. The paper states that 225,000 to 275,000 or more homes per year are required to keep up with population growth and tackle under supply. The paper also recognises that development of communities is also required which does not just mean building homes but also roads, rail links, schools, shops, GP surgeries etc.

²¹ Kendalls Wharf Application - <http://publicaccess.portsmouth.gov.uk/online-applications/applicationDetails.do?keyVal=OWVWPNM0HRB00&activeTab=summary>

²² Fixing our broken housing market (2017) - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590463/Fixing_our_broken_housing_market_-_accessible_version.pdf

3.40 In August 2020, the Government published 'Planning for the future'²³ which sets out its proposals for planning reform. The consultation closes in October 2020, but the paper seeks to address the significant shortfall in new housing delivery.

3.41 The Minerals Product Association reports that the construction of a typical home requires 12 tonnes of mortar and 200 tonnes of aggregate, school requires 15,000 tonnes of concrete and a community hospital would require 53,000 tonnes of concrete²⁴. These figures highlight the need for a steady and adequate supply of aggregate to support the governments drive for delivering homes and infrastructure.

3.42 Whilst not policy, the recent national pandemic is recognised as having an impact on the aggregates industry. This is expressed clearly in the Minerals Products Association Press Release²⁵:

'Sales volumes of ready-mixed concrete and aggregates (crushed rock and sand & gravel), two materials that are used across most types of construction work, declined by 5.7% and 4.0% respectively over the quarter. For ready-mixed concrete, this follows three consecutive years of market declines since 2017, as Brexit-related uncertainties put a brake on commercial construction work, notably for offices, whilst housebuilding slowed in the capital. Housing and the commercial sectors have also been significantly impacted by the COVID-19 lockdown, with most major housebuilders having closed sites throughout the last week of March and April, and office construction impacted by the collapse in business and consumer confidence. Simultaneously, mortar sales, which are primarily used in housebuilding, fell by a further 1.6% in the first quarter of 2020, after a 7.9% fall at the end of last year. The trend in mortar sales volumes has been subdued over the past 18 months, a clear indication of the underlying weaknesses in housebuilding even before accounting for the impact of the COVID-19 lockdown.'

Should this issue be addressed?

3.43 Policy 17 states that provision of 1.56 mtpa of sand and gravel will be provided of which 0.28 mtpa will be soft sand. Whilst it is recognised that this Local Requirement rate no longer reflects the current market, it is not the determining factor in sand and gravel provision. The landbank is used to determine whether a steady and adequate supply of sand and gravel can be maintained. The provision of the landbank is met through the implementation of Policy 20.

²³ Planning for future (2020) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907647/MHCLG-Planning-Consultation.pdf

²⁴ Mineral Products Association: Facts at a Glance (2018) - <http://www.mineralproducts.org/documents/Facts-at-a-Glance-2018.pdf>

²⁵ Mineral Productions Association: Press Release (5 May 2020) - <https://mineralproducts.org/20-release15.htm>

3.44 The Government is seeking to increase the delivery of housing and infrastructure and whilst it could be argued the existing Local Requirement rate allows for an up lift in demand and maintenance of supply, the reality is that these rates have not been achieved to date and forecasts suggest that the impact of Brexit and the current national pandemic will have an impact on construction and therefore, aggregate demand. As such, it is considered that this issue does need to be addressed through an update of the Plan.

3.45 In relation to capacity, it is recognised that there has been a reduction, and whilst this appears to be recovering, capacity at wharves continues to decline. The Policy seeks to maintain this level and is not a cap which would prevent further development. However, the Policy and its associated delivery policies²⁶ may be able to encourage capacity through support for further development through allocation. As such, it is considered that this issue does need to be addressed through an update of the Plan.

RAG Review status

3.46 The rates of provision in the policy need to be addressed and updated to enable the right provision of mineral supply and reflect the provision outlined in associated policies.

Red

²⁶ Policy 18: Recycled and secondary aggregate development, Policy 19: Aggregates wharves and depots, Policy 20: Local land-won aggregates

Recycled and secondary aggregate (Policy 18)

- 3.47 During 2012 to 15 there was a steady increase in recycled and secondary aggregate production. There was a significant decrease in capacity between 2015/ 2016. However, the recovery in 2017/18 appears unsteady with a slight decline in 2018.
- 3.48 These drops (in 2016 and 2018) do not indicate a year on year decrease. However, this threshold could be breached should a downwards trend continue from 2018.
- 3.49 It should be noted that this policy also relates to Policy 30 (Construction, demolition and excavation waste development) which supports development to maximise the recovery of construction, demolition and excavation waste and seeks to maintain at least 1 million tonnes per annum (mtpa) of capacity. Whilst there has been a decline in capacity, the capacity requirement has been met. However, the current trend suggests that capacity could fall below 1mtpa very soon.
- 3.50 As capacity has been maintained but sales have declined, this suggests that there could be a change in the market in relation to recycled and secondary aggregates.
- 3.51 Discussions with operators²⁷ have highlighted that there could be further reduction in capacity as demand for housing increases and there is completion for sites with good transport connections. Issues have also been raised regarding the availability of good quality inert material for recycling. It is considered that this is impacted further on demolition sites where the use of crushers on-site means that material never enters the market.
- 3.52 This will place greater emphasis on the safeguarding of minerals infrastructure to ensure that careful consideration is given to the potential loss of sites and the maintenance of capacity.

Relevant national policy updates

- 3.53 The government's 25 Year Environment Plan (January 2018) includes the goal of zero avoidable waste by 2050 and to transition towards a circular economy. Specifically, this involves doubling resource efficiency and minimising environmental impacts at products' end of life by; looking at the whole life-cycle to promote their recycling/reuse wherever possible.
- 3.54 The Resources and waste strategy for England (2018) sets out how the ambitions of the 25 year Environment Plan can be realised in the sphere of waste and resource management. A variety of mechanisms are proposed including changes to waste collections, encouragements for implementing the waste hierarchy, introducing food waste targets and improving data collection. Some of these could have wide ranging implications on how waste is collected and managed.

²⁷ Source: Correspondence regarding safeguarding status of aggregate recycling site (2017).

Should this issue be addressed?

- 3.55 Whilst it is recognised that there has been a decline in sales of recycled and secondary aggregate, Policy 18 seeks to encourage this form of development recognising its importance in aggregate supply. The recent decline in sales may be due to market changes and this is something that cannot be influenced by the MPAs. However, due to the unsteady nature of capacity and possible future decline in capacity below 1mpta, it is considered that this issue does need to be addressed, through an update of the Plan.

RAG Review status

- 3.56 The issues behind the decline in capacity need to be explored and this will determine whether an update in the policy wording is required.

Red

Chalk (Policy 23)

- 3.57 Chalk is a plentiful mineral in Hampshire and although there is now only limited demand, there are a number of existing and active extraction sites.
- 3.58 The HMWP supports small-scale extraction of chalk which is defined as up to 25,000 tonnes per annum. During the 7-year period, the amount extracted exceeded this level to a limited extent²⁸ and has since returned to a level within the threshold.
- 3.59 There are currently two permitted chalk sites in Hampshire at Manor Farm, Monk Sherborne and Somborne Chalk Quarry, Winchester. Permission was granted for a new chalk quarry at Monk Sherborne²⁹ in 2018 to replace the existing Manor Farm quarry which is to be completed and restored by December 2021. The chalk will be extracted at the new quarry in Monk Sherborne at a rate not exceeding 25,000 tonnes per annum, a throughput similar to the operation at the existing site.
- 3.60 Somborne Chalk Quarry, which has been worked since 1860 has recently been sold and is currently mothballed for chalk production. Without the recently permitted quarry, existing contractors would have had to source chalk from alternative sites, mainly outside the County, which was not considered sustainable.
- 3.61 The chalk is extracted to provide agricultural lime. Information provided by the applicant for Manor Farm states that agricultural lime makes a significant difference to the productive potential of arable and grassland. It provides lime to the soil which improves soil aeration and helps to release soil nutrients. It contains calcium which is essential for plant development. It also restores the pH balance of acidic soils. It is a sustainable option for soil improvement. Specifically, it is natural product that optimises the plants ability to utilise major and trace nutrients more efficiently³⁰.
- 3.62 It is recognised that markets change over time and therefore, the demand for chalk may increase during the Plan period. Monitoring extraction allows this to be reviewed.

Relevant national policy updates

- 3.63 There are no policy updates that have been identified relevant to chalk extraction.

Should this issue be addressed?

- 3.64 It is considered that should the level of extraction increase significantly and for a prolonged period, this could suggest that the policy approach needs to be reviewed.

²⁸ Actual figure cannot be released due to commercial confidentiality.

²⁹ Chalk Quarry Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=19053>

³⁰ Regulatory Committee Report (July 2020) -

<https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=19053>

- 3.65 Within 7 years, there is no clear evidence that the markets have shifted significantly to demonstrate a review of the current policy approach to chalk. It is considered that the existing policy sufficiently seeks to meet local demand. Therefore, it is considered that this issue does not need to be addressed through an update of the Plan.

RAG Review status

- 3.66 The wording of the policy does not need to be updated.

Green

Sustainable waste management (Policy 25) & Capacity for waste management (Policy 27)

- 3.67 Policy 25 seeks to make provision to be made for the management of non-hazardous waste arising, based on the expectation that certain targets will be achieved by 2020: 60% recycling; and 95% diversion from landfill.
- 3.68 These targets sought to take into account the targets established by the revised Waste Framework Directive: 50% recycling of household (and similar non-hazardous) wastes; and 70% recovery of inert.
- 3.69 At present, the trend for recycling non-hazardous waste has been declining since 2014/15 to below 45% in 2018 which suggests that the Waste Framework Directive target will also not be met.
- 3.70 The Plan does not include a monitoring indicator related to landfill diversion of non-hazardous waste. However, Policy 25 covers this aspect of waste management as well. The amount of household and industrial waste removed from sites in Hampshire and going to landfill has been 13% in 2011, 12% in 2012, 9% in 2013, 8% in 2014, 10% in 2015, 15% in 2016, 13% in 2017 and 13% in 2018. The recent increase of the percentage of waste going to landfill corresponds to the decrease in recycling rates and to a parallel increase in waste going to incinerators. It also corresponds with significant changes in household and industrial waste tonnages, with a high of 4 million tonnes in 2014 compared to 2.1 million tonnes in 2018. In fact, the amount of waste going to landfill has slowly been reducing from around 400,000 to less than 300,000 tonnes, and it is the changes in the total waste have led to the differing percentages of waste going to landfill.
- 3.71 The reduction of the amount of waste going to landfill also corresponds to a reduction the waste landfill capacity in Hampshire, indicative of a general trend that less waste is going to landfill and therefore less landfill capacity is needed. This is discussed further under Policy 32.
- 3.72 Overall, it is difficult to assess the direction of travel of landfilled waste, however at no point has it yet reached the level of 95% that the Plan aims for. As additional recycling and recovery capacity has been delivered, whereas no new landfills have been provided, there is no indication that the Plan policies are not encouraging landfill diversion, even if the targets have not been reached.
- 3.73 Policy 27 (Capacity for waste management development) outlines the minimum capacity requirements for making provision for dealing with waste arising within Hampshire up to 2030.
- 3.74 The trigger for Policy 27 has not been met as there has been no net loss in waste management capacity. There are also monitoring indicators in place to track progress on waste management provision. These show that additional waste management

capacity is being provided to meet projected demand, although there has been a greater level of recovery provision rather than recycling.

- 3.75 Whilst the type of waste management provision is recovery rather than recycling, this provision is market driven which is something that the Waste Planning Authorities cannot influence. The required capacity levels in Policy 27 are also minimum amounts of provision.
- 3.76 Campaigns to change behaviour of local residents to increase recycling rates have also been put in place by the plan-making Authorities and although these are hoped to influence the level of recycling, are not planning issues.

Relevant national policy updates

- 3.77 The government's 25 Year Environment Plan (published January 2018) includes the goal of zero avoidable waste by 2050 and to transition towards a circular economy. Specifically, this involves doubling resource efficiency and minimising environmental impacts at products' end of life by; looking at the whole life-cycle to promote their recycling/reuse wherever possible.
- 3.78 The Resources and waste strategy for England (2018) sets out how the ambitions of the 25 Year Environment Plan can be realised in the sphere of waste and resource management. A variety of mechanisms are proposed including changes to waste collections, encouragements for implementing the waste hierarchy, introducing food waste targets and improving data collection. Some of these could have wide ranging implications on how waste is collected and managed, making planning for waste facilities more difficult.
- 3.79 The goal of improving recycling rates is likely to be encumbered by China's ban on imported plastics. The UK exports almost two-thirds of its waste to China and waste management companies lack the capacity in the UK to dispose of recyclable materials appropriately. Furthermore, there is uncertainty post-Brexit, regarding how the UK will design future targets in areas such as recycling and landfill. Specifically, whether the European Union's Circular Economy Package (CEP) goals will be maintained, filtered or enhanced. Industry leaders are also uncertain whether sources of funding for companies that build more sustainable waste management facilities will be replaced. Additionally, the potential inability to export waste (particularly Refuse Derived Fuel) to the EU may impact on the profile of waste that needs to be disposed of within the UK.
- 3.80 In March 2018, the Government approved plans for a bottle and can deposit scheme in attempt to reduce pollution and increase recycling rates.

Should this issue be addressed?

- 3.81 There is a lack of ability of Waste Planning Authorities to influence markets and due to the UK leaving the EU and recent Government announcements on waste, there is

currently a high level of uncertainty over waste management provision requirements nationally.

- 3.82 The monitoring of Policy 25 suggests that the recycling target of 60% by 2020 is unlikely to be met. However, while increased recycling rates are the aim, the policy itself relates to the provision of waste management capacity as this is what the WPA can influence. Policy 27 sets out the specific required provision of waste management and within the 5-year period, sufficient capacity has been delivered, albeit more focused on recovery than recycling.
- 3.83 Policy 27 enables provision of waste management and as the requirements are set at a minimum, the policy is considered sufficiently flexible to allow additional waste management to be delivered, should this be required. The ability of the Policy to provide waste management has been monitored and is shown to be delivering capacity, however there may be ways to improve the ways waste is driven up the waste management hierarchy. Therefore, it is considered that this issue does need to be addressed through an update of the Plan.

RAG Review status

- 3.84 Whilst the policies are delivering the required level of capacity, the type of waste management could be better aligned with the waste hierarchy than is currently happening. It should be explored whether the policies (alone, in combination and/or in combination with other policies in the Plan) could do more to encourage driving waste up the waste hierarchy.

Amber

Energy recovery (Policy 28)

- 3.85 During the 7 years, there was variability in the number of sites and energy produced from energy recovery developments. 2016 saw a significant increase in the amount of energy produced, potentially due to improved reporting from sites. 2018 saw a drop in sites, but a slight increase in production (as the sites lost had not been operational). A variety of waste sites produce energy including landfill sites, energy from waste facilities, waste water treatment works, combined heat and power and anaerobic digestion sites.
- 3.86 Policy 27 (Capacity for waste management development) outlines the minimum capacity requirements for making provision for dealing with waste arising within Hampshire up to 2030. Monitoring of Policy 27 shows that whilst waste management provision is being made, more recovery development is being developed than recycling. It is worth noting that anaerobic digestion can be considered recycling under certain circumstances. Additionally, while non-hazardous landfill is not a preferred form of disposal, if it used, capturing the energy from leachate gases is the more sustainable option. Monitoring of Policy 28 suggests that, generally at a minimum, energy recovery development is producing electricity as the amount of energy produced is tracking the trend of the delivery of sites.
- 3.87 Energy recovery helps to divert waste from landfill. However, despite the increase in energy recovery development, the amount of waste being diverted from landfill is not yet reaching the target of 95% (see Policy 25).

Relevant national policy updates

- 3.88 As part of their strategy to improve the management of residual waste, the Government have set out in their 25 Year Environment Plan³¹, aims to explore methods of cutting carbon dioxide emissions from Energy from Waste (EfW) facilities. These include managing the amount of plastics in the residual waste stream and also increasing the use of heat produced through better connections to heat networks. They are also looking at managing residual waste beyond electricity, in the production of biofuels.
- 3.89 Improving energy efficiency to reduce emissions of air pollution and carbon is also a goal in the Government's recent draft Clean Air Strategy, which will sit alongside the Environment Plan.
- 3.90 The Resources and waste strategy (2018)³² has particular provisions for waste collection and food waste which may have further implications for recovery facilities and, in particular, anaerobic digestion.

³¹ 25 Year Environmental Plan (2017) - <https://www.gov.uk/government/publications/25-year-environment-plan>

³² Resource and waste strategy for England (2018) - <https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england>

Should this issue be addressed?

- 3.91 Although during the 7-year period, the provision of energy recovery development has been varied, monitoring data suggests that at a minimum, sites are producing electricity which can be considered renewable. Therefore, it is considered that this issue does not need to be addressed through an update of the Plan.

RAG Review status

- 3.92 The wording of the policy does not need to be updated.

Green

Locations and sites for waste management (Policy 29)

- 3.93 During the 7-year period, two planning permissions have been permitted that are contrary to Policy 29.
- 3.94 One of these permissions had the special circumstance of being very close to the waste produced³³ and the other was a certificate of lawful use where it is a matter of regularising an existing use³⁴. The exceptional nature of these permissions indicates that the problem was not the policy itself.
- 3.95 Plan practitioners have raised concerns regarding the wording and definitions contained within Policy 29. In particular, the highway element of the policy which includes terms 'good transport connections' and 'local' were highlighted as presenting issues as the terminology is open to interpretation. Additionally, phrases such as 'special need' and curtilage have previously encountered objections. This has led to difficulties where the policy is tested and placed under scrutiny.

Relevant national policy updates

- 3.96 There are no policy updates that have been identified relevant to the locational criteria for waste sites.

Should this issue be addressed?

- 3.97 During the 7 years, only two permissions have been granted contrary to Policy 29, both considered exceptions either due to a specific waste or the Certificate of Lawful Use permission process. Greater scrutiny has also shown that in some circumstances, the lack of clarity of the terminology used within the Policy has led to difficulties in implementation.
- 3.98 It is recognised that the policy would benefit from clarification of these terms, but it is not considered necessary to update the Plan in order to make these improvements. Therefore, it is considered that this issue does not need to be addressed through an update of the Plan.

RAG Review status

- 3.99 The wording of the policy would benefit from clarification which should be kept under review.

Amber

³³ Breamore Marsh, Breamore Estate Lane, Nr Fordingbridge SP6 2DF: 14/11272

³⁴ Stapeley Manor Farm, Long Lane, Odiham, Hook Hampshire RG29 1JE: 14/01791/CMA

Construction, demolition and excavation waste development (Policy 30)

- 3.100 Policy 30 aims to encourage beneficial uses for construction, demolition and excavation (CDE) waste. A considerable amount of CDE reuse and recycling happens on site or at exemption sites, in ways that are not part of the waste management regime. There may be a case for measuring sales of CDE and amounts used beneficially, however consideration would need to be given about the remit of the waste planning regime. The existing indicator may align better with Policy 18 (Recycled and secondary aggregate development).

Relevant national policy updates

- 3.101 Nationally there has been a slight adjustment to which beneficial uses of inert material are considered recovery and which are classed as inert landfill.

Should this issue be addressed?

- 3.102 This policy needs to be viewed in combination with Policy 18 (Recycled and secondary aggregate development) to avoid repetition and to focus on the stated aims of the policy, namely, to promote beneficial outcomes for the use of inert CDE waste.
- 3.103 Work has been ongoing at a regional level, through the South East Waste Planning Group, to improve understanding of beneficial uses of inert waste and this work should be incorporated in future updates of the policy.
- 3.104 The current indicator shows a declining trend from a high of 2 million tonnes recycled and recovered inert waste in 2015, to just over 1 million tonnes in 2018. In addition to the need to explore the appropriateness of the indicator and the interactions with Policy 18, it is considered that this issue does need to be addressed through an update of the Plan.

RAG Review status

- 3.105 The wording of the policy would benefit from clarification on its purpose and more suitable monitoring and indicators to determine the extent of beneficial outcomes should be explored.

Red

Long-term safeguarding (Policy 34)

- 3.106 During the 7-year period, there has only been one occurrence where a planning permission has been granted in a safeguarded area (application 14/00865/OUT, Land at Chapel Hill, Kingsclere, Basingstoke was permitted affecting Basingstoke Sidings).
- 3.107 However, although the site is an 'existing' siding (as per (v) of Policy 34), the site is included in the HMWP as an allocation and therefore, is monitored under Policy 16 (Safeguarding – minerals infrastructure).
- 3.108 None of the listed areas in Policy 34 have been subject to safeguarding consultations.
- 3.109 The Mineral Planning Authority continues to engage the Local Planning Authorities with regards to Safeguarding. In addition, a Minerals and Waste Safeguarding Supplementary Planning Document (adopted in February 2016) was produced to further assist ongoing engagement.

Relevant national policy updates

- 3.110 Although not National Policy, in 2016, the Port of Southampton Port Master Plan – Consultation Draft was published by Associated British Ports (ABP)³⁵. The draft Master Plan covers 2016 to 2035 and outlines the proposals for the strategic land reserve at Dibden Bay.
- 3.111 This area is referred to as “land located to the north west of Hythe” in part (i) of Policy 34. As these expansion proposals are progressed by ABP, the draft Port Master Plan makes specific reference to Policy 34 of the HMWP (see para. 3.22).

Should this issue be addressed?

- 3.112 The permission granted contrary to safeguarding advice is not considered relevant to Policy 34 in this instance. The draft Port Master Plan produced by ABP does recognise the relevance of the HMWP and specifically Policy 34. Therefore, it is considered that this issue does not need to be addressed through an update of the Plan.

RAG Review status

- 3.113 The wording of the policy does not need to be updated.

Green

³⁵Port of Southampton Port Master Plan 2016-2035: Consultation Draft (Associated British Ports, 2016) - <http://www.southamptonvts.co.uk/admin/content/files/New%20capital%20projects/Master%20Plan%202016/Master%20Plan%202016%20-%20202035%20Consultation%20Document%20Oct%202016.pdf>

Summary of Review status

Policy Number & Title	RAG status
Policy 5: Protection of the countryside	Green
Policy 15: Safeguarding - mineral resources	Green
Policy 17: Aggregate supply - capacity and source	Red
Policy 18: Recycled and secondary aggregates development	Red
Policy 23: Chalk Development	Green
Policy 25: Sustainable waste management	Amber
Policy 27: Capacity for waste management development	Amber
Policy 28: Energy recovery development	Green
Policy 29: Locations and sites for waste management	Amber
Policy 30: Construction, demolition and excavation waste development	Red
Policy 34: Safeguarding potential minerals and waste wharf and rail depot infrastructure	Green

4. Issues to be reviewed and may need to be addressed

- 4.1 This section explores in more detail the issues identified through the Monitoring Reports (MRs).
- 4.2 Consideration is given to the circumstances around the short-term breaches that may have occurred or the trends that have raised an issue with delivery.
- 4.3 Where comments have been raised by Plan practitioners (namely Development Management or Policy officers) on the implementation of the relevant policy these are also outlined.
- 4.4 A RAG (Red, Amber, Green) Review status and review update requirement is provided for each policy and is determined as follows:

Review shows that the policy does not need to be updated.	Green
Review shows that the policy does need to be updated with additional allocations, where possible.	Amber
Review shows that the policy requirements need to be updated.	Red

Community benefits (Policy 14)

- 4.5 In the past seven years, no major applications have resulted in community benefits. Therefore, the percentage of applications is less than 50%.
- 4.6 However, implementation of this policy has highlighted that it does not relate directly to work done by the Minerals or Waste Planning Authority (MWPA) as it refers to bilateral agreements that do not include the MWPA. The policy provides more of a position in support of these separate agreements.
- 4.7 It is also difficult to monitor on an annual basis as such agreements can take time to be established and implemented and lie outside of the planning process. There is also no obligation for such agreements to be reported to the MWPA.

Relevant national policy updates

- 4.8 In 2016, the Government announced a community benefits funding scheme for host communities for shale gas - Shale Wealth Fund. In addition, the shale gas industry sets out its commitment to community engagement in its Charter. The Charter sets out what communities can expect from companies developing shale in their areas. This includes a commitment to a package for communities that host shale development which includes £100,000 in community benefits per well-site where fracking takes place (at exploration stage), 1% of revenues will be paid out to communities (at production). However, in November 2019, the Government placed a moratorium on fracking following the publication of scientific analysis which found that it is not currently possible to accurately predict the probability or magnitude of earthquakes linked to fracking operations.

Should this issue be addressed?

- 4.9 It is considered that this issue does need to be addressed through an update of the Plan. The Policy should be removed as the support for community engagement is already provided in the supporting text of Policy 1 (Para. 3.4).

RAG Review status

- 4.10 The Policy needs to be removed and further clarification provided in Para. 3.4.

Red

Aggregate wharves and rail depots (Policy 19)

- 4.11 Policy 19 seeks to ensure that there is sufficient wharf and rail capacity for the importation of marine-won sand and gravel and other aggregates. Capacity is to be provided by existing sites, allocated sites and criteria for determining new proposals.
- 4.12 The level of capacity of both wharves and depots during the 7-year period are declining with no significant change between 2015 and 2017. However, in 2018, rail depot capacity has increased slightly, and wharf capacity has declined further.
- 4.13 In relation to wharves, the monitoring trigger is a reduction of more than 256,000 tonnes per annum (10% of 2.56 mtpa). A significant reduction (350,000 tpa (top estimate)) occurred during 2014-2015 with the loss of Tipner Wharf which was considered unsuitable for wharf operations.
- 4.14 It should be noted that from 2016, capacity has been surveyed through the Aggregate Monitoring (AM) survey. Prior to receipt of this data, capacity had been judged on the highest level of sales in previous years. It is recognised that circumstances may change at sites over time which can impact on capacity and it is believe this is what has resulted in the reduction of capacity. In addition, a poor response rate from the wharves in 2018 (1/6 return) may be the cause for the further decline in capacity, as sales figures were used where data was absent.
- 4.15 Tipner Wharf in Portsmouth has now been redeveloped. This regeneration proposal was recognised in the HMWP and therefore, the site was not safeguarded.
- 4.16 It should also be noted that an application was submitted to extend Kendalls Wharf in Portsmouth³⁶. However, this application has stalled as the proposed compensation measures have not been approved by Natural England.
- 4.17 No new wharf sites have been proposed. However, the safeguarded area 'land located to the north west of Hythe' (also known as Dibden Bay) has been included as a strategic land reserve in the Port of Southampton Port Master Plan – Consultation Draft which was published by Associated British Ports (ABP)³⁷ in 2016. The draft Master Plan covers 2016 to 2035 and recognises that the strategic land reserve is safeguarded through Policy 34 (see 'Safeguarding potential minerals and waste wharf and rail depot infrastructure' (Policy 34). Should this proposal come forward, consideration will need to be given to the provision of a minerals (and possibly waste) wharf as part of the development. This could have wider implications for existing wharves in the Southampton area. Should the capacity be viewed as a replacement to existing wharf capacity, these sites may be viewed as potential waterside regeneration sites.

³⁶ Kendalls Wharf Application - <http://publicaccess.portsmouth.gov.uk/online-applications/applicationDetails.do?keyVal=OWVWPNM0HRB00&activeTab=summary>

³⁷Port of Southampton Port Master Plan 2016-2035: Consultation Draft (Associated British Ports, 2016) - <http://www.southamptonvts.co.uk/admin/content/files/New%20capital%20projects/Master%20Plan%202016/Master%20Plan%202016%20-%20202035%20Consultation%20Document%20Oct%202016.pdf>

- 4.18 In relation to rail depots, the monitoring trigger is a reduction of more than 130,000 tonnes per annum in capacity (10% of 1.3 mtpa). A significant reduction occurred during 2014-2015. As there was no change in the number of sites, it is assumed that this was due to changes to the operations on the site leading to reports of reduced capacity. In addition, in 2018, Kendall's rail depots were taken over by Aggregate Industries. This may explain the change in capacity reported through the AM survey.
- 4.19 There are two allocated aggregate rail depot sites in the HMWP: Basingstoke Sidings; and Micheldever Sidings. Whilst there has been some limited interest raised regarding Basingstoke Sidings in the 7-year period, no formal discussions have been held or applications submitted for either of the allocations.
- 4.20 Micheldever Sidings has featured in previous plans but has not come forward for development.

Relevant national policy updates

- 4.21 In 2016, the Government announced a programme of development of railway stations and surrounding land to deliver homes and jobs to boost local growth³⁸. Network Rail and the Homes and Communities Agency will work with local councils to identify development opportunities with the ambition of delivering 10,000 new homes. Proposals have already been drawn up in York, Taunton and Swindon to deliver housing and regeneration. In order to release land for regeneration, Network Rail will need to provide evidence to the Office of Rail and Road that the land is no longer required for the railway.
- 4.22 The NPPF states that 'significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering genuine choice of transport modes'³⁹.
- 4.23 The drive for delivering homes and jobs at railway stations may create competition on land near railways. This may lead to an increase in pressure on safeguarding existing or allocated minerals and waste sites in these locations.

Should this issue be addressed?

- 4.24 Policy 19 supports aggregate wharf and rail depot development to ensure sufficient capacity to meet requirements and new wharf or rail depot development is supported through the criteria contained in Part 3 of Policy 19. However, further opportunities may be available.

³⁸ Government Press Release - <https://www.gov.uk/government/news/regeneration-of-stations-set-to-deliver-thousands-of-new-properties-and-jobs>

³⁹ NPPF (Para. 103) - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

- 4.25 Therefore, it is considered that this issue does need to be addressed by exploring further site options through an update of the Plan. However, the wording does not necessarily need to be updated as the existing policy makes provision for further development to address any shortfall in reserves.

RAG Review status

- 4.26 The wording of the policy does not need to be updated but site options should be explored through an update of the Plan.

Amber

Local land-won aggregate (Policy 20)

- 4.27 Policy 20 seeks to maintain of the landbank for 7 years of permitted reserves of sand and gravel through: the extraction of remaining reserves at permitted sites as listed; extensions to specific sites listed; new listed sand and gravel allocations; and new proposals which meet the criteria in 20 (4).
- 4.28 The landbank is monitored annually to ensure that sufficient supply is provided. The monitoring trigger is a breach of the 7 years over two years. The landbank dropped below the target in 2016 and has remained below the 7 years requirement (calculated against the Local Requirement rate). Therefore, the provision specified in the NPPF of at least seven years⁴⁰ has not been met.
- 4.29 Part 2 and 3 of Policy 20 outline specific sites which have been allocated as being suitable for development. Table 5 highlights the status of each of the allocations, as of September 2020.

Table 5: HMWP Allocation status in 2018

Site	Proposal	Permitted?	Other information
Bleak Hill Quarry extension	Sand & gravel extraction	Yes ⁴¹ Subject to legal agreement	Awaiting completion of legal agreement following determination at Regulatory Committee on 16 September 2020.
Bramshill Quarry extension	Sand & gravel extraction	No	No response provided.
Cutty Brow	Sand & gravel extraction	No	Application not currently anticipated.
Forest Lodge Home Farm	Sand & gravel extraction	Yes ⁴²	Extraction commenced with completion of restoration expected by 11 July 2027.
Hamble Airfield	Sand & gravel extraction	No	Application expected mid 2021
Purple Haze	Sand & gravel extraction and reserve landfill	No	EIA scoping received 17 June 2020 and public engagement is being undertaken by the applicant. An application is expected in the near future ⁴³ , early 2021.

⁴⁰ NPPF (Para. 207) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁴¹ Bleak Hill Quarry Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=20535>

⁴² Forest Lodge Farm Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=17774>

⁴³ Source: Correspondence with David Jarvis Associates on behalf of the Somerley Estate (18/06/2018)

Roeshot	Sand & gravel extraction	Yes ⁴⁴ Subject to legal agreement	Awaiting completion of legal agreement following determination at Regulatory Committee on 19 June 2019.
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4.30 Policy 20 recognises that there is a shortfall in supply despite the allocated sites and this is expected to be met through unplanned opportunities. During the 7-year period, the opportunities in Table 6 have contributed to (or may) sand and gravel supply.

Table 6: Unplanned opportunities

Site	Proposal	Permitted	Other information
Kingsley Quarry Extension	Soft sand and silica sand extraction	Yes ⁴⁵	Granted on 18 March 2020 with completion of restoration expected by 18 March 2031. Estimated 994,000 tonnes of silica sand.
Downton Manor Farm Extension	Sand & gravel extraction	Yes ⁴⁶	Granted on 18 April 2018 with completion of restoration expected by 18 April 2034. Extraction area extended by 18.4 ha. Estimated tonnage of 760,000 tonnes of sand and gravel, at an extraction rate of between 70,000 – 150,000 tonnes per year.
Roke Manor Farm Extension	Sand & gravel extraction	Yes ⁴⁷	Granted on 11 October 2018 Extraction area extended by 2.7 ha. Estimated tonnage of 50,000 tonnes of sand and gravel.
Frith End Quarry	Importation of aggregate.	Yes ⁴⁸	Importation, handling and re-sale of soft sand from Whitehill Bordon Relief Road scheme. Estimated tonnage of 0.048Mt.
Five Oaks Farm	Soft sand and restoration	No. Application currently being determined, validated 07 July 2020	Up to 230,000 tonnes of soft sand with 435,000 tonnes of infill.

⁴⁴ Roeshot Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=17204>

⁴⁵ Kingsley Quarry Extension Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=19368>

⁴⁶ Downton Manor Farm Extension Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=18645>

⁴⁷ Roke Manor Farm Extension Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=18831>

⁴⁸ Frith End Application - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=19598>

- 4.31 Alongside the known opportunities outlined in Table 6, on-going discussions are taking place with the districts and boroughs regarding their proposed Local Plan housing allocations and opportunities for prior extraction including Eastleigh Borough Council and East Hampshire District Council. New Forest District Council recently adopted (July 2020) Part 1 (Planning Strategy) of its Local Plan. The Local Plan includes a number of sites within the Minerals Safeguarding Area and the Plan makes specific requirement for Mineral Resource Assessments. Opportunities to engage in further plan preparation with Hampshire's other districts and boroughs will be sought as plan preparation commences.
- 4.32 Whilst the landbank has been below the required 7 years since 2016, it should be noted that, permission was granted for Roeshot in 2019 (subject to legal agreement) therefore, this will increase the reserves for 2019 (3 million tonnes). Bleak Hill Quarry application (0.5 million tonnes) was submitted in 2019 and is yet to be determined. Applications are anticipated for Purple Haze (4.0 million tonnes) and Hamble Airfield (1.5 million tonnes) in 2021.
- 4.33 Each of these proposals, should they all be approved, will have a positive impact on the landbank by increasing the permitted reserves. Although it should be noted that there can be delays to commencement of extraction and therefore, reserves elsewhere will be depleted prior to these proposals contribute to supply. It is also currently unknown what impact the current recession and exit from the European Union will have on construction supply and demand.
- 4.34 Part 4 of Policy 20 seeks to support further development proposals to ensure the maintenance of the landbank provided they meet the criteria. Part 4 (a) requires a demonstration that the existing allocations cannot deliver the landbank and / or the proposal maximises an existing quarry. Part 4 (b) supports prior extraction, Part 4 (c) supports proposals for a beneficial use and Part 4 (d) supports proposals for a 'specific local requirement'.
- 4.35 The HMWP states that soft sand supply will be provided by remaining reserves and new allocated sites, including:
- a. Permitted sites:
 - i. Blashford Quarry (including Plumley Wood / Nea Farm), Ringwood
 - ii. Frith End Sand Quarry, Sleaford
 - iii. Kingsley Quarry, Kingsley
 - b. Allocated sites:
 - i. Forest Lodge Home Farm, Hythe
 - ii. Purple Haze, Ringwood Forest
- 4.36 It should be noted that the Kingsley extension is for the supply of silica sand not soft sand and therefore, does not increase the landbank for soft sand.
- 4.37 The Purple Haze is the last remaining soft sand allocation and would serve the south-west Hampshire/Dorset/Christchurch market rather than the north Hampshire market (subject to permission).

- 4.38 Within Hampshire, soft sand reserves are scarce and are concentrated in a small number of areas, in contrast to reserves of sharp sand and gravel which are more widely distributed.
- 4.39 Soft sand is currently extracted in western Hampshire from Nea Farm (Plumley Wood) in Ringwood Forest and east Hampshire at Frith End and Kingsley. As with sharp sand and gravel sites, the soft sand sites supply all of Hampshire as well as some adjacent market areas.

Relevant national policy updates

- 4.40 Although not national policy, the Minerals Products Association published the UK Minerals Strategy in 2018⁴⁹. The Strategy seeks to highlight the link between the need for more housing and infrastructure and the supply chain of minerals that enables them to be delivered. It states that a demand in supply is likely to increase and that permitted reserves are declining and not replenishing at an equivalent rate to enable a steady supply. The Strategy also identifies that some local shortages of minerals are already evident including certain sands and this issue is likely to increase further.
- 4.41 In relation to planning and regulation, the UK Strategy highlights that it can take up to 15 years from identifying a potentially viable resource to securing planning permission. Therefore, the Strategy states that up-to-date development plans are required to provide certainty for operators to invest in development.

Should this issue be addressed?

- 4.42 The 2018 Local Aggregate Assessment reported that the local requirement landbank has been below 7 years since 2016. Whilst it is recognised that the applications have not yet been determined, there are applications (both for allocations and for unplanned opportunities) in the pipeline which indicates that Policy 20 is encouraging development to maintain the landbank.
- 4.43 The promoters of most of the remaining allocations have suggested that these will come forward during the remaining life of the Plan. Policy 20 supports further proposals for new sites to meet the landbank should monitoring indicate that the sites listed within the Policy are unlikely to be delivered.
- 4.44 Therefore, whilst the landbank for both sharp sand and gravel and soft sand are below the required 7 year minimum, the pipeline applications suggest that the policy is not preventing applications being forthcoming but is likely to be with the forecasted capacity requirements outlined in Policy 17 (Aggregate supply – capacity and source).
- 4.45 The existing policy does seek to enable development to maintain the landbank. However, in addition to consideration of the required capacity, further opportunities for extraction should be explored to provide more certainty of supply for both soft sand and sharp sand and gravel.

⁴⁹ UK Minerals Strategy (2018) - http://www.mineralproducts.org/documents/UK_Minerals_Strategy.pdf

- 4.46 Therefore, it is considered that this issue does need to be addressed by exploring further site options through an update of the Plan. However, the wording does not necessarily need to be updated as the existing policy makes provision for further development to address any shortfall in the landbank.

RAG Review status

- 4.47 The wording of the policy does not need to be updated but site options should be explored through an update of the Plan.

Amber

Silica sand (Policy 21)

- 4.48 Silica sand, also known as industrial sand, is used by the construction industry (as a non-aggregate) for a range of specialist uses but also high value industrial applications such as glass and chemical manufacture, water filtration and recreational uses.
- 4.49 The National Planning Policy Framework (NPPF) identifies silica as a mineral of local and national importance⁵⁰. Furthermore, the NPPF requires MPAs to plan for a steady and adequate supply of industrial minerals. This includes the provision of a stock of permitted reserves of at least 10 years for individual silica sand sites⁵¹.
- 4.50 There are two permitted sand and gravel quarries in Hampshire which provide silica sand: Frith End Quarry and Kingsley Quarry. It is acknowledged that resources at Kingsley and Frith End have properties with silica sand uses. However, historical data identified the quarries as soft sand only.
- 4.51 Data on silica sand has only been available since 2013. Due to confidentiality, sales data cannot be reported individually and therefore, a three-year average has been applied which shows a decrease in sales during this period. Based on the three-year average (2016-2018), collectively, the permitted reserves amounted to 3 years and based on 2018 sales was only 2.5 years. These figures fall significantly short of the 10 years of permitted reserves at each site required by the NPPF.
- 4.52 The resources at Frith End and Kingsley can be classed as soft sand or silica, any sales of the resources as non-aggregate (silica) depletes the soft sand reserves (see 'Aggregate supply – capacity and source' (Policy 17)). However, it should be noted that although the resources can be classed as silica, the current use of the sand is not currently for industrial purposes. The main use of the silica sand at Kingsley is for sports surfaces⁵².
- 4.53 The majority of resources which have silica sand properties in Hampshire are found either within or very close to the South Downs National Park. National Policy states that great weight should be given to National Parks and planning permission should be refused for major development except in exceptional circumstances⁵³.
- 4.54 In March 2020, permission was granted for an extension to Kingsley Quarry⁵⁴ which falls just outside of the National Park. This permission provides 994,000 tonnes of silica sand.

⁵⁰ NPPF (Annex 2: Glossary) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁵¹ NPPF (Para. 208 (c))

⁵² Planning Statement (supporting Kingsley Quarry Extension Application (May 2018))

⁵³ NPPF (Para. 172)

⁵⁴ Application No: 51188/003 - <https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=19368>

- 4.55 Applying the three-year average sales (which also includes Frith End and therefore, is assumed to be higher than the actual sales), the proposal increases the permitted reserves of the Kingsley site to over 10 years. However, the permitted reserves at Frith End would remain below 10 years.
- 4.56 In 2017, a national silica sand group was established to meet the requirements of the NPPF which required 'co-operating with neighbouring and more distant authorities to co-ordinate the planning of industrial minerals to ensure adequate provision is made to support their use in industrial and manufacturing processes'⁵⁵. Hampshire County Council is an active member of this group.

Relevant national policy updates

- 4.57 No relevant policy updates.

Should this issue be addressed?

- 4.58 The existing policy does seek to enable development to maintain permitted reserves provided that 'proposals do not have an unacceptable environmental or amenity impact either alone or in combination with other plans or projects'. However, further opportunities may be available.
- 4.59 Therefore, it is considered that this issue does need to be addressed by exploring further site options through an update of the Plan. However, the wording does not necessarily need to be updated as the existing policy makes provision for further development to address any shortfall in reserves.

RAG Review status

- 4.60 The wording of the policy does not need to be updated but site options should be explored through an update of the Plan.

Amber

⁵⁵ NPPF (Para. 208) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733637/National_Planning_Policy_Framework_web_accessible_version.pdf

Brick-making clay (Policy 22)

- 4.61 The National Planning Policy Framework (NPPF) identifies brick clay as a mineral of local and national importance⁵⁶. Furthermore, the NPPF requires MPAs to plan for a steady and adequate supply of industrial minerals. This includes the provision of a stock of permitted reserves of at least 25 years⁵⁷.
- 4.62 Hampshire has two local brickworks: Michelmersh, near Romsey and Selborne in the South Downs National Park. These brickworks produce bricks from local brick-making clay, although only Michelmersh is currently operational.
- 4.63 In 2014, permission was granted for the extension site allocated in the HMWP and extraction commenced in 2017. This led to a significant increase in permitted reserves. However, despite a relative improvement in permitted reserves in recent years, the 25 years has not and will not be achieved.
- 4.64 Selborne brickworks does not have a current operational clay reserve and there is no activity at this site.

Relevant national policy updates

- 4.65 The NPPF (2019) introduced a new criterion (208 (d)) in relation to the provision of brick clay for industrial purposes. The criteria states that Minerals Planning Authorities should 'take account of the need for brick clay from a number of different sources to enable appropriate blends to be made'⁵⁸.

Should this issue be addressed?

- 4.66 It is recognised that Michelmersh (and Selborne) do not currently collectively contain 25 years permitted reserves. However, the permission at Michelmersh has increased the permitted reserves at this site significantly. It is considered unlikely, based on the work undertaken during the preparation of the HMWP, that further suitable resources are available in the locality of the brickworks.
- 4.67 It is not anticipated that Selborne will operate as brickworks in the near future. Its potential to commence production within the Plan period is unknown and will depend on obtaining the relevant planning permissions.
- 4.68 The existing policy does seek to enable development to maintain permitted reserves provided that the site allocations are not deliverable (the Michelmersh allocation is currently being delivered and there is no evidence to suggest that the Selborne

⁵⁶ NPPF (Annex 2: Glossary) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁵⁷ NPPF (Para. 208 (c))

⁵⁸ NPPF (Para. 208 (d))

allocation will be delivered in the near future) and that there is a 'demonstrable need for the development' and / or the 'extraction of brick-making clay is incidental'.

- 4.69 Whilst it could be argued that further allocations should be identified to provide certainty of supply at Michelmersh, work undertaken to support the HMWP highlighted that alternative site options in the area are limited due to availability of suitable resources. Policy 22 currently makes provision for the need for clay extraction outside of the sites identified and therefore, can enable the supply of brick clay from different sources should this be required for blending.
- 4.70 Therefore, it is considered that this issue does need to be addressed by exploring further site options through an update of the Plan. However, the wording does not necessarily need to be updated as the existing policy makes provision for further development to address any shortfall in reserves.

RAG Review status

- 4.71 The wording of the policy does not need to be updated but site options should be explored through an update of the Plan.

Amber

Non-hazardous landfill (Policy 32)

- 4.72 Policy 32 supports landfill development to enable the capacity necessary to deal with Hampshire's waste to 2030. This is expected to be provided at: remaining permitted capacity at existing listed sites; additional capacity at listed sites; and additional capacity at other suitable sites that accord with the criteria.
- 4.73 Whilst the majority (95%) of household waste is diverted from landfill, the remaining amount still needs to be landfilled. Therefore, sufficient landfill capacity is required to meet these needs in the near future. In the longer term, technological solutions may deliver an alternative treatment option.
- 4.74 At the time the HMWP was prepared, it was estimated that there was 8 years of remaining capacity which would be exhausted by 2018/19⁵⁹. In line with the absence of new provision of landfill there has been a declining trend in the lifetime of landfill capacity, with a low point in 2017 (2.4 years). In 2018 this increased to 3.7 years as reduced amounts of waste were received at the remaining landfill in Blue Haze.
- 4.75 The lifetime of landfills is monitored annually to ensure that sufficient capacity is provided. The lifetime of landfill capacity dropped below 4 years in 2015 and has remained that way.
- 4.76 In 2016, Squabb Wood Landfill closed earlier than anticipated and is currently being restored. Squabb Wood is listed in Policy 32 in Part 1 (ii) as an existing site to provide remaining capacity and Part 2 (i) as the site that could provide additional capacity. The closure of the site means that the proposed extension of this site will not be implemented. This has been confirmed by the operator. With the early closure of the landfill both the remaining capacity at the site and any additional capacity that could have been provided have been lost.
- 4.77 Policy 32, Part 3 lists the allocated soft sand extraction Purple Haze as a reserve site for landfill. Purple Haze has not yet been permitted, though the site promoter has indicated that a planning application should be forthcoming in the near future. The current proposals for the site (at the scoping opinion stage) specifically make no provision for non-hazardous landfill. As the potential landfill capacity of this site could be up to 4 million tonnes this represents a significant loss of capacity and the loss of the only new landfill allocation.
- 4.78 The South East Waste Planning Advisory Group (SEWPAG) which is formed of all of the Waste Planning Authorities in the South East, has recognised that the early closing and lack of replacement of non-hazardous landfill is a regional issue and is currently preparing a Landfill Joint Position Statement. The issue partly represents the successful diversion of waste from landfill. The Statement of Common Ground prepared by SEWPAG recognises that there is likely to be a move towards regionally strategically landfill sites in the near future.

⁵⁹ Assessment of Need for Waste Management Facilities in Hampshire: Landfill and Surcharging Report (2012).

Relevant national policy updates

- 4.79 The National Planning Policy for Waste⁶⁰ (NPPW) sets out detailed waste planning policies to which local planning authorities need to have regard. The NPPW recognises that when preparing Waste Local Plans there is a need to drive waste management up the waste hierarchy whilst recognising the need for a mix of facilities as well as adequate provision for waste disposal⁶¹.
- 4.80 The Resources and waste strategy (2018) seeks to enable the circular economy, improve recycling rates, drive greater efficiency of energy from waste plants, as well as directly reduce plastic and food waste not being recycled. All of these proposed policy and legislative drivers have the potential to further reduce waste going to landfill.

Should this issue be addressed?

- 4.81 Policy 32 seeks to provide sufficient landfill capacity. The estimated capacity forecasts appear to be accurate with a slight increase in lifetime capacity in 2018. However, non-hazardous landfill capacity is recognised as a regional issue and is being addressed by Waste Planning Authorities through the creation of a Position Statements and Statements of Common Ground. Therefore, whilst the capacity is not meeting the required level of 4 years, it is recognised that there is existing provision in the policy that the market has chosen not to take up. As such, it is considered that this issue does not need to be addressed through an update of the Plan, however in the case of a Plan update the issue would need to be reviewed to ensure all appropriate steps are being taken.

RAG Review status

- 4.82 The wording of the policy does not need to be updated, however in the case of a Plan update the policy and evidence would need to be reviewed to see if further allocations are necessary and possible.

Amber

⁶⁰ National Planning Policy for Waste (2014) - <https://www.gov.uk/government/publications/national-planning-policy-for-waste>

⁶¹ NPPW (Para. 3).

Summary of Review status

Policy Number & Title	RAG status
Policy 14: Community Benefits	Red
Policy 19: Aggregate wharves and rail depots	Amber
Policy 20: Local land-won aggregates	Amber
Policy 21: Silica sand development	Amber
Policy 22: Brick-making clay	Amber
Policy 32: Non-hazardous waste landfill	Amber

5. Effectiveness of the Vision, Plan Objectives, Spatial Strategy & Key Diagram

- 5.1 It is recognised that Vision was considered briefly in the 2018 Review of the Plan but that the Plan Objectives, Spatial Strategy and Key Diagram were not addressed.

Vision

- 5.2 The Vision of the HMWP is ‘Protecting the environment, maintaining communities and supporting the environment’. The purpose of the Vision was to reflect the pillars of sustainability.
- 5.3 The 2018 Review concluded that the Plan was delivering the Vision but the issues raised through this Review suggest that whilst the development policies which control development are working effectively, the delivery policies are not necessarily supporting the economy, particularly in relation to aggregate supply.
- 5.4 Achieving sustainable development is still at the core of the NPPF⁶² and therefore, the Vision is still relevant. However, since adoption of the Plan, many of the partner Authorities have declared climate emergencies, which requires a re-focus on how the Authorities plan for the future.
- 5.5 In addition, Hampshire County Council launched the Hampshire 2050 Commission of Inquiry which ran from May 2018 to October 2019 and explored future prosperity, quality of life, and protection and enhancement of the character and environment of Hampshire. The HMWP currently looks to guide minerals and waste decision-making up to 2030. As such, there is an opportunity to align the HMWP with the Hampshire 2050 Vision principles.
- 5.6 The wording of the Vision would also benefit from a clearer relevance to minerals and waste planning and the inclusion of geographical specificity.

Plan Objectives

- 5.7 A suite of Plan objectives is set out in the HMWP that are intended to deliver the Vision and Spatial Strategy. A table showing the relationship between the Plan’s objectives and policies is set out in Appendix 1. The Table demonstrates that most of the objectives are addressed directly by the policies. Therefore, they are generally fit-for-purpose in delivery of the Vision through the policies as they currently stand. However, the review has highlighted that it is not clear how Policy 21 (Silica sand development) is addressed within the objectives as this is not an aggregate.

⁶² NPPF (Section 1) -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

- 5.8 As this 2020 Review indicates that not all the policies are meeting their delivery objectives, then the Plan is also failing to meet its objectives to deliver the Vision.
- 5.9 Any update to the policies and/or Vision will require a further review of the Plan objectives. This would also ensure that they deliver the Vision in line with policy driver changes set out in Section 6, for instance in relation to biodiversity net gain and climate change. In addition, a review would ensure they are SMART⁶³. Plan readability would be improved with a clearer distinction between Plan Objectives and the Vision and Spatial Strategy.

Spatial Strategy & Key Diagram

- 5.10 The Spatial Strategy sets the context for the Plan's policies. It is important, therefore, that the Spatial Strategy is reviewed to ensure that the context it provides is up to date, for instance ensuring that it accounts for changes in areas of growth, resource demand, infrastructure and planned development.
- 5.11 Components of the Spatial Strategy are illustrated in the Key Diagram (Para. 2.47 of the Plan). The Key Diagram is a diagrammatic interpretation. However, a lack of definition elsewhere in the Plan has led to an assumption that the diagram represents boundaries for what should be a technical consideration. Policy 29 (Locations for waste management development) supports development to provide recycling, recovery and/or treatment of waste on suitable sites in "Areas along the strategic road corridors". Whilst it is not outlined as a definition of a "strategic road corridor", Para. 6.198 provides further guidance in that waste sites should be prioritised with "good transport connections to the strategic road network".
- 5.12 During an Appeal for Knowle Lane, the lack of definition of the strategic road corridor in Policy 29 meant that the applicant was seeking to determine whether the site was within the boundary of the strategic road corridor as shown on the Key Diagram⁶⁴. However, the Key Diagram illustrates the presumption of where the corridor would be by applying a 1-kilometre buffer to the Strategic Road Network but does not take into consideration "good connections". As such, clarification of how a strategic road corridor is defined would be beneficial for Para. 6.198 of the Plan.

⁶³ SMART: Specific, Measurable, Achievable, Realistic and Timely.

⁶⁴ See Planning Statement of Case (WYG) Para. 2.29 -

<https://planning.hants.gov.uk/ApplicationDetails.aspx?RecNo=17123>

6. Policy change drivers

- 6.1 As outlined in the previous sections, there have been a number of Government policy publications, announcements and consultations which have and will have an impact on the HMWP policies. Where these relate to the policies outlined in sections 3 and 4, these have already been discussed. However, there are implications on other policies which are outlined in this section.
- 6.2 Implementation of the HMWP policies by development management practitioners has also highlighted areas where further clarification of the terminology outlined in the policies would make them more effective. Therefore, where these clarifications have not been addressed in sections 3 and 4, they are also outlined in this section.

NPPF (2019)

- 6.3 Following consultation by the Ministry of Housing, Communities and Local Government (MHCLG), the National Planning Policy Framework (NPPF), published in 2012 was subsequently revised in 2018 and 2019⁶⁵.
- 6.4 There is a discreet but strong encouragement given to local planning authorities to move towards strategic plan-making (para. 24). This is an improvement on the original NPPF, which focused on the preparation of single all-encompassing local plans containing both strategic and development management policies; which do not easily lend themselves to joint preparation with neighbouring authorities.
- 6.5 Linked to this is the strengthening of the duty to co-operate with the addition of a requirement for the preparation of statements of common ground. These are required to document the cross-boundary issues to be addressed and the progress in dealing with them.
- 6.6 Other NPPF revisions include (but are not limited to):
- additional guidance on securing net gains for biodiversity;
 - uses of land and developing green and brown field land;
 - greater emphasis on design of development;
 - additional guidance on the change of use of land in the Green Belt;
 - additional guidance on flood risk;
 - consideration of undeveloped coasts and public access to the coast;
 - additional guidance on designated landscapes;
 - consideration of ground conditions and impacts of air quality on natural environment; and
 - greater emphasis on energy security.
- 6.7 The NPPF (2019) has a direct impact on the implementation of all the policies within the Plan.

⁶⁵ NPPF (2019) - <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

National Planning Policy for Waste (2014)

- 6.8 The National Planning Policy for Waste (NPPW)⁶⁶ sets out detailed waste planning policies to which local planning authorities need to have regard. A framework for Local Plan preparation is provided as well as on the need for waste management facilities and suitable sites on which they should be located. In relation to the determination of applications, provision is made for the consideration of impacts of non-waste development on existing or allocated waste sites.
- 6.9 The NPPW outlines much of the policy previously contained within Planning Policy Statement (PPS)10 which informed the preparation of the HMWP. As such, the HMWP is in conformity with the NPPW. Should further update occur, appropriate reference will be made in the updated HMWP.

Planning Practice Guidance (2014 onwards)

- 6.10 Planning Practice Guidance (PPG) was launched in 2014 by Government, following the adoption of the HMWP, to support the interpretation and implementation of the NPPF and NPPW. This is a live web-based resource, updated as necessary by MHCLG. The PPG includes references to Statements of Common Ground and specifically outlines the requirement for a Statement of Common Ground to be prepared for minerals and waste plans⁶⁷.

River Basin Management Plan (2016)

- 6.11 Originally published in 2009, the South East river basin district River Basin Management Plan (RBMP) was updated in December 2015, published in February 2016⁶⁸ and approved by the Secretary of State for Environment, Food and Rural Affairs. An updated draft South East river basin district RBMP is being consulted on (October 2020 – April 2021) and will be published later in 2021.
- 6.12 The purpose of the RBMP is to provide a framework for protecting and enhancing the benefits provided by the water environment in line with the requirements of the Water Framework Directive. To achieve this, and because water and land resources are closely linked, it also informs decisions on land-use planning.
- 6.13 The ambitions of the RBMP are delivered at the river catchment scale. Since 2012, formal Defra recognised Catchment Partnerships were established for each Water Framework Directive (WFD) catchment across England, as part of the Government's Catchment Based Approach (CaBA). Eight of these catchments are wholly or partly within Hampshire. Over the last few years, each catchment Partnership has prepared

⁶⁶ National Planning Policy for Waste (2014) - <https://www.gov.uk/government/publications/national-planning-policy-for-waste>

⁶⁷ Planning Practice Guidance - <https://www.gov.uk/government/collections/planning-practice-guidance>

⁶⁸ South East River Basin Management Plan - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718337/South_East_RBD_Part_1_river_basin_management_plan.pdf

and updated a Catchment Action Plan for its respective catchment, which encapsulate a range of objectives and actions that reflect the ambitions of partners, including Hampshire County Council. Policies 2, 3, 9, 10, 11 and 31 are most closely aligned with the delivery of the RMBP through action at the Catchment level.

Clean Growth Strategy: Leading the way to a low carbon future (2017)

- 6.14 The Clean Growth Strategy⁶⁹ sets out a comprehensive set of policies and proposals that aim to accelerate the pace of “clean growth”, i.e. deliver increased economic growth and decreased emissions.
- 6.15 Policies 1 and 2 are most closely aligned with the policies and proposals in the Strategy.

The 25 Year Environment Plan (2018)

- 6.16 The 25 Year Environment Plan⁷⁰ sets out Government action to help the natural world regain and retain good health. It aims to deliver cleaner air and water in our cities and rural landscapes, protect threatened species and provide richer wildlife habitats. It calls for an approach to agriculture, forestry, land use and fisheries management that puts the environment first. The Plan sits alongside the Government’s Clean Growth Strategy and Industrial Strategy.
- 6.17 The Plan strives to ensure that communities are “Using resources from nature more sustainably and efficiently” and “Minimising waste”. Great emphasis is placed on ‘natural capital’. The policies in the HMWP are aligned with the protection principles of this plan, particularly policies 2-6.
- 6.18 There is a noticeable change in focus to not only protect the natural capital that already exists but enhancing this where possible. This extra step is needed to increase resilience to climate change. Policy 9 of the HMWP is most closely aligned with this national policy change and may need strengthening to ensure mineral and waste development is aligned with national policy objectives. There is also a renewed emphasis on, not only conserving protected landscapes such as National Park and AONBs, but also enhancing them.
- 6.19 The detrimental effects of plastic on the environment have been widely covered in the press. The 25 Year Environment Plan sets out guidelines on how to transition to materials that can be recycled more easily leading to a reduction in overall waste. Policy 25, which relates to sustainable waste management, will need to encompass this change.

⁶⁹ Clean Growth Strategy - <https://www.gov.uk/government/publications/clean-growth-strategy>

⁷⁰ 25 Year Environment Plan - <https://www.gov.uk/government/publications/25-year-environment-plan>

- 6.20 The Plan sets clear policy direction on “embedding an ‘environmental net gain’ for development, including housing and infrastructure”; this not only includes action to work with interested parties and streamline environmental processes but to widen environmental gains to include flood protection, recreation and improved water and air quality.

Industrial Strategy: Building a Britain fit for the future - White Paper (2018)

- 6.21 The Industrial Strategy⁷¹ sets out ‘how we are building a Britain fit for the future’ – how businesses will be helped to create better, higher-paying jobs with investment in the skills, industries and infrastructure of the future. The Government’s ambitions in the white paper in relation to regenerative circular economy, waste and energy infrastructure are particularly relevant to Policies 1, 2, 18, 25, 28 and 30.

Resources and Waste Strategy (2018)

- 6.22 The strategy⁷² sets out how we plan to double resource productivity and eliminate avoidable waste of all kinds (including plastic waste) by 2050, by:
- preserving stocks of material resources by minimising waste;
 - promoting resource efficiency and moving towards a circular economy;
 - minimise the damage caused to our natural environment by reducing and managing waste safely and carefully; and
 - dealing with waste crime.

The strategy gives a clear longer-term policy direction in line with the 25 Year Environment Plan.

- 6.23 Policies 1, 18, 30 and 32 of the HMWP are most closely aligned with this national policy change and may need to be strengthened.

Review of Designated Landscapes (2019)

- 6.24 Following the publication of the 25 Year Environment Plan and implementing one of its key ambitions, the Government launched a review (‘Glover Review’) of designated landscapes (National Parks and Areas of Outstanding Natural Beauty - AONB) in England⁷³. The review concluded in September 2019 with the publication of a report containing 27 wide-ranging recommendations that span integrated environmental and landscape management, planning protection, nature recovery, governance, sharing of expertise, strengthening of statutory purposes and the resourcing and public awareness of AONBs. Policy 4 of the HMWP is specific to the protection of protected

⁷¹ Industrial Strategy - <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

⁷² Resources and Waste Strategy 2018 - <https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england>

⁷³ Landscapes Review - <https://www.gov.uk/government/publications/designated-landscapes-national-parks-and-aonbs-2018-review>

landscapes. The Government is expected to announce its response to the report in late 2020. With almost 40% of Hampshire's land area covered by designated landscapes, any associated legislative and policy guidance changes will necessitate a review of Policy 4.

South Inshore and South Offshore Marine Plan (2018)

- 6.25 This Marine Plan⁷⁴ has been prepared for the purposes of Section 51 of the Marine and Coastal Access Act 2009 and has been adopted with the agreement of the Secretary of State for Environment, Food and Rural Affairs.
- 6.26 The plan introduces a strategic approach to planning within the inshore and offshore waters between Folkestone in Kent and the river Dart in Devon, providing a clear, evidence-based approach to inform decision-making by marine users and regulators on where activities might take place within the marine plan area.
- 6.27 A number of policies within the Marine Plan are relevant to Policies 17 and 24 of the HMWP.

The Climate Change Act 2008 (2050 Target Amendment) Order 2019

- 6.28 The Order⁷⁵ updates the Climate Change Act 2008 by replacing its target with the 2050 Net Zero Emission target in relation to greenhouse gases. Policy 2 (climate change) of the HMWP is most closely aligned to this modification.
- 6.29 Following the declaration of a climate emergency by Hampshire County Council in June 2019, the council adopted a 2050 carbon neutral target.

Environment Bill (2020)

- 6.30 The Environment Bill⁷⁶ will put the environment at the centre of policy making. It will make sure that we have a cleaner, greener and more resilient country for the next generation. The Bill includes details on:
- creating a new governance framework for the environment;
 - a new direction for resources and waste management;
 - improving air quality;
 - securing our water services;
 - enhancing our green spaces; and
 - updating laws on chemicals (REACH).

⁷⁴ South Marine Plan - <https://www.gov.uk/government/publications/the-south-marine-plans-documents>

⁷⁵ Climate Change Order - <https://www.legislation.gov.uk/ukdsi/2019/9780111187654>

⁷⁶ Environment Bill 2020 - <https://www.gov.uk/government/publications/environment-bill-2020>

- 6.31 The Bill introduces a new requirement for the Secretary of State to prepare a statutory Environmental Improvement Plan (EIP) and confirms that the Government's 25 Year Environment Plan (outlined above) will be the first EIP.
- 6.32 An important aspect of the Environment Bill is the power to set long-term, legally-binding environmental targets⁷⁷ to provide a strong mechanism to deliver long-term environmental outcomes, both to build upon progress towards achieving the long-term vision of the 25 Year Environment Plan and help tackle some of the serious challenges that remain. These targets will focus on matters which relate to the natural environment and people's enjoyment of it, including air quality, biodiversity, water, resource efficiency and waste reduction, and fine particulate matter (PM_{2.5}). These targets will be relevant to a range of HMWP policies and it will be necessary to reflect these changes in Plan policies, where relevant.

Biodiversity Net Gain

- 6.33 The 2018 revision of the NPPF (maintained in the current 2019 version) introduced guidance that "...plans should... identify and pursue opportunities for securing measurable net gains for biodiversity" and that when determining planning applications, local planning authorities should encourage "biodiversity improvements in and around developments..., especially where this can secure measurable net gains for biodiversity."
- 6.34 The Environment Bill, however, will introduce a mandatory Biodiversity Net Gain of 10% for most new developments. The Department for Environment, Food and Rural Affairs (Defra) through Natural England is currently testing its Biodiversity Metric 2.0⁷⁸ to quantify pre and post development biodiversity values to support the delivery of this requirement. Further consideration is being given to how the metric will be applied to minerals and waste development. Policy 3 of the HMWP is specific to the protection of habitats and species and will need to reflect this new requirement.

Fixing our broken housing market – Housing White Paper (2017)

- 6.35 This paper⁷⁹ re-evaluated the need and the way in which housing numbers are calculated in each local planning authority area.
- 6.36 This paper introduced the use of the statement of common ground as a way of evidencing joint working and the duty to cooperate which has been included in the revised NPPF.

⁷⁷ Environmental Bill: Environmental targets - <https://www.gov.uk/government/publications/environment-bill-2020/august-2020-environment-bill-environmental-targets>

⁷⁸ Natural England Biodiversity Metric - <http://publications.naturalengland.org.uk/publication/5850908674228224>

⁷⁹ Housing White paper - <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

- 6.37 Whilst the introduction of statements of common ground does not directly impact the policies within the HMWP, statements would need to be drawn up between interested parties if an update to the Plan occurs.

Strategic Environmental Assessment Regulations

- 6.38 The screening thresholds for industrial estate development and urban developments were raised in 2015⁸⁰. This will impact the implementation of Policy 29 (Locations and sites for waste management).

The Town and Country Planning (General Permitted Development) (England) Order 2015⁸¹

- 6.39 This change included temporary permitted development rights in respect of change of use of some industrial premises to residential, from a B8 storage and distribution use under 500m² to residential use. The regulations require prior approval to be sought in respect of specific issues including 'Impact on the sustainability of adjoining uses'. This requirement should therefore ensure that mineral and waste sites remain adequately safeguarded against encroaching non-mineral uses. Therefore, this order is relevant to Policy 16 (Safeguarding – minerals infrastructure) and Policy 26 (Safeguarding – waste infrastructure).

Community Infrastructure Levy

- 6.40 The Government published updated guidance on the Community Infrastructure Levy (CIL) in 2014⁸².
- 6.41 The supporting text to Policy 1 (Sustainable minerals and waste development) refers to CIL. The charging of CIL is relevant to Southampton and Portsmouth City Councils. However, it is recognised that mineral extraction and some built facilities for waste management activities are exempt from paying charges.

Court Rulings

- 6.42 In April 2018, a court ruling by the European Court of Justice had a significant impact on Habitats Regulations Assessment (HRA). The People over Wind & Sweetman v Coillte Teoranta⁸³ had implications for developers and competent authorities in relation to plans and projects which are subject to HRA.

⁸⁰ SEA Guidance - <https://www.gov.uk/guidance/strategic-environmental-assessment-and-sustainability-appraisal>

⁸¹ Came into force 23 May 2017

⁸² CIL Guidance - <https://www.gov.uk/guidance/community-infrastructure-levy>

⁸³ People over Wind Vs Sweetman Ruling - <http://curia.europa.eu/juris/document/document.jsf?text=&docid=200970&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=424528>

- 6.43 The effect of the ruling is that where previously, mitigation measures which may modify site selections or the boundary of a site to avoid any effects on European sites such as scheme design, buffer zones or restriction on operating hours, can no longer be considered at the Screening stage and must be 'screened-in' for further consideration. This means that an analysis of the measures capable of avoiding or reducing any significant effects on the site concerned must be carried out specifically at Stage 2 of the HRA process (Appropriate Assessment). The Habitat Regulations have been amended to reflect this change in the law⁸⁴.
- 6.44 Furthermore, the 'Wealden Judgement'⁸⁵ has implications for the use of thresholds (in this case in relation to air quality and HRA) at the Screening stage. Recent guidance from Natural England, developed following the requirements of this Judgment, advise that screening thresholds should be applied with consideration to impacts from individual proposed developments and with consideration to in-combination effects.
- 6.45 The HMWP was subject to HRA⁸⁶. The Sweetman and Wealden rulings, therefore, are likely to be relevant should an update of the Plan be required.

Government Oil and Gas Consultations

- 6.46 The Government consulted on proposed changes to the planning system which relate to shale gas in 2018. On the basis of the disturbance caused to residents living near Cuadrilla's Preston New Road site in Lancashire and latest scientific analysis, the government announced in November 2019 a moratorium on fracking until compelling new evidence is provided.
- 6.47 The government also confirmed that it will not be taking forward proposed planning reforms set out in the 2018 consultation for shale gas developments at this time. The implications for Policy 24 (oil and gas development) in the HMWP will need to be considered as part of an update.

Planning for the future - White Paper (2020)

- 6.48 The Ministry of Housing, Communities and Local Government (MHCLG) have consulted on proposals for reform of the planning system in England, contained in the white paper 'Planning for the future' (consultation ended October 2020)⁸⁷. The planning reform proposals are aimed at delivering a "significantly simpler, faster and more predictable system", although the detail is focussed on district local plans rather

⁸⁴ Habitats Regulations - <http://www.legislation.gov.uk/uksi/2018/1307/contents/made>

⁸⁵ Wealden District Council v Secretary of State for Communities and Local Government, Lewes District Council and South Downs National Park Authority [2017] EWHC 351.

⁸⁶ Hampshire Minerals & Waste Plan Assessment Under the Habitats Regulations: Habitats Regulations Assessment Record – Final (July 2013) - <http://documents.hants.gov.uk/planning-strategic/HMWPHRARRecordFINALSept2013.pdf>

⁸⁷ Planning for the future consultation - <https://www.gov.uk/government/consultations/planning-for-the-future>

than minerals and waste local plans. Proposed changes or options relevant to the HMWP include:

- A move from discretionary to rules based planning, with all areas of land categorised in local plans as either growth areas – “suitable for sustainable development”; renewal areas “suitable for development”; or areas that are “Protected”.
- A new role for local plans and a new process for making them, with local plans being “significantly shorter in length” and completed within 30 months, with ‘sanctions’ for authorities who fail to achieve this, and the potential option for self-assessment rather than Examination.
- Local plans to be assessed against a single statutory “sustainable development” test, replacing the existing tests of soundness.
- The Sustainability Appraisal system abolished and a simplified process for assessing the environmental impact of plans developed, which would continue to satisfy the requirements of UK and international law and treaties.
- The Duty to Cooperate test removed (although further consideration will be given to the way in which strategic cross-boundary issues can be adequately planned for).
- Remove or limit the role of general development management policies in local plans and instead rely on such policies derived at national scale, with local planning authorities producing required design guides and codes for a whole local authority area, or for a smaller area or site.
- Greater use of digital technology with a move to digital local plans incorporating interactive web-based mapping.
- Replace the existing developer contribution regimes (including CIL and S106) by a consolidated ‘Infrastructure Levy’.
- Amend the National Planning Policy Framework (NPPF).

6.49 Based on the outcome of the consultation, the Government will seek to bring forward legislation and policy changes to implement reforms. Although these changes may not significantly affect this review, subject to timescales, they may have significant implications for subsequent reviews and updates of the HMWP and, as such, the potential implications of these proposals need to be considered at this stage.

Changes to the Current Planning System consultation 2020

6.50 Published separately for consultation in parallel with the ‘Planning for the future’ white paper consultation is a further document - ‘Changes to the Current Planning System’⁸⁸, which sets out proposed short-term changes to improve the efficiency of the current planning system in certain areas and support economic recovery. The main proposals focus on the:

- standard method for assessing local housing need;
- delivering first homes;
- the small sites threshold; and
- extension of the current permission in principle regime.

⁸⁸ Changes to the current planning system - <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

- 6.51 By proposing changes to the methodology for assessing housing figures, with a focus on boosting housing supply, the outcome of this consultation may have implications for the demand for aggregates from the house building sector.

DRAFT

7. Review Workshop Outcomes

- 7.1 Following completion of the 2018 Review of the Hampshire Minerals & Waste Plan, a Review Workshop was held on 25th September 2019 to explore the issues raised in the Review.
- 7.2 The Workshop was attended by approximately 60 participants including representatives from the minerals and waste industry, statutory consultees, neighbouring minerals and waste planning authorities and from the wider south east, districts and boroughs and Members.
- 7.3 The Workshop was structured around presentations and round table discussion sessions. The agenda was as follows:

Introduction	
Hampshire Minerals and Waste Plan (HMWP) Review outcomes	<i>Melissa Spriggs, Strategic Planning, Hampshire County Council</i>
The changed policy landscape: NPPF, 25 Year Plan, Waste and Resources Strategy, Brexit	<i>Chris Murray, Strategic Planning, Hampshire County Council</i>
Sustainability issues: Climate change, biodiversity net gain, horizon scanning	<i>Garry King, Strategic Planning, Hampshire County Council</i>
Biodiversity net gain	<i>Kirsten Williamson, South Downs National Park Authority</i>
Round table discussion on how the HMWP addresses sustainability issues (<i>All</i>)	
Waste issues – Circular economy, recycling, landfill, sites	
Waste Resource Strategy	<i>Vicky Beechey, Project Integra</i>
Round table discussion on how the HMWP addresses waste issues (<i>All</i>)	
Mineral issues – Soft sand, sharp sand and gravel, wharves	
Soft Sand	<i>Jane Poole, Idris Consulting</i>
Marine aggregates	<i>Dr Ian Selby, University of Plymouth</i>
Round table discussion on how the HMWP addresses minerals issues (<i>All</i>)	

Key messages

- 7.4 The notes from the session are outlined in Appendix 2. However, a number of key messages were highlighted which can be used to inform this Review and the scope of the Plan update:

General messages

- 7.5 The issue of climate change was a key area of focus for many of the participants, especially in light of the climate emergency declaration.
- 7.6 It is was clear that due to the uncertainties over Brexit (and now arguably, the COVID-19 pandemic), the Plan needed to be future proofed and could be flexible in its approach. The potential for technological advances should also be taken into consideration.
- 7.7 There were a number of Government updates which had either happened or are known to be forthcoming. The Plan will need to take these into account, but it was also raised that guidance on how they are implemented was important, for example with biodiversity net gain.
- 7.8 It was felt that the Duty to Cooperate should be incorporated into the Review as well as more engagement with industry.
- 7.9 Lastly, whilst the Review looks at the effectiveness of the policies, it was also raised that the monitoring of the policies should be reviewed and the relevant triggers.

Minerals messages

- 7.10 Safeguarding was a key issue that was raised, particularly in relation to enabling prior extraction and also protecting capacity of the wharves.
- 7.11 When considering mineral supply, it was considered that this should be explored at a regional level and that greater emphasis should be placed on the annual Local Aggregate Assessment.
- 7.12 It was also considered that demand forecasts should take into account Local Plan delivery as well as infrastructure proposals.

Waste messages

- 7.13 In relation to waste, it was considered that there should be a wider focus on all waste streams, not just household waste.
- 7.14 It was also felt that a more detailed review was needed on data, the types of site (not just type of facility) but also how sites are delivered.
- 7.15 There was a call for more waste sites, such as resource parks, to be identified through the Plan but it was not clear where these would be located.

8. Compliance with National Policy

- 8.1 Guidance for Plan Review was issued by the Planning Advisory Service (PAS) in the form of a Local plan Route Mapper & Toolkit (Oct 2019)⁸⁹. The Toolkit is in two parts with Part 2 setting out the requirements for Local Plan Content. Completing the associated checklist ensures Local Plans are in compliance with the National Planning Policy Framework (NPPF).
- 8.2 As the checklist is geared towards all Local Plans, some parts are not relevant to Minerals and Waste Local Plans. Where relevant, these parts of the checklist have been struck out and highlighted as 'not applicable'. In addition, the checklist does not include compliance with the National Planning Policy for Waste (NPPW) (2014) which is relevant to Waste Local Plans and therefore, the requirements have been included.
- 8.3 The completed checklist is set out in Appendix 3. A RAG (Red, Amber, Green) Compliance status is provided for each policy and is determined as follows:

HMWP Policy is in compliance with NPPF/NPPF	Green
HMWP Policy is in general conformity with NPPF/NPPF but required refresh to ensure compliance.	Amber
HMWP Policy is silent on NPPF/NPPF requirements	Red

Key outcomes

- 8.4 The review of Local Plan Content compliance has demonstrated that on the whole the HMWP is in compliance and is not silent on any policy requirement. However, there are a number of policy areas where the general policy approach is in conformity, but the specific wording may need to be refreshed to ensure that the policy is fully compliant. This is unsurprising taking into account the updates to the NPPF in 2018 and 2019. It is also expected that the NPPW will be updated in the near future.
- 8.5 The key policy areas requiring a policy refresh include:
- Reference to government policy (post 2013);
 - The Vision and its relevance to minerals and waste;
 - The removal of some areas of ambiguity in policies;
 - Clearer identification of the Strategic Policies;
 - Reference to net gain, natural capital and the agent of change;
 - Clearer climate change measures;
 - Clearer delivery of the waste hierarchy; and
 - An update on terminology, such as 'sustaining' rather than 'protecting' historic assets.

⁸⁹ Local plan Route Mapper & Toolkit (Oct 2019) - <https://www.local.gov.uk/sites/default/files/documents/PAS%20Local%20Plan%20Route%20Mapper%20v1%2000.pdf>

9 Conclusion

- 9.1 This 2020 Review has considered the effectiveness of the HWMP since its adoption in 2013. Unlike the 2018 Review, consideration has been given not only to the monitoring data but specific compliance with national policy. In addition, the Vision, Plan Objectives, Spatial Strategy and Key Diagram have been taken into account.

Development Management Policies

- 9.2 The monitoring data suggests that most of these policies are performing well, with Policy 14 (Community benefits) the exception. However, reviewing compliance against national policy requirements, highlights that whilst the general drive of the policy aligns with national policy, the policies would benefit from a refresh in their terminology and in some cases, their delivery. For example, the inclusion of natural capital, net gain and agents of change.
- 9.3 In addition, based on changes to national policy and local priorities, Policy 2 (Climate change – mitigation and adaption) needs to be strengthened and Policy 9 (Restoration of minerals and waste developments) needs to ensure that climate change is suitably imbedded in its implementation.

Minerals Policies

- 9.4 The 2018 Review highlighted that the required 7-year landbank for sand and gravel (for both sharp sand and soft sand) was not being met; there was not 10 years of permitted reserves at the sites providing silica sand; and there was not 25 years of permitted reserves at brick-making clay sites. Two years on and the situation remains, as well as an increasing risk to recycled and secondary aggregate delivery and capacity issues at the wharves.
- 9.5 The aggregate delivery requirements (Policy 17 (Aggregate supply – capacity and source) would benefit from being updated, taking into consideration the fact that the 1.56mpta has not been achieved since 2016 and the increasing supply issues regarding soft sand in the wider south east. The ability to maintain a 1mpta capacity of recycled and secondary aggregate needs to be explored as well as the 2mpta of marine aggregate. This would help ensure the requirements of the NNPF were being met.
- 9.6 Whilst the policies which enable the development to come forward are worded sufficiently for suitable development to be permitted, the policies would benefit from outlining any sustainable opportunities to ensure revised requirements are met but also to help provide certainty to industry and communities.

Waste Policies

- 9.7 The 2018 Review outlined that in general, the waste forecasts had been relatively accurate and additional capacity is coming on stream, albeit focused more on recovery

than recycling. This point is also raised in this 2020 Review. However, to ensure compliance with the NPPW, the policies relating to waste management delivery would benefit from an update to enable greater alignment with the waste hierarchy in enabling waste activities. The potential for a Waste Infrastructure Strategy should be explored to provide greater certainty on the types of activities required, when and where.

- 9.8 Landfill capacity continues not to meet the forecasted need. Policy 32 allows for landfill capacity to come forward where there is a clear need. However, it is recognised that the reserve capacity within the Purple Haze allocation may not be implemented. Therefore, the policy would benefit from considering possible sustainable options alongside other sites for waste management.

Monitoring Indicators

- 9.9 This Review has not assessed these in detail but it is recognised that not all indicators obtain the information required to monitor the effectiveness of the Policies. Where possible, some adjustments have been made to the monitoring plan, such as ensuring all data is covering the calendar year so that it is comparable. However, any update of the policies should include a further review of the monitoring indicators to ensure that they are SMART.

Vision, Plan Objectives, Spatial Strategy and Key Diagram

- 9.10 Due to the generic nature of the current HMWP Vision, it is possible to conclude that in general the policies are enabling the Vision. However, the issues with delivering minerals supply could suggest that the economy was not being supported adequately. The NPPF suggests that the Vision should state what it is seeking to deliver and therefore, the current Vision could be considered to be lacking in spatial identity and specificity in its aims in relation to minerals and waste. The Vision would also benefit from aligning itself with the visionary Hampshire 2050 work and the climate change agenda.
- 9.11 The Plan Objectives are present but not clearly identified in the HMWP and this is also an issue with the Strategic Policies which was highlighted through the compliance check. The Plan Objectives closely align with the policies (except Policy 21 (Silica sand development) and would help achieve the current Vision. As some of the Policies are currently not delivering their aim, this would suggest the Plan Objectives are not being met. An update of the Policies and/or Vision would need to include a review of the Plan Objectives to ensure they align.
- 9.12 The Spatial Strategy and Key Diagram outline how the Objectives and Vision will be implemented spatially and in diagrammatic form. Any update to the Policies would need to be reflected in both the Spatial Strategy and Key Diagram. To ensure compliance with national policy, the Policies need to be unambiguous and this also applies to the Spatial Strategy and Key Diagram.

Review limitations

- 9.13 It is recognised that there are limitations to this Review. However, the application of the PAS Guidance has enabled a more thorough assessment.
- 9.14 The monitoring indicators were set when preparing the Plan and were an attempt to quantify the impacts of the decisions made within the framework of the HMWP.
- 9.15 It is understood that the indicators and triggers set out in the HMWP may not, on reflection, be defined sufficiently narrowly to clearly identify an issue from the data alone. Any update to the policies should include a further investigation of the indicators and triggers. This will need to be reflected in an update to the Implementation, Monitoring Plan set out in Appendix C of the Plan.
- 9.16 The Plan also contains several Appendices which whilst not directly reviewed will need to be updated to align with any policy changes or circumstances. Appendix A (site allocations) will need to be updated with any additional sites and/or the boundary of the Mineral Safeguarding Area at Whitehill & Bordon may benefit in being updated to represent recent developments. This will also be relevant to the Policies Map.
- 9.17 Appendix B provides a list of safeguarded minerals and waste sites. However, this is now out of date and is superseded by the on-line updated version. An update of the Plan may benefit from reference to on-line list rather than an instantly out-dated Appendix.
- 9.18 In addition, Appendix D (Relationship between Plan policies and previously adopted policies) may be no longer of value. Appendix E will require updating to reflect any new studies required to update the Plan.
- 9.19 Lastly, the Plan's Glossary and acronyms will require updating to ensure they are consistent with national policy, regulations, and current circumstances.

Duty to Cooperate

- 9.20 Duty to cooperate correspondence has been issued to minerals and waste planning authorities who have a relationship with Hampshire in terms of minerals and waste movements to inform this Review. However, it is recognised that the minerals data is out-of-date (2014) as the new data was not available at the time. It was also intended that further liaison would be undertaken with industry and key stakeholders on some of the issues outlined in the 2018 Review. However, following the 2020 Review, and the need for a Plan update, it is felt that this focussed liaison can be addressed as part of the Plan update.

Future uncertainty

- 9.21 The 2018 Review highlighted that there were at the time a number of uncertainties which could have an impact on future supply and capacity requirements of minerals and waste. The most prominent was Britain's exit from the European Union due to the significant mineral and waste movements between Britain and Europe and any future alterations could impact local indigenous supply. However, uncertainty has only been increased due to the national pandemic, which is impacting on the economy, the longevity of these impacts is unknown.
- 9.22 The Government continues to drive forward changes to boost the housing market and enable the necessary infrastructure to support this, more recently with a proposal to fundamentally change the planning system. Whilst an increase in development will have a direct impact on demand for construction aggregates, the rate of this increase is unclear.

Next Steps

- 9.23 It is recommended that an update of the HMWP is undertaken to ensure compliance with the NPPF and NPPW but also to ensure that the Plan is delivering a steady and adequate supply of minerals and enabling sustainable waste management provision. An investigation of the monitoring indicators and triggers will ensure any changes to policy are reflected and that the monitoring plan is fit-for-purpose.
- 9.24 In addition, the Vision, Plan Objectives, Spatial Strategy and Key Diagram will need to be further reviewed to ensure that all requirements of the Plan are delivered but also that the Vision aligns with the 2050 principles for Hampshire.
- 9.25 To support the Plan update, an assessment of mineral and waste site options would ensure any suitable sites for enabling sustainable minerals and waste development are included in the Plan helping provision certainty to the industry and local communities.

Appendix 1: Plan Objectives / Policy Table

The following table plots the Policies against the Plan Objectives. Where a policy helps to deliver the Objective, this is marked as Green.

Policies	Plan Objectives													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
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The Objectives in the Plan have been allocated a number to enable this exercise (see below).

Objective No.	Objective
1	Protecting and conserving the New Forest and South Downs National Parks, Areas of Outstanding Natural Beauty and other valued landscapes. Sensitive

	habitats like the Thames Basin Heaths and our archaeological and historic heritage will be treated similarly.
2	Helping to mitigate the causes of, and adapt to, climate change by developing more energy recovery facilities and the appropriate restoration of mineral workings.
3	Protecting community health, safety and amenity in particular by managing traffic impacts, ensuring sustainable, high quality and sensitive design and imposing adequate separation of minerals and waste development from residents by providing appropriate screening and / or landscaping.
4	Valuing the countryside for its own merits and protecting the South West Hampshire Green Belt from inappropriate development but recognising local geology, the rural economy and protection of amenity.
5	Managing traffic impacts including the encouragement of rail and water borne transport of minerals and waste.
6	Encouraging engagement between developers, site operators and communities so there is an understanding of respective needs.
7	Supporting Hampshire's continued economic growth, as well as the economies influenced by Hampshire and opportunities for urban regeneration where possible.
8	Safeguarding mineral resources, necessary existing minerals and waste infrastructure and land for potential wharf or rail depot infrastructure as a contribution to a steady and adequate supply of minerals and provision of waste management facilities.
9	Helping to deliver an adequate supply of minerals and mineral-related products to support new development, deliver key infrastructure projects and provide the everyday products that we all use in Hampshire, as well as in neighbouring areas. This will be achieved by ensuring sufficient aggregate is supplied to the construction industry from an appropriate combination of sources including: local sand and gravel from around Southampton, south west Hampshire, Ringwood Forest, east of Andover, the Bordon area and north-east Hampshire; marine dredged sand and gravel via wharves on the River Itchen, River Test and Portsmouth and Langstone Harbours; rail imported limestone via existing depots in south Hampshire and new rail depots located in north Hampshire; and giving particular support for recycled/secondary aggregates from various sites before supply from other sources.
10	Providing for brick-making clay for the brickworks at Michelmersh, near Romsey and Selborne, near Bordon.
11	Appropriately planning for chalk extraction for agricultural use.
12	Exploration and production of oil and gas.
13	Encouraging a zero waste economy whereby landfill is virtually eliminated by providing for more recycling and waste recovery facilities including energy recovery.
14	Aiming for Hampshire to be 'net self-sufficient' in waste management facilities whereby it can accommodate all the waste that arises, whilst accepting there will be movements into and out of the area to facilities such as the nationally important incinerator at Fawley.

Appendix 2: Review Workshop – Notes from Event

Hampshire Minerals and Waste Plan Review Workshop

25 September 2019, Ashburton Hall, Winchester

Notes from the round table discussions

Review & Sustainability Issues

How could the methodology be improved for the 2020 review?

Key Messages:

- Climate change needs to be a key area of focus.
- The monitoring indicators / triggers themselves should be reviewed as part of the process.
- More communication is required with industry.
- More detailed review of mineral supply is required (not just from land-won sources).

Table	Comments
One	<ul style="list-style-type: none">• Climate Change – should be higher on the agenda and at the forefront of work• Waste sites – have a uniqueness; firstly, you have to work around any constraints. No real problem for finding sites for waste uses. Good vehicle access is important
Two	<ul style="list-style-type: none">• RAG (Red, Amber, Green) system – exceptional circumstances should not trigger a red score• Triggers – could be wider (more included) but generally the methodology works• Policy one – why should sustainability be judged on the length of time to determine applications?• Climate Change (policy two) – why is this judged against EA (Environment Agency)? Also states three criteria and only uses one• Climate Change – needs more guidance• Monitoring indicators – one indicator against all those policies isn't the most effective. However, understand that monitoring indicators need to be something you have data on, which is why it has probably been selected• Windfall sites – policies have a general presumption against sites outside of the allocated sites therefore policies preclude windfall sites being utilised
Three	<ul style="list-style-type: none">• Better communication of issues directly with local operators – unaware of some of Hampshire County Council concerns• Joined up developments• Multi nationals well served – independents less informed of updated. Quarterly policy update / wish list?
Four	<ul style="list-style-type: none">• Light touch in engagement with industry, felt that it was strongly officer led

	<ul style="list-style-type: none"> • Brexit – no impact • Acceptance that there will always be a need for landfill capacity. Preference from strategic siting of landfill • Issues with recording of mineral data • Coordination with other parties plans and strategies
Five	<ul style="list-style-type: none"> • Unsure on what happened in the review • Land bank (S&G), which is low there could be a mineral shortage in the Council which the review needs to recognise this. • What questions are asked in the review. What is evidence showing? If we change plan, what do we achieve? How can we change things so we can change the outcome? • Industry would like firmer policies to allow investment to occur with sites. More site allocation to allow for greater land bank. • Review windfall, what is it set out to achieve? • Are current allocations based on seven years in recession, which shows more sales? Minerals and waste was not fully affected by recession. • Industry feel like they are playing catchup in regard to the Council's apportionment. • With the plan being from 2013, how big of an influence of housing had on the review of the Plan. Does it make the Plan vulnerable the longer a comprehensive review is not done? • Is windfall recognition there's not enough minerals and it's a hope factor that it makes up the difference. • Availability is one thing and landbank is another. Landbank is an indicator-not the end of the world. • Seems to be a gap between national and local government emphasis on minerals planning. • Lack of gov guidelines. Government might look to review minerals. • Do the County Council understand the types of CDE (construction demolition and excavation) waste? Lack of understanding of what is recycled aggregate. Can only make aggregate from hard material, not from all CDE.
Six	<ul style="list-style-type: none"> • Logical starting point – have to start looking early based on evidence <ul style="list-style-type: none"> ○ Is the evidence based getting out of date? ○ Evidence base underpins everything so up to date information is necessary ○ Have to avoid complacency – every plan reviewed every 5 years ○ Quarries capacity has been discussed – new quarry in the south of the district providing much of New Forest minerals and waste • Is there any independent assessment? Any external critical assessment on both the plan and review? • Critical review maybe required if approach stays the same with each review, to ensure support if challenged • Plan up to 2030, reviews at present are over lifetime of plan, as opposed to new proposals • Policies pulled in as part of related issues, e.g. waste capacity satisfactory but further review needed to assess whether something is a trend and plan needs to be updated, review into whether update necessary or not – future review with greater evidence base.
Seven	<ul style="list-style-type: none"> • More communication with industry

Eight	<ul style="list-style-type: none"> • Further community impact monitoring – issue with how all local plans are monitored. Could take into account the complaints. More influence from individual site monitoring • Feed into the community
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Are there any other factors that need to be taken into consideration in the next review?

Key Messages:

- The need to future proof the Plan taking into account:
 - current and on-going policy updates from Government (e.g. on waste or environment)
 - Technological advancements
- Climate change and any emerging guidance/action plans.
- The Duty to Cooperate
- Consideration of wider sources of mineral supply (e.g. marine and prior extraction/windfall opportunities)

Table	Comments
One	<ul style="list-style-type: none"> • Changes e.g. deposits on glass bottles – will be a big change coming regarding recycling (standardised approach or all paid for by producers) and will need to facilities to be in place – not covered in policy in the Plan. How will it be handled? Future proofing / flexibility – needed to cope with whatever system comes in
Two	<ul style="list-style-type: none"> • Think Brexit is unlikely to change policy drastically • Waste should be reviewed more frequently than minerals considering the rate of progression • Lack of national and regional guidance so no benchmark for everyone • Protected landscapes review – talks about strengthening settings of protected areas (Areas of Outstanding Natural Beauty (AONBs)) and could it advance allocations?
Three	<ul style="list-style-type: none"> • Wharves need to be safeguarded – flexibility of uses where current uses unviable • Duty to Cooperate
Four	<ul style="list-style-type: none"> • Technological advances – extraction of resources (specialist resources) such as lithium and ELV (End of Life Vehicles) facilities for electric vehicles • Consideration of industrial uses for waste uses (B8 and B2) • Potential to review industrial estate study to demonstrate suitability
Five	<ul style="list-style-type: none"> • No comment
Six	<ul style="list-style-type: none"> • Dependent on new government policies and goals • May be overachieving already but new policies may create higher requirements • How will climate change emergency declaration affect review and future plans?

	<ul style="list-style-type: none"> ○ Only so much policy and officers can do, also down to industry ○ Interesting to see how risk is assessed based on when/how policy changes may be made (also whether legal challenges will be necessary) • Decisions made based on climate emergency “priority” may be contrary to plan policies due to shifting priorities outside of scope of initial plan – e.g. Hampshire declares intention to be climate neutral but proposed site in plan cannot be made to be carbon neutral by 2030 – clash between policy and government intentions
Seven	<ul style="list-style-type: none"> • Does the review need to focus more on the way need is actually assessed (i.e. greater focus on local aggregates assessments, rather than figures in place at the time of adoption) • Duty to Cooperate / cross boundary matters • Interaction with housebuilding targets and local plans (including to facilitate local sourcing of aggregates) • Minimal provision / allocation (which may be politically more acceptable) vs flexibility through over provision • Marine resource is very large and could supply much but major issue is wharf capacity including onward transport via rail (as opposed to road)
Eight	<ul style="list-style-type: none"> • More consideration of the viability of the processing and extraction of mineral in assessing sites for continued inclusion in the Plan • More weight on prior extraction for housing permissions / allocations • Further consideration of previously rejected sites

How effective is the Plan at ensuring development is sustainable?

Key Messages:

- There is a need to consider Net Environment Gain / off-setting and guidance is required on how to implement
- Need to review how sustainability is defined and measures in the Plan

Table	Comments
One	<ul style="list-style-type: none"> • 10% seems reasonable, but it will need offsetting • Applying the metric – how to decide where the benefits are; what they will be in the future; what is valuable now may not be in the future
Two	<ul style="list-style-type: none"> • Need to take a step back and detail what exactly you want to achieve • Currently no substance – where is the guidance? • Can minerals sites assist waste sites i.e. offsetting? • For existing brownfield industrial sites, what is the natural benefit? How can we ensure improvement when sites are low benefit and already impacting upon air quality etc
Three	<ul style="list-style-type: none"> • Effective as much as possible at the time of adoption • Ideals are good but balance between aims and practical possibilities not currently available
Four	<ul style="list-style-type: none"> • Subjective in what ‘implement’ comprises

	<ul style="list-style-type: none"> • Caveat policy 'or' and 'and' – policy 32 • Lack of quality (in addition the subjectivity) • Welcome current position on requirement for implementation
Five	<ul style="list-style-type: none"> • How much is 10% net gain on a site that has zero value • Can environmental be subjective? Who makes decisions on the net gain. • Could there be regional environmental plans that sites could aim towards • Could there be a policy that every application has a certain percentage on net gain, could this be more than the national 10% • Need to make sure that biodiversity net gain doesn't over shadow very important issues that affect rural Hampshire • The restoration must be accepted by the land owner and be commercially attractive. • Could land owners be compensated when a development exceeds the 10% • Will certain sectors come to parks and other groups to carry out offsetting for them as they own the land? • How will Brexit affect this? • Aggregates don't have flexibility of housing and can't only choose low environmental areas. • Climate change can change the areas in which you're looking at then how can you measure its environmental net gain. • The plan should give more weight to other forms to restoration than biodiversity. • Sites should return to what it originally looked like. • Could there be a structure of what are Hampshire's biodiversity targets, this can then help the industry • What changes would you propose to the Plan to improve the sustainability of development? • Can industry make a contribution to a wider scheme as an offset strategy • We can't always make the species stay in the created habitat, which should be recognised in the plan. • Is the County Council going out of its responsibilities in term? See where sustainability goes in terms of how quarries operate. • A site will operate within its grounds of sustainability • Could industry have free reign to operate within the standards already set out on climate change, and have less intervention from local government? • Some minerals & waste industry are going to third party companies to provide clean electricity, rather than them trying to implement this clean energy on site. • Could reviews be done more often, as technology is moving at such a fast rate in the period that the plan spans? • Can sites offset each other with their biodiversity net gain so you can have varying restorations?
Six	<ul style="list-style-type: none"> • In what way is it sustainable? <ul style="list-style-type: none"> ○ Planning permission granted? ○ Environmental? ○ Biodiversity? ○ Minerals and waste? ○ National Planning Policy Framework (NPPF) definition of sustainability? Economic, Social, Environmental

	<ul style="list-style-type: none"> • Sustainability an overriding factor in decision making “If it’s not sustainable it won’t get through” • If an application complies with policies, then by definition it should be sustainable <ul style="list-style-type: none"> ○ Shifting baselines of sustainability (e.g. biodiversity net gain) ○ Can policies be enforced or upheld without the calculations? ○ List of what can be included within “30%” • Hampshire minerals and waste plan specifies (policy 1?) that if an application is sustainable planning permission should be granted without further delay <ul style="list-style-type: none"> ○ Differing pressures on all; “advantages outweigh disadvantages” ○ Need vs sustainability • “As long as you’re in line with the NPPF then you have met your requirements” • Doing its best within existing policy • Lag in environmental returns • Retrospective assessment under modern day principals? • 5 year after-care period • Can aspire to improvement but practical enforcement unlikely • Review restoration plans in existing sites (e.g. extension of time etc) to meet current standards • Government looking at 106’s to include (for example) future maintenance of roads as well as initial cost
Seven	<ul style="list-style-type: none"> • Sustainability is now a recognised and accepted concept which is positive • Industry is well placed to deliver net gain after extraction (maybe more so than other developments) • Difficulty of taking objective / dream / vision of sustainability as 2050 vision and knowing what this means in practice and on the ground
Eight	<ul style="list-style-type: none"> • Air quality issues – include shipping emissions • How far should plans go – site specific emissions • Better scoping of what the sustainability issues are / and explanation of them • 10% net gain – depends on how it is quantified – needs to be kept simple to keep costs down for developers. Net gain currently a bit woolly!

What changes would you propose to the Plan to improve the sustainability of development?

Key Messages:

- Enhance the Climate Policy, what measures could be put in place and how it is monitored.
- Greater flexibility in the Plan to deal with changes in the minerals and waste industry in the future.
- There is a need to strengthen the connection between the need for minerals and waste and maintaining communities.

Table	Comments
One	<ul style="list-style-type: none"> • Climate Change policy – could be more strongly worded, don’t give developers the option of avoiding the policy

	<ul style="list-style-type: none"> • How to record what has been actioned and was it successful? Record in the Annual Monitoring Report (AMR). Could it be more widely reported, easily accessible? Record progress or lack of progress, perhaps annually? • Should we have climate change net gain? If so, should it be recorded and how would it be recorded? • There should be a requirement to use recycled materials over primary resources
Two	<ul style="list-style-type: none"> • Need clarity in the overarching policy but also detailed guidance in a separate document • Review of aggregates levy – tax could be better utilised – should be spent locally for environment and community – could be increased? • Set out why minerals and waste are critical to communities in plans – get the message out there and explain why it's sustainable
Three	<ul style="list-style-type: none"> • Climate change policy needs strengthening – metric needs to be clarified • Air quality particulates – electric vehicles not yet available • Policies need to be accepting of current technological constraints rather than state structure • Transport of mineral around the site by conveyor rather than lorry • A need for flexibility during the Plan period
Four	<ul style="list-style-type: none"> • Quantity of screening of biodiversity enhancement for DM (Development Management) purposes • Work with developers in helping them identify potential for improvements • Net benefits to be provided elsewhere within the Plan area • Requirement for minerals and waste developers to provide additional area for green space • Ensure developers are clear on what is expected of this • Emerging waste plans make policy reference to the circular economy (West London Waste Plan) • Influence emerging local plans to accord with this policy in terms of planning for industrial ecosystems
Five	<ul style="list-style-type: none"> • No comments
Six	<ul style="list-style-type: none"> • Meeting in line with government targets and guidance <ul style="list-style-type: none"> ◦ Decide whether we want to go above and beyond government • Local targets, what would they be? <ul style="list-style-type: none"> ◦ Primary focus would be environmental net gain? • Is 10% sufficient? With waste 10% may be too high, minerals sites usually viable agricultural land – weight of biodiversity vs economical. Viability of future options, e.g. workable land for farmers. • Whose responsibility will it be to define baseline biodiversity and future biodiversity? • What is the 10%? Biodiversity of species? Metric? • Copycat planning – Net gain goes into one policy • Connectivity - Habitat fragmentation – connectivity, red line boundaries?
Seven	<p>Is there too much emphasis on extraction than reuse? (although suggested that UK is quite good at these already):</p> <ul style="list-style-type: none"> • Clarity of objectives, how things will be assessed and monitored – consistency of approach

	<ul style="list-style-type: none"> • Need more careful consideration of how sustainability and net gain will be measured (e.g. local vs global: competing objectives) – even with metric this is quite subjective; resources for amenity • Industry is already doing things for sustainability – maybe need to feed in more to minerals and waste Plan review in terms of what is realistic and achievable
Eight	<ul style="list-style-type: none"> • Include all issues discussed in presentation – including net gain and air quality • Net gain policy to reflect alternative option where improvements cannot be done on site • Include sustainability of development in Plan principles – location of facilities, use of resources, heat and power considerations – wider benefits for communities / climate change • Inclusion of renewable energy facilities • How to address the loss of exporting materials to China – is this not additional landfill? • Retrofit energy recovery to existing sites e.g. methane capture • Needs joined up thinking and proper coordination

How will the evolving sustainability policy impact minerals and waste planning?

Key Messages:

- It is recognised that the policy changes will make positive improvements.
- More guidance will be required on how they are implemented.
- There are concern over the cost and burden on developers.

Table	Comments
One	<ul style="list-style-type: none"> • Are housing targets over estimated? Use different methods for house building. Complete change away from what we do now, and it will require a huge change • Electric vehicles, to include electric trucks transporting minerals and waste.
Two	<ul style="list-style-type: none"> • Becoming more difficult to get applications through • Policies need to be worded positively and set out criteria / guidance clearly • Demonstration of the link between housing and minerals and waste is essential – helps people to understand the importance and that they go hand in hand • Engagement – needs to be correct for the type of consultee but would help get everyone on the same page and policy to be effective for everyone involved
Three	<ul style="list-style-type: none"> • Generally positive • Impact / possibility of improvement of previously poorly restored sites – when does net gain come into consideration for historic sites • Movement of waste by rail • Will net gain impact upon capacity and future provision? Need vs viability. Should costs be a planning consideration

Four	<ul style="list-style-type: none"> Recent adopted plans which integrate biodiversity net gain and strengthen landscape policy yet to be tested in the delivery (appeals / case law) Creates burden on developers – potential impact on viability and therefore delivery in accordance with the Plan's requirements
Five	<ul style="list-style-type: none"> No comments
Six	<ul style="list-style-type: none"> In principal it can improve biodiversity and benefit What impact can one minerals and waste plan have on its own? <ul style="list-style-type: none"> Regional strategies required – beyond borders
Seven	<ul style="list-style-type: none"> More incineration of waste may bring opportunities for more re use Minerals industry could be after net gain trading for other sites that can't provide it
Eight	<ul style="list-style-type: none"> Lorry movements are not sustainable Electric vehicles, although the technology isn't there yet Land ownership issues will attract net gain potential (how the site is restored) – they will want to maximise returns Costs of environmental improvements and viability issues. Needs to be clear on what environmental requirements are to determine viability of schemes before making an application Who monitors Government initiatives? The gap between local and national monitoring, if any

Minerals Issues

How effective is the Plan at enabling sand and gravel (including soft sand) supply?

Key Messages:

- More work required on working developers on ensuring prior development where relevant.
- Landbank is not met but supply is coming forward and is affected by markets.
- Designated areas impact the availability of supply.
- Stronger emphasis on safeguarding of wharves is required.

Table	Comments
One	None
Two	<ul style="list-style-type: none"> • Currently a lag in data figures – needs to catch up • Policy 20 – only refers to landbank figures and doesn't report marine sources • Sand and gravel have not run out so must be somewhat effective • Need to safeguard wharves for future marine supplies
Three	<ul style="list-style-type: none"> • Safeguarding policies fine – problem is co-ordination with housing developers – Whitehill Bordon not successful • Can't rely on windfall developments • Soft sand and gravel should be separated • Always coming up against requirements of housing developers
Four	<ul style="list-style-type: none"> • Not effective – cannot demonstrate land bank in accordance with NPPF • Not all allocated sites have come forward • Safeguarding wharves and mineral infrastructure
Five	<ul style="list-style-type: none"> • Lack of supply could be due to how we are not allowed to get aggregates from within certain designations – the Plan should be more supportive
Six	<ul style="list-style-type: none"> • Policies are effective, got allocations and criteria
Seven	<ul style="list-style-type: none"> • Stronger emphasis on prior extraction needed • Not been effective at safeguarding protected wharf sites from housing development – better interpretation needed between minerals and waste plans and local plans
Eight	<ul style="list-style-type: none"> • Issues of market and viability are outside the control of the Plan • Soft sand a geological / location issue – consider protected areas?

What changes would you propose to the Plan to improve sand and gravel supply in Hampshire?

Key Messages:

- Reference should be made to the Local Aggregate Assessment as this is updated annually.

- There is a need to consider mineral supply more strategically (at regional level).
- The Plan needs to maintain flexibility in supply sources and locations.

Table	Comments
One	<ul style="list-style-type: none"> • No comment
Two	<ul style="list-style-type: none"> • Incorporate marine figures into policy – need to report land and marine sources – increases transparency and will improve public perception • Flexibility – consider any site that comes forward, don't limit to only allocated sites – don't make provision per site so exact, allow for change • Be thinking more long term and more strategically – plan for a bit further ahead so the Plan does not become so outdated by the review. Tie together inshore and offshore to have more joined up thinking
Three	<ul style="list-style-type: none"> • Separating soft sand and sharp sand and gravel • Better understanding of allocation • Plans should be regional • Certainty of supply
Four	<ul style="list-style-type: none"> • Trend led with infrastructure • Maintain flexibility to extract in sensitive landscape areas (national parks and AONBs) • Conditions within policy to allocate extraction in these areas for example, demonstrating clear need and satisfactory mitigation • Make reference to updated LAA (local aggregate assessment) to inform mineral requirement
Five	<ul style="list-style-type: none"> • Could there be a potential of a minerals site within a national park – this could create political issues • Do the allocations of minerals and waste sites need to be dealt with on a national infrastructure level, as it seems politics are playing a large role at the moment
Six	<ul style="list-style-type: none"> • Plan did not have supply ready for end period of plan when written • In a more comprehensive review, a call for sites would likely be required • Holistic approach required • Minerals without borders
Seven	<ul style="list-style-type: none"> • Would be helpful to have three separate landbanks, for the different types of aggregate • Better communication between decision making authorities
Eight	<ul style="list-style-type: none"> • Resources are being sterilised by housing allocations – needs stronger policy support • Encourage wharf use – how to target industry to invest? • Look at provision at a regional level – wider hubs? • Plan on a geology basis rather than administrative one, or another determining factor

What are the key factors that need to be considered in forecasting aggregate demand?

Key Messages:

- Need to be more flexible on end uses of material (e.g. beach replenishment and use of silica/soft sand).
- There is a need to consider local demand through emerging local plans but also national infrastructure.
- The future of the construction industry and use of materials needs to be considered.

Table	Comments
One	<ul style="list-style-type: none">• No comment
Two	<ul style="list-style-type: none">• Locally – impossible as it doesn't all correlate (e.g. regional housebuilders vs local aggregate supply / usage)• Marine aggregates used for beach refill isn't reported by the LAA• Silica sand treated differently – why is end use so heavily dictated? Flexibility is the key!• Need to be less inward looking and consider other regions and trends occurring
Three	<ul style="list-style-type: none">• Industry are not that flexible• Future housing delivery• How effective is safeguarding? - not very as it is too easy to override
Four	<ul style="list-style-type: none">• Changes in building material / construction – aware of economic position• Changes in construction habitats / use of materials
Five	<ul style="list-style-type: none">• Questions over marine soft sand and how useful it is• Caution to be taken regarding marine won sand and its viability in replacing land won sand
Six	<ul style="list-style-type: none">• No comments
Seven	<ul style="list-style-type: none">• Marine not likely to replace land won soft sand in the plan period (though may contribute)• Access in Hampshire to viable wharves for marine won resource• What is the lead indicator e.g. housing, and key infrastructure projects?• Emerging local plans need to be considered; not just adopted• Declining use of aggregates in construction over time
Eight	<ul style="list-style-type: none">• Operators are buying in sand rather than extract their own resources because the price will increase in the future• Look beyond the demand of Hampshire – wharves are national assets – transport constraints• Marine extraction – where would the silt go? Only gives two types of sand – not versatile enough. Not enough wharf and shipping capacity at present• Decreasing land won extraction would impact inert waste infill capacity• Wider view to meet national infrastructure and housing projects e.g. HS2• A more joined up approach is needed

Waste Issues

How effective is the Plan at enabling waste management provision?

Key Messages:

- There are issues with the availability of sites, the location of sites and the acceptability of sites by local residents.
- The Plan is currently quite flexible but will need to be more so in the future with potential change in national policy.
- The Plan focusses too much on household waste.
- Better linkages between county and districts/boroughs in waste management provision.

Table	Comments
One	<ul style="list-style-type: none"> • How to deal with food waste – specific facilities. Handle in Hampshire only – localised vs strategic facilities • Need more capacity to deal with food waste in Hampshire • Want a commitment from Government that funding will be made available • Have integration of the waste management systems and interpreting within the local plan • What will be done with the output of the process, whatever that is • Climate Change should be embedded throughout the Plan • Strategic Planning – does waste need more strategic approval? • Does the Plan need to allocate other points? • Education and behaviour change • Specify recycled aggregate over primary – specify (mandate?) a proportion to be used
Two	<ul style="list-style-type: none"> • Waste management provision adapts with societal needs, the Plan will not always enable it, it depends on need • Waste management facilities should be treated as any other industrial use • Currently an overlap in regulatory controls which hinders development • More flexibility on sites – positive approach for all sites that come forward
Three	<ul style="list-style-type: none"> • Too small focus – don't hub activities in the continental fashion
Four	<ul style="list-style-type: none"> • Mismatch of recovery and recycling targets • Lack of sites available • Need to update waste capacity data • Need to consider call for sites • Need to be more flexible – provide appropriate capacity and therefore market resilience • Ensure the public are well informed • Introduce zonal areas for waste management on a strategic scale • Encourage waste facilities to be located near to manufacturing plants (circular economy) • Political issues / stigma / unwanted land use • Demonstrating public incentives / trade off / developer contributions
Five	<ul style="list-style-type: none"> • Waste sites are being put forward for housing.

	<ul style="list-style-type: none"> • Is the public perception on waste sites justified? • Waste is a complete industry of itself, why do we have a Waste and Minerals plan together. • Should they be separate • CDE (Construction, demolition and excavation) is still associated with minerals, whereas municipal waste isn't • Some policies are beginning to become redundant in the HMWP as they are no longer linked to waste. • Minerals are temporary and waste used to be but now seen as relatively permanent investments. • Are incinerators industrial or sui generis? • CDE isn't always fully understood by authorities. • Could the review of the waste part of the plan take longer than other areas? • Regions will have to deal with all the waste they produce, not necessarily counties or boroughs. • Are Hampshire integral in looking for waste sites, and what happens when these sites don't come forward. • Could we follow the European model where each town/borough has its own facilities on a smaller scale? • Why Incineration doesn't count as recycling? Because it wastes the material, recycling keeps material in circulation. • Could more be done at the source of the waste? To segregate the brick from the metal from the concrete? • 'NIMBY'ISM (not in my back yard) is the main barrier of planning - traffic/noise – they can be seen as destroying communities
Six	<ul style="list-style-type: none"> • UK working at 45% • Technology investment required e.g. air compression technology • Is the Hampshire waste plan in line with the circular waste economy • Policy has good flexibility to allow for changing technologies – establishing site for use as waste remains <ul style="list-style-type: none"> ○ Is policy being used effectively? ○ Attractive to private companies? ○ Enabling experimentation and investment in new technologies • Safeguarding of waste sites • Not feasible for privately run ERFs (Energy Recovery Facilities), have to be part of PPIs (Public Private Investment), no private incentives • 50 MW generation part of NSIPs (Nationally Significant Infrastructure Projects)? • Principal is broad which allows for flexibility • EA permit tiered and often allows for higher capacity than the planning application or LPA (Local Planning Authority)/Waste Authority would permit • Capacity, especially in light of European countries adding tax to waste fuel exports
Seven	<ul style="list-style-type: none"> • Hampshire has been successful in the past e.g. permissions for investors • Need more focus on prevention e.g. education to reduce food waste • Review of industrial estates to facilitate sites for uses of waste (NB focus on permitted development rights for housing is not making protection of industrial sites easy) • Need better waste issue enforcement (from small to fly tipping)

	<ul style="list-style-type: none"> • Consistency of collection is key and ease of collection / usability for people • Challenge – land take of facilities after composting • Challenge – resident objections to waste uses • Better relationship needed between county minerals and waste planning and district local plans (e.g. planning for facilities in local plan allocations) •
Eight	<ul style="list-style-type: none"> • Single minded on household waste. More consideration of commercial waste production and where the waste needs to be taken • Better waste separation of some for C&I (Commercial & Industrial). And waste minimisation at source

What changes would you propose to the Plan or its implementation to improve waste management provision in Hampshire?

Key Messages:

- Better communication with the waste industry.
- There is a need to more fully review the data.
- More consideration needs to be given to how sites come forward and what type of site is required.
- The Plan needs to be flexible to deal with emerging Government policy and targets.

Table	Comments
One	<ul style="list-style-type: none"> • <i>See response to Question above.</i>
Two	<ul style="list-style-type: none"> • Looking favourably upon adaptation of existing facilities (flexibility) especially for repurposing materials • Do waste management sites need to be allocated? Why not consider any site that comes forward? • Policy 27 – wording to be more open and flexible minus caveats about ancillary • Policy 29 – maybe combine into one policy or make clearer that one is just capacity and one is location
Three	<ul style="list-style-type: none"> • EfW (energy from waste) site for industrial / commercial sector, built by Hampshire County Council • Waste parks • More collaboration with commercial partners instead of only concentrating on domestic • Realistic / practical conditions • More communication with private operators • Set up working group with waste operators
Four	<ul style="list-style-type: none"> • <i>See response to Question above.</i>
Five	<ul style="list-style-type: none"> • <i>See response to Question above.</i>
Six	<ul style="list-style-type: none"> • Deposit protection schemes may be good – how and where will the facilities be implemented? • Food waste required to achieve circular economy

	<ul style="list-style-type: none"> Any consideration for sites for private companies Principal/policy is effective at present – is a review necessary introduce specific policies or sites for new facilities handling different aspects of the waste stream? Locational requirements as opposed to operator or tech requirements
Seven	<ul style="list-style-type: none"> <i>See response to Question above.</i>
Eight	<ul style="list-style-type: none"> A one size fits all solution to collection won't work (e.g. terraced housing) Inclusion of producer pays changes Needs to be achievable, not just aspirational – some technology isn't available or viable yet Data based review and decision making Educating the public and putting it simply, raising awareness (starting in schools), options available (e.g. extension building waste – knowledge of where it goes, does it need to be separated) Working more with partners The current plan is unable to address 2025 targets, therefore a review is needed

What are the barriers to suitable sites being put forward for waste uses?

Key Messages:

- Public / Political concerns
- Cost and availability of sites
- Restrictions on site operations.

Table	Comments
One	<ul style="list-style-type: none"> Cost of sites Timescales Use more localised sites
Two	<ul style="list-style-type: none"> Landowner aspirations Public perception Policy needs to be more positive and enabling EA (Environment Agency) – needs more flexibility
Three	<ul style="list-style-type: none"> Political Culture Better figures of non-municipal waste quantities to show the need for facilities
Four	<ul style="list-style-type: none"> <i>See response to Question above.</i>
Five	<ul style="list-style-type: none"> <i>See response to Question above.</i>
Six	<ul style="list-style-type: none"> Locations may be specified but barriers (public comment/objections etc) are raised after a planning application is formed Conditions such as hours of work can be restrictive Minimal response to call for sites from waste operators

	<ul style="list-style-type: none"> • Waste doesn't have the monetary value for landowners (compared to housing or employment sites) • Are our conditions a barrier to new sites coming forward, or increasing capacity on site? • EA permit tiered and often allows for higher capacity than the planning application or LPA (Local Planning Authority)/Waste Authority would permit • Capacity, especially in light of European countries adding tax to waste fuel exports
Seven	<ul style="list-style-type: none"> • <i>See response to Question above.</i>
Eight	<ul style="list-style-type: none"> • Affecting change! • More information on what the requirements are for bringing a site forward (e.g. what do landfills need – size, accessibility etc?) • Technological limitations at present – recycling limits, product separation. Investment needed – the Government needs to lead on this but need sites available to do this • Enabling sustainable change – co location of facilities e.g. lorry park closer to sites instead of protecting a low-quality green belt site for example...)

Appendix 3: National Policy Checklist

National Planning Policy Framework (2019)

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
	<i>General Requirements</i>		
1.	Include any relevant material that is set out in a government policy statement(s) for the area for example a national policy statement(s) for major infrastructure and written ministerial statements.	NPPF Para 5, 6	<p>Relevant Government Policy is outlined in the HMWP – Other Plans and Programmes (Para 2.19 – 2.24)</p> <p>However, there have been a number of Policy updates (Post 2013) which are relevant and should be applied [check others]:</p> <ul style="list-style-type: none"> - National Planning Policy for Waste (2014) - Energy Policy: Written statement - HCWS690 (May 2018) - 25 Year Environment Plan (2019) - Waste & Resources Strategy (2019)
2.	Contribute to the achievement of sustainable development.	NPPF Para 8, 9, 16	The need to contribute to achieve of sustainable development is set out in HMWP Policy 1: Sustainable minerals and waste development
3.	Apply the presumption in favour of sustainable development.	NPPF Para 11	Applying the presumption is set out in HWMP Policy 1: Sustainable minerals and waste development
4.	Provide a positive vision for the future; a framework for addressing <u>housing mineral demand and waste management</u> needs and	NPPF Para 15	The HMWP Vision is set out in Para 2.25

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
	other economic, social and environmental priorities.		<p><i>'Vision: 'Protecting the environment, maintaining communities and supporting the economy'</i></p> <p>Whilst the Vision outlines the needs to address economic, social and environmental priorities, it does not specially address the mineral and waste needs.</p>
5.	<p>Plans should be:</p> <ul style="list-style-type: none"> a) Aspirational and deliverable b) Contain clear and unambiguous policies c) Accessible through the use of digital tools d) Serve a clear purpose avoiding duplication 	NPPF Para 16	<p>The aspirations of the HMWP are set out in the Introduction (Para 1.1 – 11.5). The Policies Map is available on-line and is interactive.</p> <p>However, since adoption, it has become clear that some of the policies contain areas of ambiguity and some clarification would be of benefit for their implementation.</p>
6.	<i>Plan Content</i>		
7.	Include strategic policies to address priorities for the development and use of land. They should set out an overall strategy for the pattern, scale and quality of development.	NPPF Para 17, 20	<p>The content of the HMWP is set out in Para 1.5</p> <p><i>'The Plan comprises three elements:</i></p> <ul style="list-style-type: none"> - <i>Strategic approach and policies;</i> - <i>Strategic sites allocations considered necessary to deliver the Plan objectives; and</i> - <i>General and site-specific development management policies.'</i>

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
			The Spatial Strategy is set out in Paras. 2.26 to 2.46 and this is supported by the Key Diagram (Figure 6).
8.	Outline which policies are 'strategic' policies	NPPF Para 21	Whilst the HMWP outlines that it contains Strategic Policies in Para 1.5, these are not specifically identified.
9.	Strategic policies should look ahead over a minimum 15-year period <u>from adoption</u> .	NPPF Para 22	<p>The overall strategic priority is set out in HMWP Para. 28:</p> <p><i>'The overall priority is that enough minerals and waste development is provided to support the economies of Hampshire, as well as economies in other areas influenced by Hampshire throughout the Plan period, without jeopardising Hampshire's environment and the quality of life of its communities.'</i></p> <p>This priority is then transposed in HMWP <i>Policy 17: Aggregate supply – capacity and source</i> and <i>Policy 27: Capacity for waste management development</i>. Both policies include the Plan period of 2030.</p>
10.	Indicate broad locations for development on a key diagram, and land use designations and allocations on a policies map.	NPPF Para 23	The HMWP Key Diagram is outlined in Figure 6 (Key Diagram) and the allocations are set out in inset maps (Appendix A) and the Policies Map (adopted 2013).

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
11.	Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed <u>mineral demand and waste management</u> needs over the plan period.	NPPF Para 23	The HMWP Spatial Strategy is set out in Paras. 2.26 to 2.46.
12.	Include non-strategic policies to set out more detailed policies for specific areas.	NPPF Para 18, 28	<p>Whilst the HMWP outlines that it contains Strategic Policies in Para 1.5, these are not specifically identified.</p> <p>However, the HMWP contains detailed policies for the provision of different minerals and waste streams as well as outlining specific development management policies.</p>
13.	Set out contributions expected from development (<u>where relevant</u>) and demonstrate that expected contributions will not undermine the deliverability of the Plan.	NPPF Para 34, 57	<p>The requirement for planning obligations are set out in HMWP Para 3.9 – 3.13.</p> <p><i>*Typo in para 3.13, line 5</i></p>
	<i>Housing</i>		
14.	Be informed by a local housing need assessment, conducted using the standard method in national planning guidance as a starting point.	NPPF Para 60	Not applicable
15.	Identify the size, type and tenure of housing needed for different groups.	NPPF Para 61	Not applicable

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
16.	Where a need for affordable housing is identified, specify the type of affordable housing required.	NPPF Para 62	Not applicable
17.	Expect at least 10% of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups	NPPF Para 64	Not applicable
18.	Set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.	NPPF Para 65	Not applicable
19.	Identify a supply of specific, deliverable sites for years one to five of the plan period, and specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.	NPPF Para 67	Not applicable
20.	Identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare; unless it can be demonstrated that there are strong reasons why the 10% target cannot be achieved.	NPPF Para 68	Not applicable
21.	Support the development of entry level exception sites, suitable for first time buyers,	NPPF Para 71	Not applicable

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
	unless the need for such homes is already being met within the authority's area.		
22.	Include a trajectory illustrating the expected rate of housing delivery over the plan period, and requiring a buffer of 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan.	NPPF Para 73	Not applicable
23.	Be responsive to local circumstances and support rural housing developments that reflect local needs.	NPPF Para 77	Not applicable
24.	Identify opportunities for villages to grow and thrive, especially where this will support local services.	NPPF Para 78	Not applicable
25.	Avoid the development of isolated homes in the countryside unless specific circumstances are consistent with those set out in the NPPF.	NPPF Para 79	Not applicable
	<i>Economy</i>		
26.	Create conditions in which businesses can invest, expand and adapt.	NPPF Para 80	Not applicable

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
27.	Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration.	NPPF Para 81	Not applicable
28.	Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.	NPPF Para 81	Not applicable
29.	Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment.	NPPF Para 81	Not applicable
30.	Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.	NPPF Para 81	Not applicable
31.	Recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.	NPPF Para 82	Not applicable

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
32.	Enable the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings.	NPPF Para 83	Not applicable
33.	Enable the development and diversification of agricultural and other land-based rural businesses.	NPPF Para 83	Not applicable
34.	Enable sustainable rural tourism and leisure developments which respect the character of the countryside.	NPPF Para 83	Not applicable
35.	Enable the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.	NPPF Para 83	Not applicable
36.	Recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport.	NPPF Para 84	Not applicable
37.	<i>Town-centres</i>		
38.	Define a network and hierarchy of town centres and promote their long-term vitality and viability.	NPPF Para 85	Not applicable

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
39.	Define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations.	NPPF Para 85	Not applicable
40.	Retain and enhance existing markets and, where appropriate, re-introduce or create new ones.	NPPF Para 85	Not applicable
41.	Allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead.	NPPF Para 85	Not applicable
42.	Where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre.	NPPF Para 85	Not applicable
43.	Recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.	NPPF Para 85	Not applicable
44.	<i>Healthy and safe communities</i>		
45.	Achieve healthy, inclusive and safe places which promote social interaction, are safe and accessible, and enable and support healthy lifestyles.	NPPF Para 91	The HWMP has limited scope for contribution to the provision of health and safe communities due to the nature of the development delivered. However, HMWP Policy 9: Restoration of minerals and waste

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
46.	Plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments.	NPPF Para 92	developments specifies that restoration of minerals and waste developments should 'contribute to the delivery of local objectives for habitats, biodiversity or community use where these are consistent with the development plan. Para. 4.74 states that restoration should include at least one of the aims including:
47.	Take into account and support the delivery of local strategies to improve health, social and cultural well-being for all sections of the community.	NPPF Para 92	<ul style="list-style-type: none"> - Improved public access to the natural environment through the creation of enhanced access as well as leisure and amenity opportunities. - Contribution to local objectives (provision of green infrastructure).
48.	Guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs.	NPPF Para 92	Not applicable
49.	Ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community.	NPPF Para 92	Not applicable
50.	Ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.	NPPF Para 92	Not applicable

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
51.	Consider the social, economic and environmental benefits of estate regeneration.	NPPF Para 93	Not applicable
52.	Promote public safety and take into account wider security and defence requirements.	NPPF Para 95	The promotion of Public Safety is outlined in HWMP Policy 10: Protecting public health, safety and amenity. However, the HWMP has limited scope for taking into account wider security and defence requirements.
53.	Provide open space, sports and recreational facilities which meets the needs of the local area.	NPPF Para 95	The HWMP has limited scope for provision of open space, sports and recreational facilities due to the nature of the development delivered. However, HMWP Policy 9: Restoration of minerals and waste developments specifies that restoration of minerals and waste developments should 'contribute to the delivery of local objectives for habitats, biodiversity or community use where these are consistent with the development plan. Para. 4.74 states that restoration should include at least one of the aims including: - Improved public access to the natural environment through the creation of enhanced access as well as leisure and amenity opportunities. Contribution to local objectives (provision of green infrastructure).
54.	Protect and enhance public rights of way and access.	NPPF Para 98	
55.	<i>Transport</i>		

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
56.	Should actively manage patterns of growth in support of objectives in Para 102. Significant development should be focused on locations which are/can be made sustainable. Opportunities to maximise sustainable transport solutions will vary between urban and rural areas - this should be taken into account in plan-making.	NPPF Para 103	<p>Transport issues relating to minerals and waste development are addressed by HWMP Policy 12: Managing traffic.</p> <p>However, the Policy makes reference to ‘mitigating’ significant adverse effects rather than considering the <i>“environmental impacts of traffic and transport infrastructure can be identified, assessed and taken into account – including appropriate opportunities for avoiding and mitigating any adverse effects, and for net environmental gains”</i> (NPPF, Para. 102 (d)).</p>
57.	Support an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities.	NPPF Para 104	<p>Minerals extraction development can only take place where the geology is present. Therefore, there is limited scope to consider an appropriate mix of uses.</p> <p>However, different waste management activities can occur in varying scales and HMWP Para. 5.36 outlines the suggested scale of development in a waste management network to reduce the transport impacts.</p>
58.	Identify and protect, where there is robust evidence, sites and routes which could be critical in developing infrastructure to widen transport choice and realise opportunities for large scale development.	NPPF Para 104	The HWMP only considered minerals and waste transport infrastructure. These are identified and safeguarded though Policy 16: Safeguarding – minerals infrastructure, Policy 19: Aggregate wharves and rail depots and Policy 34: safeguarding potential minerals and waste wharf and rail depot infrastructure.

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
59.	Provide for high quality walking and cycling networks and supporting facilities such as cycle parking (drawing on Local Cycling and Walking Infrastructure Plans).	NPPF Para 104	Not applicable.
60.	Provide for any large-scale transport facilities that need to be located in the area and the infrastructure and wider development required to support their operation, expansion and contribution to the wider economy.	NPPF Para 104	The HWMP only considered minerals and waste transport infrastructure. These are identified though Policy 19: Aggregate wharves and rail depots and Policy 34: safeguarding potential minerals and waste wharf and rail depot infrastructure.
61.	Recognise the importance of maintaining a national network of general aviation airfields.	NPPF Para 104	Not applicable.
62.	Provide adequate overnight lorry parking facilities, taking into account any local shortages.	NPPF Para 107	Not applicable.
63.	In assessing sites that may be allocated for development in plans, it should be ensured that: appropriate opportunities to promote sustainable transport modes can be – or have been – taken up, given the type of development and its location; safe and suitable access to the site can be achieved for all users; and any significant impacts from the development on the transport network (in terms of capacity and congestion), or on highway safety, can be cost effectively mitigated to an acceptable degree.	NPPF Para 108	The assessment of sites for mineral and waste development is set out in HMWP Policy 12: Managing traffic.

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
64.	Development should only be prevented on highways grounds if there would be an unacceptable impact on highway safety, or the residual cumulative impacts on the road network would be severe.	NPPF Para 109	In addition to HWMP Policy 12: Managing traffic, Para. 5.36 makes specific reference to the importance of cross-boundary impacts and cumulative impacts.
65.	<i>Communications</i>		
66.	Support the expansion of electronic communications networks, including next generation mobile technology (such as 5G) and full fibre broadband connections, setting out how high-quality digital infrastructure is expected to be delivered and upgraded over time.	NPPF Para 112	Not applicable.
67.	<i>Making effective use of land</i>		
68.	Promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions.	NPPF Para 117	Minerals extraction development can only take place where the geology is present. However, Policy 20: Local land-won aggregates outlines the locations of where provision will be met and specific criteria for proposals for new sites.

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
			<p>The provision of waste management development is outlined in Policy 29: Locations and sites for waste management. Part 2 makes specific reference to support development where it “is previously development land or redundant agricultural and forestry buildings, their curtilages and hardstandings or is part of an active quarry or landfill operation”.</p> <p>The HWMP seeks to protect the environment and living conditions through Policy 10: Protecting public health, safety and amenity.</p>
69.	Set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously developed or ‘brownfield’ land.	NPPF Para 117	Not applicable – <i>See NPPW Requirements</i>
70.	Encourage multiple benefits from both urban and rural land, including through mixed use schemes and taking opportunities to achieve net environmental gains.	NPPF Para 118	<p>The HWMP has limited scope for encouraging multiple benefits from both urban and rural land. However, HMWP Policy 9: Restoration of minerals and waste developments specifies that restoration of minerals and waste developments should ‘be restored to beneficial after-uses consistent with the development plan’.</p> <p>Para. 4.74 states that restoration should include at least one of the aims listed.</p> <p>The policies and supporting text do not make specific reference to achieving net environmental gains.</p>

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
71.	Recognise that some undeveloped land can perform many functions, such as for wildlife, recreation, flood risk mitigation, cooling/shading, carbon storage or food production.	NPPF Para 118	The important functions or contributions land can make are highlighted in various parts of the HMWP including Para. 4.1. However, there is no specific mention of some of the functions listed in NPPF Para. 118. Neither is there a clear statement giving cause for land to be undeveloped due to the importance of these functions.
72.	Give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, and support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated or unstable land.	NPPF Para 118	Minerals extraction development can only take place where the geology is present. Therefore, the opportunities for use of brownfield land is limited. The provision of waste management development is outlined in Policy 29: Locations and sites for waste management. Part 2 makes specific reference to support development where it “is previously development land or redundant agricultural and forestry buildings, their curtilages and hardstandings or is part of an active quarry or landfill operation; or is within or adjoins sewage treatment works and the development enables the co-treatment of sewage sludge with other wastes”.
73.	Promote and support the development of under-utilised land and buildings.	NPPF Para 118	
74.	Support opportunities to use the airspace above existing residential and commercial premises for new homes.	NPPF Para 118	Not applicable.
75.	Reflect changes in the demand for land.	NPPF Para 120	Allocations and capacity are monitored annually for both minerals and waste development and reported in the Monitoring Report and/or Local Aggregate Assessment. An assessment of the allocations was

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
			undertaken as part of the 2018 Review of the HMWP and is being repeated to inform the 2020 Review of the HWMP.
76.	Support development that makes efficient use of land, taking into account the need for different types of housing and other forms of development, local market conditions, the availability and capacity of infrastructure and services, the character and setting of the area, and the importance of securing well-designed, attractive and healthy places.	NPPF Para 122	<p>The HMWP only considers minerals and waste development. The efficient use of land is encouraged through a number of policies including: Policy 15: Safeguarding minerals resources which seeks to encourage prior extraction; Policy 9: Restoration of minerals and waste development which seeks to achieve beneficial after-uses; and Policy 29: Locations and sites for waste management development which recognises the various the locational requirements of different types of waste development.</p> <p>The availability and capacity of infrastructure is considered through: Policy 16: Safeguarding – minerals infrastructure; Policy 17: Aggregate supply – capacity and source; Policy 19: Aggregate wharves and rail depots; Policy 20: Local land-won aggregates; Policy 21: Silica sand development; Policy 22: Brick-making clay; Policy 23: Chalk development; Policy 26: Safeguarding – waste infrastructure; Policy 27: Capacity for waste management development.</p> <p>Securing well-designed development is sought through Policy 13: High-quality design of minerals and waste development.</p>

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
77.	Avoid homes being built at low densities where there is an existing or anticipated shortage of identified housing needs, and where appropriate include the use of minimum density standards.	NPPF Para 123	Not applicable.
78.	<i>Design</i>		
79.	Set out a clear design vision and provide maximum clarity about design expectations.	NPPF Para 125 & 126	<p>The requirement for design of minerals and waste developments is set out in HMWP Policy 13: High-quality design of minerals and waste development. This is supported by Para. 5.44 which states design and access statements are required, where appropriate. This is supported further by Para. 5.45. which provides the key designs and operational principles that should be met.</p> <p>The scope for design of minerals development is limited. However, the policy does not seek to encourage the inclusion of local communities in considering the design of waste management facilities only consideration of the impact of the development on communities through the reference to Policy 10: Protecting public health, safety and amenity.</p>
80.	Ensure that developments will function well and add to the overall quality of the area, are visually attractive as a result of good architecture, layout and appropriate and effective landscaping, are sympathetic to local character and history,	NPPF Para 127	The requirement for design of life cycle of minerals and waste developments is set out in HMWP Policy 9: Restoration of minerals and

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Record your assessment results
	including the surrounding built environment and landscape setting, establish or maintain a strong sense of place, optimise the potential of the site to accommodate and sustain an appropriate amount and mix of development, and create places that are safe, accessible and inclusive.		<p>waste developments and Policy 13: High-quality design of minerals and waste development.</p> <p>This is further supported by the following policies which give specific criteria on the locational requirements of development:</p> <ul style="list-style-type: none"> - Policy 19: Aggregate wharves and rail depots - Policy 20: Local land-won aggregates - Policy 21: Silica sand development - Policy 24: Oil and gas development - Policy 27: Capacity for waste management development - Policy 28: Energy recovery development - Policy 29: Locations and sites for waste management - Policy 31: Liquid waste and waste water management - Policy 32: Non-hazardous waste landfill

81.	<i>Green Belt</i>		
82.	Set out proposals for new Green Belts within strategic policies. This should demonstrate why normal planning and development management policies would not be adequate, any major changes in circumstances, consequences for sustainable development, the need for Green Belt to support adjoining areas, and how new Green Belt would meet other objectives of the Framework.	NPPF Para 135	Not applicable.
83.	Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period. Where a need for changes to Green Belt boundaries has been established through strategic policies, detailed amendments to those boundaries may be made through non-strategic policies, including neighbourhood plans. Even when exceptional circumstances are demonstrated strategically to take land out of the Green Belt, it is still necessary to demonstrate that exceptional circumstances exist at the site level.	NPPF Para 136	The potential impact of minerals and waste development on the Green Belt is set out in HMWP Policy 6: South West Hampshire Green Belt. Whilst the policy outlines that development within the Green Belt with need to demonstrate that it is not inappropriate or that very special circumstances exist, the terminology of the policy and support text does not reflect the NPPF's use of 'exceptional' circumstances or the regard that should be given to the permanence of the development impact on the Green Belt.

84.	Strategic policies should make as much use as possible of suitable brownfield sites and underutilised land and optimise the density of development including promoting an uplift in minimum density standards in town and city centres and locations well served by public transport. Where it has been concluded that it is necessary to release Green Belt land for development, plans should give first consideration to land which has been previously developed and/or is well served by public transport. They should also set out ways in which the impact of removing land from the Green Belt can be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land.	NPPF Para 137 & 138	Not applicable.
85.	When defining Green Belt boundaries, plans should ensure consistency with the development plan's strategy for meeting identified requirements for sustainable development, not include land which it is unnecessary to keep permanently open, identify areas of safeguarded land between the urban area and the Green Belt where necessary, make clear that the safeguarded land is not allocated for development at the present time, be able to demonstrate that Green Belt boundaries will not need to be altered at the end of the plan period, and define boundaries clearly.	NPPF Para 139	Not applicable.

86.	<i>Climate change, flooding and coastal change</i>		
87.	Take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperature.	NPPF Para 149	The HMWP seeks to address the mitigation and adaptation of climate change through Policy 2: Climate change mitigation and adaptation. Whilst the policy states that minerals and waste development should minimise their impacts, this is not necessarily a 'proactive' approach.
88.	Support appropriate measures to ensure the future resilience of communities and infrastructure to climate change impacts.	NPPF Para 149	The Climate Change Act requires Local Plans to monitor carbon emissions. The Plan does not outline the baseline for carbon emissions or measures to monitor the performance of the Plan on its carbon impact. In June 2019, Hampshire County Council declared a Climate Change Emergency ⁹⁰ . The HMWP is listed in the Climate Change Strategy as being a support for managing Hampshire's emissions and resilience.
89.	Increase the use and supply of renewable and low carbon energy and heat by providing a positive strategy for energy from these sources, identifying suitable areas for renewable and low carbon energy sources, and identifying opportunities for development to draw its energy supply from decentralised, renewable or low carbon energy supply systems and for co-locating potential heat customers and suppliers.	NPPF Para 151	HMWP Policy 2: Climate change mitigation and adaptation and Policy 28: Energy recovery development seek to facilitate low carbon technologies. Policy 28 also requires the design of plants to have the capability to deliver heat in the future, this is not necessarily being delivered on the ground.
90.	Strategic policies should manage flood risk from all sources.	NPPF Para 156	The impact of minerals and waste development on flood risk it set out in HMWP Policy 11: Flood Risk & Prevention. The supporting text

⁹⁰ Portsmouth declared a climate change emergency in March 2019, Southampton in September 2019.

			<p>considers all sources of flooding and the role of the lead local flood authority (LLFA). However, at the time of adoption, the role of the was being defined and this text would benefit from being updated.</p> <p>Reference to the supporting Strategic Flood Risk Assessment is set out in Para. 5.27.</p>
91.	Avoiding inappropriate development in vulnerable areas and not exacerbating the impacts of physical changes to the coast.	NPPF Para 167	Consideration of the impact of development on the coast is outlined in Para. 5.24 and 5.25. However, there is no mention of Coastal Change Management Areas and the need for their consideration where proposals are made on the coast.
92.	<i>Natural environment</i>		
93.	Contribute to and enhance the natural and local environment by protecting and enhancing valued landscapes, sites of biodiversity or geological value and soils, recognising the intrinsic character and beauty of the countryside, and the wider benefits from natural capital and ecosystem services.	NPPF Para 170	<p>The HWMP recognises the benefits of 'ecosystem services' in Para. 4.1 but does not make reference to natural capital.</p> <p>The contribution to and the enhancement of the natural and local environment it set out in the following policies:</p> <ul style="list-style-type: none"> - Policy 3: Protection of habitats and species - Policy 4: Protection of the designated landscape - Policy 5: Protection of the countryside - Policy 8: Protection of soils - Policy 9: Restoration of minerals and waste developments <p>Protection of soils, water and air is considered through Policy 10: Protecting public health, safety and amenity.</p>

			However, there is no specific reference to protection of the undeveloped coast or the provision of net gains.
94.	Plans should: distinguish between the hierarchy of international, national and locally designated sites, take a strategic approach to maintaining and enhancing networks of habitats and green infrastructure, and plan for the enhancement of natural capital at a catchment or landscape scale across local authority boundaries.	NPPF Para 171	<p>The hierarchy and enhancement of sites, habitats and species is set out in HMWP Policy 3: Protection of habitats and species. Consideration of the enhancement of habitat network and green infrastructure is provided in Policy 9: Restoration of minerals and waste developments.</p> <p>However, there is no reference to natural capacity or the framework for how this can be considered at a catchment or landscape scale.</p>
95.	Conserve the special character and importance of Heritage Coast areas.	NPPF Para 173	Not applicable.
96.	Identify, map and safeguard components of local wildlife-rich habitats and wider ecological networks, promote the conservation, restoration and enhancement of priority habitats, ecological networks and the protection and recovery of priority species, and identify and pursue opportunities for securing measurable net gains for biodiversity.	NPPF Para 174	<p>The consideration of local wildlife-rich habitats and wider ecological network is provided in HMWP Policy 3: Protection of habitats and species and Policy 9: Restoration of minerals and waste developments. The sites are identified and mapped on the Policies Map.</p> <p>However, there is no reference to securing measurable net gains for biodiversity.</p>

97.	Ensure that a site is suitable for its proposed use taking account of ground conditions, any risks arising from land instability and contamination, and the likely effects of pollution on health, living conditions and the natural environment.	NPPF Para 178 & 180	The suitability of site conditions for minerals and waste development is set out in HMWP Policy 10: Protecting health, safety and amenity.
98.	Sustain and contribute towards compliance with relevant limit values or national objectives for pollutants, taking into account the presence of Air Quality Management Areas and Clean Air Zones, and the cumulative impacts from individual sites in local areas.	NPPF Para 181	<p>HMWP Policy 10: Protecting health, safety and amenity considers the potential for release of emissions to the atmosphere but does not make specific reference to air quality. It does consider cumulative impacts.</p> <p>HMWP Policy 12: Managing traffic considers the carbon dioxide emissions of traffic and methods for reducing this but does not make specific reference to Air Quality Management Areas and Clean Air Zones.</p>
99.	Ensure that new development can be integrated effectively with existing businesses and community facilities.	NPPF Para 182	HMWP Policy 13: High quality design of minerals and waste developments seeks to ensure that minerals and waste development maintains and enhances the distinctive character of a landscape and townscape. This is elaborated further in Para. 5.45 in that development should 'be appropriate in scale and character in relation to its location, the surrounding area and any stated objectives for the future of the area. This should include any planned new development or regeneration'.

			<p>Policy 16: safeguarding – minerals infrastructure and Policy 26: Safeguarding – waste infrastructure both seek to protect planned and existing development from encroachment.</p> <p>However, reference is not made to the ‘agent of change’.</p>
100.	<i>Historic Environment</i>		
101.	Set out a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats.	NPPF Para 185	<p>The conservation of the historic environment is outlined in HMWP Policy 7: Conserving the historic environment. However, the emphasis is on ‘protection’ rather than ‘sustaining’. Whilst the contribution to a ‘sense of place’ and ‘local identity’ is outlined in Para. 4.53, the wider social, cultural, economic and environmental benefits are not considered in the supporting text.</p>
102.	<i>Minerals</i>		
103.	Provide for the extraction of mineral resources of local and national importance.	NPPF Para 204	<p>The extraction of minerals resources of local and national importance is set out in the following policies:</p> <ul style="list-style-type: none"> - Policy 15: Safeguarding – mineral resources - Policy 16: Safeguarding – minerals infrastructure - Policy 17: Aggregate supply – capacity and source - Policy 20: Local land-won aggregates - Policy 21: Silica sand development - Policy 22: Brick-making clay - Policy 23: Chalk development - Policy 24: Oil and gas development

			Whilst the policies seek to make provision, the rates outlined in HMWP Policy 17 are not currently being met.
104.	Take account of the contribution that substitute or secondary and recycled materials and minerals waste would make to the supply of materials, before considering extraction of primary materials.	NPPF Para 204	<p>The contribution of substitute or secondary and recycled materials and minerals waste would make is outlined in Policy 17: Aggregate supply – capacity and source and Policy 18: Recycled and secondary aggregates development. This is further supported through Policy 30: Construction, demolition and excavation waste development.</p> <p>Whilst the policies seek to make provision, the rate of 1mpta outlined in HMWP Policy 17 is not currently being met.</p>
105.	Safeguard mineral resources by defining Mineral Safeguarding Areas.	NPPF Para 204	<p>The safeguarding of minerals resources and the need for prior extraction is outlined in Policy 15: Safeguarding – mineral resources. This is further supported by the Hampshire Minerals & Waste Safeguarding Supplementary Planning Document (SPD)*.</p> <p><i>*As this was adopted after the HMWP, the Plan would benefit from making reference to the SPD.</i></p>
106.	Encourage the prior extraction of minerals, where practical and environmentally feasible, if it is necessary for non-mineral development to take place.	NPPF Para 204	
107.	Safeguard existing, planned and potential sites for: the bulk transport, handling and processing of minerals, the manufacture of concrete and concrete products and the handling, processing and distribution of substitute, recycled and secondary aggregate material.	NPPF Para 204	<p>The safeguarding of minerals infrastructure is set out in Policy 16: Safeguarding – minerals infrastructure. The requirement for the safeguarding is set out in Para. 6.22. In addition, Policy 34: Safeguarding potential minerals and waste wharf and rail depots seeks to safeguard sites that may become available in the future. These policies are further supported by the Hampshire Minerals & Waste Safeguarding Supplementary Planning Document* (SPD).</p>

			*As this was adopted after the HMWP, the Plan would benefit from making reference to the SPD.
108.	Set out criteria or requirements to ensure that permitted and proposed operations do not have unacceptable adverse impacts on the natural and historic environment or human health	NPPF Para 204	The criteria and requirements to ensure permitted and proposed operations do not have an unacceptable adverse impact are set out in the Development Management policies (1 - 12) including Policy 10: Protecting public health, safety and amenity which considered the potential for cumulative impacts.
109.	Recognise that some noisy short-term activities, which may otherwise be regarded as unacceptable, are unavoidable to facilitate minerals extraction	NPPF Para 204	The recognition of the impacts of minerals and waste development including noise is outlined in Paras. 5.4 and 5.8. Policy 10: Protecting health, safety and amenity seeks to address any significant adverse impacts such as noise.
110.	Ensure that worked land is reclaimed at the earliest opportunity, taking account of aviation safety, and that high-quality restoration and aftercare of mineral sites takes place.	NPPF Para 204	The need for restoration of worked land is set out in Policy 9: Restoration of minerals and waste developments. The requirement for provision at the earliest opportunity is outlined in Para. 4.70*.

National Planning Policy for Waste (2014)

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
	<i>General Requirements</i>		
1.	Positive planning through: - delivery of sustainable development and resource efficiency; - ensuring that waste management is considered alongside other spatial planning concerns;	NPPW Para 1	The delivery of sustainable development is outlined in HMWP Policy 25: Sustainable waste management. Para. 6.128 outlines how the waste policies contained within the Plan seeks to address wider planning concerns.
2.	Providing a framework in which communities and businesses are engaged with and take more responsibility for their own waste; - helping to secure the re-use, recovery or disposal of waste without endangering human health and without harming the environment; and - ensuring the design and layout of new residential and commercial development and other infrastructure (such as safe and reliable transport links) complements sustainable waste management.	NPPW Para 1	Not applicable
3.	Ensure that the planned provision of new capacity and its spatial distribution is based on robust analysis of best available data and information, and an appraisal of options.	NPPW Para 2	Provision is outlined in Policy 25: Sustainable waste management and the detail on how this is to be delivered in capacity terms is set out in Policy 27: Capacity for waste management development.

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
			The background to this information is set out in Paras. 6.166 to 6.179 and provided in more detail in the <i>Assessment of Need for Waste Management Facilities in Hampshire: Waste Data Summary Report</i> .
4.	<p>Work jointly and collaboratively with other planning authorities to collect and share data and information on waste arisings, and take account of:</p> <ul style="list-style-type: none"> (i) waste arisings across neighbouring waste planning authority areas; (ii) any waste management requirement identified nationally, including the Government's latest advice on forecasts of waste arisings and the proportion of waste that can be recycled. 	NPPW 2 Para 2	<p>The HMWP was prepared in Partnership which is outlined in Para. 2.23.</p> <p>The information on waste arisings is set out in Table 6.5 which takes into account the guidance on forecasts at the time. This is provided in more detail in the <i>Assessment of Need for Waste Management Facilities in Hampshire: Waste Data Summary Report</i>.</p>
5.	Ensure that the need for waste management facilities is considered alongside other spatial planning concerns, recognising the positive contribution that waste management can bring to the development of sustainable communities.	NPPW Para 2	<p>The delivery of sustainable development is outlined in HMWP Policy 25: Sustainable waste management. Paras. 6.126 to 6.128 outlines how the waste policies seek to meet national planning objectives.</p> <p>However, the Plan could be more explicit in relation to the positive contribution that waste management can bring to communities.</p>
6.	Undertake early and meaningful engagement with local communities so that plans, as far as possible, reflect a collective vision and set of agreed priorities when planning for sustainable waste management, recognising that	NPPW Para 3	Paras 1.6 and 1.7 of the HMWP outlines how and when the local community was engaged in the development of the Plan including the Vision and Plan objectives. The concerns regarding waste management

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
	proposals for waste management facilities such as incinerators can be controversial.		development are recognised and outlined in Para. 2.17 as a key issue for the Plan.
7.	Drive waste management up the waste hierarchy, recognising the need for a mix of types and scale of facilities, and that adequate provision must be made for waste disposal.	NPPW Para 3	Application of the waste hierarchy is outlined in Policy 25: Sustainable waste management and the types and scales of the facilities required to delivery is set out in the supporting text to Policy 29: Locations and sites for waste management.
8.	Identify the tonnages and percentages of municipal, and commercial and industrial, waste requiring different types of management in their area over the period of the plan.	NPPW Para 3	<p>The requirement is outlined in Policy 25: Sustainable waste management and the detail on how this is to be delivered in terms of types of infrastructure is set out in Policy 27: Capacity for waste management development.</p> <p>The background to this information is set out in Paras. 6.166 to 6.179 and provided in more detail in the <i>Assessment of Need for Waste Management Facilities in Hampshire: Waste Data Summary Report</i>. This includes minimum capacity targets through the Plan period.</p>
9.	Consider the need for additional waste management capacity of more than local significance and reflect any requirement for waste management facilities identified nationally.	NPPW Para 3	<p>The consideration of capacity for waste management of more than local significance and national requirements which may result in the need for limited facilities are set out in the following policies:</p> <ul style="list-style-type: none"> - Policy 28: Energy recovery development - Policy 31: Liquid waste and waste water management - Policy 32: Non-hazardous waste landfill
10.	Take account of waste management needs, including for disposal of the residues from treated wastes, arising in more	NPPW Para 3	

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
	than one waste planning authority area but where only a limited number of facilities would be required.		- Policy 33: Hazardous and Low Level Radioactive Waste Development
11.	Work collaboratively in groups with other waste planning authorities, and in two-tier areas with district authorities, through the statutory duty to cooperate, to provide a suitable network of facilities to deliver sustainable waste management.	NPPW Para 3	<p>The HMWP was prepared in Partnership which is outlined in Para. 2.23 and waste management is currently provided under a partnership of a number of Hampshire local authorities known as Project Integra (Para. 6.160). The Duty to Cooperate during plan-preparation was met (Para. 2.23).</p> <p>The delivery of provision is set out Policy 25: Sustainable waste management and the detail on how this is to be delivered is set out in Policy 27: Capacity for waste management development.</p>
12.	Consider the extent to which the capacity of existing operational facilities would satisfy any identified need.	NPPW Para 3	<p>Existing capacity at the time of the Plan preparation is outlined in Paras. 6.160 to 6.162. This was taken into account to establish the capacity gaps which outlines the additional capacity required during the Plan period as set out in Policy 27: Capacity for waste management development.</p> <p>More detail is provided in the <i>Assessment of Need for Waste Management Facilities in Hampshire: Waste Data Summary Report</i>. This includes minimum capacity targets through the Plan period.</p>

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
13.	Identify the broad type or types of waste management facility that would be appropriately located on the allocated site or in the allocated area in line with the waste hierarchy.	NPPW Para 4	<p>The types of facilities and locational requirements are set out in HWMP Policy 29: Locations and sites for waste management. At the time of the plan adoption, there was a suitable network of facilities in place. The only allocations for waste management were for non-hazardous landfill and outlined in Policy 32: Non-hazardous landfill.</p> <p>It was expected that some future provision could be made on industrial estates (Para. 6.203). However, these are not identified within the Plan.</p> <p>Policy 29 also suggests that certain types of waste development would be supported in 'areas of major new or planned development' and these are identified on the Key Diagram.</p> <p>The Plan expects market-led delivery. However, monitoring suggests that there is a disconnect between what is being brought forward by the market and Policy 25 which seeks to drive waste management up the waste hierarchy.</p>
14.	Plan for the disposal of waste and the recovery of mixed municipal waste in line with the proximity principle.	NPPW Para 4	The proximity principle is outlined in part (b) of Policy 25: Sustainable waste management.
15.	Consider opportunities for on-site management of waste where it arises	NPPW Para 4	There is limited scope for on-site management of wastes for minerals and waste developments. However, Policy 30: Construction, demolition

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
			and excavation waste development seeks to encourage recycling or recovery of the material which can take place on-site.
16.	Consider a broad range of locations including industrial sites, looking for opportunities to co-locate waste management facilities together and with complementary activities.	NPPW Para 4	Co-location of facilities is addressed in the following HMWP policies: <ul style="list-style-type: none"> - Policy 25: Sustainable waste management - Policy 27: Capacity for waste management development - Policy 29: Locations and sites for waste management - Policy 31: Liquid waste and waste water management
17.	Where a low carbon energy recovery facility is considered as an appropriate type of development, waste planning authorities should consider the suitable siting of such facilities to enable the utilisation of the heat produced as an energy source in close proximity to suitable potential heat customers.	NPPW Para 4	HMWP Policy 28: Energy recovery development states that 'As a minimum requirement the scheme should recover energy through electricity production and the plant should be designed to have the capability to deliver heat in the future' (Part (b)).
18.	Give priority to the re-use of previously-developed land, sites identified for employment uses, and redundant agricultural and forestry buildings and their curtilages.	NPPW Para 4	HMWP Policy 29: Locations and sites for waste management includes support for 'previously-development land or redundant agricultural and forestry buildings; their curtilages and hardstandings' (Part 2 (c)) but is provides a more focused direction on employment sites by referencing 'suitable industrial' estates and land 'allocated for general industry/storage'. This is due to fact that not all employment sites are suitable (e.g. business parks) as outlined in Para. 6.203.

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
19.	Physical and environmental constraints on development, including existing and proposed neighbouring land uses.	NPPW Para 5	HMWP Para. 6.196 states that the market-led approach 'recognises the 'spatial' needs of different types of waste facilities, including the demand for certain sites, and the constraints that limit the location of some facility types'.
20.	The capacity of existing and potential transport infrastructure to support the sustainable movement of waste, and products arising from resource recovery, seeking when practicable and beneficial to use modes other than road transport.	NPPW Para 5	The capacity of transport infrastructure to support waste management is outlined in HMWP Policy 12: Managing traffic. Potential wharves and rail depots are referenced in Policy 34: Safeguarding potential minerals and waste wharf and rail depot infrastructure.
21.	The cumulative impact of existing and proposed waste disposal facilities on the well-being of the local community, including any significant adverse impacts on environmental quality, social cohesion and inclusion or economic potential.	NPPW Para 5	The cumulative impact of waste development is considered in Policy 10: Protecting public health, safety and amenity.
22.	Planning authorities should first look for suitable sites and areas outside the Green Belt for waste management facilities that, if located in the Green Belt, would be inappropriate development. Local planning authorities should recognise the particular locational needs of some types of waste management facilities when preparing their Local Plan.	NPPW Para 6	Waste development in the Green Belt is considered in HMWP Policy 6: South West Hampshire Green Belt.

	A. NPPW Requirement	B. NPPW Paragraph Reference	C. Record your assessment results
23.	Local planning authorities should, to the extent appropriate to their responsibilities, monitor and report.	NPPW Para 9	Section 7 of the HMWP outlines the responsibility of the Authorities to monitor and report on the Policies. An Implementation and Monitoring Plan is set out in Appendix C.

Hampshire Minerals & Waste Plan

Development Scheme

December 2020



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1. Introduction

- 1.1 Hampshire County Council is one of five Minerals and Waste Planning Authorities (MWPA) which cover the geographical area of Hampshire and include New Forest National Park Authority, Portsmouth City Council, South Downs National Park Authority and Southampton City Council.
- 1.2 The current Hampshire Minerals and Waste Plan (HMWP) (the Plan) was adopted by the five Hampshire MWPA in October 2013¹. The Plan is based upon the principle of ensuring that the Plan area has the right developments to maintain a reliable and timely supply of minerals and excellent management of waste, whilst protecting the environment and communities. It contains policies to enable minerals and waste decision-making, as well as minerals and waste site allocations (rail depots, land-won sand and gravel quarries, brick-making clay quarries and landfill) which support Hampshire's vision and objectives for minerals and waste development to 2030. The effectiveness of the policies in the HMWP are reviewed through annual Monitoring Reports.

What is a Minerals & Waste Development Scheme?

- 1.3 This Minerals and Waste Development Scheme (HMWDS) provides a timetable for the update to the HMWP and sets out what planning policy documents will be prepared, the subject matter, which geographical areas they relate to and the various stages that each will go through, including opportunities for public participation.
- 1.4 The Planning and Compulsory Purchase Act 2004, as amended by the Localism Act 2011, requires every local plan making authority (LPA) in England to produce a development scheme, which sets out the timetable and details of planning policy documents that each LPA will produce.
- 1.5 This updated HMWDS (2020) came into effect on **to be inserted** and replaces the previously published HMWDS published in 2014. The HMWDS will be subject to review on a regular basis to take account of the implementation and monitoring of the HMWP and the production of any associated documentation. The most up to date version of the HMWDS is published on Hampshire County Council's website at: <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>.

Why is the Plan being updated?

- 1.6 Planning Regulations² and National Planning Policy³ require that policies in Local Plans should be reviewed to assess whether they require updating at least once every five years and updated, as necessary. As such, the HMWP was reviewed in 2018.

¹ Hampshire Minerals & Waste Plan (2013) -

<https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

² Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)

³ National Planning Policy Framework 2019 (para. 33; p11)

That review concluded that the policies were working effectively to achieve the Vision and there was no requirement at that time to update the HMWP.

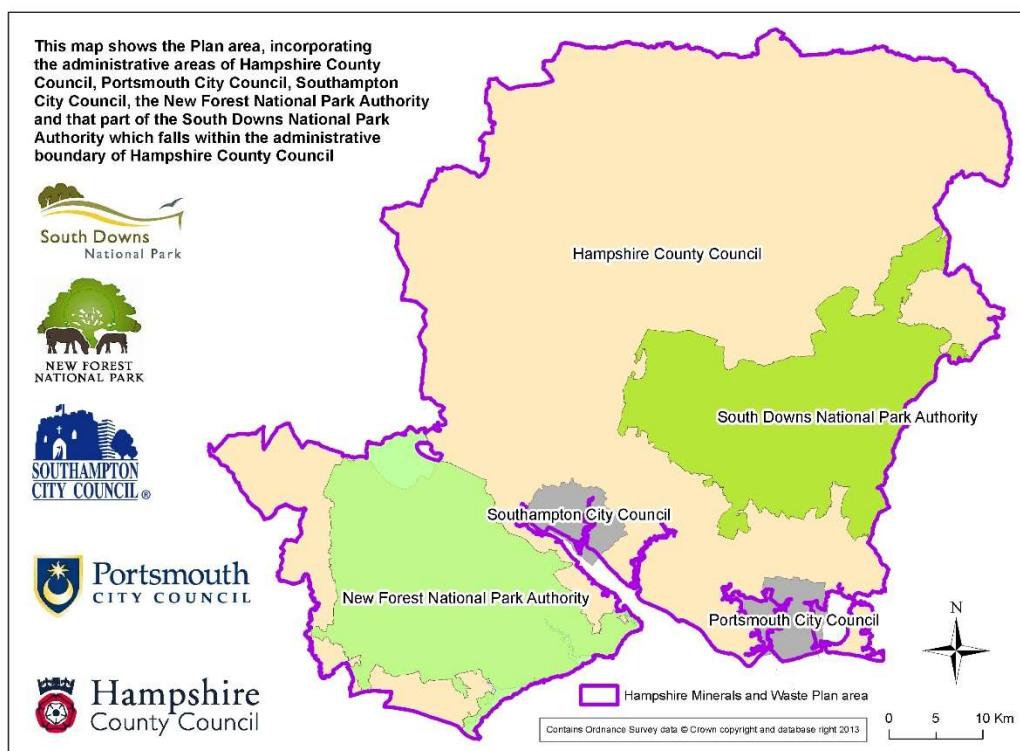
- 1.7 The 2018 Review also concluded, that the HMWP would be reviewed again in two years (2020) to determine the effectiveness of the policies and whether there is a need to amend site allocations. It was recognised that there were limitations to the 2018 review:
- The monitoring indicators and triggers may not have been defined sufficiently;
 - There were a number of uncertainties which would have an impact on future capacity requirements such as Brexit; and
 - The Government's drive to boost the housing market would have an impact on construction aggregates but the timescales and quantities were difficult to define.
- 1.8 A HMWP Review Workshop, attended by a wide range of Stakeholders, was undertaken in September 2019 to investigate the issues raised within the 2018 Review and how trends in minerals supply and sustainable waste management provision are developing.
- 1.9 The 2020 Review of the HWMP has now been undertaken and concludes that the Plan requires some updating. This HWWDS outlines the programme for the partial Plan update including the timetable for production and when public participation is likely to take place.
- 1.10 An updated Plan is important as an out-of-date plan allows less control over-achieving the right developments, in the right locations, at the right time for Hampshire and could lead to more planning applications determined at appeal.
- 1.11 It is important that the project plan for the partial update of the HMWP is realistic, 'fit for purpose', and that the timescales are justified based on the local circumstances (including its available resources). The timetables set out in this document therefore reflect:
- The available resources (see below);
 - The need to build upon previous minerals and waste plans;
 - The Statement of Community Involvement requirements for each Authority;
 - The need to produce a robust and up-to-date evidence base;
 - The need to undertake Sustainability Appraisal and a detailed Habitats Regulations Assessment;
 - New guidance and emerging best practice; and
 - The need to undergo democratic processes at the various plan preparation stages for each of the four authorities involved.
- 1.12 Minerals and waste planning authorities are allowed to work together to prepare minerals and waste development documents⁴. The HMWP will be prepared, submitted, and adopted by the five authorities as a joint document. Each mineral and waste planning authority will 'adopt' the HMWP individually.

⁴ Under section 28 of the Planning and Compulsory Purchase Act 2004

What area is covered by the HMWP?

- 1.13 Minerals and waste planning issues are most appropriately addressed jointly so that strategic issues can be satisfactorily resolved. The updated HMWP will reflect the boundary of the current adopted Plan (2013).
- 1.14 Figure 1 below indicates the administrative areas of each of the Authorities.

Figure 1: HMWP Administrative Areas



What resources are available for plan-making?

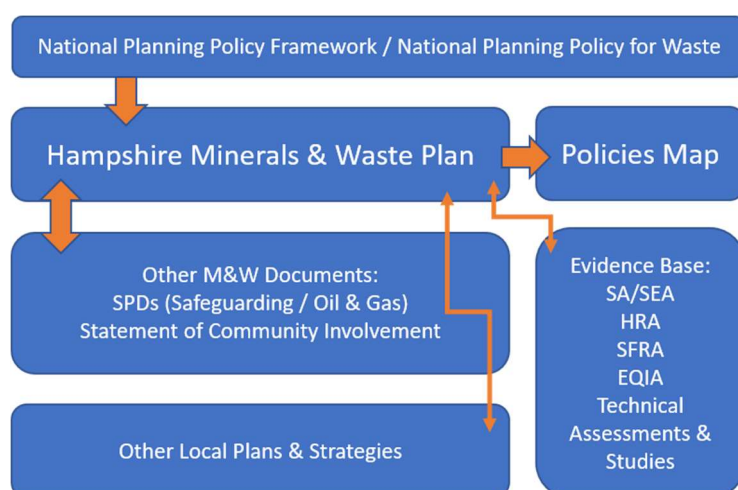
- 1.15 The Plan will be approved by each Authority. Hampshire County Council will lead the technical preparation of the partial HMWP working with the partner Authorities. Hampshire will contribute planning, specialist, and managerial staff resources sufficient to prepare a sound plan.
- 1.16 The partner Authorities have committed significant financial support to the partial update of the HMWP and will also provide support and contribute some staff time where required.

2. Minerals & Waste Planning

What is the Hampshire Minerals & Waste Plan?

- 2.1 The HMWP is a Local Plan, supported by other development documents such as the Statement of Community Involvement for each Authority. The HMWP covers the period up to 2030.
- 2.2 Local Plans undergo an examination conducted by an independent Planning Inspector.
- 2.3 Figure 2 shows the documents that make up the HMWP and the linkages to other strategies.

Figure 2: HMWP Linkages to other Strategies



How does the Plan relate to other Plans and Strategies?

National Planning Policy

- 2.4 HMWP will need to accord with current planning policy and guidance on minerals and waste. The National Planning Policy Framework (NPPF)⁵ was published in 2012 and subsequently updated and revised in 2019. The National Planning Practice Guidance⁶ which sits alongside the NPPF was launched in 2014 and is a live document, updated as necessary by the Government. The Waste Management Plan for England⁷ was published in December 2013, followed by the National Planning Policy for Waste⁸ which was published in October 2014.

⁵ National Planning Policy Framework -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁶ Planning Practice Guidance - <http://planningguidance.communities.gov.uk/>

⁷ Waste Management Plan for England - <https://www.gov.uk/government/publications/waste-management-plan-for-england>

⁸ National Planning Policy for Waste - <https://www.gov.uk/government/publications/national-planning-policy-for-waste>

Regional Planning Policy

- 2.5 The South East Plan was partially revoked on 25 March 2013. Policy NRM6, which deals with the Thames Basin Heaths Special Protection Area, remains in place as a saved policy⁹ and is relevant to the Plan area.

Local Planning Policy

- 2.6 The Hampshire Minerals & Waste Plan (2013) remains the adopted Plan until it is replaced by the updated HMWP.

Other relevant Strategies

- 2.7 A Statement of Community Involvement (SCI) sets out the approach for involving the community in the preparation, alteration and continuing review of all development plan documents (DPD), and in publicising and dealing with planning applications. Each of the Authorities has adopted its own Statement of Community Involvement. These are as follows:
- Hampshire – Statement of Community Involvement (2017)¹⁰
 - Portsmouth – Statement of Community Involvement (2017)¹¹
 - Southampton – Statement of Community Involvement (2019)¹²
 - New Forest – Statement of Community Involvement (2013)¹³
 - South Downs – Statement of Community Involvement (2017)¹⁴

What are the key stages in document preparation?

- 2.8 All Local Plans have to go through prescribed procedures and are subject to wide public consultation and ultimately an independent public examination before they can be adopted. Local Plans are examined to assess their 'soundness' (i.e. whether they are fit for purpose and legally compliant).
- 2.9 The key stages in Local Plan preparation and updating are outlined in Figure 3.

⁹ Natural Resource Management (NRM6) - <http://www.bracknell-forest.gov.uk/south-east-plan-policy-nrm6.pdf>

¹⁰ Hampshire SCI (2017) - <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/statement-community-involvement>

¹¹ Portsmouth SCI (2017) - <https://www.portsmouth.gov.uk/ext/development-and-planning/planning-policy/statement-of-community-involvement>

¹² Southampton SCI (2019) - [https://www.southampton.gov.uk/images/involving-you-in-planning-\(sci\)_tcm63-424238.pdf](https://www.southampton.gov.uk/images/involving-you-in-planning-(sci)_tcm63-424238.pdf)

¹³ New Forest SCI (2013) - <https://www.newforestnpa.gov.uk/planning/community-involvement/>

¹⁴ South Downs SCI (2017) - <https://www.southdowns.gov.uk/wp-content/uploads/2015/02/Statement-of-Community-Involvement-August-2017.pdf>

Figure 3: Local plan preparation



HMWP Update: Timetable

2.10 The following table outlines the timetable for the partial HMWP update.

HMWP Key Milestones	Timescale	Description
Regulation 18 (Preparation)	March 2021 – September 2021	Call for Sites (Fixed period) Evidence Base <ul style="list-style-type: none"> • Scoping Report (SA/SEA) • Screening (HRA) • Minerals & Waste Background Studies • Minerals & Waste Proposal Studies • Wharves & Rail Depots Needs Assessment • Climate Change Topic Paper • Aggregate Recycling Topic Paper • Restoration Topic Paper • Technical Assessments (Landscape, Transport, Flooding, Heritage)
Regulation 18 (Consultation)	October 2021 – December 2021	Consultation on the Draft Plan Update and Evidence

Regulation 19 (Proposed Submission Document Preparation)	January 2022 – March 2022	Update Evidence Base Revise Plan based on Evidence Base and Consultation
Regulation 19 (Proposed Submission Document Consultation)	April 2022 – June 2022	Consultation on the updated Plan to be submitted to the Secretary of State
Regulation 22 (Preparation)	July 2022 – October 2022	Update Evidence Base Proposed Modifications based on Evidence Base and Consultation
Regulation 22 (Submission to SoS)	Winter 2022	Submitting the Plan to the Secretary of State who appoints a Planning Inspector
Regulation 24 (Public Examination)	Spring 2023	Pre- Examination Hearing Planning Inspector examines the Plan
Regulation 25 (Inspector's Report)	Summer 2023	Planning Inspector delivers his report on the Plan
Regulation 26 (Adoption)	Autumn 2023	All authorities adopt the Plan, as modified by Planning Inspector

Policies Map

- 2.11 A Policies Map forms part of the HMWP and will be updated simultaneously with the Plan. The Policies Map illustrates geographically how the policies of the HMWP are to be applied.

Meeting the Duty to Cooperate

- 2.12 In preparing the updated HMWP, the Hampshire Authorities will fulfil their duty to cooperate with:
- Districts and Boroughs and surrounding Minerals & Waste Planning Authorities;
 - Statutory consultees – organisations such as Natural England, Historic England and the Environment Agency that need to be involved in planning for minerals or waste; and
 - Those organisations and communities that have a minerals or waste interest or that may be impacted by the proposals.
- 2.13 A report showing how the requirements to fulfil the duty to cooperate have been met will be prepared as part of the evidence base.
- 2.14 Where relevant, Statements of Common Ground will be prepared to address strategic cross-boundary issues.

Local Aggregate Assessment

- 2.15 The Local Aggregate Assessment (LAA) is prepared annually and is a report that considers the sale and movements of aggregates in the local authority that produces it. The Hampshire Authorities already work together to produce a joint Local Aggregate Assessment¹⁵. This document will continue to be produced annually and will form an important part of the Evidence Base for the HMWP.

Plan Assessment and Appraisal

- 2.16 The policies and proposals in the updated HMWP will be assessed to ensure that they contribute to the aims of sustainable development. This assessment will be through Sustainability Appraisal (which incorporates assessment as required under the Strategic Environmental Assessment (SEA) Directive). To prepare these appraisals, a sustainability 'Scoping Report' will be prepared. This report describes the existing key environmental, social, and economic issues for Hampshire and includes a set of sustainability objectives which will be used to assess the policies in documents.
- 2.17 All minerals and waste development documents are also subject to Habitats Regulations Assessment (HRA)¹⁶ and the updated HMWP will be assessed accordingly.
- 2.18 Local government authorities are subject to the public sector equality duty under the Equality Act 2010¹⁷. An Equalities Impact Assessment will be produced to ensure that the HMWP update meets this duty.

Plan Monitoring

- 2.19 In accordance with the Planning and Compulsory Purchase Act 2004, as amended by The Localism Act 2011, local authorities are required to produce a Monitoring Report, containing:
- information on how the preparation of the minerals and waste DPDs are progressing; and
 - the extent to which the policies set out in the associated documents are being implemented.
- 2.20 Monitoring Reports are produced annually for the Hampshire Authorities¹⁸.

¹⁵ Aggregates Monitoring Report (2019) - <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

¹⁶ Under the Conservation of Habitats and Species Regulations 2017 - <https://www.legislation.gov.uk/ukxi/2017/1012/contents/made>

¹⁷ Equality Act 2010 - <http://www.legislation.gov.uk/ukpga/2010/15/contents>

¹⁸ Minerals and Waste Monitoring Reports - <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

Potential Risks to the Timetable

2.21 The plan preparation process has a number of risk elements including:

- Staff Resources;
- Funding; and
- Democratic timetables.

2.22 The Hampshire Authorities have a variety of procedures in place to mitigate these risks.

2.23 The key risks and mitigation measures are outlined in the table below.

Risk	Why	Level x likelihood of Impact	Mitigation / minimisation measures
Staffing and resources	Minerals and waste planning require specialist staff, while government spending cuts continue to affect resources across all Councils.	Low	The Hampshire Authorities have resolved to allocate appropriate resources for the production of the updated HWMP. Hampshire County Council will be the lead Authority and will undertake the majority of the work, having appropriate staff skills and resources. Regular updates will be provided to the partners and progress will be closely monitored.
Potential changes in national and local political control/ leadership	There may be future changes to legislation and guidance introduced by a new Government. There may be changes in the political composition and outlook of one or more of the Hampshire Authorities.	Medium	Changes in policy and guidance will be monitored and assessed for their impact on the content of emerging documents. The HWMP update will be based upon the information available at that time. Advice will be sought from the Ministry for Housing, Communities and Local Government (MHCLG) and the Planning Inspectorate, as appropriate. Locally, officers will work closely with Members. The focused update and timetable should reduce the risk of any potential change.

Legal Compliance / Soundness / Legal Challenge	The updated HMWP will be assessed by a Planning Inspector as to whether it has complied with legislation and is sound (a suitable plan for the local circumstances, based on relevant policy and a robust evidence base).	Medium	The Councils will seek to ensure that the Local Plan is legally compliant, "sound", based upon a robust evidence base, and has a well audited consultation process, in order to minimise the risk of legal challenge. The Councils will work closely with the Planning Inspectorate at all stages of the examination to ensure the tests of soundness are met. The Council will take account of other advice available such as from the Planning Advisory Service and tools such as 'toolkits' in respect of the Local Plan process. The Council will also take legal advice on the plan process as appropriate.
Local opposition	Minerals and waste plans can lead to high levels of local interest and/or local opposition to proposals.	Medium	Information and opinions from the public need to be fully considered during plan-making and contribute to the development of a sound plan. In order to maximise the input from local stakeholders to the updated HMWP, early and focused engagement will be essential. Realistic time should be programmed for consultation and subsequent analysis of responses of any controversial documents.
Partnership working	While partnership working will bring benefits in the preparation of the updated HMWP, it can also introduce delays due to differing positions or democratic timetables and processes.	Medium	There is a need to share timetables, as well as engage and maintain good working relationships. The focused update and timetable should reduce the risk of any potential impact on the partnership.
National pandemic	The impact of a national pandemic may impact resources and/or how engagement is carried out with the public and stakeholders.	Medium	Managing resources is outlined above. Statements of Community Involvement will set outline any revised approaches to consulting in a time of a pandemic. Any change in measures will accord with Government advice. If necessary, and where possible, events including the Public Examination will be carried out virtually.

3. HMWP Update: Evidence Base

Preparing a robust evidence base

- 3.1 Planning authorities are urged to ensure that effective programme management techniques are employed in progressing and orchestrating the production of the evidence base for plan work.
- 3.2 It is intended that the main studies should be completed prior to public participation on minerals and waste planning documents, in order to ensure that all the key issues have been identified at the Regulation 18 stage.
- 3.3 It is also important that the evidence base is complete and robust prior to publication of the plans. This will help demonstrate that the proposed plans are the most appropriate considering all the options and based on the available evidence.

Proposed evidence base

- 3.4 Due to the focused nature of the partial HMWP Update, specific studies will need to be undertaken including:
 - Waste Background Study
 - Minerals Background Study
 - Wharves & Depots Needs Assessment
 - Climate Change Topic Paper
 - Aggregate Recycling Topic Paper
 - Restoration Topic Paper
 - Minerals and Waste Proposal Studies
 - Sustainability Appraisal (incorporating Strategic Environmental Assessment)
 - Habitats Regulations Assessment
 - Strategic Flood Risk Assessment
 - Strategic Technical Assessments on issues such as Transport, Landscape and Heritage.
- 3.5 As the evidence base is prepared any completed or draft supporting documents will be available to view on the Hampshire Minerals & Waste Plan website¹⁹.

¹⁹ Hampshire Minerals & Waste Plan webpage - <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan>

Glossary of Terms & Acronyms

Development Plan - Planning law (section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990) requires that decisions on planning applications should be made in accordance with the development plan unless material considerations indicate otherwise. The Development Plan for each of the partner Authorities includes the latest Local Plans for that authority, the Hampshire Minerals and Waste Plan (incorporating South East Plan saved policy NRM6) and any completed Neighbourhood Plans. It is important that all documents comprising the Development Plan are read together.

Equalities Impact Assessment (EqIA) - An equality impact assessment (EqIA) is a process designed to ensure that a policy, project, or scheme does not discriminate against any disadvantaged or vulnerable people.

Habitats Regulation Assessment (HRA) - Statutory requirement for Planning Authorities to assess the potential effects of land-use plans on designated European Sites in Great Britain. The Habitats Regulations Assessment is intended to assess the potential effects of a development plan on one or more European Sites (collectively termed 'Natura 2000' sites). The Natura 2000 sites comprise Special Protection Areas (SPAs) and Special Areas of Conservation (SACs). SPAs are classified under the European Council Directive on the conservation of wild birds (79/409/EEC; Birds Directive) for the protection of wild birds and their habitats (including particularly rare and vulnerable species listed in Annex 1 of the Birds Directive, and migratory species).

Local Plan - Local Plans have statutory development plan status and are subject to rigorous procedures involving community involvement and formal testing through examination by an independent Planning Inspector to assess whether a plan has been prepared in accordance with the Duty to Co-operate, legal and procedural requirements and whether it is sound. Local Plans usually deal with non-minerals or waste matters but references minerals and waste plans.

National Planning Policy for Waste (NPPW) – The NPPW sets out detailed waste planning policies. It should be read in conjunction with the National Planning Policy Framework.

National Planning Policy Framework (NPPF) - The NPPF is a single document that sets out the Government's economic, environmental, and social planning policies for England. Taken together, these policies articulate the Government's vision of sustainable development.

Planning Practice Guidance (PPG) - The PPG (2014 onwards) is an online resource setting out further detail on the Government's national planning policies set out in the NPPF and NPPW.

Stakeholder - Any person or organisation expected to have a concern or interest in a particular minerals and waste development, site, policy, or issue.

Statement of Community Involvement (SCI) - A document which sets out how a Council will engage with communities in reviewing and preparing planning policy documents and consulting on planning applications.

Strategic Environmental Assessment (SEA) - A system of incorporating environmental considerations into policies, plans, programmes, and part of European Union Policy. It is sometimes referred to as strategic environmental impact assessment and is intended to highlight environmental issues during decision-making about strategic documents such as plans, programmes and strategies. The SEA identifies the significant environmental effects that are likely to result from implementing the plan or alternative approaches to the plan. The Sustainability Appraisal often includes the SEA.

Sustainability Appraisal (SA) - Examines the impact of proposed plans and policies on economic, social, and environmental factors, and ensures that these issues are taken into account at every stage so that sustainable development is delivered on the ground. It also appraises the different options that are put forward in the development of policies and the process of allocating sites. The SA often incorporates SEA.

Thames Basin Heaths Special Protection Area (TBHSPA) - A group of heathland sites distributed across Berkshire, Surrey and Hampshire that support important breeding populations of lowland heathland birds (especially the Nightjar, Dartford Warbler and Woodlark). The area is designated for its interest under a European Wildlife Directive (and subject to the assessment procedure set out in the Habitats Directive) in order to protect the important species of birds that live within them.

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Agenda Item 7



Title of meeting:	Cabinet
Date of meeting:	Tuesday 9 th March 2021
Subject:	Community Infrastructure Levy (CIL) - Neighbourhood Spend
Report by:	Ian Maguire, Assistant Director of Planning and Economic Growth
Wards affected:	Eastney & Craneswater
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 To consider whether to approve the expenditure of Community Infrastructure Levy - Neighbourhood (CILN) funding in respect of proposed art work enhancement to the current mural located on the wall of No. 1 Waverley Road, Southsea. The consideration has been escalated to Cabinet as a result of differing views between the ward members of Eastney & Craneswater.

2. Recommendations

- 2.1 The Cabinet is asked to consider approving the allocation of funding from the relevant CILN fund as supported by Cllr Winnington; or alternatively refusing the allocation as supported by Cllr Stubbs and Cllr Symes.

3. Background

- 3.1 Community Infrastructure Levy (CIL) funds are gathered from liable developments across the City in line with the adopted CIL charging schedule. 15% of the total funding levied is reserved for use by the local community to support the development of the local area by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on the area. As Eastney & Craneswater, along with the rest of Portsmouth, is a non-parished area, in accordance with the CIL regulations PCC retains the 'neighbourhood' levy receipts and is required to engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent and in Portsmouth a successful system has been set up to invite applications directly from the community to use CILN on local projects.

- 3.2 The application process of that system, updated in January 2020 requires officers to confirm that the proposed project is one that is suitable for CILN funding, against the published criteria, and that adequate funding is available within the CILN fund for the relevant ward. It also requires the applicant to demonstrate support from at least one Councillor in the affected ward. Once this has been done all affected ward Councillors are notified and if any Councillor objects and the application is not withdrawn the matter is referred to Cabinet for resolution.
- 3.3 A CILN Spend application was submitted to secure £4,759 from the Eastney & Craneswater Neighbourhood CIL Funds (as outlined within Appendix 2: Project Budget, Strand Mural) for the project consisting of art work enhancement to the current mural located on the wall of No. 1 Waverley Road and furthermore supportive localised infrastructure including the addition of a metalwork bench for the community to use, 4 location plaques to direct the community to the art work and also 1 award plaque that would be located on the site. Confirmation of support was received from Cllr Winnington as a relevant ward Councillor. Appendix 1 provides a copy of the Neighbourhood CIL Bid Form for this project.
- 3.4 At this time the Eastney & Craneswater ward fund stands at £32,398.94 and Officers are satisfied that the project meets the criteria for being suitable for CILN spending.
- 3.5 An MIS item was published on the 8th Jan 2021 and on the 15th January 2021 a formal objection was received from Cllr Stubbs who also confirmed that Cllr Symes did not support the MIS item and as such, in accordance with the [Guidance Note](#) and process described above, the matter is being referred to Cabinet for resolution.

4. Reasons for recommendations

- 4 The matter is before Cabinet as a result of differing views expressed from the Eastney & Craneswater ward Cllrs. Cllr Winnington is in full support of the application and Cllrs Stubbs and Cllr Symes object to the CIL spend item. As adequate funding is available for the project, and it is of a type and kind capable of being funded by CILN it is for Cabinet to resolve whether funding will be allocated from the local CILN fund to support it.

5. Integrated impact assessment

Not required

6. Legal implications

- 6.1 The project meets the legal requirements of CIL Neighbourhood Spend.

7. Director of Finance's comments

- 7.1 The Council's S151 officer was consulted on the CIL Spend item to ensure the safeguarding and proper stewardship of the proposed spend and to ensure the expenditure is legal and value for money. The Section 151 Officer raised no objections.

.....

Signed by:

Appendices:

Appendix 1: CIL Neighbourhood Bid Form (art work enhancement)

Appendix 2: Project Budget, Strand Mural

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
CIL Neighbourhood Form - art work enhancement, Strand Mural	Appendix 1
Project Budget, Strand Mural	Appendix 2

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....

Signed by:

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Neighbourhood CIL Bid Form

Applicant details Name [REDACTED] (Art & Soul Traders CIC) Community group/Organisation Address [REDACTED]		Contact details Tel number[s] [REDACTED] Email address [REDACTED]	
Ward	Eastney & Craneswater	Has a recognised community group been consulted	Yes (ESNF) Presentation to Forum tbc
Are these proposals supported by Ward Members?		YES	
Details of Ward Members in support		1. Cllr Matthew Winnington 2. 3.	

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Neighbourhood CIL Bid Form

Details of partner organisations/groups Name Community group/Organisation Address Email address Tel number			
Project Location/address	Wall of Number 1 Waverley Road	Anticipated start date Anticipated finish date	Mid April to May Weather permitting June 2020
Project Details Description of scheme Please attach supplementary information such as drawings/quotes/regulatory approvals	We are proposing to give the mural and area some much needed TLC, as it has been seven years since the new mural was undertaken. • We will enhance the mural and area around the site including adding a mural of trees, foliage and flowers to the left side wall belonging to the convenience store (permission granted) and along the top of the back gate to the Housing association block of flats where they will be renewing the wooden board soon. • Add some more local historical characters to the lower level of the mural, paint over damage by scaffolding poles at the higher level. • Re-paint index box sculpture and add new info and Perspex to fascia. • Clean up the area from debris and weeds that have been left	Overall cost of project [incl VAT] Level of CIL Neighbourhood Funding that is sought	£4795 £4795

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Please send form to: CIL@portsmouthcc.gov.uk or Neighbourhood CIL Team, Planning Service, Floor 5 Core 3 Civic Offices, Guildhall Square, Portsmouth, PO1 2AU

Neighbourhood CIL Bid Form

	<p>unattended, then paint the metal posts black and gold. • Add a metalwork bench for senior folks to rest and enjoy the mural without standing for long periods, giving them a chance to meet and talk to other residents and tourists. • x 4 location plaques at Southsea Pier / Albert Road at Waverley Road junction / Southsea Precinct / Clarence Pier , plus x1 new award plaque on site</p>		
<p>Briefly describe how the scheme supports/benefits the development of your local area by funding either a) the provision, improvement, replacement, operation or maintenance of infrastructure; or b) anything else that is concerned with addressing the demands that development places on an the area</p>	<p>Please see attached.</p>		
<p>Describe how the revenue / maintenance costs, if not covered by the sought CIL funds, will be funded for the lifetime of the project</p>	<p>N/A</p>		
	<p>The project is already in situ.</p>		

Neighbourhood CIL Bid Form

Will the scheme be on public or private land and has the landowner given permission for the project to proceed? [Please provide details of support]	
Who will deliver the project? (e.g. the Council, applicant or a third party)	Applicant

Notes to applicant

Please retain a copy of this form

Supporting information [eg plans/drawings, quotes] can be submitted electronically to CIL@portsmouthcc.gov.uk

Please send form to: CIL@portsmouthcc.gov.uk or Neighbourhood CIL Team, Planning Service, Floor 5 Core 3 Civic Offices, Guildhall Square, Portsmouth, PO1 2AU



Art & Soul Traders CIC

Strand Mural TLC 2018 Budget

Item	Units	Cost	Total
Artists Costs			
1 lead artist	65	£25	£1,625
x2 new artists/ workers cleaning and prep work	40	£10	£400
		Sub Total	£2,025
Management & Facility fees			
Admin		£230	£230
Project Management/ training		£450	£450
		Sub Total	£680
Materials			
Exterior water based paints / filler/ varnish / brushes / kettles		£460	£460
Equipment: Hire 12m scissor lift x1 day		£350	£350
		Sub Total	£810
x 4 location plaques x1 award and fitting	5	£455	£455
Metal work bench and fitting By Local Blacksmith	1	£560	£560
		Sub Total	£1,015
Index box Sculpture new perspex and info		£229	£229
	GRAND TOTAL		£4,759

Contact: [REDACTED]

Art & Soul Traders C.I.C (Not profit driven co-op) Sept 2018

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Agenda Item 8



Title of meeting: Cabinet

Date of meeting: Tuesday 9th March 2021

Subject: Community Infrastructure Levy - Crowdfunding Platform

Report by: Ian Maguire, Assistant Director for Planning and Economic Growth

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. To seek Cabinet agreement to the commissioning of a Portsmouth wide crowdfunding platform to create a Community Infrastructure Transformation Fund (CTF).

2. Recommendations

- 2.1. That Cabinet agrees the commissioning of a city wide CIL Neighbourhood crowdfunding scheme at a cost of £4,800 for three years which will be funded through the Community Infrastructure Levy Administration Provision and that funding be made available (estimated £750) for the effective marketing launch for the Platform.
- 2.2. That Cabinet agrees the creation of an earmarked reserve of £50,000 transferred from the available CIL Neighbourhood Funds to provide funding support to projects that comply with the requirements of [CIL Regulations 59F](#) to deliver outcome in support of the provision, improvement, replacement, operation or maintenance of infrastructure within the city.
- 2.3. That Cabinet agrees the allocation of funding to projects be delegated to the Assistant Director Planning & Economic Growth, Regeneration in conjunction with the Portfolio holder for Planning Policy & City Development.

3. Background

- 3.1.** The Community Infrastructure Levy (CIL), introduced in April 2010, allows local authorities in England and Wales to raise funds from developers who are undertaking new building projects within their area. The money can be used to pay for a wide range of infrastructure that is needed as a result of development.
- 3.2.** For any developments commencing on or after the 1st April 2020 which generate £1m or more in CIL, the first £150,000 of the neighbourhood portion of CIL is retained for funding projects within the relevant ward, with the remainder going to the city wide neighbourhood fund administrator as part of the capital programme.
- 3.3.** CIL is administered in three sections, these are as follows:
- 80% of total CIL receipts are allocated to be spent on strategic infrastructure to support the development of the city (known as the capital program).
 - 15% of CIL receipts can be spent on local priorities in and around the neighbourhood/ward where development has taken place, this is known as the [CIL Neighbourhood Portion](#). This amount is capped at the total number of dwellings in the ward x100 (index linked in any financial year).
 - 5% of CIL receipts is allocated for administrative expenses.
- 3.4.** The CIL neighbourhood portion can be spent on a wider range of things than the rest of the levy, provided that it supports the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area. Appendix 1 provides two examples of projects that have benefited from CIL neighbourhood funding (further examples can be provided).
- 3.5.** As of the 6th November 2020 there is in excess of £1,000,000 within the Neighbourhood CIL Funds available across the City.
- 3.6.** It is proposed to extract £50,000 from the available CIL Neighbourhood Funds to become available for projects and schemes through a Crowdfunding platform to increase the opportunities and community ownership for this funding source.

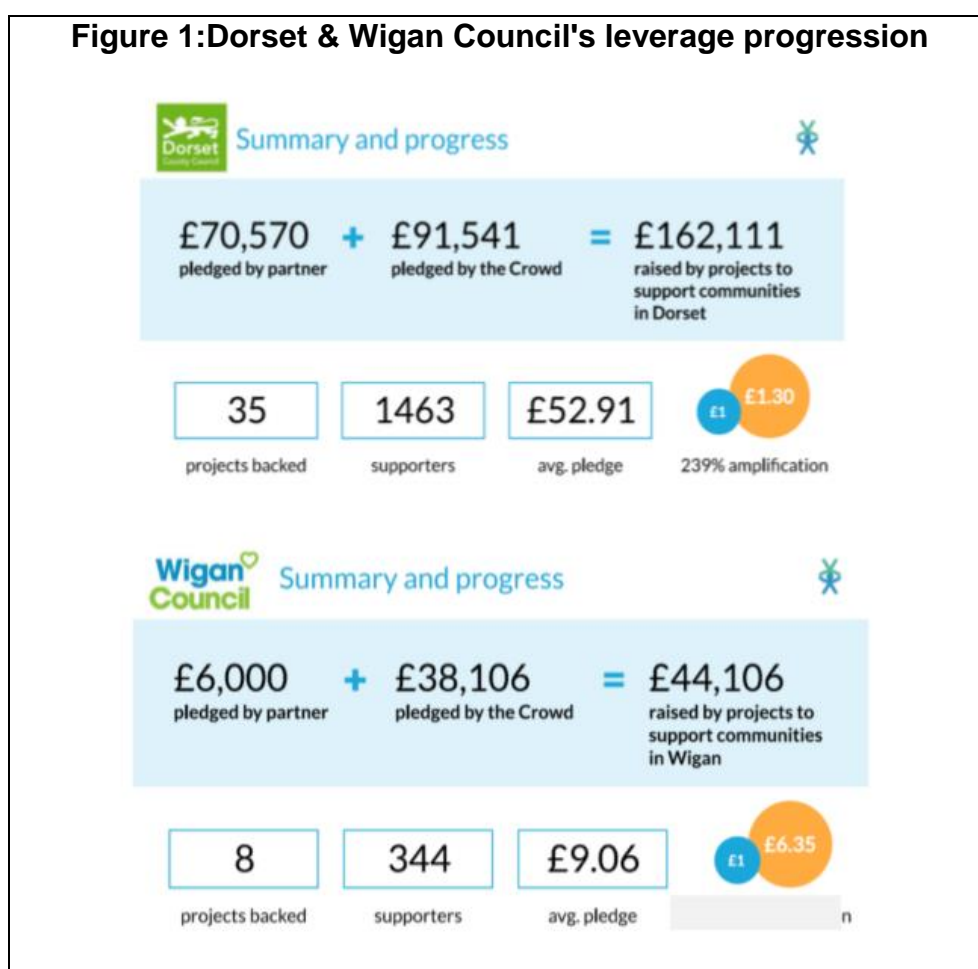
4. Reasons for recommendations

- 4.1.** Crowdfunding is an emerging type of alternative finance whereby those seeking investment can bypass traditional institutions or investors and instead engage 'the crowd', a collective of individuals, to obtain the necessary financial pledges to finance a project or idea. It is growing in popularity as people seeking more influence and transparency about where their money goes. In the absence of available funding from government and other funding institutions, crowdfunding is presenting new opportunities to obtain finance.

4.2. The appeal of crowdfunding lies in the following characteristics and benefits:

- Democratic - the crowd chooses which projects succeed, any project can succeed provided it can find that support;
- transparent - backers can see where their investment is spent;
- local - backers are typically local, and therefore motivated to see the project succeed;
- easy to do - crowdfunding is almost exclusively done online through intuitive to use platforms;
- quick - funding can be secured within a matter of weeks;
- access a large community of potential small investors

4.3. Evidence of the growth and success of crowdfunding can be taken from other local authorities who have developed crowdfunding mechanisms. There are roughly 40 local authorities who have joined partnership with Crowdfunder to develop such a presence. Plymouth, Lewisham, and Angus are examples of thriving crowdfunding models. Figure 1 provides some illustrative context on the funding amplification generated by crowdfunding for Dorset and Wigan Council's.



- 4.4. The Council has already approved and established a link-up with Crowdfunder UK, called [Crowdfund Portsmouth](#) to provide 'The Small Business Fund'. This was approved on the 4th October 2019 by then the Cabinet Member for Culture & City Development. Exhibit 1a is a copy of the approved report. This has proven to be very successful; figure 2 provides a summary and progress to date for the first 6 months of operation.

Figure 2: September 2020 Summary & Progress breakdown



Summary and progress to date



£38,230 pledged by PCC + £50,586 pledged by Crowdfunder's funding partners + £239,636 pledged by crowd = **£321,452** raised by projects to support your community

18
projects backed

1724
Supporters of PCC backed projects

£38.69
avg. crowd pledge

£1 **£759**
For every £1 pledged by PCC projects received an additional £7.59

Crowdfunding in and around your area

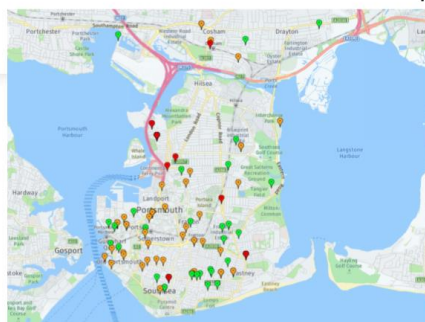
149
Projects added

81
Projects launched

71
Projects successful

4,661
Supporters

£328,452
Raised by projects to support Portsmouth projects



88%
Success rate

- 4.5. Crowdfunding platforms allows individuals / groups to upload project ideas onto an online platform which can attract funding from a wide range of individual, business and public body supporters, and if the fundraising target is met by the crowd those donations are released to the project lead for implementing that project/idea. The appeal of crowdfunding lies in these community based characteristics and benefits (details outlined in appendix 2).
- 4.6. The CTF's presence on the proposed enhanced crowdfunding platform will give a wider reach to sections of the community who may never have thought of approaching the council for support previously. It also acts as a visible shop window for projects and activities – allowing everyone to see what people are trying to do in their local communities and to get involved. The highly visible success of projects on the platform from across the UK, not just in Portsmouth City, breeds enthusiasm and momentum for others to participate thus generating more bottom up ideas to improve experiences in communities.
- 4.7. Crowdfunding is increasingly growing in popularity as people seeking more influence and transparency about where their money goes. In the absence of available funding from government and other funding institutions, crowdfunding is presenting unique opportunities to obtain finance. The crowdfunding platform that will be used in the presence of the CTF is Donations-based crowdfunding.
- 4.8. Donation-based crowdfunding makes up the main public sector experience of crowdfunding, which involves people donating money towards a project, product or business. Research by NESTA¹ shows that, in the UK alone, crowdfunding is now worth £3.2billion annually. Donation-based crowdfunding was one of the fastest growing models, growing by 500% since 2014 to £12 million. The growth of the donation-based model suggests that groups and organisations are increasingly adopting crowdfunding as a viable fundraising tool. The key platforms are *Spacehive* and *Crowdfunder*.
- 4.9. Crowdfunder UK² provides a comprehensive support package and resources, large online community (with in excess of 700,000 users) and bespoke design for local platforms. Crowdfunder also accepts projects of all types whereas other major providers focus only on public realm projects. An example of one of the most successful platforms is [Crowdfund Plymouth](#) - which is a pioneering model that uses the neighbourhood portion of the Community Infrastructure Levy to match fund against projects. It embraces crowdfunding technology and has taken top prize at the RTPI's annual Awards for Planning Excellence". Plymouth City Council developed Crowdfund Plymouth in 2015. It became the first council to connect with crowdfunding and use money from the Community Infrastructure levy (CIL) to pledge on crowd-fund projects. Within the first year of operation

¹ National Endowment for Science, Technology and the Arts is an innovation foundation based in the UK

² Match Crowdfunding for Local Authorities

Crowdfund Plymouth chose to pledge up to 50% of a projects' initial target (up to a maximum of £5,000 each). In its first year Crowdfund Plymouth raised over £418,000 which funded 90 projects within the city. £60,000 was transferred from the city councils CIL and distributed onto the Crowdfund Plymouth site. A full report of Plymouth City Councils first year as Crowdfund Plymouth can be located through their annual report on this platform can be accessed through [Crowdfund Plymouth End of Year report 2016](#). With the right development and promotion crowdfunding has the potential to be a means of access to alternative finance for community groups and members of the community. The platform will also provide a real-time temperature check of issues that are most important to local communities, thus allowing PCC to target its resources more effectively.

Cost implications

- 4.10.** The costs incurred for establishing and managing the new enhanced crowdfunding platform is £4,000 + VAT (£4,800) for three years. As a result of Crowdfund Portsmouth already established, a platform is already in place that can be used for the CTF. The CTF can be run in tandem on this existing platform and as a result significant reductions in start-up and running costs are achieved. The report recommends that the cost incurred to establish and manage the platform (£4,800) be funded through the 5% of CIL receipts allocated for administrative expenses for the overall running of CIL.
- 4.11.** This will pay for a crowdfunding provider to deliver a specialised support package including the following:
- Manage the digital funding campaign - communicating high level aims and objectives of the campaign the funding and coaching opportunities available, detailing the fund criteria and linking through to an application form;
 - The Fund match platform - this is a digital platform providing the tools needed to make informed decisions on projects to support, ensure the legitimacy of those projects, verification process, and securely transfer funds to those projects;
 - Applications and Reports - simple online applications, completed as part of the process of creating a crowdfunding campaign will be used to gather eligibility information and enable the decision making process. Successful projects can be surveyed to provide greater detail on the social, economic and community cohesion impact delivered;
 - Dashboard - a dashboard will be provided, enabling the commissioning team to make live pledges on projects they want to support;
 - Fund Wallets - wallets enable funds to be deposited and live pledges to be made, which are distributed once the project has successfully hit their target, and relevant checks completed. The wallet is provided by a third party provider - Mango Pay. Through the creation of the Small Business Fund, provision and process is already in place for the CIL Neighbourhood Fund to 'Piggy-back' onto this;

- Fund matching enabling - managing an automated system for when a relevant project registers with site, and fills in relevant information, it will be alerted to the funding available for them and signposted to these pages to fill in the simple application form;
- Market and coaching support - to maximise the opportunity for potential projects to be made aware of the funding and support opportunities to help them build skills and capacity so they can raise the funds they need;
- Accelerator program - deliver three accelerator programs in each year which ensures projects have access to peer support as well as guidance and support from the crowdfunding provider's own coaches;
- Evaluation process - to supply analytical and evaluation reports as part of measuring the effectiveness of the platform. This will give the Council an opportunity to measure and demonstrate the power of its leverage - the amount of additional money attracted to support projects from other sources. Evidence suggests that this approach should enable the Council's pledge of CIL neighbourhood funds go further and work harder to support community activities and projects in the area for their social impact tool which will enable the capture of progress and outcomes and will help us to demonstrate the effectiveness of our funds.

4.12. There is a 5% charge of the total cost of the projects that the Council supports and it is commonplace for fundraisers to add these charges to their target to absorb this fee. To maximise the funds on offer through the CTF, the Council will strongly encourage the projects to factor in the 5% charge from Crowdfunder when setting their target. When establishing the fund criteria that will be published on the Portsmouth Crowdfund platform, reference will be made to the expectation that the 5% charge from Crowdfunder will be taken into account within their target.

4.13. It is considered that some provision for marketing at the launch of the CTF will be necessary, estimated to be a relatively small amount of around £750. This would be funded from the reserved CIL receipts for administration, or otherwise from within existing budgets.

Match funding

4.14. Through this platform the Council is proposing to support community orientated projects within the city that support the development in the area by (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or (b) anything else that is concerned with addressing the demands that development places on an area. The grants for community orientated projects must also follow the procedures and recognition of national regulations; these can be located through the ['Spending the Levy'](#) web pages.

4.15. To this end initial match funding of £50,000 from the CIL Neighbourhood Funds available, can provide grants of up to 50% of the total project cost, up to the maximum of £5,000 per project. It is important to clarify that the council has the

full discretion to consider the level of financial support and as such notwithstanding the maximum amount that could be pledged (£5,000) consideration can be given to pledge a lesser amount.

- 4.16.** Grant applications will be managed by Crowdfunder and the Planning Obligations Spend Officer, who will carry out an assessment on project proposals based on the CTF Assessment Fund Criteria. The officer will make the initial technical decision as to whether a project or scheme is of a type and kind that falls within the realms of the CTF Assessment Fund Criteria and a preliminary decision confirming that the funding is available is made (This process reflects the existing process for CIL neighbourhood funding). The decision however whether to match fund through the platform would be offered to ward councillors to which the project is located.
- 4.17.** Once officers have confirmed the eligibility of the project for match funding it is for the ward members to unanimously agree or not. Ward councillors will be given 7 working days to confirm whether they support the application or not. In such cases where there are differing views between the ward members, if one ward councillor supports the scheme/project, the scheme/project will appear on MIS. This will give the ward councillors who have differing views or any councillor within the city to raise a formal objection. If a formal MIS call-in is activated, the process that will be followed is to allow Cabinet to arbitrate. (This process also follows the existing process for CIL neighbourhood funding). For ease of reference Appendix 4 explains the process in more detail.
- 4.18.** If a ward did not have sufficient funds that could be allocated as match funding to the scheme/project, they could not offer to match fund the initiative. However, as is undertaken within the existing process for CIL neighbourhood funding, the officer can liaise between wards to establish whether one ward with greater funding in the ward pot would be willing to support a scheme in a different ward.
- 4.19.** Match funding, if awarded, will only be released if the project meets its fundraising target from the crowd. The crowdfunding provider will manage and support fundraisers to do an effective fundraising campaign, as well as helping to navigate and identify other relevant funders to maximise their success rate.
- 4.20.** Groups or organisations that are awarded match funding will enter into a contractual agreement with the council that confirms the funding will only be used for the purposes set out in the application. No funds are released until that agreement is signed. Appendix 3 provides the typical crowdfunding process.

Option Appraisal

- 4.21.** The subsequent options were considered in the development of this proposal;

Option		Recommendation	Reason
A	Do nothing	Not Recommended	No benefits are achieved.
B	Solely continue with the current neighbourhood CIL allocation strategy	Not recommended	While it is acknowledged that the current process is very effective the use of an additional allocation strategy through Crowdfunder, can reach further into parts of the community.
C	The Council establishes its own platform to run alongside the current neighbourhood CIL application process	Not recommended	The Council does not have the expertise or the extensive resources that is required to develop and run a rapidly evolving crowdfunding platform. An external provider would also maintain the platform and to ensure that other funders (e.g. RBS/NatWest and Aviva) are also offered on the platform and therefore could back projects.
D	Tender to the open market for any crowd funding platform	Not recommended	As a result of 'Portsmouth Crowdfund' already established through a funding platform (Crowdfunder), significant reductions in start-up costs has been achieved compared to tendering to the open market for any additional funding platform such as Spacehive.
E	Continue to run the current neighbourhood CIL allocation strategy whilst implementing and running (in tandem) an additional allocation strategy through an already established Portsmouth Crowdfund platform, and use the platform to deliver a Portsmouth specific neighbourhood CIL digitised programme.	Recommended	Option E is preferred; the Council will retain the current neighbourhood CIL allocation strategy, but at the same time provide an additional mechanism through Portsmouth Crowdfund to deliver a wider grants programme to support community based projects that fall within the realms of the neighbourhood CIL funding criteria. In addition the costs incurred in providing a CTF Crowdfund Platform are significantly lower as a result of a platform already in operation through Crowdfund Portsmouth (The Small Business Fund).

Implementation

4.22. Subject to the approval of the recommendations, it is proposed that the implementation plan is as follows:

- Collaborate with Crowdfunder to develop a CTF presence within the existing Portsmouth Crowdfund platform;
- Work alongside the directorates Marketing Communications Officer to prepare a launch strategy for the CTF presence within the Portsmouth Crowdfund platform.

Risk Management

4.23. The risks associated with the recommendations Cabinet is asked to consider along with action to mitigate those risks are set out as follows:

Risk	Mitigation
Financial burden to Council from projects generated from Crowdfunding interest	Projects need to be self-funded or through contributions through the Crowdfunding site and communications plan. There is no financial commitment from the Council nor risk to the Council should projects not attain their crowdfunding target and ultimately not proceed.
Ensuring a fair representation of Portsmouth's population	Crowdfunding can appeal to a younger part of the City's population than the traditional grant funding model and some studies have shown <u>'a strong correlation between age, education level and crowdfunding participation, with those who are university educated and aged between 25 and 34 years being most likely to participate'</u> . The use of such a platform to engage with this age group is a positive. However, there may be a need to ensure that effective support is given to other groups, including those who are less digitally aware, to ensure equality of access.
Individuals, groups and organisations do not have skills to run crowdfunding projects.	The crowdfunding provider will provide a training support package and expertise to help build local capacity and capability.
Projects do not meet their crowdfunding targets.	The onus is on the project lead to engage the crowd and obtain pledges but all projects will benefit from the crowdfunding provider's marketing resources and channels, plus further publicity and promotion from marketing and communications.
Match funded projects are not delivered.	A project plan including costs is submitted with all applications for match funding. Project leads are required to submit a project evaluation to demonstrate outcomes and impact.

CIL funds run out or not available due to development stalling or changes in legislation	Crowdfunding platform could just be run without match funding
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Contractual issues - Procurement

- 4.24.** As advised by the Council's procurement team, as a result of the value (the cost of the project falling below the £5,000 threshold given in Contract Procedure Rules to necessitate a quotation exercise) a procurement process is not required to be undertaken and as such the Council is able to award the work directly.

Staffing workload

- 4.25.** Once the platform is live there will be some implications for staff, predominantly within the CIL team. Absorption of the following work will need to take place:
- Due diligence checks - resourced by the Planning Obligations Spend Officer;
 - Providing PR support to promote the platform - resourced by the Planning Obligations Spend Officer and the directorates Marketing Communications Officer;
 - Providing support to the decision making process for the Council's grant applications - resourced by the Planning Obligations Spend Officer;
 - In the absence of the Planning Obligations Spend Officer, the Planning Obligations Lead Officer will also be able to process applications

Alignment with Council Priorities

- 4.26.** The proposal within this report complements and aligns with the objectives within the Council's Plan. For ease of reference, these are set out below:

Corporate priorities	Impact of this proposal
1. Make Portsmouth a city that works together enabling communities to thrive and people to live healthy, safe and independent lives.	Crowdfunding is open to anyone wishing to fundraise. It will bring the city together and demonstrate how people are working together to enable communities to thrive. It is empowering as it is democratic and transparent. People can influence what happens in their community and take ownership of local initiatives.
2. Encouraging regeneration built around our city's thriving culture, making Portsmouth a	Crowdfunding matched with CIL will encourage more regeneration and bring more resources for

Corporate priorities	Impact of this proposal
great place to live, work and visit.	such projects. It will give local people and organisations a route to show their support.
3. Make our city cleaner, safer and greener.	Many of the projects will cover these themes.
4. Make Portsmouth a great place to live, learn and play so our children and young people are safe, healthy and positive about their futures.	Local residents/groups/organisations will be able to upload projects through an online platform. So they can ensure that many projects will support children and young people.
5. Make sure our council is caring, competent and collaborative organisation that puts people at the heart of everything we do.	By setting up the platform it shows the Council cares. It shows we are competent as it will boost funding for projects the community cares about. It is a good example of collaboration and putting people at the heart of e.g. the CIL and business rates processes.

Governance

- 4.27.** The CTF will not involve applications being made to the Council for grant funding. Rather, the Council's decision will be purely about whether or not to pledge on a project, and that decision will be driven by whether or not the project satisfies the terms and conditions and the Assessment Criteria. In this respect, the Council will simply be another part of 'the crowd' and therefore does not need to notify projects if no pledge is to be made.
- 4.28.** Pledging to a project is at the Council's discretion. However, it is intended that discretion is used to cover unforeseen circumstances only and it will be normal for the Council to pledge where the criteria are met and there are funds remaining. The ability of a project to raise funds is considered to be a tacit approval by the community of the validity of a project.

Process by which decisions to pledge are made and actioned

- 4.29.** The CTF will be administered and managed internally by officer within the Community Infrastructure Levy team. The lead officer will be the Planning Obligations Spend Officer.

4.30. Much of the initial administrative process for the CTF will be done through an online Crowdfunder dashboard for the use by Crowdfunder and the Council. Through the dashboard officers are able to:

- View a project's contact details;
- Contact projects for further information if necessary;
- View upcoming projects which have not 'gone live' on Crowdfunder yet;
- View projects which have signed the Council's Grant Terms and Conditions;
- Download copies of the signed Grant Terms and Conditions for internal records;
- View the projects self-assessment against the Assessment Criteria; and,
- Communicate to Crowdfunder which projects are eligible for a pledge and for how much.

4.31. It is important the Council outlines the assessment guidance procedure along with the process once the initial assessment is complete. Appendix 6 documents the initial assessment as to whether or not a project satisfies the CTF criteria and how Ward Members and the Portfolio Holder are involved within the process and appendix 7 provides the process once it is determined that a pledge can be made.

5. Integrated impact assessment

5.1. A full integrated Impact Assessment was required to be undertaken as a result of the scheme having an impact on the community or any of the characteristic groups. A copy can be located as accompanying exhibit 1b.

6. Legal implications

6.1. The linkage with Crowdfunder UK will provide an additional mechanism to distribute CIL Neighbourhood Funds to a host of schemes within Portsmouth City. Applications will follow a stringent process in order for them to be assessed against statutory instruments. Legal Services does not have an objection to the allocation of funds to be distributed through a Crowdfunder platform subject to the neighbourhood portion of the monies being spent in accordance with the CIL Regulation 59 of The Community Infrastructure Levy (Amendment) Regulations 2013.

7. Director of Finance's comments

7.1. The first recommendation seeks to commission a city wide CIL Neighbourhood crowdfunding scheme at a cost of £5,550. This will pay for the platform for three

years, plus a small marketing budget. This will be funded through the Community Infrastructure Levy Administration Provision.

- 7.2.** The report's second recommendation also seeks to create an earmarked reserve of £50,000 funded from neighbourhood CIL currently available. This will be distributed through the Crowdfunder platform. This will provide match funding for up to 50% of the total project costs, up to the maximum of £5,000 per project. Monies spent will need to be in accordance with the CIL Regulation 59 of The Community Infrastructure Levy (Amendment) Regulations 2013. The Assistant Director of Planning & Economic Growth in conjunction with the Portfolio holder for Planning Policy & City Development will ensure that any releases from the reserve will be in line with this regulation.

.....
Signed by:

Appendices:**Appendix 1:** Illustrative examples of two projects that have benefited from CIL Neighbourhood Funding:

- a. Installation of 9 public repair stands and pumps within the Baffins, Central Southsea, Eastney & Craneswater, Fratton, St Jude and St Thomas wards. For ease of reference the report uses the example of the public bicycle repair stands and pumps within the St Jude ward.
- b. Publication, printing and distribution of 133 poetry books written by the residents of Coronation Homes:

Appendix 2: The benefits of using a crowdfunding model**Appendix 3:** A Typical crowdfunding process**Appendix 4:** Assessment Guidance procedure**Appendix 5:** Process once it is determined that a pledge can be made

Appendix 1: Illustrative examples of two projects that have benefited from CIL Neighbourhood Funding:

- a. Installation of 9 public repair stands and pumps within the Baffins, Central Southsea, Eastney & Craneswater, Fratton, St Jude and St Thomas wards. For ease of reference the report uses the example of the public bicycle repair stands and pumps within the St Jude ward.**

Project Title: Installation of public bicycle repair stand and pumps

Ward: St Jude **Cost:** £1,990 **Completion Date:** July 2020

Delivered By: Portsmouth City Council

Description of Project: As part of measures to improve air quality in the city and furthermore to support sustainable and green transport the proposal was to install 'public Bicycle Repair Stands' and Pumps' across the city. Within the St Jude ward two stations are located on Albert Road and also in close proximity to Clarence Pier.

The Bicycle Repair Stands' and Pumps' provide a fixed platform for those riding a bicycle to finely tune, inflate and make any necessary repairs whilst travelling. Through their installation, it improves the reliability of cycling as a mode of transport or recreational activity.

The Project meets the CIL Neighbourhood Spend criteria because:

This provision of Bicycle Repair Stands' and Pumps' supports and encourages sustainable transport throughout the city. It further strengthens the cycling infrastructure already in place and acts as a promotional tool to encourage people to use their bicycles for commuting and also promote the fitness benefits.

Outcome:

A station has been installed to the western end of Broad Street. It provides a fixed platform for cyclists to re-inflate tires, tune bikes and make repairs whilst away from home. Installing these stations along popular routes improves the reliability of cycling as a mode of transport or recreational activity and encourages a 'greener' and more reliable form of transport around the city.

Photographs of the completed scheme are set out below.
Further information on Community Infrastructure Levy can be found on our [website](http://www.portsmouth.gov.uk).



Western end of Albert Road



Clarence Pier



b. Publication, printing and distribution of 133 poetry books written by the residents of Coronation Homes:

Project Title: Publishing and printing of 133 books consisting of poems written by the residents of Coronation Homes

Ward: Hillsea **Cost:** £600 **Completion Date:** Sept 2020

Delivered By: Portsmouth City Council's Culture, Leisure and Regulatory Service

Description of Project: The publishing and printing of 133 books consisting of poems written by the residents of Coronation Homes throughout the Coronavirus pandemic. The books would be distributed to Coronation Homes along with copies to 14 other locations across the city of Portsmouth.



The Project meets the CIL Neighbourhood Spend criteria because: The project has provided a form of educational infrastructure, insofar as allowing the residents to learn a new skill and share their experiences of the Coronavirus lockdown with the communities of Portsmouth. It has also provided a sense of community cohesion for the communities of Portsmouth to enjoy and understand their fellow resident's situations and environment throughout the pandemic.



Outcome: The project has been successfully delivered with all books printed and published and distributed around the city. For ease of reference figure 1 provides the locations to which the books have been distributed.

Photographs of the completed scheme are set out below.
Further information on Community Infrastructure Levy can be found on our [website](http://www.portsmouth.gov.uk).

Figure 1

Area of Distribution	Quantity of Books
Hilsea Ward	
Coronation Homes	65
Howard Road Community Centre	5
North End Library (closest library to Hilsea Ward)	10
Meadow House Care Home	5
Hilsea Lodge Care Home	5
Martime House	5
External to Ward	
Alderman Lacey Library	3
Central Library	10
Cosham Library	5
Carnegie Library	3
Beddow Library	3
Paulsgrove Library	3
Portsea Library	3
Southsea Library	5
Cosham Community Centre (close to Hilsea Ward)	3
Total Amount of Books	133

Printed and pulished poetry books:

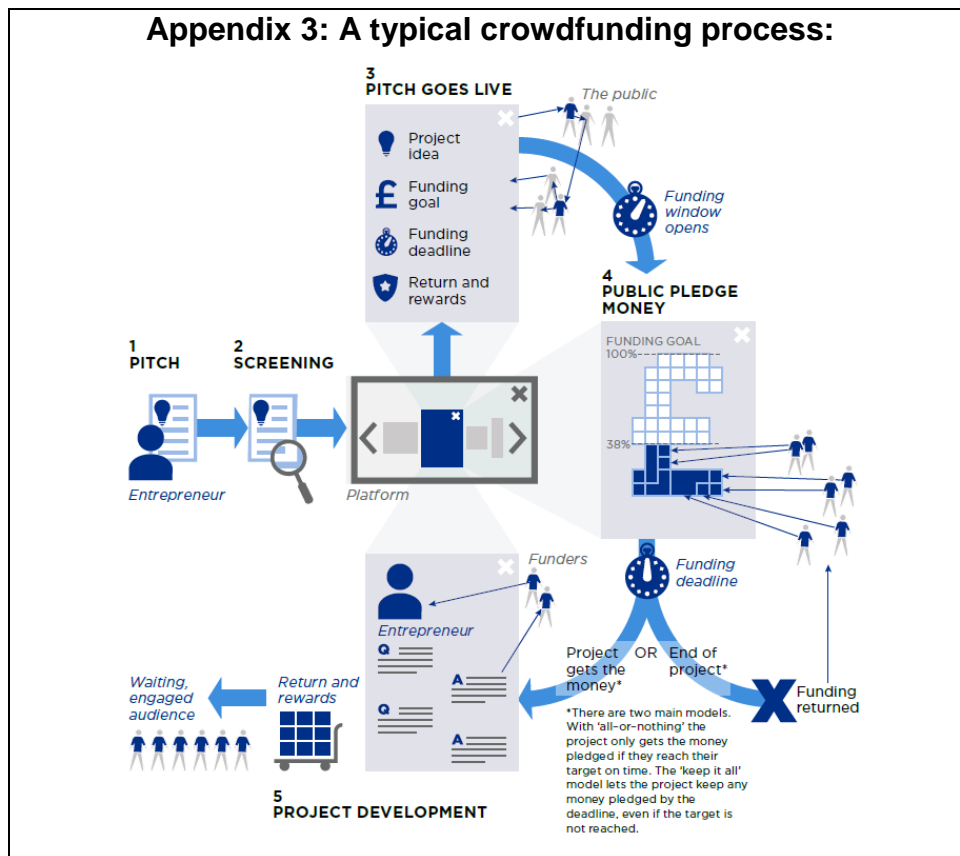


www.portsmouth.gov.uk

Appendix 2: The benefits of using a crowdfunding model include:

- Neighbourhood CIL funds would go further as the council would not be the only contributors
- Greater visibility for groups on the platform increasing opportunities to secure funds from a range of sources
- An opportunity to attract other partners for joint funding, eg. LEP, banks. The Council may want to engage with the Economic Growth team or other funding to encourage activity (e.g. local regeneration, parks, sports and leisure). Local businesses may put funds on the platform as a way to fulfil their corporate social responsibility aspirations
- In terms of value for money – crowdfunding is almost exclusively done online through intuitive to use platforms, and savings will be the reduced costs of a digital rather than a paper based system
- Ease of tracking and monitoring the available requests and the contributions being offered
- Improving awareness of issues that are important to local communities and increased levels of civic engagement, therefore increasing opportunities to build local networks of trust
- A collaborative approach to problem solving alongside residents, partners agencies and businesses
- democratic – the crowd chooses which projects succeed, any project can succeed provided it can find that support
- local – backers are typically local, and therefore motivated to see the project succeed, and the process is transparent – backers can see where their investment is spent
- quick – funding can be secured within a matter of weeks
- accesses a large community of potential small investors
- Further transparency in decision making and proof of public buy-in
- Public authorities using a crowdfunding approach experience, on average, 3.5 times leverage on grants they deploy.

Appendix 3: A typical crowdfunding process:



Appendix 4: Assessment Guidance Procedure:

Initial assessment as to whether or not a project satisfies the CTF criteria:

1. A file will be created for each project on the w: drive, against which all documents, emails and other correspondences will be saved.
2. The Community Infrastructure Levy Team will maintain records of all projects, which will allow progress to be tracked and correspondences recorded. There will be a monitoring spreadsheet for all projects eligible for the CTF Fund. This will also be located within the monitoring folder.
3. The CTF Assessment Criteria self-assessment will be checked by an officer within the Community Infrastructure Levy Team. If more information is needed to determine whether or not the Assessment Criteria have been met the officer will contact Crowdfunder and/or the project lead for more information. To Note the CTF Assessment Criteria self-assessment will linked to the online criteria within the Portsmouth Crowdfund platform. For ease of reference Appendix 5 illustrates the initial online assessment criteria.
4. If the officer checking the Assessment Criteria self-assessment needs additional expert advice on any particular matter before reaching their conclusion, this will be sought from the appropriate expert. This may be the case where there are wider legal / licensing frameworks in relation to safeguarding issues.
5. The officer checking the Assessment Criteria self-assessment adds their comments and 'signs' the form to confirm that they have completed their Assessment.

6. An MIS item will be prepared and the effected Ward Councillors along with the portfolio holder for Planning Policy & City Development notified by email and given 7 working days to consider the spend request. If a councillor raises concern/objection about a pledge being made on the project (via MIS), a formal MIS call-in is activated; the process that will be followed is to allow Cabinet to arbitrate.
7. If no objection is either raised via local ward councillors or MIS the Assessment Criteria self-assessment along with the MIS item will then be forwarded onto the Assistant Director Planning & Economic Growth to sign the form in support of the requested spend item.
8. Once the Project Assessment stage is complete, the officer saves a copy of the e-form in the project folder on the w: drive.

Appendix 5: Process once it is determined that a pledge can be made:

1. Once a project reaches 25 per cent, officers from the Community Infrastructure Levy Team will instruct Crowdfunder to make the pledge (50% up to £5,000).
2. The project must raise the remainder of their target within the project deadline (set by the project lead) to reach 100 per cent to be eligible to receive funds. If this target is not achieved, no money will be paid out from the CTF and the pledge will be withdrawn. Should the group still wish to pursue the project, they will have to start the process again and re-launch the project on Crowdfunder.
3. No funds will be released by Crowdfunder until the following checks have been satisfactorily completed by Crowdfunder:
 - A form of ID;
 - Proof of registration;
 - Copy of their constitution/governing documents;
 - Proof that they have the consent of the landowner where appropriate to implement the project;
 - A copy of their bank statement to be sent through to Crowdfunder Support Team to check against before processing the payment. This must be in the name of the group with a minimum of two cheque signatories.
4. If a pledge is made by the CTF, and the project reaches its end total, a congratulatory letter, a progress report template and a reminder of the Grant Terms and Conditions is sent to each successful project. The master spreadsheet will also be updated to record the final total pledged, how much was raised overall and the total number of supporters
5. Once the final progress report is received by the Council, this will be recorded, and the project 'closed'.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
IIA	Exhibit 1a
Small Business Fund report, 4.10.19	Exhibit 1b

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Title of meeting: Cabinet Member for Culture & City Development

Date of meeting: 4 October 2019

Subject: Crowdfunding Platform for Portsmouth City

Report by: Assistant Director for Planning and Economic Growth

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. An opportunity to consider the concept of an online crowdfunding platform, to review the various types of crowdfunding on the market and specifically to consider which are best suited to support the growth of local businesses in the City.
- 1.2. The paper also highlights the opportunity to procure an enhanced service from a single crowdfunding platform subject to the Cabinet Member agreeing that this service would support economic growth in the City and provide value for money.
- 1.3. The paper notes that match funding has been a successful way to promote projects and lists a variety of suitable match funding sources that could be allocated for local projects should they meet the grant criteria as set by each fund.

2. Recommendations:

The Cabinet Member for Culture and City Development notes:-

- (i) That a number of crowdfunding platforms are already in existence and available to local businesses.
- (ii) That match funding could be used to support successful projects on this new platform that is dedicated for Portsmouth.

The Cabinet Member for Culture and City Development approves:-

- (iii) That the Council supports a 'best value for money' procurement process to provide the City with a bespoke and enhanced service from one of the existing crowdfunding platforms, at an estimated cost of £30,000 for three years, and that this will be funded from the portfolio reserve.
- (iv) The creation of an earmarked reserve for a sum of £40,000 to provide match funding to support projects that deliver outcomes in support of the council's

economic growth & regeneration strategy and that this will be funded from the PRED portfolio reserve, with the allocation of funding to projects delegated to the Direction of Regeneration in consultation with the Portfolio Holder.

3. Background

- 3.1 Crowdfunding platforms allows individuals / groups to upload project ideas onto an online platform which can attract funding from a wide range of individual, business and public body supporters, and if the fundraising target is met by the crowd those donations are released to the project lead for implementing that project/idea. The appeal of crowdfunding lies in these community based characteristics and benefits (details outlined in appendix 2).
- 3.2 The Council's presence on the proposed enhanced crowdfunding platform will give us wider reach to sections of the community who may never have thought of approaching the council for support previously. It also acts as a visible shop window for projects and activities – allowing everyone to see what people are trying to do in their local communities and to get involved. The highly visible success of projects on the platform from across the UK, not just in Portsmouth City, breeds enthusiasm and momentum for others to participate thus generating more bottom up ideas to improve experiences in communities.
- 3.3 Crowdfunding is growing in popularity as people seeking more influence and transparency about where their money goes. In the absence of available funding from government and other funding institutions, crowdfunding is presenting new opportunities to obtain finance. There are three main types of crowdfunding platforms:

3.3.1 Donations-based crowdfunding the public sector experience of crowdfunding has mainly been this type of funding, which involves people donating money towards a project, product or business. Research by NESTA¹ shows that, in the UK alone, crowdfunding is now worth £3.2billion annually. Donation-based crowdfunding was one of the fastest growing models, growing by 500% since 2014 to £12 million. The growth of the donation-based model suggests that groups and organisations are increasingly adopting crowdfunding as a viable fundraising tool. The key platforms are *Spacehive* and *Crowdfunder*. Crowdfunder UK provides a comprehensive support package and resources, large online community (approx. 450,000 users), industry leading project success rate (42%), and bespoke design for local platforms. Crowdfunder also accepts projects of all types whereas other major providers focus only on public realm projects. An example of one of the most successful platforms is [Crowdfund Plymouth](#) - which is a pioneering community infrastructure initiative that embraces crowdfunding technology it also has just taken the top prize at the RTPi's annual Awards for Planning Excellence".

¹ National Endowment for Science, Technology and the Arts is an innovation foundation based in the UK

3.3.2 Equity- based crowdfunding this type of funding involves share capital and is mainly used by young, high growth businesses looking for money from investors to grow. The key platforms are *Crowdcube*, *Seedrs* and *Syndicate Room*. Councils could invest into any local companies that have been listed on this platform, with the aim of supporting local economic growth, e.g. Lancashire County Council was one of the first to use this type of platform in August 2016.

3.3.3 Peer-to-peer lending this is a lending method that bypasses banks, like a bank loan by matching borrower directly with an individual or organisation with money to lend for more flexible and competitive interest rates. The key platforms are often used by businesses e.g. through *Funding Circle*, *Thincats* and *Zopa*. A few councils have used this platform as a facilitator rather than an investor, in supporting local businesses they have identified as needing finance, e.g. Camden and Lambeth.

3.4 With the right development and promotion crowdfunding has the potential to be a means of access to alternative finance for community groups and local businesses. The platform will also provide a real-time temperature check of issues that are most important to local communities, thus allowing PCC to target its resources more effectively.

3.5 Other funding schemes could also be included in this new online crowdfunding platform, which could help to further raise the profile of the grant scheme and to maximise its profile and accessibility. An example would be the Portsmouth Lottery, which was created in 2016 by Portsmouth City Council, is a means of raising small funds for local charities, voluntary organisations to support good causes in the city. The lottery panel are able to make awards up to £1,000 for community & voluntary organisations.

4 Cost implications of running the platform

4.1 The estimated costs of establishing and managing the new enhanced crowdfunding platform would be £30,000 for three years. This will pay for a crowdfunding provider to deliver a specialised support package including the following:

- Manage the digital funding campaign - communicating the high level aims and objectives of the campaign the funding and coaching opportunities available, detailing the fund criteria and linking through to an application form
- The Fund match platform - this is a digital platform providing the tools needed to make informed decisions on projects to support, ensure the validity of those projects, verification process, and securely transfer funds to those projects.
- Applications and Reports - simple online applications, completed as part of the process of creating a crowdfunding campaign will be used to gather eligibility information and enable the decision making process. Successful projects can be surveyed to provide greater detail on the social and economic impact delivered.
- Dashboard - a dashboard will be provided, enabling the commissioning team to make live pledges on projects they want to support.

- Fund Wallets - wallets enable funds to be deposited and live pledges to be made, which are distributed once the project has successfully hit their target, and relevant checks completed.
- Fund matching enabling - managing an automated system for when a relevant project registers with site, and fills in relevant information, it will be alerted to the funding available for them and signposted to these pages to fill in the simple application form.
- Market and coaching support - to maximise the opportunity for potential projects to be made aware of the funding and support opportunities to help them build skills and capacity so they can raise the funds they need.
- Accelerator program - deliver three accelerator programs in each year which ensures projects have access to peer support as well as guidance and support from the crowdfunding provider's own coaches.
- Evaluation process - to supply analytical and evaluation reports as part of measuring the effectiveness of the platform. This will give the Council an opportunity to measure and demonstrate the power of its leverage - the amount of additional money attracted to support projects from other sources. Fundamentally evidence suggests that this approach should enable the Council's money to go further and work harder to support community activities in the area for their social impact tool which will enable the capture of progress and outcomes and will help us to demonstrate the effectiveness of our funds.

4.2 There is a 5% charge of the total cost of the projects that the Council supports, and it is commonplace for fundraisers to add these charges to their target to absorb this fee. If the project does not reach its crowdfunding target no fee is taken.

5 **Match funding**

5.1 Match funding is supported by the platform and can come from a number of sources.

5.2 The Council is proposing to support start-ups and SME's in the city that meet the objectives of the Economic Growth and Regeneration Strategy. To this end initial match funding of £40,000 will be made available from the portfolio reserve, which can provide grants of up to 50% of the total project cost, up to a maximum of £5,000 per project. Grant applications will be managed by SME Development Officer, who will carry out an assessment on project proposals based on the prioritisation schedule attached in the Appendix 3, a summary of all bids including a recommendation for match funding will be submitted to the Director of Regeneration and the Cabinet Member for approval.

5.3 Community orientated projects could be eligible for match funding through the Councils Neighbourhood Community Infrastructure Levy (CIL) process following completion of its new revised procedures and processes which will need to be amended to accommodate any parallel match funding processes.. The grants for CIL will be specifically for community led projects and therefore need to follow separate procedures and recognise specific national regulations. It is possible that in addition to any opportunities for CIL, the Cabinet or another Council Directorate

may wish to create an element of match-funding as a separate fund to the one currently being allocated

- 5.4 Match funding, if awarded, will only be released if the project meets its fundraising target from the crowd. The crowdfunding provider will manage and support fundraisers to do an effective fundraising campaign, as well as helping to navigate and identify other relevant funders to maximise their success rate.
- 5.5 As set out in Appendix 1, groups or organisations that are awarded match funding will enter into a contractual agreement with the Council that confirms the funding will only be used for the purposes set out in the application. No monies will be released from the Council until that agreement is signed.

6 Options Appraisal

- 6.1 The following options were considered in the development of this proposal:

Option		Recommendation	Reason
A	Do nothing	Not Recommended	No benefits are achieved.
B	Establish a traditional small grants programme:	Not recommended	The LEP runs grants programmes and is about to start one for independent retailers to therefore we would duplicate this. A traditional grants programme for e.g. projects would also result in a heavy administrative burden.
C	The Council establishes its own platform.	Not recommended	The Council does not have the expertise or the extensive resources that is required to develop and run a rapidly evolving crowdfunding platform to maximise the user experience. An external provider would also maintain the platform and to ensure that other funders (e.g. RBS/NatWest and Aviva) are also offered on the platform and therefore could back projects. Therefore this not be a cost effective and efficient option.
D	Tender to the open market for any crowd funding platform.	Not recommended	Soft market research was undertaken about donations-based crowdfunding platform, and the two major providers are Crowdfunder UK and Spacehive.
E	Tender to established donation based crowdfunding platforms	Recommended	Option E is preferred because it can deliver a wider grants programme to support projects

only and use that platform to deliver a Portsmouth specific digitised programme.		that support the regeneration of the City, with the use of CIL funding.
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7 Implementation

- 7.1 Following approval of the recommendations of this report, it is proposed that the implementation plan is as follows:
- Work with procurement team to initiate tendering process
 - Work with legal team to contract with the preferred provider
 - Work in partnership with Shaping Portsmouth in selecting the crowdfunding provider; marketing and promotion of these funding opportunities to the wider business community; and assist in evaluation
 - Work with IT team to enable the platform with the provider, and to ensure our corporate identity.
 - Work with the Director of Regeneration to create a prioritisation matrix for economic growth projects that may be eligible for match funding
 - Work with CIL team to formalise the new CIL procedure, process and support the Assistant Director of Planning and Economic Growth in decision making.
 - Work with Communications team to prepare launch of the platform, and with external key partners including Shaping Portsmouth, the Hive.
 - Launch and project "go live"

8 Consultation

- 8.1 There has been a certain amount of consultation with various business groups (Shaping Portsmouth and the Federation of Small Businesses) over the last nine months to work out if there is support for the development of a crowdfunding model for the City. Their aims have been primarily to support regeneration of the City.
- 8.2 During the product development phase further consultation will take place with stakeholders on the design of the platform to ensure it is easy to use, appealing to local users, and that the platform has a strong sense of business, community and place.

9 Risk Management

Risk	Mitigation
Crowdfunding is not a preferred or popular means of fundraising locally.	Many examples of successful ones across UK examined and learning taken on board so risk reduced.
Individuals, groups and organisations do not have skills to run crowdfunding projects.	The crowdfunding provider will provide a training support package and expertise to help build local capacity and capability.

Risk	Mitigation
Projects do not meet their crowdfunding targets.	The onus is on the project lead to engage the crowd and obtain pledges but all projects will benefit from the crowdfunding provider's marketing resources and channels, plus further publicity and promotion from marketing and communications.
Match funded projects are not delivered.	A project plan including costs is submitted with all applications for match funding. Project leads are required to submit a project evaluation to demonstrate outcomes and impact.
CIL runs out or is not available due to development stalling or legislation	Could just run the crowdfunding platform without match funding or just run the business support element using other local funding sources.

10 Contractual Issues - procurement

- 10.1 As advised by the Council's procurement team, the Council can be supported by the procurement team to carry out a 'best value for money' procurement approach, with an estimated timescale of up to 3 months.

11 Staffing Issues

- 11.1 Developing crowdfunding has some implications for staff in Planning and Economic Growth, Finance, legal and procurement who will need to absorb the following work:
- Due diligence checks - Finance and procurement.
 - Providing PR support to promote the platform (resourced by SME Development Officer and Comms team)
 - Providing support to realise the decision making for the council's grant applications (resourced by SME Development Officer).
 - Providing administrative support to process the new revised CIL process of Match funding Board Panel (resourced by existing CIL team)

12 Council Plan

- 12.1 This proposal aligns with several objectives within the Council's Plan which are set out in the table below. Crowdfunding also dovetails with other initiatives such as the Portsmouth Lottery.

Corporate priorities	Impact of this proposal
1. Make Portsmouth a city that works together enabling communities to thrive and people to live healthy, safe and	Crowdfunding is open to anyone wishing to fundraise. It will bring the city together and demonstrate how people are working together to enable communities to thrive. Crowdfunding is empowering because it is democratic and transparent. People can influence what happens in their community and take ownership of local initiatives.

Corporate priorities	Impact of this proposal
independent lives.	
2. Encouraging regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit.	Crowdfunding matched with CIL will encourage more regeneration and bring more resources for such projects. It will give local people and organisations a route to show their support.
3. Make our city cleaner, safer and greener.	Many of the projects will cover these themes.
4. Make Portsmouth a great place to live, learn and play so our children and young people are safe, healthy and positive about their futures.	Local residents/groups/organisations will be able to upload projects through an online platform. So they can ensure that many projects will support children and young people.
5. Make sure our council is caring, competent and collaborative organisation that puts people at the heart of everything we do.	By setting up the platform it shows the Council cares. It shows we are competent as it will boost funding for projects the community cares about. It is a good example of collaboration and putting people at the heart of e.g. the CIL and business rates processes.

13 Equality impact assessment

- 13.1 A full preliminary Equality Impact Assessment (EIA) is not required as this will not have a negative impact on the community or any of the characteristic groups.

14 Legal implications

- 14.1 The Localism Act includes a 'general power of competence'. This gives local authorities the legal capacity to award grants for projects of benefit to the local community. The giving of grants to community organisations is, however, a discretionary power which must be exercised reasonably.
- 14.2 Legal Services will need to review the proposed detailed terms and conditions for (1) the provision and operation of any commissioned crowdfunding platform and (2) the delivery of resulting crowdfunded projects with a view to ensuring that public funds within the Council's control will be appropriately managed and protected.

15 Head of Finance Comments

- 15.1 The report asks the Cabinet Member for Culture and City Development to approve expenditure of £70,000 from the former Planning, Regeneration and Economic Development (PRED) Portfolio reserve.
- 15.2 Delegated responsibility is given to the portfolio holder to agree for the Portfolio reserve to be used in whatever manner he sees fit so a report is not necessary to approve this.
- 15.3 Portfolio Reserve cannot be used to fund ongoing expenditure. The report recommends that the Portfolio reserve funds the scheme for 3 years, at which time the Council will then need to assess whether it wishes to continue with the platform. If it does another source of funding, it will need to be identified. There are currently no known financial consequences of ending this agreement after three years. The cost to get the additional support is £10,000 per annum.
- 15.4 The report also requests that a specific reserve is established which will hold initially £40,000 to be used as match funding for projects that are funded through the Crowdfunding platform. Exact details of the governance have not yet been agreed (a draft proposal is in appendix 3) and these will need to be agreed prior to launching the match funding element.
- 15.5 The Crowdfunding Platform is not dependent on there being match funding available so once the £40,000 has been used the platform can still continue. If the Council wishes to continue with the match funding it will need to identify an alternative source of funding for this.

16 Appendices:

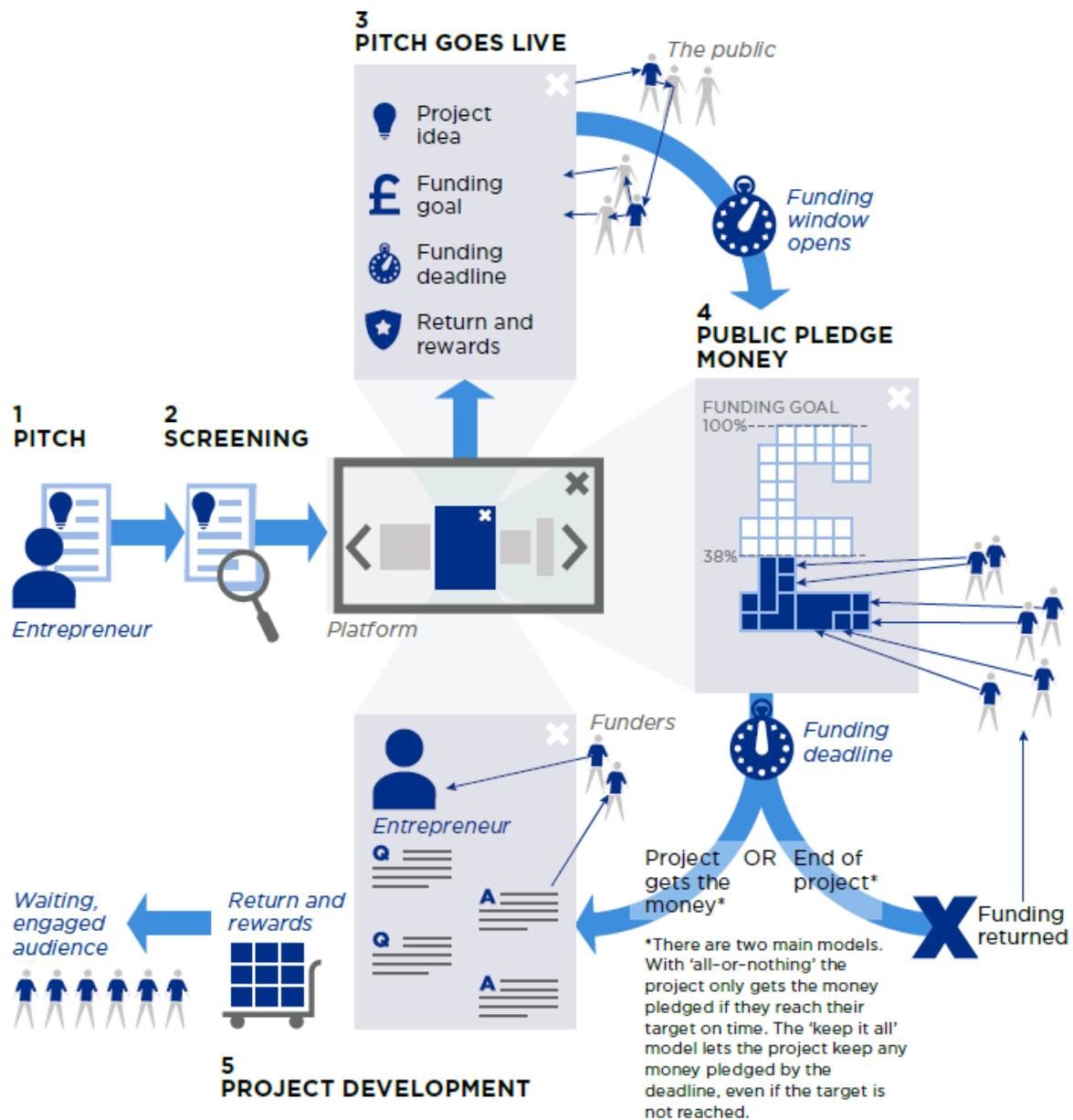
Appendix 1: A typical crowdfunding process and Proposed Crowdfund Portsmouth

Appendix 2: The benefits of using a crowdfunding model

Appendix 3: Prioritisation to enable Match funding support for Economic Growth Projects

Appendix 4: Draft Prioritisation Application Form

Appendix 1: A typical crowdfunding process



(Source: Crowdfunding Good Causes, NESTA, June 2016)

Proposed Crowdfund Portsmouth

Eligibility

The Council is only able to match fund projects that are being delivered by constituted organisations. This includes businesses, community groups, social enterprises, residents or traders associations, local charities, schools, and neighbourhood forums. This is because individuals are not able to be recipients of public money.

Criteria

It is proposed that match funding pledges from the Council are awarded on the basis that projects can demonstrate that they are in line with CIL criteria

Further Essential criteria

- The project must be local to the City and benefit local businesses, people who live or work in it
- The project must have regard to equalities and diversity. It must therefore be inclusive and accessible to everyone.
- The project must have strong local support, shown through a vibrant crowdfunding campaign.

Key process (to be delivered by the crowdfunding provider)

1. The crowdfunding provider will carry out a verification process which takes place before a project is given the green light to post onto the platform, should ensure that proscribed organisations do not have the opportunity to go live with their fundraising. In addition the Council will be alerted to projects before they go live so will be able to raise an alarm on anything suspicious at a very early stage and the much higher visibility on the website once a project does go live means that the “eyes of the crowd” offer an additional level of scrutiny for suspicious groups/activities.
Verification is all about finding and rectifying weaknesses and problems before any fundraising is done, and finding the points of failure before a project starts rather than afterwards which reduces risk for investors and significantly improves project deliverability.
2. Fundraising process commences and a project delivery contract is agreed and when their funding target is reached. Council officers will assess suitable funding bids against the CIL criteria and process, and send on to Cabinet Member for decision making.
3. Project delivery commences and payment is transferred to applicant. The project delivery contract is legally bound to ensure the funds raised are spent delivering the project as set out on the platform, and if not due to negligence or fraud, or if the delivered project is 'substantially different' from that originally promoted to the funders, the applicant would be liable and could be taken to court by either crowdfunding provider or any of the project funders.
4. Evaluation process carried out by the crowdfunding provider.

Appendix 2: The benefits of Crowdfunding model include:

- Go further as the council would not be the only contributors
- Greater visibility for groups on the platform increasing opportunities to secure funds from a range of sources
- An opportunity to attract other partners for joint funding, eg. LEP, banks. Councils may want to use Community Infrastructure Levy or other funding to encourage activity (e.g. local regeneration, parks, sports and leisure). Local businesses may put funds on the platform as a way to fulfil their corporate social responsibility aspirations
- In terms of value for money – crowdfunding is almost exclusively done online through intuitive to use platforms, and savings will be the reduced costs of a digital rather than a paper based system
- Ease of tracking and monitoring the available requests and the contributions being offered
- Improving awareness of issues that are important to local communities and increased levels of civic engagement, therefore increasing opportunities to build local networks of trust
- A collaborative approach to problem solving alongside residents, partners agencies and businesses
- democratic – the crowd chooses which projects succeed, any project can succeed provided it can find that support
- local – backers are typically local, and therefore motivated to see the project succeed, and the process is transparent – backers can see where their investment is spent
- quick – funding can be secured within a matter of weeks
- accesses a large community of potential small investors
- Public authorities using a crowdfunding approach experience, on average, 3.5 times leverage on grants they deploy.

Appendix 3: Project Prioritisation to enable match funding (DRAFT Proposal)

As crowdfunding applications are submitted on the platform, the verification process will be carried out by the crowdfunding provider (TBC), who will assist with identifying the appropriate match funding sources.

The council will receive assessed bids that supported by the prioritisation schedule (see appendix 4) which has an emphasis to support new businesses (start-ups) and existing Portsmouth SMEs on projects that would create new jobs and/or protect existing jobs and that will result in economic growth in the City.

The Council is proposing to support bids that meet the Councils five Corporate objectives and will deliver against the targets set in the Economic Growth and Regeneration Strategy.

To this end the Council will:-

- Provide initial match funding of £40,000, to be made available from the portfolio reserve,
- Provide grants of up to 50% of the total project cost, up to a maximum of £5,000 per project.

Grant applications will be populated by the crowdfunding provider and supported by the SME Development Officer, who will carry out an assessment on project proposals based on the prioritisation schedule attached in the Appendix 4.

A summary of all bids including a recommendation for match funding will be submitted to the Director of Regeneration and the Cabinet Member for approval, quarterly.

There will be an annual review of performance of the crowdfunding platform with reports will be taken to the Director of Regeneration, the Portfolio holder and the Business and Enterprise Group of Shaping Portsmouth. A major review of the success of this trial will be assessed by the Portfolio holder in 2022, the final year of enhanced services operation.

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Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

www.portsmouth.gov.uk

The integrated impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
 - Communities and safety
 - Regeneration and culture
 - Environment and public space
 - Equality & - Diversity This can be found in Section A5

Directorate:

Regeneration

Service, function:

Development Management (CIL Team)

Title of policy, service, function, project or strategy (new or old) :

CIL (Community Infrastructure Levy) Crowdfunder Platform

Type of policy, service, function, project or strategy:

- ☐ Existing
- ☒ New / proposed
- ☐ Changed

What is the aim of your policy, service, function, project or strategy?

The aim is to develop an online crowdfunding platform locally and in doing so use crowdfunding as a means of establishing a small grants process. Funds that can be offered as a percentage of the overall

cost of the scheme/project will come from a proportion of the Neighbourhood CIL Funds available.

Has any consultation been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

No consultation has taken place. Prior to composing a report for full cabinet consideration, portfolio holder for Planning Policy & City development along with Assistant Director of Planning & Economic Growth, Regeneration are aware of the proposed scheme/project.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A1-Crime - Will it make our city safer?



In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact Lisa.Wills@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The proposed scheme will provide a positive impact within the 'grass roots' of localised communities within the city. The focus of the scheme is based on supporting development of an area by (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or (b) anything else that is concerned with addressing the demands that development places on an area.

Experience has dictated that projects that have come forward for funding (through the current neighbourhood CIL allocation strategy), have a strong alignment with the 4 local strategic priorities for action (as set out within the Safer Portsmouth Partnership Plan 2018-2020). As a result, the project scheme to link up with Crowdfunder will only build on the success generated through our current neighbourhood CIL allocation strategy and provide further localised infrastructure to assist in the local strategic priorities for action.

How will you measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils CIL Infrastructure Funding Statement.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A2-Housing - Will it provide good quality homes?



In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A3-Health - Will this help promote healthy, safe and independent living?



In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact Dominique.Letouze@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

A host of schemes/projects will have the opportunity to come forward to seek funding for different infrastructure desires. At the heart of the assessment process will be the alignment of Regulation 59 of the Community Infrastructure Levy (Amendment) Regulations 2013 and furthermore the Council's corporate priorities, and in particular 'Make Portsmouth a city that works together enabling communities to thrive and people to live healthy, safe and independent lives'. There is an alignment between the criteria on what neighbourhood CIL can be spent on and the Council's Health and Wellbeing Strategy 2018-2021. History has provided a 'snap shot' of schemes and projects that have benefited from neighbourhood CIL funding that have a positive impact on the residents of Portsmouth's physical, social, emotional and mental health. Projects such as the installation of cycle stations across the city, the installation of defibrillator's, improvements to open spaces and also internal improvements to community centres to allow all sectors of the community to have easy access to facilities.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer with the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are

progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils CIL Infrastructure Funding Statement.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A4-Income deprivation and poverty-Will it consider income deprivation and reduce poverty?



In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact Mark.Sage@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>

<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The scheme has the capability to provide support for educational infrastructure insofar a capital expenditure. Again, history has provided a 'snap shot' of schemes/projects that have benefited from neighbourhood CIL funding in which infrastructure fused with educational support provides the residents of Portsmouth facilities to support and encourage educational requirements. The proposed scheme will fully encompass eligibility to support capital educational infrastructure to encourage and allow the residents of Portsmouth to flourish.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils CIL Infrastructure Funding Statement.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A5-Equality & diversity - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact gina.perryman@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Equality and diversity will be at the heart of the scheme. It will be Inclusive to all within Portsmouth to upload their scheme/project to the platform, however all schemes will be required to meet the criteria for funding (which is heavily linked to Regulation 59 of the Community Infrastructure Levy (Amendment) Regulations 2013).

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils CIL Infrastructure Funding Statement.

A marketing strategy is also being worked up to launch and promote the scheme so that it reaches to all sections of the community.

B - Environment and climate change**Yes****No**

Is your policy/proposal relevant to the following questions?

B1-Carbon emissions - Will it reduce carbon emissions?

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Schemes may well come forward for example the planting of trees, provision of green infrastructure to reduce carbon footprint. Applications that have benefited from neighbourhood CIL funding through the current allocation strategy has provided sustainable and carbon neutral infrastructure around the city such as planting, bicycle hoops and bicycle repair stands. Schemes like this provide vital infrastructure to support residents and commuters to leave their vehicles at home and use 'greener' forms of transport. It is envisaged that the proposed link up with Crowdfunder will allow more schemes and projects to come forward to reduce greenhouse gas emissions, reduce the need for motorised vehicle travel and encourage and support residents to reduce carbon emissions.

It must also be highlighted that as a result of a host of different schemes/projects coming forward for the community of Portsmouth to benefit from, this will result in a more localised offering of facilities/community activities, resulting in residents being less inclined to drive to the facilities/community activities as they are more localised.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils CIL Infrastructure Funding Statement.

B - Environment and climate change**Yes****No**

Is your policy/proposal relevant to the following questions?

B2-Energy use - Will it reduce energy use?

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact Triston.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

<https://democracy.portsmouth.gov.uk/documents/s24685/Home%20Energy%20Appendix%201%20-%20Energy%20and%20water%20at%20home%20-%20Strategy%202019-25.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B3 - Climate change mitigation and flooding-Will it proactively mitigate against a changing climate and flooding?

★

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B4-Natural environment-Will it ensure public spaces are greener, more sustainable and well-maintained?

★

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>
<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Projects may come forward to provide localised green infrastructure, for example increasing tree coverage within the city, additional planting within parks and highways. Projects may also come forward that create a sense of community cohesion and support community projects such as encouraging biodiversity and protect habitats.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils CIL Infrastructure Funding Statement.

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B5-Air quality - Will it improve air quality?



In thinking about this question:

- How will it reduce motor vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact Hayley.Trower@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Schemes may well come forward for example the planting of trees, provision of green infrastructure to reduce carbon footprint. Applications that have benefited from neighbourhood CIL funding through the current allocation strategy has provided sustainable and carbon neutral infrastructure around the city such as bicycle hoops and bicycle repair stands. Schemes like this provide vital infrastructure to support residents and commuters to leave their vehicles at home and use 'greener' forms of transport. It is envisaged that the proposed link up with Crowdfunder will allow more schemes and projects to come forward to reduce greenhouse gas emissions, reduce the need for motorised vehicle travel and encourage and support residents to reduce carbon emissions. Furthermore the link up with Crowdfunder will also provide an opportunity for schemes/projects to come forward that could mitigate traffic congestion, and reduce the reliance on private cars and encourage more 'greener' travel.

It must also be highlighted that as a result of a host of different schemes/projects coming forward for the community of Portsmouth to benefit from, this will result in a more localised offering of facilities/community activities resulting in residents being less inclined to drive to the facilities/community activity as they are more localised.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils annual CIL Infrastructure Funding Statement.

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B6-Transport - Will it improve road safety and transport for the whole community?



In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it allocate street space to ensure children and older people can walk and cycle safely in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact Pam.Turton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The scheme aims to provide improved infrastructure needs across the city through the link up with Crowdfunder. Inclusive of this will be the opportunities for project leads to tailor their applications that may align with the councils priorities including the Local Transport Plan 3. We have already seen the benefit the current allocations strategy has had on improving road safety and sustainable transport for the city. This has included the installation of speed bumps, bicycle hoops, bicycle repair stations and safety signs. The same set of criteria that the current allocation strategy uses will also be used as the criteria for the link-up with Crowdfunder, and as such it is anticipated that further schemes/projects will follow that will help improve road safety and transport across the city.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils annual CIL Infrastructure Funding Statement.

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B7-Waste management - Will it increase recycling and reduce the production of waste?



In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact Steven.Russell@portsmouthcc.gov.uk or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C1-Culture and heritage - Will it promote, protect and enhance our culture and heritage?



In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact Claire.Looney@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Infrastructure is a broad term and as such the definition can cover a whole range of schemes and projects within the city. The scheme has the powerful scope to enhance the cultural and heritage assets on offer and provide a conduit to attract more people into the city. Community events, art works sporting/recreational activities, leisure enhancements are only just a few areas that can support the cultural values of the city and furthermore encourage events and attractions within the city. The knock-on effect of this not only goes to the heart of the city offering more services/activities but also enhances community cohesion.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils annual CIL Infrastructure Funding Statement.

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C2-Employment and opportunities - Will it promote the development of a skilled workforce?



In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

History has taught us that schemes/projects that have come forward through the current allocation strategy have been heavily linked laying the foundations in providing facilities and knowledge to improve local residents employment opportunities. Whether that be a place to work, or help and support in CV writing. These are traits that can be transferred to the proposed link up with Crowdfunder and encourage applications to come forward that would assist in educational training and personal development.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils annual CIL Infrastructure Funding Statement.

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C3 - Economy - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?



In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth in the city?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The proposed link up with Crowdfunder UK will only have a positive impact on the local economy of Portsmouth. As a result of a host of different schemes/projects that may come forward, this will inevitably attract the local community and even communities further afield to enjoy the offerings of the projects/schemes (such as art work and improved community facilities) and as a result will increase footfall within the city to which the local economy can benefit from.

How are you going to measure/check the impact of your proposal?

Within the package offered by Crowdfunder, they will provide annual reports on each project achievement. This will also include lessons learnt and recommendations related to how the fund was delivered.

Furthermore the Planning Obligations Spend Officer within the CIL team will closely monitor schemes that have benefited from funding and will 'check in' on them at certain points during their cycle to establish how they are progressing. This will also include monitoring/documenting their overall effects within the community. The Planning Obligations Spend Officer will also compose reports for each individual project that is achieved. These will be for public view and also integrated within the councils annual CIL Infrastructure Funding Statement.

Q8 - Who was involved in the Integrated impact assessment?

Adam Breacher - Planning Obligations Spend Officer
Tristan Thorn - Strategy Advisor (Climate Change)

This IIA has been approved by:

Contact number:

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Date:

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Agenda Item 9



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(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting: Cabinet

Subject: Supporting people in financial hardship

Date of meeting: Tuesday 9th March 2021

Report by: James Hill, Director of Housing, Neighbourhood and Building Services

Report Author: Mark Sage, Tackling Poverty Coordinator

Wards affected: All

1. **Requested by** Councillor Chris Attwell, Cabinet Member for Communities and Central Services.

2. Purpose

- 2.1. To outline steps taken by the council since the start of the coronavirus pandemic to support Portsmouth residents experiencing financial hardship.
- 2.2. To note the contribution of teams across the council, and the collaboration with voluntary sector partners (through for example the HIVE and Tackling poverty Steering Group) to tackle poverty in the city.

3. Information Requested

- 3.1. The following sections will outline several areas of activity where the council provides, or helps to support, services assisting people in financial hardship.
- 3.2. The first lockdown had a negative impact on many of our residents' finances. Our resident research last summer told us that 28% of households had seen a negative impact on their finances, such as reduced income, providing financial support to family and friends, or using savings to cover living costs.
- 3.3. However, the impact was hardest for the lowest income households and those with children, with 41% of those with a household income below £20,000 a year, and 40% of households with children, reporting a negative impact.
- 3.4. The number of new claims to Universal Credit in Portsmouth increased by 350% during the first lockdown in March and April 2020, with the total number of working age

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people claiming an out of work benefit more than doubling to over 10,000 people between March and May.

3.5. The council responded quickly, in partnership with the voluntary sector and other services in the city, to support people in financial hardship affected by the pandemic.

4. Information and advice

4.1. The council's website *Work and Money - Coronavirus information* page has been regularly updated with information on support for people in financial hardship including national schemes such as Furlough and Self-Employed Income Support, and locally delivered schemes such as the Test and Trace Support Payments.

4.2. The council's *Money advice* webpage is regularly updated to provide residents with information to help them to:

- 4.2.1. Ensure they receive all financial assistance they are entitled to;
- 4.2.2. Access specialist debt advice for any problem debts;
- 4.2.3. Find ways to reduce their household bills and expenditure.

4.3. The main council-funded money advice services are provided through Advice Portsmouth, the housing service specialist money advisers and adult services' Finance, Assessments and Benefits team, but the council is also working closely with other services offering money advice, including Citizens Advice Portsmouth.

4.4. Working in partnership with HIVE Portsmouth offers residents a helpline for advice on any issues they are facing due to the pandemic, including access to advisers from Advice Portsmouth and Citizens Advice Portsmouth.

4.5. We are delivering an income maximisation campaign to ensure people know where to find money advice and get help as soon as possible.

5. Local welfare

5.1. The impact on household finances caused by the pandemic has highlighted that even where a household is receiving all of the income it is entitled to, including earned income, welfare benefit entitlements and the national schemes implemented in response to the pandemic, sometimes this is not enough to meet their essential expenditure, and additional local welfare provision is required.

5.2. The first lockdown saw a big increase in foodbank use, with the number of people accessing the Trussell Trust foodbanks in Portsmouth more than doubling between February and April 2020.

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- 5.3. The council recognises the huge contribution made by foodbanks and community meals (or soup kitchens) to ensure that people in Portsmouth don't go hungry, and the hard work and dedication required to continue to provide services throughout each stage of the pandemic.
- 5.4. The council works closely with a network of foodbank and community meal providers to share information and resources, and during the pandemic has provided assistance in the form of personal protective equipment when needed, advice on operating safely, and £20,300 funding for food supplies when stocks were low.
- 5.5. The council also works with local businesses to support donations of food, and provides information to local services and residents to ensure people can access help with food when needed.
- 5.6. During the first lockdown, the council made arrangements to provide food for homeless people in hotel accommodation, when takeaway services were closed and people were unable to visit friends and family for meals.
- 5.7. Staff from the View (the staff café in the Civic Offices) and Somerstown Hub cafes worked in partnership with Play and Youth workers and the Housing Needs team to cook and deliver meals daily, providing over 1,200 hot meals and thousands of sandwiches.
- 5.8. The council's Play and Youth services provide food on-site, using a weekly food delivery from FareShare. At times when on-site provision has stopped or only provided for limited numbers, Play and Youth teams have kept in touch with families, and used their FareShare delivery to create regular food parcels for those in need.
- 5.9. Council officers provided support to HIVE Portsmouth to identify sources of funding for voluntary sector services in the city to enable them to increase their offer of support to residents during the pandemic.
- 5.10. The council and HIVE Portsmouth supported the citywide Harvest campaign, and Christmas giving campaign, to support local services providing food and other help to local people in need.
- 5.11. We assisted Pompey in the Community to bid for funding from DEFRA in August, bringing in additional funding for food aid provided by the HIVE and other local groups.
- 5.12. Following this, all councils were awarded Emergency Assistance Grant funding by DEFRA for food, energy and other essentials. Having already been successful in attracting funding for food and energy costs, we were able to direct this funding towards other essential needs, including clothing and digital inclusion.

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- 5.13. In October 2020 the government confirmed that it would not extend the summer voucher scheme for families of children eligible for free school meals, to prevent 'holiday hunger'. The council committed to securing the funds to ensure that schools could provide vouchers for eligible families during the Christmas holiday and Spring half term.
- 5.14. In December 2020, the council received the first tranche of up to £765,635 of COVID Winter Grant Scheme funding from the Department for Work and Pensions. The funds will be used for a number of different schemes to help people in financial hardship, including supermarket voucher schemes, energy meter vouchers and a discretionary grant scheme.
- 5.15. At Christmas, the families of over 8,000 school students in Portsmouth received a £30 voucher to help with the cost of food, and a £15 voucher during the Spring half term.
- 5.16. Help is also being provided to lower income families with children in early years childcare or young people aged 16-19 in further education.
- 5.17. The council is also working with partners to deliver a discretionary grants scheme for residents in financial hardship (see section 8).

6. Fuel poverty

- 6.1. The council provides a range of support to help households save energy and save money, promoted through our *Switched On Portsmouth* website.
- 6.2. The Energy Services team has continued to work with partners and attract external funding to reduce fuel poverty in the city.
- 6.3. A sudden drop in income can leave people with pre-payment meters without gas or electricity. The council works in partnership with the Environment Centre, who successfully applied to Ofgem's Redress Scheme funding, to implement a voucher scheme for gas and electricity pre-payment meter customers during the first lockdown. This funding was then extended until December 2020, and in total around £15,000 was awarded, assisting over 200 households. Once Ofgem's Redress funding ended, it was replaced by council funding from the COVID Winter Grant Scheme.
- 6.4. Between 24th December 2020 and 31st January 2021, over £16,000 of COVID Winter Grant Scheme funding was distributed to 183 households with a key meter at risk of fuel poverty.
- 6.5. Although our home energy visit service, provided in partnership with Agility Eco, has been unable to visit most households this year, it has switched to offering a telephone

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advice service, with home delivery of items to reduce energy costs, including LED lightbulbs and radiator reflectors.

6.6. These telephone calls have been enhanced by the new Switched On Portsmouth Freephone helpline, 0800 260 5907, which helps residents to resolve any issues they have with home energy use and costs.

7. Digital inclusion

7.1. Digital connection and online resources have been more important than ever during this pandemic, and the council has played its part in helping residents with the three main issues causing digital exclusion:

- 7.1.1. Lack of a suitable device;
- 7.1.2. Lack of a connection or sufficient data;
- 7.1.3. Digital skills.

7.2. The council worked with the Department for Education to distribute devices under their national scheme.

7.3. However, working with schools to understand the needs of students and parents, it was clear that the national scheme only met a small proportion of the need in the city.

7.4. The council's Education team used £30,000 Emergency Assistance Grant funding and £70,000 from the Education Elementary Fund to create a £100,000 Portsmouth Tackling Digital Disadvantage Fund, to enable Portsmouth primary schools to invest in digital technology to support the learning of vulnerable children and families.

7.5. A further £20,000 of Emergency Assistance Grant funding was provided to the HIVE's Digital Lending Library project, to enable vulnerable people to get online. Alongside the provision of funding, the council is working closely with Shaping Portsmouth to utilise the skills and resources of businesses in the city to tackle digital exclusion for school students and the wider community.

8. Discretionary financial support

8.1. Portsmouth received £793,153 funding for discretionary housing payments in 2020/21 and is on course to use the full allocation by the end of the year. This includes help for tenants to pay the top up between their benefit entitlement and their rent, help with the costs of moving, and help towards rent arrears in some cases.

8.2. Test and Trace Support Payments (TTSP) were launched in September 2020 with funding from the Government. This includes a discretionary element for households

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who will lose income due to self-isolation, but who are not in receipt of one of the qualifying welfare benefit entitlements.

8.3. In September 2020, the Government provided funding for 130 discretionary TTSP awards, but by January 2021, this funding was exhausted, and so the council committed a further £65,000 from its local Test and Trace funding to continue to provide discretionary TTSP when needed, to ensure residents can afford to self-isolate when required.

8.4. The COVID Winter Discretionary Grant Scheme was launched with partner agencies in January 2021, and by the end of January 2021, over £19,000 had been awarded to 50 local households.

8.5. The scheme enables council teams and voluntary sector partners to award discretionary grants to residents who are struggling with the costs of keeping warm and well-fed. A team at HIVE Portsmouth is providing fulfilment of awards, giving partner agencies a simple way to access essential items for clients in need.

9. Local authority housing service

9.1. Support for tenants facing financial hardship is central to the service provided by Housing to our customers. Our housing office teams provide advice and support to tenants to improve their financial situation.

9.2. This could be prompted by problems paying the rent, a change in household circumstances, or other tenancy issues the housing officer is supporting with.

9.3. Each housing office has support from a specialist money adviser, helping housing officers to ensure their customers receive everything they are entitled to, get help with any unmanageable debt, and reduce their household bills.

9.4. This is based on an individual assessment of the household's finance and needs, and includes:

- 9.4.1. Help with training and access to employment through the Resident Engagement service,
- 9.4.2. Support for applications to welfare benefits, including health and disability benefit entitlements;
- 9.4.3. Supporting tenants to challenge incorrect decisions, which may require submission to a benefits appeals tribunal;
- 9.4.4. Supporting tenants to understand their Universal Credit accounts and payment schedules, and reduce unaffordable deductions;

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- 9.4.5. Specialist debt advice, including support to apply for Debt Relief Orders or bankruptcy when needed;
- 9.4.6. Help to reduce energy bills using the Switched On Portsmouth offer, and to apply for reduced social tariffs for water bills;
- 9.4.7. Helping tenants to access charitable grants, foodbanks and other forms of practical help.

9.5. As well as the help available to each customer from their housing office, the service provides regular money advice information and updates via our House Talk magazine for residents.

10. Partnerships

- 10.1. The council works with partners across the city in a number of forums focussed on tackling poverty and providing assistance to people in financial hardship.
- 10.2. Portsmouth's tackling poverty steering group brings partners together from across the statutory and voluntary sectors in the city to achieve a shared understanding of the needs in the city and how to work in collaboration to lift households out of poverty, and provide support to mitigate the effects of poverty.
- 10.3. The foodbank network, supported by the council's tackling poverty coordinator, facilitates organisations in the city working together to tackle hunger.
- 10.4. The Universal Credit partnership for Portsmouth brings together social housing services, money advice agencies and colleagues from local Jobcentres to share learning on the roll out of Universal Credit, in order to understand and address issues for customers.
- 10.5. The Portsmouth Mental Health Alliance was set up in May 2020 in response to the COVID-19 pandemic. The aim of the alliance is to bring people and organisations together from across the City to improve the mental health and wellbeing of all who live, work or study in Portsmouth. One work stream for the Alliance aims to address debt and financial issues, which are closely associated with poor mental health.
- 10.6. The Debt and Benefits Forum, coordinated by one of the Local Authority Housing service money advisers, brings together a wide range of frontline teams supporting people in financial hardship. Throughout the pandemic the forum has shared information on support for people in financial hardship, to help ensure that agencies are up to date with issues affecting residents, and the help that is available to them locally and nationally.

11. Summary

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- 11.1. The council remains committed to tackling poverty in Portsmouth, as outlined in the council's priorities to enable communities to thrive, make Portsmouth a great place to live, work and visit, and ensure our children are safe, healthy and positive about their futures. We do this as a caring, competent and collaborative organisation that puts people at the heart of everything we do.
- 11.2. In response to the pandemic, council services have worked flexibly and creatively, in partnership with HIVE Portsmouth and the wider voluntary and community sector in the city, to ensure assistance is available to those that need it most.
- 11.3. As the longer term impacts of the pandemic start to take effect, which are expected to include higher rates of unemployment, household debt, and risk of homelessness, the council will continue to work in partnership to ensure help is available to residents when needed.
- 11.4. Tackling poverty will be central to achieving our long term City Vision, including our ambition to make Portsmouth a fair and equal city where everyone has the opportunity to succeed.

.....
Signed by James Hill - Director of Housing, Neighbourhood and Building Services

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Coronavirus Resident Research	Home - Coronavirus Survey (portsmouth.gov.uk)
Work and money – coronavirus information	Work and money - coronavirus information - Portsmouth City Council
Money Advice	Work and money - coronavirus information - Portsmouth City Council
Switched On Portsmouth	Switched On Portsmouth - Save Energy. Save Money

Agenda Item 10



THIS ITEM IS FOR INFORMATION ONLY

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting:	Cabinet
Subject:	Cabbagefield Row, Havant - Update on Progress
Date of meeting:	9 th March 2021
Report by:	James Hill - Director Housing Neighbourhood and Building Services
Author:	Jo Bennett - Head of Building Relationships, Growth and Support
Wards affected:	N/A Housing Revenue Account (HRA) land held in Havant

1. Requested by the Councillor Gerald Vernon-Jackson, Leader of the Council

2. Purpose

- 2.1 To update the Cabinet on progress with the Cabbagefield Row Site
- 2.2 To explain the benefits to social housing and Portsmouth of developing the site.

3. Information Requested

3.1 Background

- 3.1.1 Cabbagefield Row, Leigh Park is a 7.4 hectare greenfield site in the ownership of the HRA. The site is included within the Pre-Submission Havant Borough Council (HBC) Local Plan 2036 as suitable for residential development.
- 3.1.2 The site was appropriated to the HRA for £4,040,000 in April 2015. Since then the HRA have been paying debt interest on the site of around 3.67% per annum, so a cost per annum of around £148,000. This means to date the HRA has incurred around £888,000 in borrowing costs. MIS for appropriation attached as Appendix A.
- 3.1.3 The current valuation of the site is circa £6,000,000.
- 3.1.4 The Strategic Developments team were asked to provide a feasibility study for the development of housing on the site on 29 January 2019.

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- 3.1.5 A local architectural firm (PDP of Havant) were commissioned to provide a basic site plan to gain understanding of likely numbers with an initial brief to develop a number of homes for market sale/rent, possibly through use of Ravelin. This site plan (18000-SK161) was used to approach HBC Planners for initial advice on acceptability & information on site data required to take to a pre-planning application meeting in early April 2019.
- 3.1.6 A number of surveys were identified and, in particular, a detailed and extensive long term ecological survey of the wildlife in and around the site. That survey report was received on 29 July 2020.
- 3.1.6 Following initial feasibility works, review of our waiting list and discussions with colleagues from HBC it was decided to attempt to develop the site for council homes to be held within the HRA with HBC being given allocation rights as required by planning.
- 3.1.7 The Portsmouth housing waiting list has 2210 households waiting for homes and of these 813 have expressed interest in PCC's housing stock in Havant. Cabbagefield Row could be allocated to some of these 813 households as the site sits within the Leigh Park area.
- 3.1.8 There are at the time of writing 125 households in temporary accommodation. This number fluctuates significantly and as recently as October sat at 200. The cost per night for a placement in temporary accommodation depends on the accommodation used by generally costs between £35 and £70 per night.
- 3.1.9 The expected allocation split for the site is 70/30 PCC to HBC seeing approximately 105 dwellings being able to be allocated from the Portsmouth list and 45 properties from the Havant list.
- 3.1.10 The tenure and allocations position is to be tested through an outline planning application. This application will also address access, layout and scale, with landscaping and appearance left as Reserved Matters.
- 3.1.11 The outline planning permission will then provide clarity on what is possible for this site and will allow for a full decision for the scheme and a review of the benefits to PCC.
- 3.1.12 The decision to progress with a report to the Cabinet Member solely to obtain outline planning permission rather than the usual route to requesting a full capital scheme was taken to ensure certainty of the tenure and allocations for the development ensuring that the HRA does not incur costs for a development if it is not possible to provide council homes on the site.

THIS ITEM IS FOR INFORMATION ONLY

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

3.1.13 On the 25th January 2021, a report was brought to Councillor Sanders, Cabinet Member for Housing and Preventing Homelessness regarding Cabbagefield Row Housing Development. Document attached as Appendix B.

3.1.14 The following decisions were made:

3.1.14.1 The Cabinet Member approved Housing Revenue Account (HRA) Capital Expenditure of £260,000 at most to deliver outline planning consent for a development of circa 150 council housing dwellings on the land known as Cabbagefield Row, Havant.

3.1.14.2 The Cabinet Member noted that a further report will be brought once outline planning consent is achieved to detail the consent and to request permission for the build and future capital spend. The build standard and make up of units will also be included in the future paper as they are not yet decided

3.2 Next Steps

3.2.1 The tenure and allocations position is to be tested through an outline planning application. This application will also address access, layout and scale, with landscaping and appearance left as Reserved Matters.

3.2.2 The outline planning permission will then provide clarity on what is possible for this site and will allow for a full decision for the scheme and a review of all options and the associated benefits to PCC.

3.2.3 A report is due to be brought before the Cabinet Member for Housing and Preventing Homelessness in November 2021 following the determination of the outline planning permission. The decision meeting will look at the capability of the HRA to develop council homes on the site and will review the options for this site and the benefits to both the HRA and the council as a whole. Should there be a decision to proceed with development at this time the delivery model for the site will also be discussed and decided at this meeting.

.....
Signed by James Hill - Director of Housing, Neighbourhood and Building Services

THIS ITEM IS FOR INFORMATION ONLY

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Appendices:

- A MIS for Appropriation [MIS \(portsmouth.gov.uk\)](https://www.portsmouth.gov.uk/mis)
- B Cabinet Member for Housing and Preventing Homelessness decision meeting 25th January 2021

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

Agenda Item 11



Title of meeting: Cabinet

Date of meeting: Tuesday 9th March 2021

Subject: Clean Air Zone - Clean Air Fund Eligibility Criteria and Prioritisation

Report by: Tristan Samuels, Director of Regeneration

Wards affected: All

Key decision: No

Full Council decision: No

1 Purpose of report

- 1.1 Central Government has imposed a Ministerial Direction on the City Council to deliver a Class B Clean Air Zone (CAZ) (and other measures) to reduce levels of nitrogen dioxide to comply with at least the legal limit value in the shortest possible time.
- 1.2 The Clean Air Fund (CAF) measures are intended to support the CAZ by ensuring that particular groups of stakeholders who own or depend on non-compliant vehicles for business operations are not disproportionately impacted by the proposed interventions.
- 1.3 The purpose of this report is to outline the eligibility criteria for applicants for the CAF, and set out how applications will be prioritised to ensure those most affected receive support first.

2 Recommendations

- 2.1 It is recommended that Cabinet approve the proposed eligibility criteria and prioritisation lists for determining CAF application outcomes as detailed in paragraphs 2.2 to 2.7 below.
- 2.2 Private Hire and Hackney Carriage applicants may be eligible for the financial incentive where they meet all of the following criteria:
 - a) Are the registered keeper and/or owner of a Private Hire or Hackney Carriage taxi/s that is/are non-compliant
 - b) The vehicle/s must have been licensed with Portsmouth City Council at a time between May 2020 and application.

- c) Use reasonable endeavours to continually licence the compliant vehicle/s with Portsmouth City Council for the next 3 years.
- d) Have not been in receipt of, are not in the process of applying for, and will not apply for, CAF incentives from another authority.

2.3 Bus and Coach, and HGV CAF applications may be eligible for the financial incentive where they meet all of the following criteria:

- a) Are a business that owns/leases and uses non-compliant vehicles
 - a. Bus and Coach: M3 - GVW over 5000kg and more than 8 seats in addition to the driver
 - b. HGV: N2 - GVW over 3500kg, N3 - GVW over 5000kg
- b) Must have owned or leased the vehicle/s for at least 12 months prior to application*
- c) Must have been actively trading for more than 12 months and up to February 2020
- d) Must be able to evidence frequency of entry to the proposed Clean Air Zone boundary by the existing non-compliant vehicle/s to be upgraded (average 2 or more days per week), and frequency of entry to the Clean Air Zone by the upgraded compliant vehicle/s
- e) Must evidence the sale of any non-compliant vehicle/s that is/are being replaced through this fund
- f) Have not been in receipt of, are not in the process of applying for, and will not apply for, CAF incentives from another authority

**Exceptions may be considered for applicants who propose to replace an existing non-compliant vehicle model that cannot be retrofit with a non-compliant vehicle model that can be retrofit, as part of the CAF application.*

2.4 Applications for financial support for upgrading Buses and Coaches through the CAF will be prioritised based on how well they score in meeting the following criteria, which is listed in order of importance to achieving the grant's objective:

1. You will be prioritised if you are a small or medium size (0-249 employees), ahead of applicants representing large businesses (250+ employees)
2. You will be prioritised if you trade from either Portsmouth or on the Isle of Wight and your commercial operations would be detrimentally impacted or not possible without access to the Clean Air Zone, ahead of applicants who are registered and located outside of Portsmouth and Isle of Wight and/or have the ability to re-route commercial operations to avoid the CAZ.
3. You will be prioritised if the proportion of non-compliant vehicles in your total fleet limits the ability to rotate your fleet so that only your compliant vehicles use the CAZ, ahead of applicants who have a sufficient number/proportion of compliant vehicles in their fleet to make it possible to use them for CAZ use instead.
4. You will be prioritised if you can demonstrate that your business is not in administration, insolvent or has a striking-off notice being made

5. You will be prioritised based on your frequency of use of the CAZ, with higher frequency users be prioritised over those who infrequently use the CAZ, and especially whose use is less than 2 days per week on average.
6. You will be prioritised if not receiving funding would result in an impact on local young people, local older people, and local tourism, ahead of those who in not receiving funding would have no impact on these groups.
7. You will be prioritised if you have not been in receipt of other Government funding; ahead of those who have may have received Covid-19 Bus Service Support Grant for example
8. You will be prioritised where financial and business need can be proven, ahead of those who cannot demonstrate a financial or business need.
9. You will be prioritised if you are able to demonstrate a good maintenance record of vehicle can be evidenced, ahead of those who cannot demonstrate a good maintenance record.

2.5 Applications for financial support for upgrading HGVs through the CAF will be prioritised based on how well they score in meeting the following criteria, which is listed in order of importance to achieving the grant's objective:

1. You will be prioritised if you are a small or medium size (0-249 employees), ahead of applicants representing large businesses (250+ employees)
2. You will be prioritised if you trade/operate from an address in either Portsmouth or on the Isle of Wight and your commercial operations would be detrimentally impacted or not possible without access to the Clean Air Zone, ahead of applicants who are registered and located outside of Portsmouth and Isle of Wight and/or have the ability to re-route commercial operations to avoid the CAZ.
3. You will be prioritised if the proportion of non-compliant vehicles in your total fleet limits the ability to rotate your fleet so that only your compliant vehicles use the CAZ, ahead of applicants who have a sufficient number/proportion of compliant vehicles in their fleet to make it possible to use them for CAZ use instead
4. You will be prioritised if you can demonstrate that your business is not in administration, insolvent or has a striking-off notice being made
5. You will be prioritised if you regularly conduct commercial operations within the Clean Air Zone (two or more times per week)
6. You will be prioritised if you are a businesses who would be most adversely affected by the CAZ charge as a proportion of your business turnover (i.e. due to transportation costs as proportion of turnover, or dependence on deliveries as part of core business)
7. You will be prioritised if you are a businesses that provide hire or reward services to local SMEs, whose Portsmouth based client can support the application by demonstrating the need and business case for funding for that particular supplier
8. You will be prioritised where financial and business need can be proven, ahead of those who cannot demonstrate a financial or business need

9. You will be prioritised if you are able to demonstrate a good maintenance record of vehicle can be evidenced, ahead of those who cannot demonstrate a good maintenance record.
- 2.6 Grants can not be awarded retrospectively to vehicle upgrades being completed as part of the CAF scheme.
- 2.7 Non-compliant vehicles that are eligible for an exemption from the CAZ charge cannot also apply to the CAF scheme.
- 2.8 Delegated Authority is granted to the Cabinet Members for Environment & Climate Change and Traffic & Transport, to review and amend the eligibility criteria and prioritisation criteria following each round of funding, if uptake of the grant is low.

3 Background

Ministerial Directions

- 3.1 Portsmouth City Council has been issued with four Ministerial Directions. These place a legally binding duty on the Council to undertake a number of steps to improve air quality in the city.
- 3.2 Ministerial Directions 1 – 3, issued between March and October 2018, required PCC to; undertake a Targeted Feasibility Study for two of the most heavily polluted roads in Portsmouth; undertake a retrofit programme for all commercial buses travelling through those two roads and; produce an Air Quality Plan to set out the case for delivering compliance with legal limits for NO₂ in the shortest possible time. The Outline Business Case (OBC) for this Plan was submitted in October 2019 and resulted in the issue of the fourth Ministerial Direction:
- 3.3 Ministerial Direction 4 (March 2020): The fourth Ministerial Direction required PCC to implement a Class B Clean Air Zone, and supporting measures, in Portsmouth as soon as possible and in time to bring forward compliance with legal limits for nitrogen dioxide to 2022.

Secured Funding

- 3.4 The CAF measures are intended to support the Clean Air Zone by ensuring that particular groups of stakeholders are not disproportionately impacted by the proposed interventions. This funding will be used to directly assist individuals representing three vehicle categories to switch to cleaner vehicles, and help normalise the use of cleaner vehicles in the local community.
- 3.5 Funding from the OBC has been awarded by government's Joint Air Quality Unit (JAQU) for each of the vehicle categories, including:

- £604,500 - with an additional £76,500 'stretch-funding' for Private Hire Vehicles and Hackney Carriages, including £1,500 and £4,000 for standard taxis and Wheelchair Accessible Vehicles (WAVs).
- £495,000 for buses and coaches, providing 33 x £15,000 grants; and,
- £576,000 for HGVs, providing 36 x £16,000 grants

Request for Additional Funding

- 3.6 The Full Business Case (FBC), submitted in December 2020, requested additional funding to further support the CAF measures. This request was based upon the result of the consultation undertaken in July and August 2020, and ongoing engagement by officers. As anticipated, this work confirmed that the funding awarded by JAQU in response to the OBC was insufficient to meet expected demand. The anticipated exceedance of demand against the original funding awarded is particularly significant for Wheelchair Accessible Vehicles, bus and coaches, and HGVs, highlighting small and medium businesses. We have made the case for additional funding, but there is no guarantee this will be received.
- 3.7 The request for additional funding put forward in the FBC would, if approved, result in the following overall funds being available:
- £1,264,500 - for Private Hire Vehicles and Hackney Carriages, including £1,500 for standard taxis (263 in total) and £15,000 for Wheelchair Accessible Vehicles (WAVs; 58 in total).
 - £900,000 for buses and coaches, providing 60 x £15,000 grants; and,
 - £800,000 for HGVs, providing 50 x £16,000 grants
- 3.8 The FBC sets out how owners of Wheelchair Accessible Vehicles (WAVs) face significant upgrade costs to make their vehicles compliant. 42 out of the 58 non-compliant WAVs are owned and operated by individual owner operators. Of those which are owned or operated by more than one individual, almost all are small operations, generally with between 2-3 vehicles each. Therefore, the case is made that all WAV owners will be significantly impacted by the introduction of the CAZ.
- 3.9 WAV's provide an essential service in allowing disabled members of society partake in normal, day to day life. Disability is a protected characteristic under the Positive Action under Equality Act 2010, and so PCC are keen to ensure a smooth continuation of services for this group. Due to the higher upgrade costs and importance of ensuring that there is not a drop in the number of WAVs operating within the city, PCC are requesting grant funding to support all non-compliant Wheelchair Accessible Vehicles in upgrading their vehicles, with the amount requested covering the majority of the upgrade costs.

- 3.10 The concerns relating to the cost of upgrading WAVs significantly exceeding the level of funding being made available by JAQU, have been raised to the Secretary of State by four Local Authorities, including Transport for Greater Manchester, Birmingham, Sheffield, and Portsmouth City Council. The letter addressed (see **Appendix A**) outlines the shared concerns of the impact of Government Policy on the Hackney Carriage sector, and particularly with JAQU's guidance related to Clean Air Zones. The joint letter states that *"Without further consideration and support, the trade is clear that current policy may well threaten livelihoods and the sector as a whole and impoverish convenient and wheelchair accessible hackney carriage provision."* The letter identifies the causes of the trade's 'dynamic context' which is resulting in its 'unsustainable position'. These include; Government policy and guidance; legislative loopholes which enable local regulatory evasion and a resulting open market for private hire vehicles licensed elsewhere; competition from app-based private hire services; and the impact of COVID-19. Consequently, the joint letter calls for a serious review of the government approach, and asks the Secretary of State to assess the case for funding support in light of the wider implications for the trade.

Eligibility Criteria, Prioritisation and Accessibility

- 3.11 The expected demand for the CAF measures has been reflected in the formulation of the eligibility criteria and prioritisation factors, in order to help meet the CAF's primary objective.
- 3.12 The COVID-19 impact and lockdown has also been recognised in the formulation of this eligibility criteria and prioritisation factors. Notably this is reflected, for example, in the use of February 2020 as a cut-off date for an active trading and business operation. Discretion will be applied in assessing applications where business operation has been significantly affected since March 2020, but where reasonable recovery plans are demonstrated.
- 3.13 To ensure the funding is accessible, steps being undertaken alongside the setting of eligibility criteria and prioritisation listing includes:
- Engagement with relevant stakeholders from the affected groups, trade associations and other Local Authorities who are implementing a CAZ and CAF
 - Dedicated website to channel communication and provide up to date FAQs and useful links <https://travel.portsmouth.gov.uk/schemes/clean-air-fund-financial-support-for-businesses/>
 - Request to central government to increase funding for Wheelchair Accessible Vehicles, and the number of grants available for buses and coaches (from 33 to 60), and HGVs (from 36 to 50)
 - Contact with local car sales suppliers and vehicle retrofit suppliers to identify suitable vehicle upgrade support channels, methods and scheme discounts
 - Design of online pre-registration form and online application form

- Plans to adjust and update the funding package distribution design should initial demand for grants prove to be low (i.e. to arrange to offer an alternative interest-free finance loan as an alternative option to grants)

3.14 The eligibility criteria and prioritisation factors outlined in this paper have been prepared in consideration with other local authorities, consultation, and engagement with the trades, whilst ensuring that they are in line with Portsmouth's unique and changing situation. A summary of eligibility criteria and prioritisation factors by other local authorities can be found in **Appendix B** of this paper.

Application Launch and Rounds

3.15 The funding application is due to launch on Friday 19th March 2021, prior to purdah, and will remain open until all funding is spent, with the aim of completion where possible before the introduction of the CAZ due to take place in November 2021.

3.16 Funding is planned to be organised in rounds, including:

- Round 1: 19th March - 19th April (4 weeks), with outcomes confirmed 1 week later.
- Round 2 (subject to remaining funding): 19th April - 31st May (6 weeks), with outcomes confirmed a week later.
- Round 3: Should there still be funds remaining after the first two rounds, a third round is likely to be opened in June and would remain open until all rolled-over funds have been distributed.

3.17 Funding rounds for bus/coach and HGV grants will be set and publicised in order to:

- Encourage prompt applications;
- Offer assessors a window for undertaking a comparative assessment of the level of likely detrimental impact amongst and between applicants, through a process of scoring based on the prioritisation factors; and,
- Identify (and adjust if necessary) the standard and thresholds to which this need should be assessed.

3.18 The funding rounds arrangement will mean that funding will not simply be provided on a 'first come first served basis'. All applications which are submitted in a particular round will be assessed against one another in how they meet the criteria, and to what extent they should be prioritised against other applications based on the prioritisation factors. While applications will not be awarded on a 'first come first served' basis, prompt applications will, nevertheless, be incentivised by the advantage created through successfully submitting an application in the earlier rounds.

- 3.19 Initially, applications for bus/coach and HGV grants will be permitted to cover up to 3 vehicles per applicant. This number has been informed by known non-compliant fleet size ranges confirmed through consultation and engagement, as well as the aim to ensure fair access and distribution amongst applications. Should funding remain available after Round 1, the amount of grants to be available per applicant will be reviewed and may be revised.
- 3.20 Applications for taxi grants will not be limited in the number of non-compliant licensed vehicles that can be applied for per applicant. However, the need to limit the number would be reviewed after each round. Taking this approach should not detrimentally effect any particular group's receiving of a CAF grant, based on the current scenario whereby all licensed non-compliant vehicles can be supported by the funding.

4 Eligibility Criteria

Private Hire and Hackney Carriage

- 4.1 An eligibility criteria has been composed for the Private Hire and Hackney Carriage CAF measure. Responses to the July 2020 Public Consultation from Private Hire and Hackney Carriage drivers indicated support for an eligibility criteria as opposed to a first-come, first served system. 69% of respondents opposed a first-come, first served system, with 16% supporting it and 15% neither supporting nor opposing.
- 4.2 The proposed eligibility criteria for Private Hire and Hackney Carriage applicants is as follows:
- Applicants may be eligible for the financial incentive where they meet all of the following criteria:
 - a) Are the registered keeper and/or owner of a Private Hire or Hackney Carriage taxi/s that is/are non-compliant
 - b) The vehicle/s must have been licensed with Portsmouth City Council at a time between May 2020 and application.
 - c) Use reasonable endeavours to continually licence the compliant vehicle/s with Portsmouth City Council for the next 3 years.
 - d) Have not been in receipt of, are not in the process of applying for, and will not apply for, CAF incentives from another authority.
- 4.2.1 Eligibility criteria 'a' will ensure that applications are only made to upgrade vehicles that will be charged for entering the CAZ.
- 4.2.2 Eligibility criteria 'b' will ensure that applicants for the CAF grant are those who are most dependent on operating in Portsmouth and within the CAZ boundary. Engagement with the trade has indicated that the majority believe the funding should only be available to applicants licensed with Portsmouth City Council. The May 2020 date has been used as this was the latest point at which both Private Hire and

Hackney Carriage licences had been renewed: 31 January, and 30 April respectively. Using May 2020 as the earliest point ensures that applicant vehicles have recently been used as taxis within Portsmouth. This criteria point also helps prevent applications being submitted (whether made by former drivers, operators, car sales or leasing companies) for older unused non-compliant vehicles.

- 4.2.3 Eligibility criteria 'c' aims to ensure that the compliant vehicle/s will primarily be driven in Portsmouth as opposed to another local authority area¹. It also aims to ensure that the funding will be used to full effect during the CAZ lifetime, benefitting the local economy and environment. It discourages the resale of the compliant vehicle within the 3 years, and is designed to prevent fraudulent use of the funds.
- 4.2.4 A business case will not be requested in the application. However, in situations where further information may be considered necessary to determine the current and forecasted financial stability of the business, further engagement with the applicant will be undertaken. This would be in addition to assessing the relevant answers provided in the application, which will be referenced too in the T&Cs. Should the grant recipient go on to sell the new/upgraded vehicle/s within the 3 year period, the recipient may be required to return part or all of the grant money, with ownership to be monitored throughout the CAZ lifetime. Similarly, the eligibility criteria's wording makes it clear that drivers should be licensed with PCC for 3 years after receiving the money. As raised by members of the PCC's licensing committee, it is important to include this in order to prevent fraudulent use of the funds in the money not being used for its intended purpose. Relevant legally binding conditions within the grant Terms & Conditions will include such wording as follows:

*"Where the Council finds that the Applicant is in breach of this Agreement, including, (but not limited to), fraudulent or inaccurate applications, the Council may seek recovery of the Grant Funding and may bring legal proceedings against the legal owner and/or Registered Keeper and/or revoke the Taxi Vehicle Licence or PHV Licence of the Taxi or PHV referenced in the Application."*²

- 4.2.5 Eligibility criteria 'd' will ensure that the funding is available to those most in need locally, and deter applicants who may be eligible to apply for similar funding from another local authority and who could gain a

¹ Similar wording is including in Southampton City Council's established taxi incentive scheme: *The new vehicle will remain licensed in Southampton under the same plate number for three years with the same proprietorship* <https://www.southampton.gov.uk/environmental-issues/pollution/air-quality/concessions/>

² Example wording taken from Birmingham City Council's CAF T&Cs page <https://www.brumbreathes.co.uk/info/27/financial-incentives/2/clean-air-zone-1/5>

competitive advantage as a result. This will be included as a condition within the grant Terms & Conditions.

Bus and Coach and HGV

4.3 The proposed eligibility criteria for Bus and Coach applicants, and HGV applicants is as follows:

- Applicants may be eligible for the financial incentive where they meet all of the following criteria:
 - a) Are a business that owns/leases and uses non-compliant vehicles
 - a. Bus and Coach: M3 - GVW over 5000kg and more than 8 seats in addition to the driver
 - b. HGV: N2 - GVW over 3500kg, N3 - GVW over 5000kg
 - b) Must have owned or leased the vehicle/s for at least 12 months prior to application*
 - c) Must have been actively trading for more than 12 months and up to February 2020
 - d) Must be able to evidence frequency of entry to the proposed Clean Air Zone boundary by the existing non-compliant vehicle/s to be upgraded (Average 2 or more days per week), and frequency of entry to the Clean Air Zone by the upgraded compliant vehicle/s
 - e) Must evidence the sale of any non-compliant vehicle/s that is/are being replaced through this fund
 - f) Have not been in receipt of, are not in the process of applying for, and will not apply for, CAF incentives from another authority

**Exceptions may be considered for applicants who propose to replace an existing non-compliant vehicle model that cannot be retrofit with a non-compliant vehicle model that can be retrofit, as part of the CAF application.*

- 4.3.1 Eligibility criteria 'a' will ensure that applications are only made to upgrade vehicles that will be charged for entering the CAZ.
- 4.3.2 Eligibility criteria 'b' will ensure that applicants have not purchased a non-compliant vehicle for the sole purpose of accessing the fund to improve and sell on the vehicle at a higher price, or to sell and be able to afford a compliant vehicle., Exceptions may be considered for applicants who propose to replace a non-compliant vehicle model that cannot be retrofit with a non-compliant vehicle model that can, as part of their CAF application. As with all applicants' associated transactions, however, this exchange must not take place prior to application submission and funding approval.
- 4.3.3 Eligibility criteria 'c' will ensure that applicants have been established and trading, to provide reassurance that the vehicles will be run for their intended purpose, and to help in providing records of previous entry to

the CAZ, despite the possible temporary impact of COVID-19 to trading from March 2020.

- 4.3.4 Eligibility criteria 'd' is required to check that applicants will be willing to provide records, on demand, of entry to the CAZ by the existing vehicle to support the application, and by the upgraded vehicle supported by the fund, including through telematics, client contracts, or records of orders, for example. This will be included as a condition within the grant Terms & Conditions and/or Contract.
- 4.3.5 Eligibility criteria 'e' is required to ensure that the fund is used for its intended purposes; to make it possible to bring forward the renewal date of a non-compliant vehicle and reduce the likelihood of the non-compliant vehicle from being used in the CAZ in future. This will also help to avoid giving an applicant a competitive advantage by using the fund to increase their fleet rather than replace a vehicle.
- 4.3.6 Eligibility criteria 'f' will ensure that the funding is available to those most in need locally, and deter applicants who may be eligible to apply for similar funding from another local authority and who could gain a competitive advantage as a result. This will be included as a condition within the grant Terms & Conditions.

5 Prioritisation factors

- 5.1 Alongside the eligibility criteria, prioritisation factors will be in place during the application process.
- 5.2 The extent to which prioritisation would need to be applied in assessing applications is dependent upon the demand for funding. However, from the outset, it has been clear and publicised that there will not be sufficient funding available to support all individuals and business affected by the CAZ. In such instances, a prioritisation list will help ensure that the funding is going to those most in need, and to determine the standards and thresholds by which such 'need' is assessed.
- 5.3 Prioritisation for PHV and Hackney Carriage applicants is not required as, based on the current level of non-compliant vehicles, the funding available is sufficient to provide access to grants to all licensed non-compliant PHVs and Hackney Carriages³.

³ In May 2020, registered non-compliant PHV and taxi PCC licenses reduced significantly to 320 vehicles, from 447 in October 2019. This level of reduction in licenses is understood to be largely due to COVID-19 and the associated lockdown, where a number of vehicle licenses were temporarily suspended. The number of non-compliant vehicles with PCC licenses only exceeded this level in July 2020, with a total of 351 vehicles having active PCC licenses. Since August 2020, the total number has not exceeded 321. When including the 'stretch-funding' conditionally approved by JAQU, 98% of the 351 non-compliant taxis and Wheelchair Accessible Vehicles registered in July 2020 (the highest level since pre-COVID-19) would be able to access funding. The fact of at least 98% of non-compliant vehicle owners being supported by this fund is dependent on the assumption that; for those licensees who by January 2021 have not yet returned to

- 5.4 The prioritisation lists will be used to assess the strength of a funding application, and discretion will be applied in assessing each application with regards to how well the application meets the priorities against other applications submitted in the same round.
- 5.5 Follow up engagement with applicants will provide an important opportunity to further establish this need and identify any other measures that can be implemented by individuals and businesses before and instead of receiving CAF funding.

Bus and Coach Prioritisation:

- 5.6 Applications will be prioritised based on how well they score in meeting the following criteria, which is listed in order of importance to achieving the grant's objective:
1. You will be prioritised if you are a small or medium size (0-249 employees), ahead of applicants representing large businesses (250+ employees)
 2. You will be prioritised if you trade/operate from an address in either Portsmouth or on the Isle of Wight and your commercial operations would be detrimentally impacted or not possible without access to the Clean Air Zone, ahead of applicants who are registered and located outside of Portsmouth and Isle of Wight and/or have the ability to re-route commercial operations to avoid the CAZ.
 3. You will be prioritised if the proportion of non-compliant vehicles in your total fleet limits the ability to rotate your fleet so that only your compliant vehicles use the CAZ, ahead of applicants who have a sufficient number/proportion of compliant vehicles in their fleet to make it possible to use them for CAZ use instead
 4. You will be prioritised if you can demonstrate that your business is not in administration, insolvent or has a striking-off notice being made
 5. You will be prioritised based on your frequency of use of the CAZ, with higher frequency users be prioritised over those who infrequently use the CAZ, and especially whose use is less than 2 days per week on average
 6. You will be prioritised if not receiving funding would result in an impact on local young people, local older people, and local tourism, ahead of those who in not receiving funding would have no impact on these groups
 7. You will be prioritised if you have not been in receipt of other Government funding; ahead of those who have may have received Covid-19 Bus Service Support Grant for example
 8. You will be prioritised where financial and business need can be proven, ahead of those who cannot demonstrate a financial or business need.

trading since before COVID-19, relicensing their vehicles with PCC again would be financially unviable and/or not in compliance with PCC PHV and taxi licensing restrictions. Meanwhile, it is understood that any drivers who were previously leasing a non-compliant vehicles before suspending trading, are likely to lease a compliant vehicle should they return to trading.

9. You will be prioritised if a good maintenance record of vehicle can be evidenced, ahead of those who cannot demonstrate a good maintenance record.
- 5.6.1 Prioritisation factor '1' recognises that small and medium enterprises (as opposed to larger businesses) are likely to be most negatively and directly impacted by the CAZ charge.
- 5.6.2 Prioritisation factor '2' will ensure that the funding is available to local businesses who would be most affected by the charge due to use of the zone for commercial operations and being limited in making alternative arrangements that avoid the zone. The prioritisation of businesses registered and located on the Isle of Wight has been put in place to minimise the impact of the CAZ on the Isle of Wight's economy, as has been raised in concern by businesses that are reliant on the crossing from Portsmouth.
- 5.6.3 Prioritisation factor '3' recognises that businesses with a low percentage of compliant vehicles may not have the scope to only use compliant vehicles within the CAZ. Comparatively, those with a higher percentage of compliant vehicles may be able to ensure that only those vehicles are used for routes through the boundary.
- 5.6.4 Prioritisation factor '4' will ensure that the funding is provided to those businesses that are likely to continue trade throughout the expected lifetime of the CAZ. While a business case will not be requested in the application. However, in situations where further information may be considered necessary to determine the current and forecasted financial stability of the business, further engagement with the applicant will be undertaken. This would be in addition to assessing the relevant answers provided in the application, which will be referenced to in the T&Cs
- 5.6.5 Prioritisation factor '5' will help prioritise those applicants who are using the CAZ frequently enough to require the investment of an upgrade, above those who will be less affected by the CAZ charge due to infrequency of use, or can otherwise absorb the CAZ charge costs or any necessary vehicle upgrades within existing budgets.
- 5.6.6 Prioritisation factor '6' will ensure that these groups are not negatively impacted by the reduction of services or increase in charges.
- 5.6.7 Prioritisation factor '7' will ensure that priority is given to applicants that have received less government support recently, especially during the COVID-19 lockdown. These applicants are more likely to have seen a slow-down to their natural fleet replacement schedule.

- 5.6.8 Prioritisation factor '8' allows the individual evaluation of cases that may not meet all of the other factors but should be considered in regards of the main objective of the grant.
- 5.6.9 Prioritisation factor '9' will provide reassurance of good use of the funds by applicants who will maintain the new upgraded vehicle in good condition, and/or that installation of retrofit technology will not be compromised by a poorly maintained vehicle, or that the retrofitted vehicle's roadworthiness life span will not compromise the effectiveness of, or be outlived by, the retrofit technology.

HGV Prioritisation

- 5.7 Applications will be prioritised based on how well they score in meeting the following criteria, which is listed in order of importance to achieving the grant's objective:
1. You will be prioritised if you are a small or medium size (0-249 employees), ahead of applicants representing large businesses (250+ employees)
 2. You will be prioritised if you trade/operate from an address in either Portsmouth or on the Isle of Wight and your commercial operations would be detrimentally impacted or not possible without access to the Clean Air Zone, ahead of applicants who are registered and located outside of Portsmouth and Isle of Wight and/or have the ability to re-route commercial operations to avoid the CAZ.
 3. You will be prioritised if the proportion of non-compliant vehicles in your total fleet limits the ability to rotate your fleet so that only your compliant vehicles use the CAZ, ahead of applicants who have a sufficient number/proportion of compliant vehicles in their fleet to make it possible to use them for CAZ use instead
 4. You will be prioritised if you can demonstrate that your business is not in administration, insolvent or has a striking-off notice being made
 5. You will be prioritised if you regularly conduct commercial operations within the Clean Air Zone (two or more times per week)
 6. You will be prioritised if you are a businesses who would be most adversely affected by the CAZ charge as a proportion of your business turnover (i.e. due to transportation costs as proportion of turnover, or dependence on deliveries as part of core business)
 7. You will be prioritised if you are a businesses that provide hire or reward services to local SMEs, whose Portsmouth based client can support the application by demonstrating the need and business case for funding for that particular supplier
 8. You will be prioritised where financial and business need can be proven, ahead of those who cannot demonstrate a financial or business need
 9. You will be prioritised if a good maintenance record of vehicle can be evidenced, ahead of those who cannot demonstrate a good maintenance record.

- 5.7.1 Prioritisation factor '1' recognises that small and medium businesses (as opposed to larger businesses) are likely to be most negatively and directly impacted by the CAZ charge.
- 5.7.2 Prioritisation factor '2' will ensure that the funding is available to local businesses who would be most affected by the charge due to use of the zone for commercial operations and being limited in making alternative arrangements that avoid the zone.
- 5.7.3 Prioritisation factor '3' recognises that businesses with a low percentage of compliant vehicles may not have the scope to only use compliant vehicles within the CAZ. Comparatively, those with a high percentage of compliant vehicles may be able to ensure that only those vehicles are used for routes through the boundary.
- 5.7.4 Prioritisation factor '4' will ensure that the funding is provided to those businesses that are likely to continue trade throughout the expected lifetime of the CAZ. In situations where further information may be considered necessary to determine the current and forecasted financial stability of the business, further engagement with the applicant will be undertaken. This would be in addition to assessing the relevant answers provided in the application, which will be referenced to in the T&Cs
- 5.7.5 Prioritisation factor '5' will help prioritise those applicants who are using the CAZ frequently enough to require the investment of an upgrade, above those who will be less affected by the CAZ charge due to infrequency of use, or can otherwise absorb the CAZ charge costs or any necessary vehicle upgrades within existing budgets.
- 5.7.6 Prioritisation factor '6' will ensure that businesses most negatively financially impacted by the CAZ charge are prioritised with the CAF measures.
- 5.7.7 Prioritisation factor '7' will ensure that businesses providing services to SMEs are not negatively impacted, and therefore that this negative impact is not passed down to the SMEs.
- 5.7.8 Prioritisation factor '8' allows the individual evaluation of cases that may not meet all of the other factors but should be considered in regards of the main objective of the grant.
- 5.7.9 Prioritisation factor '9' will provide reassurance of good use of the funds by applicants who will maintain the new upgraded vehicle in good condition, and/or that installation of retrofit technology will not be compromised by a poorly maintained vehicle, or that the retrofitted

vehicle's roadworthiness life span will not compromise the effectiveness of, or be outlived by, the retrofit technology.

6 Retrospective Funding

- 6.1 Retrospective funding would allow individuals to make an application for a non-compliant vehicle that has been recently retrofitted or replaced and is now compliant with the CAZ emission standards.
- 6.2 Retrospective funding has not been made available by most other Local Authorities. Southampton City Council did not make retrospective funding available for their Low Emission Taxi Incentive scheme; similarly BathNES do not allow retrospective requests for their CAF incentives. Birmingham City Council have allowed retrospective funding in some instances, where the vehicle was purchased after 10/09/18 (the date that they formally announced introduction of their CAZ) and is either electric/ULEV taxi or a fully electric or long range plug-in hybrid.
- 6.3 It is recognised that individuals or businesses who have taken proactive measures to improve their vehicles' emissions standards would not welcome feeling 'penalised' by taking such positive local actions and being ineligible for receive the grant funding as a result. Furthermore, it is appreciated that as a direct consequence of such proactive investment decisions, those individuals and businesses may in the short term be in a relatively less healthy financial position, when compared with those who have not yet made such investments and are therefore eligible for the grant support.
- 6.4 Nevertheless, the main objective of the CAF measures is to help those *most* affected by the CAZ charge, and to do this so that the CAZ can help achieve air quality objectives in the shortest possible time. For the purpose of meeting these objectives, individuals and businesses who have been in a financial position to make the business decision to upgrade non-compliant vehicles to compliant vehicles, and particularly to ULEVs, will have to be assumed as less likely to fall into the category of 'most affected by the CAZ', and support for these parties cannot be viewed as imperative in order to achieve the wider CAZ objectives.
- 6.5 Allowing retrospective funding requests may lead to funding not reaching all those most affected by the CAZ charge. Supporting those most affected must remain the core objective of the funds in support of the wider CAZ scheme objective; to reduce levels of nitrogen dioxide to comply with at least the legal limit value in the shortest possible time, ensuring that particular groups of stakeholders who own or depend on non-compliant vehicles for business operations are not disproportionately impacted by the proposed interventions.
- 6.6 It is recommended that awarding grants retrospectively to vehicle upgrades being completed is not permitted as part of this CAF scheme.

- 6.7 All endeavours shall be made in official communication and engagement channels that applicants must submit and receive approval of their application before upgrading vehicles.

7 Other support available for CAZ non-compliant vehicles

- 7.1 Exemptions for the lifetime of the CAZ will be available to some non-compliant vehicle groups that would otherwise be charged for travelling in the CAZ. Additionally, sunset periods are available to some non-compliant vehicle groups for a set time-period after the CAZ has launched.
- 7.2 Exemptions and sunset periods will be in place by the CAZ launch date, and were agreed by the decision of this cabinet on Tuesday 1st December 2020
- 7.3 Recognising that the main objective of the CAF measures are to help those *most* affected by the CAZ charge, it is recommended that individuals or businesses cannot apply for CAF funding for vehicles that are eligible for exemptions for the lifetime of the CAZ.
- 7.4 It is recommended that cabinet approve that vehicles that are eligible for an exemption cannot also apply for CAF funding.

8 Reasons for recommendations

- 8.1 It is recommended that the proposed eligibility criteria and prioritisation factors, as set out in **paragraphs 2.2 - 2.5** are implemented to ensure that the Clean Air Fund measures are distributed to those most negatively impacted by the Clean Air Zone charges.
- 8.2 It is **recommended that retrospective funding is not made available**, as this is likely to undermine the intended purpose of the CAF measures to help those most affected by the CAZ charge, and compromise PCC's ability to deliver on this Ministerial Directive; to reduce levels of nitrogen dioxide to comply with at least the legal limit value in the shortest possible time.
- 8.3 It is **recommended that non-compliant vehicles that are eligible for an exemption from the charge for the lifetime of the CAZ cannot also apply for CAF funding**, as this will likely undermine the intended purpose of the CAF measures.
- 8.4 It is **recommended that delegated authority is provided to the Cabinet Members for Environment & Climate Change and Traffic & Transport to review and amend the eligibility criteria and prioritisation criteria**, following each round of funding, if uptake of the grant is low; this will allow for the criteria to be changed quickly to allow for funds to be completely distributed

9 Legal implications

- 9.1 On 24 December 2020 the UK and EU reached an agreement in principle which culminated in the 'UK-EU Trade and Cooperation Agreement' ("the Trade Agreement"). At the same time, the UK government enacted secondary legislation, which revoked the old EU State Aid rules in the UK with effect from 31 December 2020 (subject to the provisions of the Northern Ireland Protocol). However, the UK remains committed to applying the new Subsidy Control principles set out in the Trade Agreement.
- 9.2 In addition to the above, the UK is subject to additional commitments on subsidy control arising from the UK's membership of the World Trade Organisation. Lastly, the UK has signed Free Trade Agreements with other countries and some of these agreements contain provisions on subsidies which must all be taken into before a decision to award any subsidy is taken.
- 9.3 Based on the information set out above, and the fact that a cap of 3 bus/coach and HGV grants per applicant is proposed, it is not expected that any funding to a beneficiary will exceed the new "*de minimis*" threshold of 320,000 Special Drawing Rights (equivalent to around £334,000 as at 25 February 2021) over a three-year period under the Trade Agreement. However, it is advised that Legal Services is contacted in the event that the said threshold is likely to be neared or exceeded.
- 9.4 It is worth noting that the Department for Business, Energy & Industrial Strategy (BEIS) has launched a consultation on its proposed new approach to Subsidy Control in the UK which may result in new regime on Subsidy Control being introduced. It is, therefore, important to regularly monitor the rules and legislation as this may directly affect our ability to grant this funding.
- 9.5 It is also anticipated that grant agreements will contain relevant clauses which will allow the Council to reclaim the grant funding if it was deemed that the funding was granted not in accordance with the Subsidy Control rules (as may be amended from time to time) in the UK.
- 9.6 With regards to eligibility criteria, the Council needs to ensure that the proposed eligibility criteria are fair, proportionate and reasonable in these particular circumstances and that they are not directly or indirectly discriminatory in order to comply with its public sector equality duty under the Equality Act 2010.

10 Director of Finance's comments

- 10.1 Funding from the Outline Business Case has been awarded by the Joint Air Quality Unit for each of the vehicle categories, including £604,500 for Private Hire Vehicles and Hackney Carriages, £495,000 for buses and coaches and £576,000 for HGVs. Due to the likelihood of applications for HGV, bus and coach grants exceeding the funding available it is necessary to outline our approach to prioritisation. The eligibility criteria and prioritisation factors

outlined in this paper have been prepared in consideration with other local authorities, consultation, and engagement with the trades. Should our request for additional funding in the Full Business Case be successful, the requirement to prioritise eligible applications will be reduced.

.....
Signed by:

Appendices:

- Appendix A - Join letter from Local Authorities to Secretary of State
- Appendix B - Eligibility Criteria and Prioritisation adopted by other Local Authorities
- Appendix C - Clean Air Fund Summary Report
- Appendix D - Distributional Impact Assessment
- Appendix E - Financial Incentives other Local Authorities are offering

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Local Air Quality Plan- Progress Update (Cabinet 09/0919)	https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=126&MId=4346&Ver=4
Local Air Quality Plan- Outline Business Case (Cabinet 29/10/2019)	https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=126&MId=4402&Ver=4
Clean Air Zone Consultation Feedback (Cabinet 06/10/2020)	https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=126&MId=4537&Ver=4
Clean Air Zone- Exemptions, Sunset Periods and Hours of Operation (Cabinet 01/12/20)	https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=126&MId=4620&Ver=4
Hackney Carriage and Private Hire Matters- Amendments to the Statement of Licensing Policy (Licensing Committee 18/12/20)	https://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=125&MId=4654&Ver=4
Clean Air Fund Guidance (DEFRA, March 2018)	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693239/clean-air-fund-gov-resp-section2-separated.pdf
Clean Air Zone Framework (DEFRA, February 2020)	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf

Environment Act 1995	http://www.legislation.gov.uk/ukpga/1995/25/contents
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The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

.....
Signed by

Dear Secretary of State

As you will know, hackney and private hire services are a crucial part of our transport network. The journeys they provide are a lifeline for many, they underpin our evening and night time economies and not least, the sector provides a significant number of jobs, both directly and through the wider supply chain.

We are increasingly concerned however about the consequential effects of Government directed policies and guidance, particularly on the hackney carriage sector. Without further consideration and support, the trade is clear that current policy may well threaten livelihoods and the sector as a whole and impoverish convenient and wheelchair accessible hackney carriage provision.

We fully endorse the case for improving air quality, reducing carbon emissions and improving standards for our locally licensed fleets. Locally, we are putting in place measures and policies that directly support these shared goals.

And of course, it is vital that taxi and private hire services that operate in our communities reduce their NO2 emissions, but it is concerning that by focusing almost exclusively on that important but narrow objective, JAQU to have not appreciated the predictable and consequential policy effects.

In many urban areas, hackney vehicles have been licensed to a higher standards than private hire, typically requiring them to operate wheelchair accessible, 'London' style black cabs. Hitherto, this provided drivers and owners with a predictable business model, and the wider public with access to a versatile and accessible fleet.

However, in the context of JAQU's guidance relating to Clean Air Zones (CAZ), hackneys and private hire are included in all CAZ definitions. This, combined with the current legislative loophole that permits local regulatory evasion by private hire drivers and vehicle owners, means it is difficult to achieve the same high standards across the private hire sector through licensing policy even as they directly compete for a similar market as hackney carriages. It is for example effectively impossible to require wheelchair accessible vehicles across the local private hire fleet, as anyone who chose not to could simply seek a driver and vehicle licence elsewhere and continue to serve the local market using a standard saloon car.

The hackney trade was already seeing reduced demand, to some extent as a result of new app-based private hire business models, and both sectors are clear that they have been hugely impacted by the economic consequences of COVID-19. Whilst the acceleration of Government's policy to reduce transport-related carbon emissions is welcomed, as per Green Industrial Revolution, together these pressures are combining in such a way as to place the trade in an unsustainable position, not least as wheelchair accessible, and zero emission capable vehicles suitable for hackney services require a very high initial capital outlay.

It is in this dynamic context that we believe that the current Government approach needs serious review, if it is to properly support the sector.

We would propose the following approach from Government.

- In assessing the case for funding support to help renew hackney and private hire fleets in the context of a local Clean Air Zone, considering wider implications, for example:
 - the likely effects on the provision of wheelchair accessible vehicles and other adapted vehicles (for example for SEND transport), and local authorities equalities responsibilities

- the likely effects on supporting the shift to ZEC vehicles
- Closing the loophole which permits out of area operation for private hire. This practice allows fair and democratically determined local safety and environmental standards to be undercut, threatening the achievement of local and national policy objectives.

This approach would then give local authorities the regulatory and funding tools to achieve our shared goals, by providing adequate support for hackney owners to renew their vehicles in a way that met both environmental and accessibility requirements, and ensured that local private hire fleets were also subject to local regulation.

We would be keen to pick up a dialogue on the matters raised with you and your officials at the earliest opportunity.

Yours sincerely,

CC – Joint Air Quality Unit

Appendix A - Eligibility Criteria and Prioritisation adopted by other Local Authorities

Local Authority	HC/PHV	Bus/Coach & HGV
Birmingham	<ul style="list-style-type: none"> Are the register owner/ keeper of a hackney carriage taxi that will be charged Have been the register owner/ keeper of that vehicle since before 10 September 2018 Are a licensed by Birmingham City Council as a Hackney Carriage driver 	<ul style="list-style-type: none"> Must be an SME which has been actively trading for more than 12 months Own or lease vehicles that do not meet the Clean Air Zone emission standards Eligible vehicles must be: <ul style="list-style-type: none"> Registered within Birmingham's CAZ Registered and located within the Birmingham City area and conducting commercial operations within the CAZ Registered and located within the West Midlands area and conducting commercial operations within the CAZ Must be able to evidence: <ul style="list-style-type: none"> Frequency of entry to CAZ based on current operations Current emissions standard of eligible non-compliant Heavy Duty Vehicle(s) The size of the business The base location of the non-compliant vehicles for the last 12 months

Local Authority	HC/PHV	Bus/Coach & HGV
Bath	<ul style="list-style-type: none"> • Chargeable non-compliant vehicles • That travel frequently into or around the zone • Or if you operate from a premises within the zone • Priority given to individuals, charities, sole traders, and small businesses • Must have lived at, or traded from, current address since April 2020 • Must have owned the vehicle you want to replace since April 2020 	<ul style="list-style-type: none"> • Chargeable non-compliant vehicles • That travel frequently into or around the zone • Or if you operate from a premises within the zone • Priority given to individuals, charities, sole traders, and small businesses • Must have lived at, or traded from, current address since April 2020 • Must have owned the vehicle you want to replace since April 2020
Southampton	<ul style="list-style-type: none"> • The current vehicle must be a Euro 3 petrol or Euro 5 diesel or older • You must have been the current vehicle's proprietor for at least the previous 12 months • The current vehicle has been licensed in Southampton for at least the previous 12 months • The current vehicle has driven at least 8,000 miles in the previous 12 months • The current vehicle won't be re-licensed as a taxi or private hire vehicle • The new vehicle will meet all other licensing requirements • The new vehicle has not already been licensed as a taxi or private hire vehicle in Southampton • The new vehicle will remain licensed in Southampton under the same plate number for three years with the same proprietorship • Vehicle proprietors are limited to a maximum grant award of £15,000 each • Applications will only be considered when submitted prior to the new vehicle being licensed 	N/A

CAF Summary Report

Clean Air Fund Bid

The Clean Air Fund (CAF) has been set up to support individuals and businesses most affected by the local NO₂ plans. The funding from the CAF is to be secured alongside that from the implementation fund so that any identified measures can be procured parallel to the local plan. The CAF was initially composed of £220 million, and is a competitive fund which all local authorities producing local NO₂ plans can apply to. Because of this, it is important to note that the measures proposed to be funded by the CAF are not guaranteed and the extent to which they can be implemented will be reliant on the actual amount of funding received.

The measures proposed for funding through the Clean Air Fund are intended to support the Implementation Plan abatement measures by enabling PCC to deliver a reduction in NO₂ emissions in the shortest possible time, whilst reducing the negative impact on local people and businesses. Funding is requested from the Clean Air Fund to deliver the following measures which will assist *individuals and businesses to upgrade their vehicles' emissions standards or switch to cleaner vehicles* and help to normalise the use of cleaner vehicles in the local community:

- Financial incentives for taxi drivers to upgrade to Euro 6 vehicles or above;
- Retrofit or replacement of non-compliant buses and coaches;
- Financial subsidies to replace or retrofit non-compliant HGVs (subject to availability of appropriate technology) used by heavily impacted businesses.

The CAF framework states that any measures which are bid for using this funding may only be used for measures which will make it easier, more attractive, or more affordable to change to cleaner modes of transport for those businesses and individuals which will be restricted by local plans. This means that PCC is only able to suggest measures which will positively contribute towards non-compliant vehicles affected by the preferred package of a CAZ B. The non-compliant vehicles affected by a CAZ B are buses and coaches, taxis/PHVs, and HGVs.

Mitigation Measures Taxis and Private Hire Vehicles (PHVs)

- At the time of FBC submission in December 2020, there are 227 licensed hackney carriage vehicles (HCs) and 862 private hire vehicles (PHVs) (1089 in total) in the City
- Of the total 1089 vehicles operating in the city, 321 (29%) of these are non-compliant.
- These 321 vehicles could face CAZ charges of £2,400 per year.
- There is a strong prevalence of taxi drivers coming from the most deprived LSOAs. Some 26% of HC drivers and 18% of PHV drivers reside in the 10% most deprived LSOAs, when compared to the England average
- Grants are proposed to incentivise the upgrade to compliant vehicles
- A request was made for further funding than obtained from the OBC, to allow for a larger grant towards upgrading Wheelchair Accessible Vehicles

Mitigation Measures for Buses and Coaches

- By the time the CAZ B is implemented in 2021, the majority of local scheduled buses operating in Portsmouth are expected to be compliant with the CAZ requirements
- In 2018 PCC was awarded £1.5 million from Defra to retrofit 105 buses (68 First buses and 37 Stagecoach buses) passing through Mile End Road and Alfred Road to meet Euro 6 standards
- There are expected to be a large number of coaches which will be non-compliant in 2022, with analysis estimating 42% of the locally based coach fleet being non-compliant in 2022
- For the minority of the buses and coaches remaining in the city which will remain non-complaint because retrofitting technology is not available, the grant funding can instead be used to contribute towards the cost of replacing the vehicle

- ANPR data indicated approximately 84 non-compliant coaches entering the CAZ per day, with approximately 67 entering the CAZ on at least two days a week. Similarly, engagement with the trade has identified approximately 28 non-compliant buses and 47 non-compliant coaches

Mitigation Measures for HGVs

- It is estimated that a Small Area CAZ B would affect approximately 430 non-compliant HGVs in an average week in 2022.
- The JAQU national dataset suggests that an average brand new rigid HGV would cost over £60,000 and an articulated vehicle would cost over £115,000 (2018 prices).
- To mitigate against the impacts a CAZ may have for businesses operating HGV fleets (and consumers who would face increased transportation costs from operators passing on the CAZ charge), the proposed measure are grants towards retrofit or replacement of non-compliant HGVs
- Engagement undertaken identified at least 44 non-compliant HGVs that could apply for and justify an urgent need for funding assistance, with at least another 14 non-compliant HGVs identified as reasonably requiring funding support to avoid detrimental impact to their associated businesses.

Summary of Measures:

Measure	Who will it help?	Funding Awarded at OBC	Total funding requested (OBC and FBC)
Financial incentives for HC and PHV drivers to upgrade to a compliant vehicle	Operators of non-compliant hackney carriages / private hire vehicles within the city including Wheelchair Assisted Vehicles. PCC will prioritise those licensed with Portsmouth City Council. Eligibility criteria to be developed in early 2021 prior to rollout through engagement with the trade. EV Charging Points to be applied for in support of incentivising further air quality improvements	£604,000	£1,264,500 for all non-compliant vehicles; not including staff and risk mitigation costs. £499,279 for Electric Vehicle Rapid Charging Points
Retrofitting of remaining non-compliant buses and coaches	Operators with non-compliant coaches, particularly small operators and those based in Portsmouth or the Isle of Wight. Buses who were not included in the recent bus retrofit programme.	£495,000	£900,000 for 60 buses and coaches; not including staff and risk mitigation costs.
Financial subsidies to replace or retrofit non-compliant HGVs (subject to availability of appropriate technology)	Operators of non-compliant HGVs. Targeted at the following most impacted groups: - SMEs with older vehicles (and potentially specialist vehicles) and that are heavily impacted by the CAZ (i.e. frequently enter the CAZ); - Businesses that supply local SMEs through hire or reward HGV services; and - businesses with a strategically important role within the City, - with priority given to those committed to developing and implementing a Delivery & Service Plan which will result in more sustainable transport operations.	£576,000	£800,000, for 50 non-compliant HGVs (assuming 25% take-up); not including staff and risk mitigation costs.



SNC • LAVALIN

Portsmouth Air Quality Local Plan

E3 - Distributional Impact Assessment (FBC Update)

December 2020

Notice

This document and its contents have been prepared and are intended solely as information for and use in relation to the Distributional Impact Assessment for the Portsmouth Local Air Quality Plan.

SNC-Lavalin assumes no responsibility to any other party in respect of or arising out of or in connection with this document and/or its contents.

Document history

Revision	Purpose description	Originated	Checked	Reviewed	Authorised	Date
1.0	Distributional Impact Update	ER	JR	TM	JR	14/12/2020

Client signoff

Client	Portsmouth City Council
Project	Portsmouth Air Quality Local Plan
Job number	5196555
Client signature / date	

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Executive Summary

Impact on Vulnerable groups

The CAZ C Benchmark option and the Refined Alternative Package (CAZ B + non-charging measures) option are shown to have a **slight adverse and slight / moderate impact on accessibility**, as taxi drivers may increase their charges or chose to stop operating in the CAZ area, limiting the availability of hackney carriages and private hire vehicles and disproportionately impacting on income deprived residents and disabled people living in the centre of Portsmouth.

For both options, the impact of the proposed CAZ on traffic flow and re-routing is small. The overall impact in terms of **severance, accidents and noise**, is therefore limited, and the change which is predicted is found to have a slight beneficial impact on relevant vulnerable groups.

In terms of air quality, both options benefit the high proportion of children and low income households in central Portsmouth, who will benefit from reduced emissions. The impact is considered **large beneficial** for the CAZ C Benchmark, and **moderate beneficial** for the CAZ B+ Refined Alternative Package, reflecting the smaller scale of the CAZ area.

The overall impact on **user benefits** for non-business trips is **slight adverse**. Increased parking costs outweigh time and vehicle operating cost savings resulting from small-scale re-routing of traffic and reduction in congestion, but in relative terms the most income-deprived areas experience less dis-benefit than other income groups. Similarly, the overall impact on **personal affordability** (for non-business trips) is **slight adverse**, as the income-deprived areas experience less dis-benefit than other income groups.

The **majority of SMEs** (65%) are located in areas where business trips experience net user benefits, due to small scale re-routing of traffic and reduction in congestion; but very small adverse impact on journey affordability, due to users paying for the CAZ charge, and changes to parking charges. Areas with the highest proportion of SMEs experience a disproportionally high level of user and affordability dis-benefits, although the absolute scale of the dis-benefits is very small.

The above assessment focuses on how the benefits and dis-benefits of the Refined Alternative Package are distributed across vulnerable groups, in relative terms. In all cases, the absolute scale of the benefits / dis-benefits are small or very small.

1. Introduction

1.1. Background

As part of the Outline Business Case (OBC) submission, a detailed distributional impact analysis was undertaken to determine whether the following shortlisted options / packages unduly favour or disadvantage particular social groups or businesses¹. The shortlisted options were:

- **Portsea Island Clean Air Zone (CAZ) C** – identified as the ‘**Benchmark CAZ**’ of high enough class to bring about compliance in the shortest possible time; and
- **Small Area CAZ B plus non-charging measures** – an ‘**Alternative Package**’ (referred to in this report as CAZ B+) based on a lower class of CAZ with supporting non-charging measures (parking restraint measures, strategic cycling routes – *not funded*, modification to the traffic signal timings at the Alfred Road / Queen Street junction + complementary measures), which was also found to bring about compliance in the shortest possible time. **This was the preferred option.**

The assessment was undertaken in accordance with requirements set out in TAG unit A4-2 and involved a three-step approach – see the OBC version of the E3 Report.

Following submission of the OBC in October 2019, JAQU approved provisional funding (subject to submission of a Full Business Case) for a Small Area CAZ B + non-charging measures. However, funding was not received for the strategic cycle routes or travel planning for workplaces and schools.

Table 1-1 Summary of measures approved for provisional funding by JAQU

Measure	Provisional funding
Small Area CAZ B	✓
Parking measures	N/A (no funding required)
Strategic cycling routes	✗
Alfred Road signal changes	✓
Taxi license requirements	N/A (no funding required)
EV charging points	(✓) If PCC amend the licensing policy to require use of electric vehicles before the FBC submission.
Residents Parking Zone permits	N/A (no funding required)
Travel planning for workplaces and schools	✗
Targeted communications and marketing	✓

Following further analysis and feedback from stakeholders a **Refined Alternative Package** has been developed, which replaces the Alternative Package proposed at OBC stage.

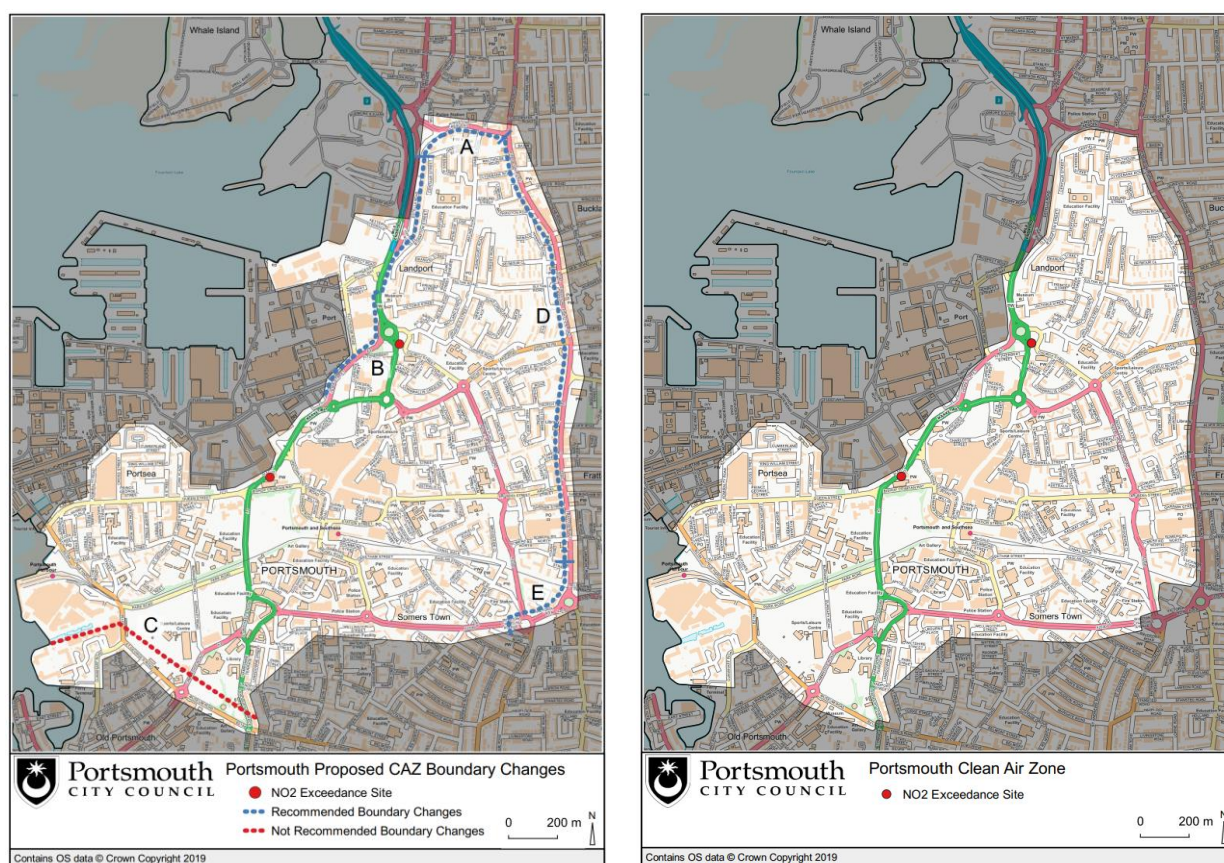
The **Refined Alternative Package** comprises the following modifications:

- Adjustments to the CAZ boundary to benefit taxis and HGVs which are not contributing to emissions at the two exceedance locations and reduce rat running (see Figure 1):
 - Removal of Kingston Crescent ('A' on map) - Allows affected vehicles to travel southbound along London Road, and then along Kingston Crescent towards the M275 without entering the CAZ, discouraging rat running through the residential roads north of Kingston Crescent. Will benefit taxis / PHVs and HGVs servicing premises in this area (offices, a supermarket, a hotel and a restaurant);
 - Removal of Princess Royal Way ('B' on map) - Allows affected vehicles to access the Naval Base, via Trafalgar Gate, without entering the CAZ. The majority of traffic using Trafalgar Gate is travelling to / from the north, so does not contribute to the high NO₂ concentrations on Alfred Road and Commercial Road. Will also benefit HGVs accessing the businesses along Flathouse Road (including Morrison's and Portico), whose non-compliant vehicles would otherwise be liable for the CAZ charge;

¹ This is in addition to the overall impact of the options on all groups, which is the main focus of economic appraisal analysis.

- Removal of Fratton Road ('D' on map) – To benefit taxis / PHV drivers serving residential areas in Fratton and the surrounding area;
- Removal of Fratton Roundabout and Holbrook Road Roundabout ('E' on map) – To allow affected vehicles to drive around Fratton Roundabout (previously inside the CAZ) from Goldsmith Avenue to Fawcett Road (both outside the CAZ) without being charged, and benefit similar movements associated with the use of Holbrook Road Roundabout. This will benefit taxis / PHV drivers as these roundabouts connect large residential areas to key routes in the city;
- Refinement of Alfred Road signal changes, to benefit both pedestrians and vehicles.

Figure 1 *Proposed and approved changes to CAZ boundary*



Further detail on the above modifications is set out in the Economic Case chapter of the Full Business Case.

The **Refined Alternative Package** delivers the same scale of reduction in NO₂ concentrations on Alfred Road and Commercial Road (40.2 and 39.5 µg/m³ respectively) as the Alternative Package proposed at OBC stage (40.1 and 39.5 µg/m³ respectively).

1.2. Distributional Impacts (DI) assessment update

The **Refined Alternative Package** is very similar to the Alternative Package proposed at OBC stage and is expected to result in similar distributional impacts.

This assessment of distributional impacts (DIs) is based on LSOAs which fall partly or completely within the impact area defined for each indicator. The LSOAs which fall within the CAZ B boundary defined in the OBC and FBC are the same. Therefore, the DI assessment assumes the population living within the CAZ is the same for both packages, and hence the socio-demographic characteristics of the population are also the same. However, the exclusion of a number of important strategic roads from the CAZ may result in a slight re-distribution of traffic which may impact vulnerable and disadvantaged groups differently.

A high-level update of the distributional impacts associated with the Refined Alternative Package has therefore been undertaken. This involves updating some of the key tables and maps, and re-assessing the distributional impact using the updated information and referencing the more detailed analysis presented in the OBC version of this report.

2. Updated Distributional Impact assessment

2.1. Introduction

This chapter presents an updated Distributional Impact assessment for the **Refined Alternative Package (CAZ B+)**, for the following distributional impact indicators:

- Accessibility
- Severance
- Accidents
- Air Quality
- Noise
- User benefits
- Affordability.

The results presented in this chapter should be considered in conjunction with the more detailed DI assessment presented in the OBC version of the E3 Report. This report focuses on the assessment of the **Refined Alternative Package**. Corresponding results for the **Portsea Island CAZ C Benchmark** are presented for comparison, but the detailed supporting commentary is contained within the OBC version of this report.

2.2. Accessibility

2.2.1. Nature of impact

The introduction of a charging CAZ may indirectly impact the availability of taxis and private hire vehicles inside the proposed zone, if drivers choose to stop operating in the CAZ area or increase their charges. As a result, the ability of individuals or businesses to get to places of work, social networks and public amenities can be reduced. Women and children, as well as vulnerable and isolated people (often older people or people with disabilities) are particularly vulnerable to social exclusion, due to changes in the availability of taxis and private hire vehicles, as they are more likely to rely on these services for certain trips. This situation may also particularly impact low income households who are less likely to have access to a car and may be reliant on these alternative services.

There are a small number of conventional bus services which cannot be or have not yet been retrofitted. There is a risk that operators may withdraw these vehicles from service in the short-term.

A CAZ charge may also reduce the availability of special transport services such as community bus services and school transport services. However, it is believed that in the majority of cases, these services use mini-bus style vehicles and would not be affected by the CAZ charge.

The increase in car parking charges and reduction of car parking spaces included within the CAZ B+ option may also reduce accessibility for private car users.

The OBC also identified potential beneficial impacts to accessibility as a result of the proposed strategic cycling routes. No funding has been secured for these routes, so these benefits no longer apply.

2.2.2. Assessment information

Impacted Area: Small Area CAZ B (Figure 1).

Vulnerable Groups: Table 2-1 shows the proportions of groups vulnerable to the impacts of poor accessibility within the CAZ B impact area.

Population proportions are calculated based on LSOAs/MSOAs which fall fully or partially within the CAZ boundary. The LSOAs/MSOAs of interest are the same for both the OBC and FBC versions of the CAZ, and hence, the accessibility impact area comprises the same proportions of each vulnerable group as determined in the OBC.

Table 2-1 Proportions of vulnerable groups within England and Wales and the accessibility impact area

Group	England and Wales	CAZ C Impact Area	OBC CAZ B+ Impact Area	FBC CAZ B+ Impact Area
20% most income deprived residents	20.0%	16.3%	55.0%	55.0%
Elderly (over 65)	18.2%	13.0%	12.1%	12.1%
Children (under 16)	19.1%	17.9%	17.5%	17.5%
Female	50.6%	48.6%	47.4%	47.4%
20% Highest Level of Illness and Disability	20.0%	14.0%	66.7%	66.7%
BAME	14.0%	13.2%	17.2%	17.2%

2.2.3. Appraisal update (for FBC CAZ B+ Package)

There are high proportions of income deprived residents, disabled people and BAME residents in the centre of Portsmouth (covered by both the CAZ B and CAZ C options), who may be more likely to rely on taxi, private hire or community transport services for certain trips.

Some 55% of residents within the FBC Small Area CAZ B reside within LSOAs belonging to the 20% most income deprived in England, and 67% reside within LSOAs with the 20% highest levels of illness and disability. These groups will be disproportionately affected, with potential adverse impacts on employment and education prospects, health, isolation and social inclusion.

The CAZ C Benchmark will have an adverse impact on accessibility by taxi across a larger area, but does not disproportionately impact any of the identified vulnerable groups. The overall assessment is therefore **slight adverse**.

The CAZ B+ Refined Alternative Package is smaller, so adversely impacts fewer people. However, it disproportionately affects income deprived, disability, and to a much lesser extent, BAME groups; so is considered to have a similar impact. The overall assessment is therefore **slight / moderate adverse**. The individuals concerned would also be adversely impacted by the CAZ C option.

The car parking changes relate to parking in the city centre, and the above vulnerable groups would be equally affected by both options.

Table 2-2 Outcome of accessibility assessment

Group	CAZ C Benchmark	OBC CAZ B+ Alt. Package	FBC CAZ B+ Refined Alt. Package
20% most income deprived residents	x	xx	xx
Elderly (over 65)	x	x	x
Children (under 16)	x	x	x
Female	x	x	x
20% Highest Level of Illness and Disability	x	xx	xx
BAME	x	x	x
Overall	x	x	x

See the OBC version of the E3 Report, for further detail about the CAZ C assessment.

2.3. Severance

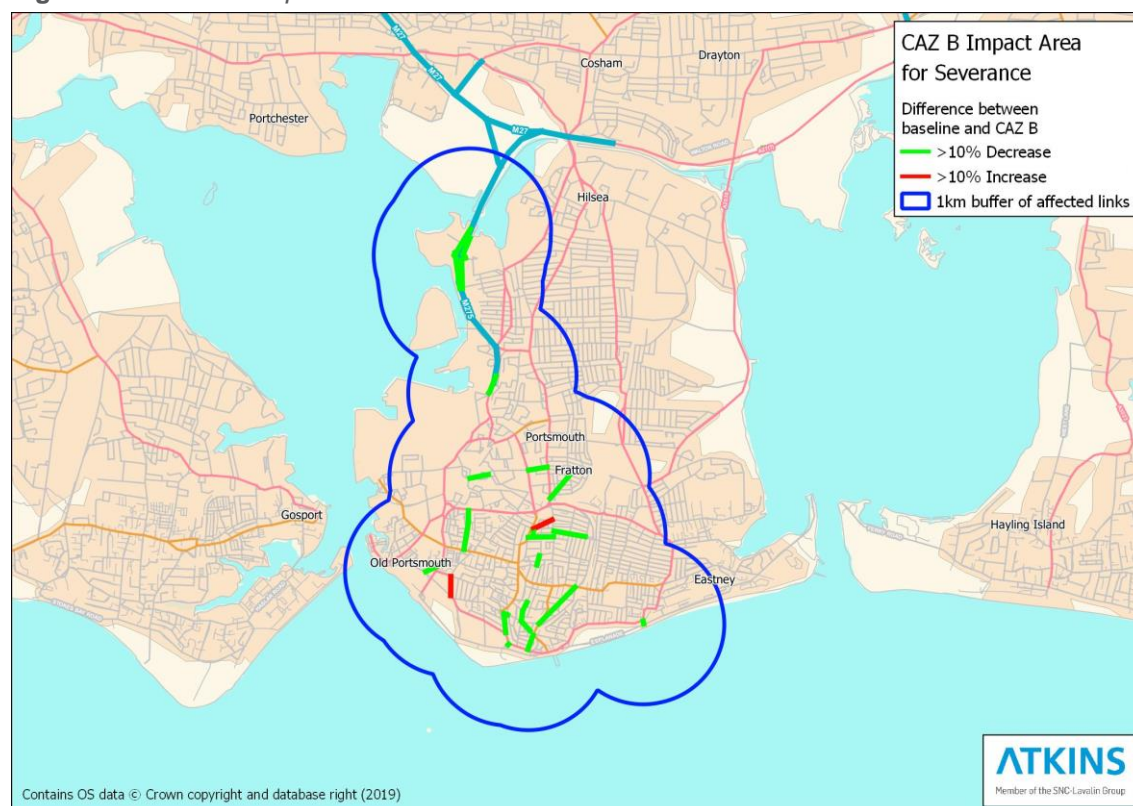
2.3.1. Nature of impact

Severance is often an unintended consequence of a measure intended to address other problems. The proposed CAZ B+ option (and also the CAZ C option) does not include any changes that would introduce or remove barriers or transport corridors. However, there may be changes to traffic flow and speed as a result of targeted vehicles avoiding the CAZ. An increase in traffic flow can increase perceptions of severance as vulnerable groups may find it more difficult to cross the road.

2.3.2. Assessment information

Impacted Area: The severance impact area includes LSOAs within 1km of affected links, defined as links with greater than 10% change in AADT (average annual daily traffic), as shown in **Figure 2**.

Figure 2 Severance impact area



Vulnerable Groups: **Table 2-3** shows the proportions of groups vulnerable to the impacts of severance. There are high proportions of no car households within the severance impact area (under both the CAZ B+ and CAZ C areas).

Table 2-3 Proportions of vulnerable groups within England and Wales and the severance impact area

Group	England and Wales	CAZ C Impact Area	OBC CAZ B+ Impact Area	FBC CAZ B+ Impact Area
Elderly (over 65)	17.0%	12.4%	12.2%	11.5%
Children (under 16)	19.0%	17.7%	17.4%	17.3%
No Car Households	25.6%	45.4%	38.3%	40.2%
20% Highest Level of Illness and Disability	20.0%	30.7%	17.0%	17.6%

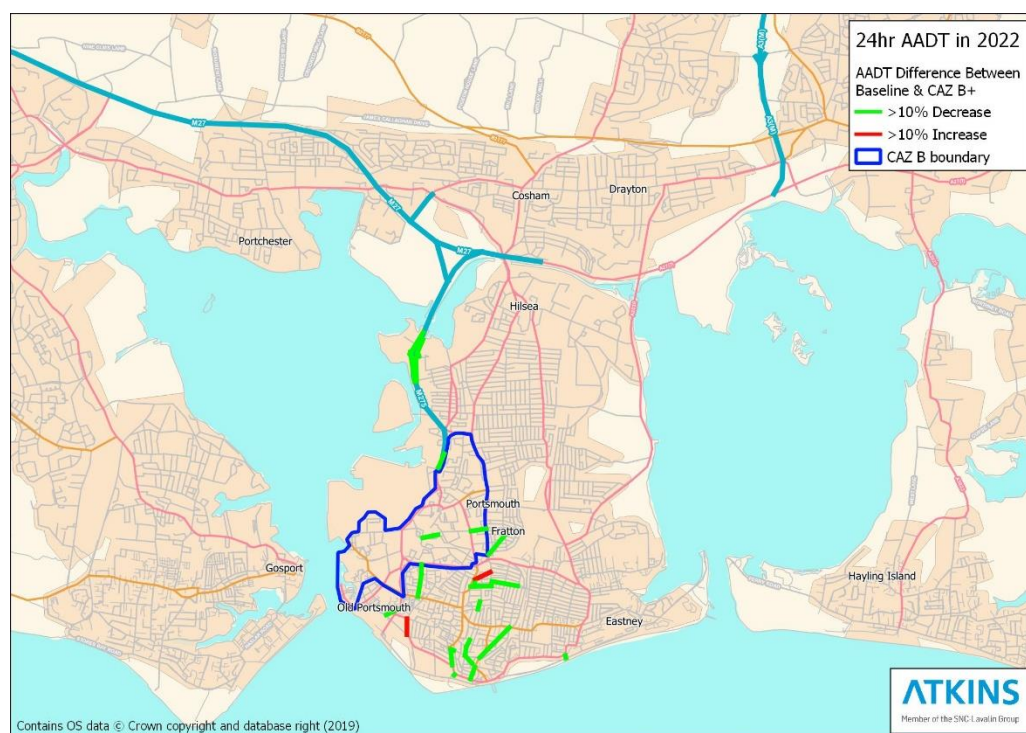
2.3.3. Appraisal update (for FBC CAZ B+ Package)

There are two links with a significant increase (>10%) in traffic flow (Britannia Road North/Rugby Road and Western Parade), as shown in **Figure 3**. However, in both cases the baseline traffic flow is low, so a small increase has led to a greater than 10% change in traffic flow. The absolute increase in modelled traffic flow is just 2 vehicles on Western Parade and 30 vehicles on Britannia Road North/Rugby Road. This small increase is not expected to impact severance for pedestrians crossing these roads. Therefore, no adverse impacts to severance are anticipated as a result of the CAZ B+ scheme.

In addition, several links show a significant reduction in vehicle flow, including the Tipner Interchange Roundabout and motorway slip roads, Clarendon Road and Arundel Street.

Since there are significantly more links with reduced AADT (average annual daily traffic) than increased AADT, there is likely to be a beneficial impact to severance in the area following the introduction of a CAZ B+ as the pedestrian routes, in general, are expected to be easier to use.

Figure 3 Links with greater than 10% change in traffic flow as a result of small area CAZ B+



Comparing the location of these links with mapping showing the concentration of vulnerable groups (see Figures 7-10 of the OBC version of the E3 Report) indicates the following distributional impacts:

Vulnerable groups	Severance-related distributional impact
Elderly residents	No negative impacts to severance anticipated - There are relatively low proportions of older people in the areas where there are significant changes in traffic flow.
Disabled residents	Slight beneficial - Although there is one link (Britannia Road North/Rugby Road) which may experience a increase in traffic close to areas with the highest proportions of disability, the absolute increase in traffic flow on this link is small (30 vehicles) and is not expected to increase severance along the road. Furthermore, there are several links with reduced traffic flow in areas with high proportions of disabled residents.
Children	Slight beneficial - There are high proportions of children in the centre of Portsmouth where the two links with reduced traffic flow are located. There are also a number of schools and other amenities in the vicinity of links with reduced traffic flow which children may need to cross the road to access.
Households without access to a car (who are more likely to walk to local amenities)	Slight beneficial – There are above national average proportions of no car households across the severance impact area, with high concentrations within the CAZ. Those without access to a car may be more likely to walk to local amenities and hence perceive beneficial impacts to severance across roads with reduced traffic flow.

In conclusion, there are a large number of road links where traffic flow reduces by more than 10%, which will improve the quality of the pedestrian environment, benefiting vulnerable residents in the vicinity. There are high proportions of disabled residents, children and no car households in these areas and hence, these vulnerable groups are expected to benefit from reduced severance.

However, there are two links where traffic flow increases by more than 10% as a result of the scheme. The absolute increase on these links is less than 30 vehicles, so is not expected to impact severance in the vicinity.

As a result, the overall assessment on severance for the FBC CAZ B+ option is considered to be **slight beneficial**.

Similarly, results for the Benchmark CAZ C show a beneficial impact to severance, with no links with a significant increase in traffic flow, and small number of links with a significant reduction in traffic flow. There is a slight beneficial impact across all vulnerable group categories.

Table 2-4 Outcome of severance assessment

Group	OBC CAZ B+ Alt. Package	FBC CAZ B+ Refined Alt. Package	OBC CAZ B+ Alt. Package
Elderly (Over 65)	✓	0	0
Children (under 16)	✓	x	✓
No Car Households	✓	x	✓
20% Highest Level of disability	✓	✓	✓
Overall	✓	0	✓

See the OBC version of the E3 Report, for further detail about the CAZ C assessment.

2.4. Accidents

2.4.1. Nature of impact

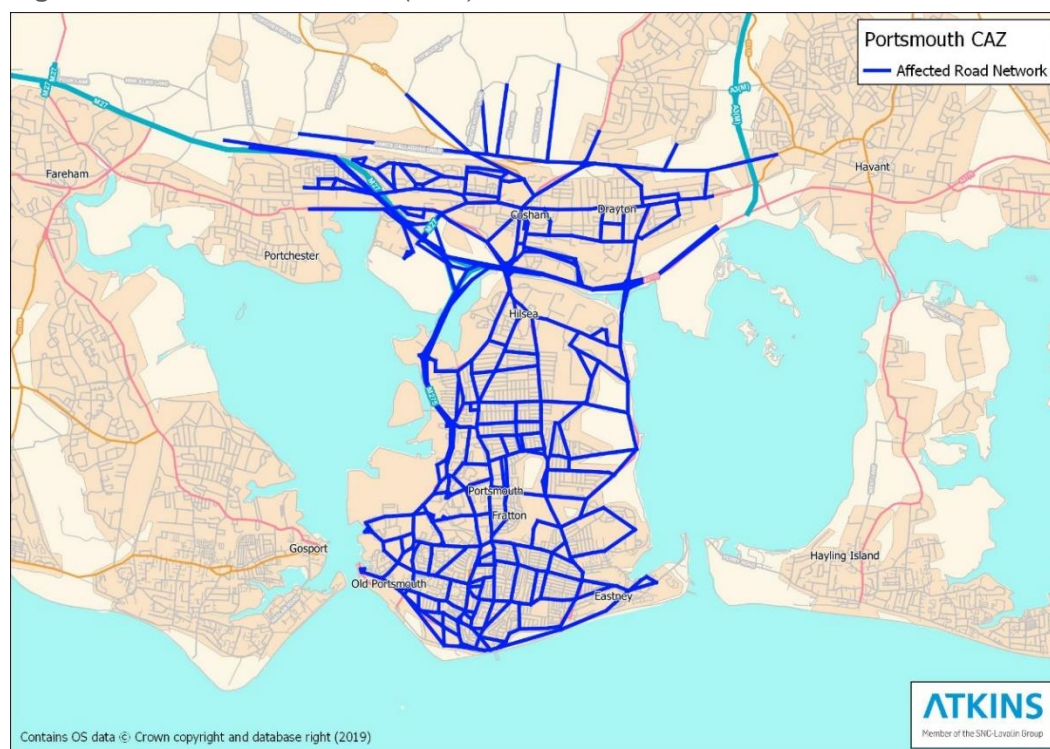
Implementation of a CAZ may impact the amount of traffic in the area, and hence the number of accidents, due to targeted vehicles avoiding the charge. According to TAG Unit A4-2 any change in alignment of a transport corridor that may have safety impacts, or any links with significant changes (>10%) in vehicle flow, speed, % HDV content or any significant change (>10%) in the number of pedestrians, cyclists or motorcyclists using the road network, can give rise to a significant impact on accidents.

In addition to traffic flow changes, the reduction in car usage resulting from parking measures will generate benefits in the form of accident rates.

2.4.2. Assessment information

Impacted Area: Affected Road Network (as shown in Figure 4). Broadly covers the Portsmouth City Council boundary.

Figure 4 Affected Road Network (ARN)



Vulnerable Groups: Groups vulnerable to accidents include pedestrians, cyclists, motorcyclists, male drivers aged 16-25, under 16s, people aged 70+ and casualties from the 20% most deprived LSOA's in UK.

Data presented in the **Table 2-5** shows that within the impacted area, **the proportion of accidents involving cyclists, motorcyclists and young male drivers are higher than the national average**, with accidents involving cyclists over twice as prevalent as the national rate. There are below average proportion of accidents involving elderly and residents from the 20% least income deprived LSOAs within the impact area. The proportion of accidents involving pedestrians, children and residents from the 20% most income deprived LSOAs are similar to that of the national rate.

Table 2-5 All accident casualties (2013 – 2017)

Casualty Type	All Casualties (national rate)		All Casualties (impact area)	
	Quantity	%	Quantity	%
Pedestrians	120,209	13.1%	403	13.0%
Cyclists	96,368	10.5%	809	26.0%
Motorcyclists	96,293	10.5%	420	13.5%
Male drivers aged 16-25	96,893	10.6%	452	14.5%
Under 16	80,117	8.7%	286	9.2%
People aged 70+	78,346	8.5%	138	4.4%
Casualties from 20% most deprived LSOA's in UK	206,883	23.9%	710	23.6%
Casualties from 20% least deprived LSOA's in UK	135,033	15.6%	298	9.9%
Total Casualties	866,216	100.0%	3109	100.0%

2.4.3. Appraisal update (for FBC CAZ B+ Package)

The number of accidents which historically occurred on links with a greater than 10% increase or decrease in AADT (average annual daily traffic) are shown in **Table 2-6**. In accordance to TAG Unit A4-2, it is assumed that a decrease in traffic flow of greater than 10% will reduce the accident rate on a link and an increase of greater than 10% will increase accident rates. The percentages are calculated based on the total number of casualties on all links within the impact area (including increase, decrease and no change / negligible links).

Table 2-6 Profile of existing casualties by forecast change in accidents (2013 to 2017) for FBC CAZ B+

Casualty Type	Links with >10% increase in traffic flow (Disbenefit)		Links with >10% decrease in traffic flow (Benefit)	
	Number of vulnerable casualties	Proportion of total casualties within the impact area	Number of vulnerable casualties	Proportion of total casualties within the impact area
Pedestrians	0	0.0%	15	0.4%
Cyclists	1	0.0%	32	0.8%
Motorcyclists	1	0.0%	11	0.3%
Male drivers aged 16-24	0	0.0%	11	0.3%
People aged under 16	0	0.0%	8	0.2%
People aged 70+	1	0.0%	7	0.2%
20% Most deprived LSOAs in UK	0	0.0%	31	0.8%
20% Least deprived LSOAs in UK	0	0.0%	4	0.1%
Total casualties	2	0.0%	111	2.7%

The analysis of road casualty data demonstrates that there are significantly more casualties involving vulnerable groups on links experiencing a decrease in traffic flow (111) than links with a forecast increase in traffic flow (2). However, the proportion of accidents involving each user is small compared to the number of

accidents across the impact area (less than 1%). Hence, any impact to accidents as a result of a CAZ B+ is not expected to be large.

There were 0.8% more cyclist casualties and casualties from the 20% most income deprived LSOAs across links with a decrease in traffic flow than links with an increase in traffic flow, as compared to all casualties across the impact area. Therefore, there is a **moderate beneficial** impact to accidents for these vulnerable groups.

The percentage difference in casualties between decreased and increased links across the impact area is less than 0.5% for all other vulnerable groups. Therefore, a **slight beneficial** impact to accidents for all other vulnerable groups as a result of a CAZ B+ is anticipated.

The overall assessment of the distributional impact of the CAZ B+ option has been appraised as **slight beneficial**.

Overall, this option achieves only a slight reduction in veh-kms, and the net impact on all accidents (not just those involving vulnerable groups) is assumed to be negligible.

Table 2-7 Outcome of accident assessment

Group	CAZ C Benchmark	OBC CAZ B+ Alt. Package	FBC CAZ B+ Refined Alt. Package
Pedestrians	0	✓	✓
Cyclists	✓	✓✓	✓✓
Motorcyclists	0	✓	✓
Young male drivers	0	✓	✓
People aged under 16	0	✓	✓
People aged 70+	0	✓	✓
Most deprived residents	0	✓✓	✓✓
Overall score	0	✓	✓

See the OBC version of the E3 Report, for further detail about the CAZ C assessment.

For comparison, there are no links within the impacted area which experience a greater than 10% increase in AADT as a result of the CAZ C. There were only 10 casualties (0.3% of the total for the impact area) which occurred on links with greater than 10% decrease in traffic flow, of which 10 involved cyclists. There is therefore considered to be a slight beneficial impact for cyclists, but the numbers involved are very low and the overall impact is considered to be neutral.

2.5. Air Quality

2.5.1. Nature of impact

Air pollution has a significant effect on public health as long-term exposure to air pollution can cause chronic conditions such as cardiovascular and respiratory diseases. The two exceedance sites are located within the Charles Dickens ward, which also has the highest number of deaths from respiratory diseases within Portsmouth; as well as having high levels of deprivation.

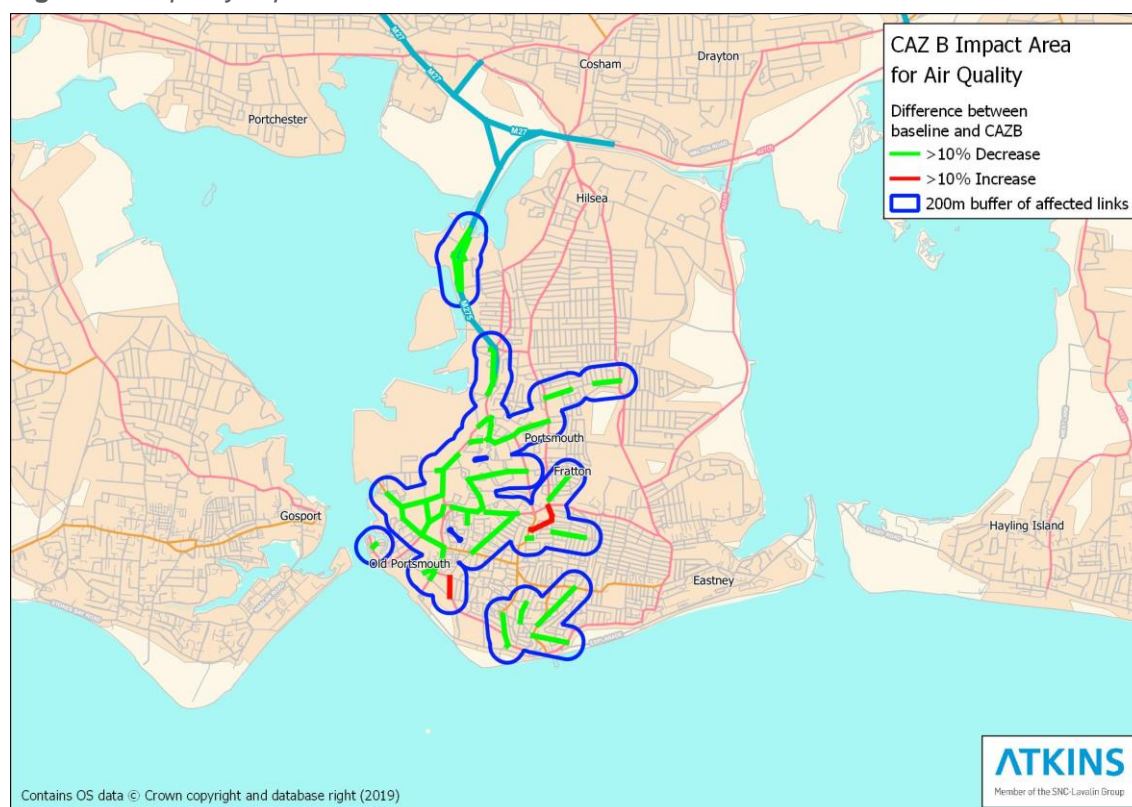
Implementation of a CAZ is anticipated to reduce the amount of high emission vehicles in the area, hence impacting ambient concentrations of air pollutants. In addition, air quality impacts are likely to occur where the CAZ results in changes to traffic flows or speed, or where the physical gap between people and traffic is altered. Parking measures will encourage mode shift which may result in a further reduction in motorised traffic.

2.5.2. Assessment information

Impacted Area: The air quality impact area includes all LSOAs within 200m of affected links – defined as links with greater than 10% change in NO_x emissions, as shown in

Figure 5.

Figure 5 Air quality impact area



Vulnerable Groups: Children are particularly vulnerable to the effects of poor air quality and therefore concentrations of under 16s and the locations of schools within the assessment area have been considered to assess the likely impacts on this group. In addition, an examination of impacts by income deprivation has been undertaken.

Table 2-8 shows the proportions of groups vulnerable to poor air quality. Within the FBC CAZ B+ impact area the **proportions of income quintiles 1, 2 and 3 is higher than the England average**. The proportion of children within the air quality impact area is slightly below the average for England and Wales.

Table 2-8 Proportions of income groups within England and children within England and Wales and the air quality impact area

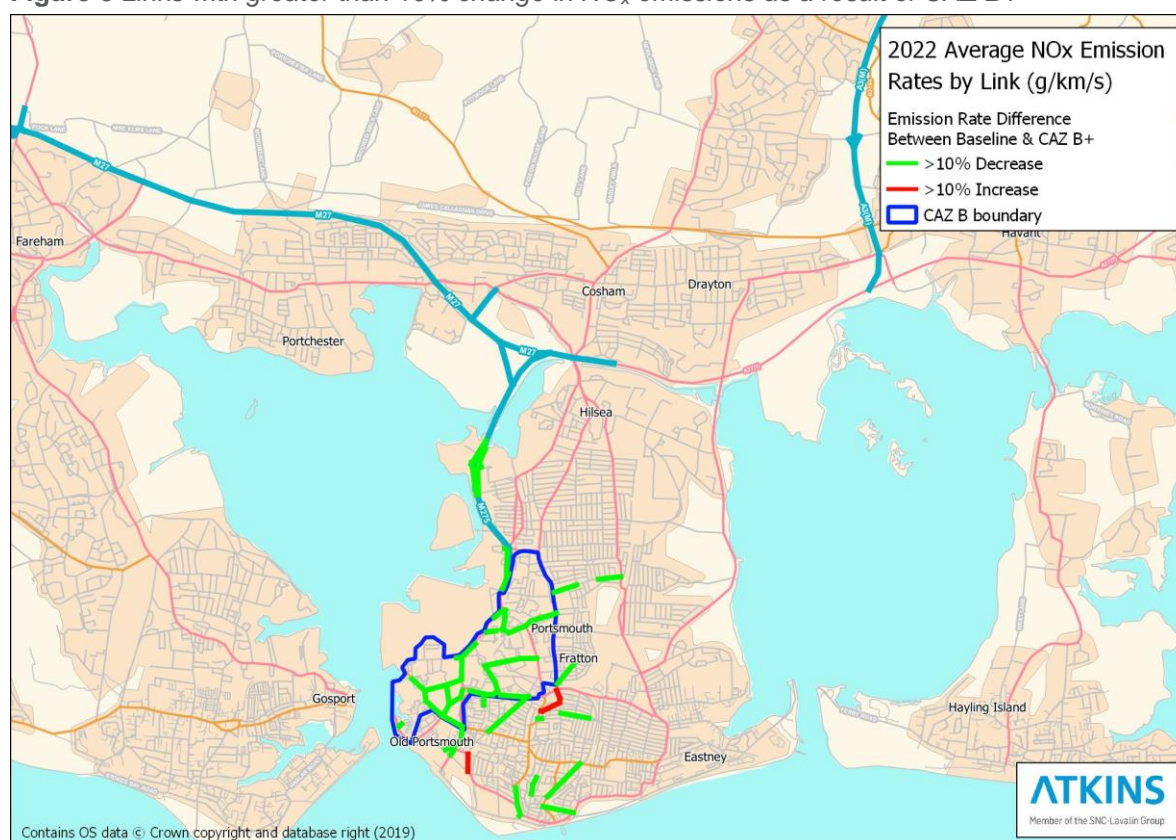
Group	England (and Wales)	CAZ C Impact Area	OBC CAZ B Impact Area	FBC CAZ B Impact Area
Quintile 1 (most deprived)	20.0%	20.1%	27.9%	29.2%
Quintile 2	20.0%	24.7%	32.0%	25.5%
Quintile 3	20.0%	30.0%	28.2%	33.4%
Quintile 4	20.0%	16.8%	8.1%	8.1%
Quintile 5 (least deprived)	20.0%	8.4%	3.9%	3.8%
Children (under 16)	19.1%	18.4%	17.4%	16.8%

2.5.3. Appraisal update (for FBC CAZ B+ Package)

Links with greater than 10% increase or decrease in NO_x emissions caused by the CAZ B+ are shown in

Figure 6.

Figure 6 Links with greater than 10% change in NO_x emissions as a result of CAZ B+



The analysis shows that many links are likely to experience positive changes in air quality (greater than 10% decrease in NO_x emissions). Examples include Commercial Road and Alfred Road exceedance locations, as well as Lake Road, Winston Churchill Avenue and Cambridge Road (all within the CAZ). There are also several links outside the boundary with decreased NO_x emissions including Tipner Interchange Roundabout and motorway slip roads, Mile End Road, New Road and Lennox Road South.

However, there are **four links with a greater than 10% increase in emissions as a result of the proposed intervention**. These are Britannia Road North, Rugby Road, Fawcett Road, and Western Parade. In all cases, the modelled volumes of traffic and absolute increases in emissions are very low and absolute concentrations of NO₂ are well below the statutory limit. For example, the absolute increase in modelled traffic flow is just 2 vehicles on Western Parade and 30 vehicles on Britannia Road North/Rugby Road

Comparing the location of these links with mapping showing the concentration of vulnerable groups (see Figures 21-22 of the OBC version of the E3 Report) indicates the following distributional impacts:

Vulnerable groups	Air quality-related distributional impact
Income areas	<p>The majority of LSOAs within the CAZ belong to income quintiles 1 and 2 (the most deprived categories). No links in these areas are forecast to experience an increase in NO_x emissions (>10%); but a number of roads are predicted to experience reduced emissions. As a result, the CAZ B+ option is considered to lead to a large beneficial change in air quality for residents in income quintiles 1 and 2.</p> <p>The four roads adversely affected by a change in air quality (>10% increased NO_x emissions) are within income quintiles 3 and 4. However, there are more links within these areas which are predicted to benefit air quality (with more than a >10% decrease in NO_x emissions). Therefore, the beneficial air quality impacts slightly outweigh the adverse air quality impacts for income quintiles 3 and 4 and a slight beneficial impact to air quality is anticipated for these income quintiles.</p> <p>There are few links within income quintile 5 with a greater than 10% decrease in emissions and no links with a greater than 10% increase in emissions. Hence, the air quality impact for income quintile 5 is considered slight beneficial.</p>

Children	<p>Moderate beneficial - The links with a greater than 10% increase in NO_x emissions are all within 200m of a school. Additionally, Britannia Road North, Rugby Road and Fawcett Road are by an LSOA with the 20% highest proportion of children in England and Wales. However, the modelled volumes of traffic and absolute increases in emissions are very low (e.g. just two additional vehicles on Western Parade), and absolute concentrations of NO₂ are well below the statutory limit.</p> <p>In addition, there is a greater number of links with greater than 10% decreased NO_x emissions in the vicinity of schools and locations with high proportions of children. Therefore, the beneficial air quality impacts to children are expected to outweigh any adverse impacts.</p>
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Overall, the FBC CAZ B+ package results in a **beneficial air quality impact to all income groups and a large beneficial impact for income quintiles 1 and 2 (with no adverse impacts in these most income deprived areas)**. In addition, a **moderate beneficial impact to children is anticipated**. Therefore, the overall impact to air quality as a result of the Refined Alternative Package is anticipated to be **moderate beneficial**.

Table 2-9 Outcome of the air quality assessment

Group	CAZ C Benchmark	OBC CAZ B+ Alt. Package	FBC CAZ B+ Refined Alt. Package
Quintile 1 (most deprived)	✓✓✓	✓✓✓	✓✓✓
Quintile 2	✓✓✓	✓✓✓	✓✓✓
Quintile 3	✓✓✓	✓	✓
Quintile 4	✓	✓	✓
Quintile 5 (least deprived)	✓	✓	✓
Children (under 16)	✓✓	✓✓	✓✓
Overall	✓✓✓	✓✓	✓✓

See the OBC version of the E3 Report, for further detail about the CAZ C assessment.

2.6. Noise

2.6.1. Nature of impact

Noise impacts are likely to occur where an intervention results in changes to traffic flows or speeds, or where the physical gap between people and traffic is altered.

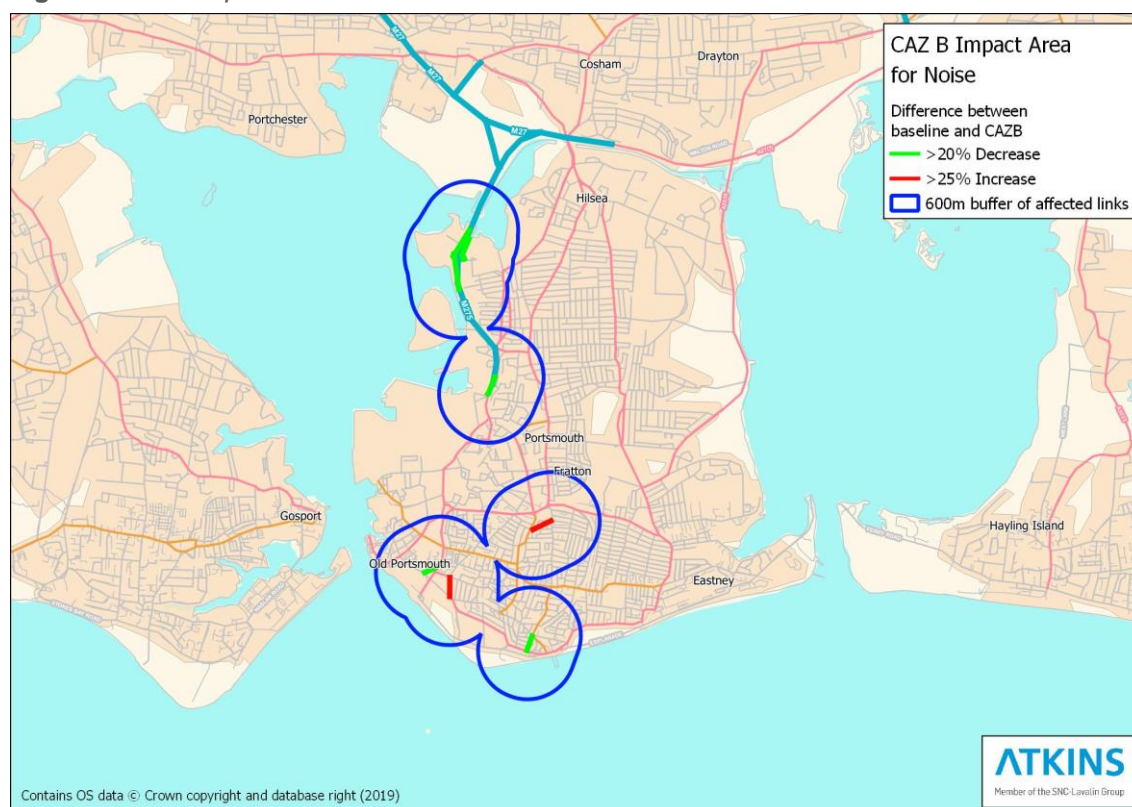
A Small Area CAZ B could reduce the amount of traffic within the proposed boundary, due to targeted vehicles avoiding the area, again reducing noise levels. In addition, changes in traffic on some roads may impact on noise levels for neighbouring receptors. Finally, parking measures will encourage mode shift which may result in a further reduction in motorised traffic and improving noise levels.

2.6.2. Assessment information

Impacted Area: The noise impact area includes all LSOAs within 600m of affected links – defined as links with greater than 25% increase or 20% decrease in AADT (see

Figure 7).

Figure 7 Noise impact area



Vulnerable Groups: Children are particularly vulnerable to the effects of noise and therefore concentrations of under 16s and the locations of schools within the assessment area have been considered to assess the likely impacts on this group. In addition, an examination of impacts by income deprivation has been undertaken.

Table 2-10 shows the proportions of groups vulnerable to noise. Within the FBC CAZ B+ impact area the **proportions of income quintiles 1, 2 and 3 are above the national average**. The proportion of children within the CAZ B+ impact area is below the average for England and Wales.

Table 2-10 Proportions of income groups and children within England and Wales and the noise impact area

Group	England (and Wales)	CAZ C Impact Area	OBC CAZ B Impact Area	FBC CAZ B Impact Area
Quintile 1 (most deprived)	20.0%	47.6%	28.5%	27.2%
Quintile 2	20.0%	20.9%	21.4%	24.7%
Quintile 3	20.0%	19.5%	37.6%	38.6%
Quintile 4	20.0%	6.9%	10.3%	7.5%
Quintile 5 (least deprived)	20.0%	5.1%	2.2%	2.1%
Children (under 16)	19.0%	19.1%	16.3%	16.9%

2.6.3. Appraisal update (for FBC CAZ B+ Package)

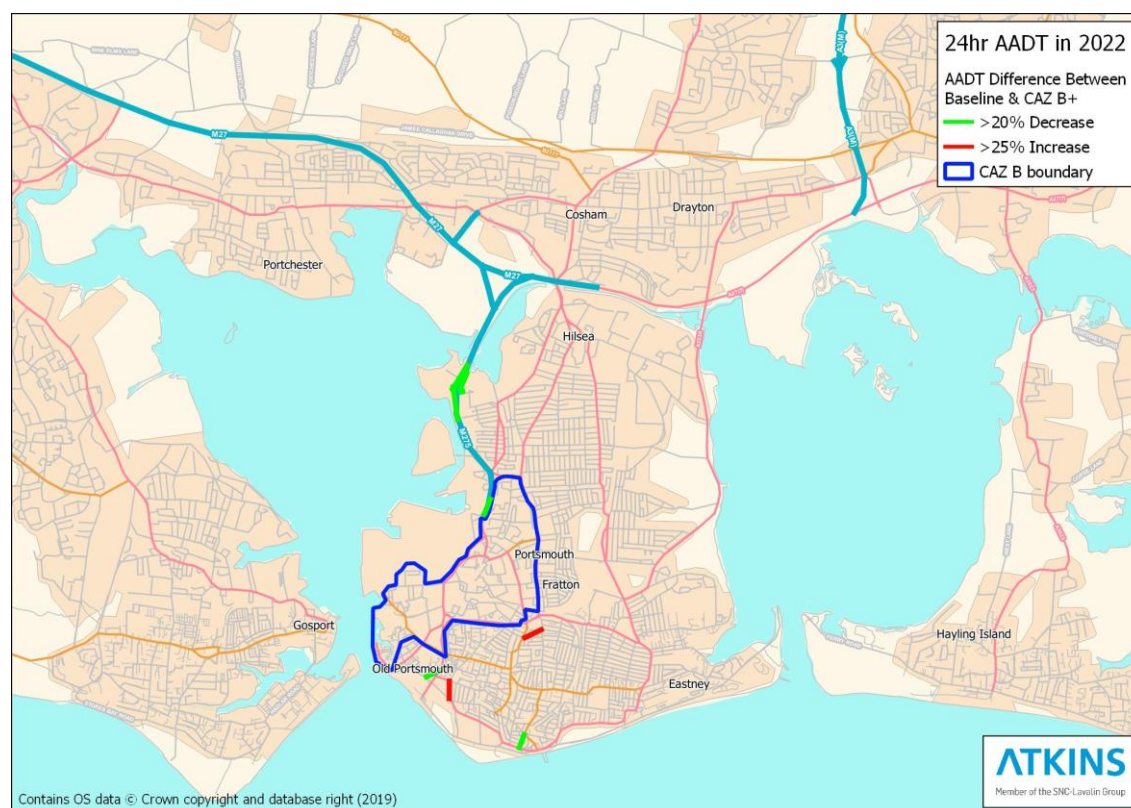
Links with either a 20% decrease or 25% increase in traffic flow are shown in **Figure 8**.

Two links (Britannia Road North/Rugby Road and Western Parade) have been found to have a greater than 25% increase in AADT. However, as described above, the absolute increase in modelled traffic flow on these links is small (just 2 vehicles on Western Parade and 30 vehicles on Britannia Road North/Rugby Road). It is unlikely that these traffic flow increases will significantly impact noise in the area.

On the other hand, there are several links anticipated to experience a greater than 20% decrease in traffic flow levels – Tipner Interchange Roundabout and the motorway slip roads, Victoria Avenue, Burgoyne Road and a section of Mile End Road by Victory Retail Park. Burgoyne Road has a low flow in the baseline, so a small increase in traffic flow (10 vehicles) has led to a greater than 20% decrease. It is not expected that this decrease in traffic flow will significantly impact noise in the vicinity. There is a larger decrease along Victoria

Avenue, Mile End Road by Victory Retail Park and through Tipner Interchange, with the absolute decrease of at least 100 vehicles.

Figure 8 Links with greater than 20% reduction or 25% increase in traffic flow as a result of the CAZ B+ scheme



Comparing the location of these links with mapping showing the concentration of vulnerable groups (see Figures 29-30 of the OBC version of the E3 Report) indicates the following distributional impacts:

Vulnerable groups	Noise-related distributional impact
Income areas	<p>Within income quintile 1, there is a reduction in traffic flow on a section of road between Mile End Road and Victory Retail Park, resulting in a slight beneficial noise impact for the 20% most income deprived residents in the area.</p> <p>Within income quintile 2, there is a greater than 20% reduction in traffic flow across Tipner Interchange. Victoria Avenue is within income quintile 3 and has greater than 20% reduced traffic flow. Therefore, there is a slight beneficial noise impact for income quintiles 2 and 3.</p> <p>There are no links with a significant change in traffic flow within income quintiles 4 or 5, resulting in a neutral noise impact.</p>
Children	<p>Slight beneficial - Since there is decreased traffic flow along Mile End Road, where there are high proportions of children, there is expected to be a slight beneficial impact to children.</p> <p>The predicted increases on Britannia Road North/Rugby Road and Western Parade are close to schools, however the absolute change in traffic flow on these links are less than 30 vehicles, so are not expected to impact noise levels in the area.</p>

As there is a **slight beneficial noise impact to income quintiles 1 to 3 and for children**, the distributional impact of the FBC CAZ B+ package on noise has been appraised as **slight beneficial**.

Overall, this option achieves only a slight reduction in flow and speed, and the overall impact on noise is assumed to be negligible.

Table 2-11 Outcome of the noise assessment

Group	CAZ C Benchmark	OBC CAZ B+ Alt. Package	FBC CAZ B+ Refined Alt. Package
Quintile 1 (most deprived)	✓	✓	✓
Quintile 2	✓	✓	✓
Quintile 3	0	✓	✓
Quintile 4	✓	✓	0
Quintile 5 (least deprived)	0	0	0
Children (under 16)	✓	✓	✓
Overall	✓	✓	✓

See the OBC version of the E3 Report, for further detail about the CAZ C assessment.

2.7. User Benefits

2.7.1. Nature of impact

The user benefits are based on changes in journey times, vehicle operating costs, public transport costs, parking charges, and toll charges (i.e. the CAZ charge).

Transport user benefit appraisal (TUBA) software has been used to estimate user benefits. For the FBC Small Area CAZ B+ option, the results for Portsmouth (within the City Council boundary) show:

- adverse impacts for commuting and other non-business trips (primarily due to increased parking costs, outweighing time and vehicle operating cost savings resulting from small-scale re-routing of traffic and reduction in congestion as a result of cancelled trips and mode switch); and
- benefits for LGV and HGV business trips (primarily due to time and vehicle operating cost savings resulting from small-scale re-routing of traffic and decongestion, outweighing the increase in costs due to the CAZ charge paid by the limited numbers of remaining non-compliant HGVs).

These results, however, do not show whether these user benefits are distributed evenly across income groups. As a result, a further analysis has therefore been completed to quantify the potential distribution of user benefits amongst different income groups.

The benefits have been calculated using 10-year appraisal TUBA outputs, which in turn take data from the transport model (SRTM).

2.7.2. Assessment information

Impacted Area: The impacted area is defined as the whole of Portsmouth (i.e. the Portsmouth City Council boundary) in order to capture any benefits or disbenefits for individuals living in this area.

For home-based commuting and other non-business trips, the distribution of benefits across different income quintiles (at the LSOA level) has been analysed, focusing on trips undertaken within the core impact area only.

For LGV and OGV business trips, the distribution of benefits relative to the concentration of SMEs (small and medium-sized enterprises) has been analysed (at the MSOA level), focusing on all trips with a trip end within the core impact area (i.e. internal trips and internal-external trips).

Vulnerable Groups: Table 2-12 shows that within the impact area, there are high proportions of income quintiles 3, when compared to the national average. The proportion of income quintiles 1, 2 and 4 are in line to the national average and there is a low proportion of income quintile 5 (least income deprived).

Table 2-12 Proportions of income groups within the user benefits impact area

Group	England (and Wales)	CAZ C Impact Area	OBC CAZ B Impact Area	FBC CAZ B Impact Area
Quintile 1 (most deprived)	20.0%	19.2%	19.2%	19.2%
Quintile 2	20.0%	22.5%	22.5%	22.5%
Quintile 3	20.0%	32.7%	32.7%	32.7%
Quintile 4	20.0%	17.2%	17.2%	17.2%

Quintile 5 (least deprived)	20.0%	8.4%	8.4%	8.4%
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2.7.3. Appraisal update (for FBC CAZ B+ Package)

2.7.3.1. User benefits for commuter and other non-business trips by income deprivation quintile

Table 2-13 compares the relative proportion of benefits and disbenefits (by LSOA) against the proportion of the population in each income quintile. The benefits are primarily due to small scale changes in journey times / vehicle operating costs, as a result of rerouting and reduced congestion due to cancelled trips and mode switch. The disbenefits are primarily parking charges.

Table 2-13 Overall user benefits for commuters and other non-business trips across income quintiles for FBC CAZ B+

Option	Income Quintile					Total
	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	
Total population in the assessment area	39,354	46,147	67,005	35,136	17,183	204,825
Proportion of total population in each quintile in the assessment area	19.2%	22.5%	32.7%	17.2%	8.4%	-
Sum of benefits	£18,054	£17,025	£0	£0	£0	£35,078
Proportion of benefits for each income quintile	51.5%	48.5%	0.0%	0.0%	0.0%	-
Sum of disbenefits	-£235,778	-£361,031	-£854,349	-£457,984	-£397,194	-£2,306,335
Proportion of disbenefits for each income quintile	10.2%	15.7%	37.0%	19.9%	17.2%	-
Overall sum of benefits and disbenefits for commuters and leisure users	-£217,724	-£344,006	-£854,349	-£457,984	-£397,194	-£2,271,257
Assessment	Slight Adverse	Slight Adverse	Moderate Adverse	Moderate Adverse	Large Adverse	

Note, the user benefits presented in the Economic Case do not include parking charges, as JAQU request that these are treated as a transfer payments. In addition, the figures presented in the Economic Case relate to a wider study area.

The total disbenefits are greater than the total benefits for each income quintile and hence there is an adverse impact to user benefits for each income quintile.

The proportions of the dis-benefits for each income quintile are not distributed in proportion with the population in each income quintile.

Within income quintiles 1 and 2 (most income deprived), the disbenefits are less than the proportion of the population in these income quintiles (by 9 percentage points for quintile 1 and 7 percentage points for quintile 2). Therefore, there is a **slight adverse impact** for income quintiles 1 and 2, in terms of user benefits.

For income quintiles 3, 4 and 5, the proportion of the dis-benefits is greater than the population in these income groups. For income quintile 5 (least income deprived), the difference is 9 percentage points, resulting in a **large adverse** classification. For income quintiles 3 and 4, the difference is less than 5 percentage points, so the classification is **moderate adverse**.

In summary, adverse impacts are anticipated for commuters and other non-business users across all income quintiles (-£2,271,257 in total), primarily due to the increased parking costs.

Based on the relative proportion of disbenefits against the population in each income quintile, the overall impact is **slight adverse**, due to the slight adverse impact for the most income deprived residents.

2.7.3.2. User benefits for LGV and OGV/HGV business trips by concentration of SMEs

The JAQU Guidance for Options Appraisal refers to TAG Unit A4-2 for detailed guidance on appraising the different impact variables. However, there is no guidance provided for the appraisal of user benefits for businesses. Therefore, the principles for appraising user benefits set out in TAG were applied to understand if the user benefits/disbenefits are distributed evenly across business size.

Table 2-14 compares the relative proportion of benefits and disbenefits (by MSOA) against the relative concentration of SMEs².

The benefits are primarily due to time and vehicle operating cost savings resulting from small-scale re-routing of traffic and decongestion due to cancelled trips and mode switch. Dis-benefits are due to the increase in costs resulting from the CAZ charge.

Table 2-14 User benefits for HGV and LGV business trips by concentration of SMEs for CAZ B+

Option	Quintiles of the number of SMEs within Portsmouth					Total
	1 (20% highest no. of SMEs)	2	3	4	5 (20% lowest no. of SMEs)	
Total number of SMEs in the assessment area	2,705	1,720	1,365	1,205	850	7,845
Proportion of total SMEs in each quintile in the assessment area	34.5%	21.9%	17.4%	15.4%	10.8%	-
Sum of benefits	£34,521	£52,511	£49,184	£29,283	£18,942	£184,441
Proportion of benefits for each quintile	18.7%	28.5%	26.7%	15.9%	10.3%	-
Sum of disbenefits	-£104,948	-£4,275	-£1,759	-£1,201	-£3,466	-£115,649
Proportion of disbenefits for each quintile	90.7%	3.7%	1.5%	1.0%	3.0%	-
Overall sum of benefits and disbenefits for business users	-£70,427	£48,235	£47,425	£28,082	£15,476	£68,792
Assessment	Large Adverse	Large Beneficial	Large Beneficial	Slight Beneficial	Slight Beneficial	

Note, the user benefits presented in the Economic Case do not include parking charges, as JAQU request that these are treated as a transfer payments. In addition, the figures presented in the Economic Case relate to a wider study area.

Within quintile 1 (representing areas with the highest proportion of SMEs), the dis-benefits are greater than the benefits. Although the scale of benefits is very small (-£104,948), these locations experience 90% of the dis-benefits. The distributional impact is therefore **large adverse**.

For quintiles 2 to 5 (representing areas with smaller proportions on SMEs), the scale of benefits is very small (£18,942 to £52,511), but still greater than the dis-benefits, resulting in a net beneficial impact in these areas. For quintiles 2 and 3, the relative proportion of benefits exceeds the relative proportion of SMEs by at least 5 percentage points, resulting in a **large beneficial impact**. For quintiles 4 and 5, the proportions are closely aligned, resulting in a **slight beneficial impact**.

In summary, adverse impacts are anticipated for HGV and LGV business trips in quintile 1 areas (containing 35% of SMEs). These locations experience 90% of the dis-benefits, and experience a net dis-benefit of £70,427, due to the increase in costs resulting from the CAZ charge. The remaining 65% of SMEs are located in areas which experience a net benefit (£139,218), due to time and vehicle operating cost savings resulting from small-scale re-routing of traffic and decongestion. The overall distributional impact is therefore **neutral**. The absolute scale of benefits / dis-benefits is very small across all quintiles.

² Disbenefits and benefits associated with trips from each model zone have been translated to each MSOA based on the distribution of the population within the intersection of each zone and MSOA.

2.8. Affordability

2.8.1. Nature of impact

The affordability impacts take into account vehicle operating costs, public transport costs, parking charges, and toll charges (i.e. the CAZ charge).

For home-based commuting and other non-business trips, personal affordability will be affected by the changes to parking charges and availability (associated with the parking measures), changes in vehicle operating costs associated with any re-routing, and changes to taxis fares which may occur if PHV drivers pass the charge onto the user.

In addition to the above impacts, businesses within Portsmouth that use goods vehicles or are reliant on goods vehicles to deliver stock may be particularly impacted by a charging CAZ, if they are required to pay the CAZ charge.

Transport user benefit appraisal (TUBA) software has been used to estimate affordability impacts. The benefits have been calculated using 10-year appraisal TUBA outputs, which in turn take data from the model. The assessment considers all modelled modes and has been carried out on the following user classes separately:

- Home-based commuting and other trips; and
- LGV and HGV/OGV business trips.

2.8.2. Assessment information

Impacted Area: The impacted area is defined as the whole of Portsmouth (i.e. the Portsmouth City Council boundary) in order to capture any benefits or disbenefits for individuals living in this area.

For home-based commuting and other non-business trips, the distribution of benefits across different income quintiles (at the LSOA level) has been analysed, focusing on trips undertaken within the core impact area only.

For LGV and OGV business trips, the distribution of benefits relative to the concentration of SMEs (micro, small and medium-sized enterprises) has been analysed (at the MSOA level), focusing on all trips with a trip end within the core impact area (i.e. internal trips and internal-external trips).

Vulnerable Groups: Table 2-15 shows that within the impact area, there are high proportions of residents within the impacted area in income quintile 3, when compared to the national average. The proportion of income quintiles 1, 2 and 4 are in line with the national average and there is a low proportion of residents in income quintile 5 (least income deprived).

Table 2-15 Proportions of income groups within the user benefits impact area

Group	England (and Wales*)	OBC CAZ B Impact Area	FBC CAZ B Impact Area
Quintile 1 (most deprived)	20.0%	19.2%	19.2%
Quintile 2	20.0%	22.5%	22.5%
Quintile 3	20.0%	32.7%	32.7%
Quintile 4	20.0%	17.2%	17.2%
Quintile 5 (least deprived)	20.0%	8.4%	8.4%

2.8.3. Appraisal update (for FBC CAZ B+ Package)

2.8.3.1. Personal affordability (commuter and other non-business trips) by income deprivation quintile

Table 2-16 shows the benefits and disbenefits accumulated for fuel, non-fuel, public transport costs, parking charges, and toll charges (i.e. the CAZ charge) for commuting and other trips. In accordance with TAG Unit A4-2, this considers the distribution of user charge changes relative to the population distribution. A change in cost is considered to be significant if there is greater than £0.60 change per head.

Beneficial impacts to affordability may occur as a result of reduced congestion within the CAZ boundary as vehicles respond to the measures, which may reduce fuel consumption. Within the impacted area, none of the quintile groups experience a reduction in cost of £0.60 per head or more, indicating no significant affordability benefits.

Conversely, affordability dis-benefits affect each of the quintile groups, primarily due to the increases in parking charges and reduction in parking availability. The 20% most income deprived residents (income quintile 1) experience 13.3% of the overall affordability disbenefit, which is 6 percentage points less than the proportion of the population within this income group (19.2%). Therefore, there is a **slight adverse** affordability impact for income quintile 1. Within income quintiles 2-5 the proportion of the disbenefit received is within 5 percentage points of the population in each income quintile (within 5%). Therefore, there is a **moderate adverse** impact to affordability for income quintiles 2-5.

Table 2-16 Affordability impacts for commuter and other non-business trips across all income quintiles for CAZ B+

	Income Quintile					Total
	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5	
Total population in the assessment area	39,354	46,147	67,005	35,136	17,183	204,825
Proportion of population in each quintile in the assessment area	19.2%	22.5%	32.7%	17.2%	8.4%	-
Sum of benefits	£0	£0	£0	£0	£0	£0
Proportion of benefits for each income quintile	N/A	N/A	N/A	N/A	N/A	-
Sum of disbenefits	-£427,802	-£626,237	-£1,167,619	-£567,452	-£421,326	-£3,210,436
Proportion of disbenefits for each income quintile	13.3%	19.5%	36.4%	17.7%	13.1%	-
Overall sum of benefits and disbenefits for leisure and commuting users	-£427,802	-£626,237	-£1,167,619	-£567,452	-£421,326	-£3,210,436
Assessment	Slight Adverse	Moderate Adverse	Moderate Adverse	Moderate Adverse	Moderate Adverse	

Note, the affordability benefits presented in the Economic Case do not include parking charges, as JAQU request that these are treated as a transfer payments. In addition, the figures presented in the Economic Case relate to a wider study area.

In summary, the analysis shows an adverse affordability impact for each income quintile, primarily due to the increase in parking costs. The overall distributional impact is **slight adverse**, based on the slight adverse impact for the most income deprived residents. This group receive a disproportionately small disbenefit, relative to their population.

2.8.3.2. Business affordability (HGV and LGV business trips) by concentration of SMEs

The JAQU Guidance for Options Appraisal refers to TAG Unit A4-2 for detailed guidance on appraising the different impact variables including accessibility, affordability and user benefits. However, there is no specific guidance provided for the appraisal of businesses affordability. Therefore, the principles for appraising personal affordability set out in TAG were applied to understand if affordability benefits/disbenefits are distributed evenly across business size.

Table 2-17 compares the relative proportion of benefits and disbenefits (by MSOA) against the relative concentration of SMEs³. This highlights whether the benefits are evenly distributed based on the prevalence of SMEs across the impact area.

³ Disbenefits and benefits associated with trips from each model zone have been translated to each MSOA based on the distribution of the population within the intersection of each zone and MSOA.

Beneficial affordability impacts may occur as a result of reduced congestion within the CAZ; adverse affordability impacts may be due to users paying for the CAZ charge, traveling further in order to avoid the charge.

Table 2-17 Affordability impacts for HGV and LGV business trips by concentration of SMEs for CAZ B+

Option	Quintiles of the number of SMEs within Portsmouth					Total
	1 (20% highest number of SMEs)	2	3	4	5 (20% lowest number of SMEs)	
Total number of SMEs in the assessment area	2,705	1,720	1,365	1,205	850	7,845
Proportion of total SMEs in each quintile in the assessment area	34.5%	21.9%	17.4%	15.4%	10.8%	-
Sum of benefits	£447	£1,218	£3,350	£190	£755	£5,959
Proportion of benefits for each quintile	7.5%	20.4%	56.2%	3.2%	12.7%	-
Sum of disbenefits	-£92,870	-£19,387	-£3,553	-£4,572	-£1,677	-£122,058
Proportion of disbenefits for each quintile	76.1%	15.9%	2.9%	3.7%	1.4%	-
Overall sum of benefits and disbenefits for business users	-£92,423	-£18,169	-£202	-£4,382	-£923	-£116,099
Assessment	Large Adverse	Slight Adverse	Slight Adverse	Slight Adverse	Slight Adverse	

Note, the affordability benefits presented in the Economic Case do not include parking charges, as JAQU request that these are treated as a transfer payments. In addition, the figures presented in the Economic Case relate to a wider study area.

The total affordability disbenefits outweigh the benefits across each of the quintiles representing different concentrations of SMEs, however, the scale of dis-benefit is very small (just £122,058 across all quintiles).

The majority of the affordability dis-benefits (76.1%) occur within areas with the highest proportion of SMEs. This is disproportionately large, compared to the concentration of SMEs within this quintile. Therefore, there is a **large adverse** impact for business trips within this quintile. For quintiles 2 to 5 (representing areas with smaller proportions on SMEs), the proportion of dis-benefits is much less than the proportion of SMEs, so the distributional impact on SMEs is **slight adverse**.

In summary, the CAZ B+ option has an overall adverse impact on affordability across all areas, due to users paying for the CAZ charge. The distribution of disbenefits for HGV and LGV business trips are disproportionately concentrated within areas with highest proportion of SMEs (35%). These locations experience 76% of the dis-benefits, and experience a net dis-benefit of £92,423. The remaining 65% of SMEs are located in areas which experience a net dis-benefit of £23,676. The overall distributional impact is therefore **moderate adverse**.

2.9. Summary of Distributional Impact assessment

A summary of the findings of the **Refined Alternative Package** (FBC CAZ B+) is provided in **Table 2-18**, along with the assessment results for the Portsea Island CAZ C (Benchmark).

The CAZ C Benchmark option and the Refined Alternative Package (CAZ B + non-charging measures) option are shown to have a **slight adverse and slight / moderate impact on accessibility**, as taxi drivers may increase their charges or chose to stop operating in the CAZ area, limiting the availability of hackney carriages and private hire vehicles and disproportionately impacting on income deprived residents and disabled people living in the centre of Portsmouth.

For both options, the impact of the proposed CAZ on traffic flow and re-routing is small. The overall impact in terms of **severance, accidents and noise**, is therefore limited, and the change which is predicted is found to have a **neutral / slight beneficial** impact on relevant vulnerable groups.

In terms of air quality, both options benefit the high proportion of children and low income households in central Portsmouth, who will benefit from reduced emissions. The impact is considered **large beneficial** for the CAZ C Benchmark, and **moderate beneficial** for the CAZ B+ Refined Alternative Package, reflecting the smaller scale of the CAZ area.

The overall impact on **user benefits** for non-business trips is **slight adverse**. Increased parking costs outweigh time and vehicle operating cost savings resulting from small-scale re-routing of traffic and reduction in congestion as a result of cancelled trips and mode shift, but in relative terms the most income-deprived areas experience less dis-benefit than other income groups. Similarly, the overall impact on **personal affordability** (for non-business trips) is **slight adverse**, as the income-deprived areas experience less dis-benefit than other income groups.

The **majority of SMEs** (65%) are located in areas where business trips experience net user benefits, due to small scale re-routing of traffic; but very small adverse impact on journey affordability, due to users paying for the CAZ charge. Areas with the highest proportion of SMEs experience a disproportionately high level of user and affordability dis-benefits, although the absolute scale of the dis-benefits is very small.

The above assessment focuses on how the benefits and dis-benefits of the Refined Alternative Package are distributed across vulnerable groups, in relative terms. In all cases, the absolute scale of the benefits / dis-benefits are small or very small.

Table 2-18 Summary of Distributional Impact assessment

Impact variables	Portsea Island CAZ C (Benchmark)	Small Area CAZ B + non-charging measures (FBC Alternative Package)
Accessibility	<p>Slight adverse</p> <p>The option may indirectly impact the availability of taxis/PHVs, as drivers may increase their charges or choose to stop operating. There are a small number of conventional bus services which cannot be or have not yet been retrofitted; and there is a risk that operators may withdraw these vehicles from service in the short-term.</p> <p>There are high proportions of income deprived residents and disabled people in the centre of Portsmouth, who are more likely to rely on these services for certain trips and will be disproportionately affected. This may reduce their ability to access key services and amenities, jobs, and social networks, and could result in isolation and social exclusion.</p>	<p>Slight / moderate adverse</p> <p>Similar impacts to the CAZ C option are expected. Some 55% of residents within the Small Area CAZ B are amongst the 20% most income deprived in England, and 67% are within LSOAs with the 20% highest level of illness and disability within England. These groups will be adversely affected, with potential adverse impacts on employment and education prospects, health, isolation and social inclusion.</p> <p>The CAZ B+ option is smaller, so adversely impacts fewer people. However, it disproportionately affects income deprived, disability, and to a much lesser extent, BAME groups; so is considered to have a similar impact, or greater disproportionate impact. The individuals concerned would also be adversely impacted by the CAZ C option.</p>
Severance	<p>Slight beneficial</p> <p>There are a small number of road links where traffic flow reduces by >10%, which will improve the quality of the pedestrian environment. There is a higher than average proportion of no car households and disabled persons in the CAZ area, who will disproportionately benefit from any change in severance. Elderly and children will also benefit.</p> <p>There are no road links where traffic flow is expected to increase by >10%, hence there are no potential adverse impacts to severance for this option.</p> <p><i>In virtually all cases the flow on the roads concerned is less than 1500 per day, often much less, so the overall level of severance is limited.</i></p>	<p>Slight beneficial</p> <p>There are a number of road links where traffic flow reduces by >10%, which will improve the quality of the pedestrian environment, benefiting vulnerable residents in the area who may be more likely to walk to local amenities, including the high proportion of no car households, disabled persons, and children.</p> <p>There are two links where traffic flow increases by >10% due to the scheme. However, the absolute increased AADT is less than 30 vehicles on these links, so is not expected to significantly impact severance in the area.</p> <p><i>However, in both cases the daily flow is very low and the increase is less than 30 vehicles, so the overall level of severance is limited.</i></p>
Accidents	<p>Neutral</p> <p>There are no road links where traffic flow increases by >10%, which could lead to an increase in collisions. There are a small number of road links where flow reduces by >10%, which could lead to a reduction in collisions.</p> <p>Historically, there have been relatively few casualties (10 over 5 years, 7 involving cyclists) from vulnerable groups on these links. The impact on vulnerable groups is therefore considered neutral on these links.</p>	<p>Slight beneficial</p> <p>There are two road links where traffic flow increases by >10%, but the absolute increase is less than 30 vehicles. Historically, there have been few casualties (2 over 5 years) involving vulnerable groups on these links.</p> <p>There are more links where flow reduces by >10%, which could lead to a reduction in collisions. Historically, there has been a relatively high number of casualties (111 over 5 years) involving vulnerable groups on these links (especially cyclists and income deprived groups).</p>

	<i>Overall, this option achieves only a slight reduction in veh-kms, and the overall impact on all accidents (not just those involving vulnerable groups) is assumed to be negligible (see Table 3-14).</i>	<i>Overall, this option achieves only a slight reduction in veh-kms, and the overall impact on all accidents (not just those involving vulnerable groups) is assumed to be negligible.</i>
Air quality	<p>Large beneficial</p> <p>Air quality modelling shows a decrease (>10%) in NO₂ levels across a large number of links in Portsmouth. There are a high proportion of children and low income households in central Portsmouth, who will disproportionately benefit from reduced emissions. These groups are particularly vulnerable to air quality impacts as low income households are more likely to live on a main road and children tend to spend more time outside.</p>	<p>Moderate beneficial</p> <p>Air quality modelling shows a decrease (>10%) in NO_x levels across a moderate number of links in Portsmouth. There are a high proportion of low income households in this area, and children attending nearby schools, who will disproportionately benefit from reduced emissions.</p> <p>The magnitude of overall benefit for vulnerable groups is expected to be proportional to the size of the CAZ.</p>
Noise	<p>Slight beneficial</p> <p>There are a moderate number of links where traffic flow has decreased by >20%, which is generally indicative of a reduction in noise levels. These links are in the vicinity of low income households and several amenities such as schools and playgrounds which children may attend.</p> <p>There are no links where traffic flow has increased by >25%, which is generally assumed to indicate an increase in noise levels.</p> <p><i>Overall, this option achieves only a slight reduction in flow and speed, and the overall impact on noise is assumed to be negligible (see Table 3-14).</i></p>	<p>Slight beneficial</p> <p>There are a moderate number of links where traffic flow has decreased by >20%, which is generally indicative of a reduction in noise levels. This is expected to result in greater than average benefits for the most deprived residents and the high proportion of children in the area.</p> <p>There are two links where traffic flow has increased by >25%, which is generally assumed to indicate an increase in noise levels, however, the absolute change is very small.</p> <p><i>Overall, this option achieves only a slight reduction in flow, and the overall impact on noise is assumed to be negligible.</i></p>
User benefits (commuter and other non-business trips)	<p>Large adverse</p> <p>The CAZ C benchmark has a very small negative impact (-£41,397) on these users, due to small scale increases in travel time and associated vehicle operating costs. Based on the relative proportion of disbenefits (by LSOA) against the population in each income quintile (by LSOA), the distributional impact is large adverse for the most deprived income quintiles, and moderate adverse for other income quintiles.</p> <p><i>The distributional impact is large adverse, but the absolute scale of the net impact is very small.</i></p>	<p>Slight adverse</p> <p>The CAZ B+ has an adverse impact (-£2,271,257 overall) on these users. This is primarily due to increased parking costs, outweighing time and vehicle operating cost savings resulting from small-scale re-routing of traffic and reduction in congestion due to cancelled trips and mode switch.</p> <p>Based on the relative proportion of disbenefits against the population in each income quintile, the overall impact is slight adverse, due to the slight adverse impact for the most income deprived residents (income quintiles 1 and 2).</p> <p><i>The distributional impact is slight adverse, but the absolute scale of the net impact is small.</i></p>

User benefits (HGV and LGV business trips)	<p>Large adverse</p> <p>There is a dis-benefit across all SME quintiles (-£6,662,834), as a result of the CAZ charge paid by the remaining non-compliant HGVs and LGVs (with a larger number of LGVs paying the charge relative to HGVs). However, the dis-benefits are disproportionately focused on the areas with the highest concentration of SMEs, resulting in a large adverse impact on SMEs.</p> <p><i>The absolute scale of benefits / dis-benefits is small across all quintiles.</i></p>	<p>Neutral</p> <p>Adverse impacts are anticipated for HGV and LGV business trips in quintile 1 areas (containing 35% of SMEs). These locations experience 90% of the dis-benefits, and experience a net dis-benefit of £70,427, due to the increase in costs resulting from the CAZ charge. The remaining 65% of SMEs are located in areas which experience a net benefit (£139,218), due to time and vehicle operating cost savings resulting from small-scale re-routing of traffic and reduction in congestion. The overall distributional impact is therefore neutral.</p> <p><i>The absolute scale of benefits / dis-benefits is very small across all quintiles.</i></p>
Personal affordability	<p>Moderate adverse</p> <p>The CAZ C benchmark has a very small negative impact (-£791) on affordability, as a result of re-routing effects on vehicle operating costs, with specific income groups experiencing benefits and dis-benefits. Based on the relative proportion of dis-benefits against the population in each quintile, there is a neutral affordability impact for the most income deprived residents, and a large adverse affordability impact for income quintile 2, with other income groups experiencing a large adverse or large beneficial impact.</p> <p><i>The absolute scale of benefits / dis-benefits is very small across all quintiles.</i></p>	<p>Slight adverse</p> <p>The analysis shows an adverse impact overall of -£3,210,436, due to the increase in parking costs. Based on the relative proportion of impacts against the population in each income quintile, there is a slight adverse affordability impact for the 20% most income deprived residents (income quintile 1). This group receive a disproportionately small disbenefit, relative to their population.</p> <p><i>The absolute scale of dis-benefits is small across all quintiles.</i></p>
Business affordability (HGV and LGV business trips)	<p>Large adverse</p> <p>The CAZ C benchmark has a negative impact (-£6,662,834) on affordability, with all concentrations of SMEs experiencing disbenefits. There is a disproportionately large disbenefit in areas where there are a high number of SMEs.</p> <p><i>The absolute scale of dis-benefits is small across all quintiles.</i></p>	<p>Moderate adverse</p> <p>The CAZ B+ option has an overall adverse impact on affordability across all areas, due to users paying for the CAZ charge and small-scale re-routing impacts. The distribution of dis-benefits for HGV and LGV business trips are disproportionately concentrated within areas with highest proportion of SMEs (35%). These locations experience 76% of the dis-benefits, and experience a net dis-benefit of £92,423. The remaining 65% of SMEs are located in areas which experience a net dis-benefit of £23,676. The overall distributional impact is therefore moderate adverse.</p> <p><i>The absolute scale of benefits / dis-benefits is very small across all quintiles.</i></p>

Financial Assistance available to the HC / PHV trade

	Sheffield	Bath	Leeds	Southampton	Birmingham	Portsmouth
Proposals for newly licensed vehicles	PHV must be younger than 5 years	Max 4 years	Max 5yrs: Petrol, Diesel, Diesel Hybrid Max 7yrs and less than 120,000 miles: Electric, Petrol Hybrid, LPG Max 8 years HC WAV	Euro 6 or newer	All newly licensed vehicles should be ULEV by 01/01/26	PHV and Hackney no more than 4 years old from 2022 and must be Zero Emission Capable from 2025
Proposals for relicensed vehicles	PHV Euro 6 Up to 9 years, ULEV 11 years	Max 10 yrs, CAZ compliant	Vehicles over 7yrs to undergo inspection, maximum of 10yrs (ULEV and some WAVs 12yrs)	01/01/22: Euro 6 or newer	Taxis: 15 years Max. PHV: 12 yr Max.	PHV and Hackney must be no more than 8 years old
Funding	CAF received: £3.3m HC £2.48m PHV	£899,000 (CAF requested)	£7.3 million CAF (circa £700,00 CAF and £1 million Council spending in loans at time CAZ was cancelled)	SCC scheme, extended with CAF funding	£15 million	£604,500 secured through CAF for taxi/ PHV retrofit/ replacement

	Sheffield	Bath	Leeds	Southampton	Birmingham	Portsmouth
Grant Amount	Various - including £1,500 for replacement. Interest free loans are also likely to be available.	Up to £4,500 or up to 35% of the net upgrade cost, whichever is lower. Interest free loans are also available, the value of which are calculated on a case by case basis.	Non-repayable grant worth up to £1,500 Interest-free loan worth up to £10,000	£1,500 to Full Petrol/ Diesel Hybrids / Euro 6 WAV £2,000 Plug in Hybrid £3,000 EV These figures halved after May 2021	<u>Private Hire</u> A - £1,000 towards upgrade of ICE B – £2,000 towards upgrade to a hybrid electric vehicle C – £2,500 towards the running costs of a ULEV <u>Hackney Carriage</u> D – £5,000 towards retrofit E – £5,000 towards the running costs of ULEV F - £5,000 contribution towards an ICE compliant vehicle, unless eligible for the government's plug-in grant	£1,500 per PHV (secured) £4,000 per WAV (secured) with up to £15,000 per vehicle requested

	Sheffield	Bath	Leeds	Southampton	Birmingham	Portsmouth
Fleet compliance	678 non-compliant HC 621 non-compliant PHV (down from 1655 - grant awarded on that basis)	176 expected to upgrade - fleet expected to be CAZ compliant by Go Live	46% petrol hybrid/EV, 26% Euro 6, 28% Euro 5	Euro 6 minimum compliance increased from 42% in Q1 2019 to 67% in Q3 2020 (associated with new licensing conditions) Around 80% of applicants to the scheme have upgraded to a hybrid, with only 3 electrics. The SCC fleet has recently exceeded 40% hybrids	In December 2018: 1280 HC, of which over 90% were non-compliant. 4321 PHV, of which 95% were non-compliant	108 non-compliant HC, 213 non-compliant PHV, as of December 2020
Size of Fleet (March 2020)	Approx. 2,500 Hackney Carriages and Private Hire Vehicles	Approx. 500 Hackney Carriages and Private Hire Vehicles	Approx. 5,000 Hackney Carriages and Private Hire Vehicles	Approx. 1,400 Hackney Carriages and Private Hire Vehicles	Approx. 5,000 Hackney Carriages and Private Hire Vehicles	Approx. 1,200 Hackney Carriages and Private Hire Vehicles

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Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

www.portsmouth.gov.uk

The integrated impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
 - Communities and safety
 - Regeneration and culture
 - Environment and public space
 - Equality & - Diversity - This can be found in Section A5

Directorate:

Regeneration

Service, function:

Transport

Title of policy, service, function, project or strategy (new or old) :

Clean Air Zone - Clean Air Fund Eligibility Criteria and Prioritisation

Type of policy, service, function, project or strategy:



Existing



New / proposed



Changed

What is the aim of your policy, service, function, project or strategy?

To set the eligibility criteria and prioritisation for the Clean Air Fund measures being introduced as a component of the Clean Air Zone, to ensure that the measures reach their objectives.

Has any consultation been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A1-Crime - Will it make our city safer?

☐☒

In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact Lisa.Wills@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How will you measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A2-Housing - Will it provide good quality homes?

☐☒

In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A3-Health - Will this help promote healthy, safe and independent living?



In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact Dominique.Letouze@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The actions proposed in the paper will contribute towards improvements in air quality throughout the city, having a positive impact on the health of residents in all age categories by achieving nitrogen dioxide compliance levels. Taxis, buses and coaches are particular used to provide essential services for those with existing medical conditions, and vulnerable groups, which should continue after upgrading their vehicles.

How are you going to measure/check the impact of your proposal?

Roadside air quality monitoring data will be used to measure the impact of the CAF measures

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A4-Income deprivation and poverty-Will it consider income deprivation and reduce poverty?



In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact Mark.Sage@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>
<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

PCC has already secured £1.4 million from government's Clean Air Fund, to be able to offer support to those effected by the CAZ charge. The eligibility criteria and prioritisation criteria will ensure that the CAF measures are distributed to those most negatively impacted by the Clean Air Zone charge, including those financially impacted. This has been factored into the creation of the criteria.

How are you going to measure/check the impact of your proposal?

By checking that applications are measured against the eligibility criteria and prioritisation criteria.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A5-Equality & diversity - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact gina.perryman@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The eligibility criteria and prioritisation criteria have been formulated with considerations in mind regarding protected characteristics. The policy will ensure grant funding is provided to support these, especially in relation to prioritising bus and coach applications for those that provide services to those with protected characteristics.

How are you going to measure/check the impact of your proposal?

Continued engagement with the trade and the community, such as continuation or reduction in routes and services. Ensuring that applications are measured against the eligibility criteria and prioritisation criteria.

B - Environment and climate change**Yes****No**

Is your policy/proposal relevant to the following questions?

B1-Carbon emissions - Will it reduce carbon emissions?

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The purpose of the CAZ is to reduce NO2 emissions from vehicles by encouraging fewer trips and the use of cleaner vehicles. This action will also have a benefit towards reducing other emissions.

How are you going to measure/check the impact of your proposal?

Roadside monitoring data will be used to measure the reduction in harmful emissions. The number of non-compliant vs compliant vehicles entering the CAZ will indicate a reduction in harmful emissions.

B - Environment and climate change**Yes****No**

Is your policy/proposal relevant to the following questions?

B2-Energy use - Will it reduce energy use?

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact Triston.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

<https://democracy.portsmouth.gov.uk/documents/s24685/Home%20Energy%20Appendix%201%20-%20Energy%20and%20water%20at%20home%20-%20Strategy%202019-25.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The policy/proposal will contribute to a reduction in older, less fuel efficient vehicles. It may lead to an increase in the uptake of electric vehicles, especially in the instance of private hire and hackney carriage, contributing to lower ICE vehicles in the fleet.

How are you going to measure/check the impact of your proposal?

Successful distribution of the CAF measures throughout the rounds will measure success in reducing the number

of older, less fuel efficient vehicles. The number of upgraded taxis can be measured through the Licensing

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B3 - Climate change mitigation and flooding-Will it proactively mitigate against a changing climate and flooding?

☐☒

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B4-Natural environment-Will it ensure public spaces are greener, more sustainable and well-maintained?

☐☒

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

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B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B5-Air quality - Will it improve air quality?

In thinking about this question:

- How will it reduce motor vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact Hayley.Trower@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

As part of the Clean Air Zone, this proposal will lead to improvements to air quality in Portsmouth through reaching compliance with legal limits of nitrogen dioxide. The proposal will lead to a reduction in the number of CAZ non-compliant vehicles within the city.

How are you going to measure/check the impact of your proposal?

Air quality monitoring, traffic counts through the CAZ including reduction to number of non-compliant vehicles.

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B6-Transport - Will it improve road safety and transport for the whole community?

In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it allocate street space to ensure children and older people can walk and cycle safely in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact Pam.Turton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B7-Waste management - Will it increase recycling and reduce the production of waste?



In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact Steven.Russell@portsmouthcc.gov.uk or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C1-Culture and heritage - Will it promote, protect and enhance our culture and heritage?



In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact Claire.Looney@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The CAZ will result in cleaner air for everyone, encouraging visitors and improving the city to live in. Correctly distributed funding will contribute towards the continuation of services and events, which might otherwise have to be stopped if funding was not available for the upgrade of vehicles.

How are you going to measure/check the impact of your proposal?
GVA data and visitor numbers/spend. Successful distribution of all funding available.

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C2-Employment and opportunities - Will it promote the development of a skilled workforce?



In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The distribution of the funding, through the eligibility criteria and prioritisation criteria in this paper, could lead to businesses continuing operating where they might otherwise have had to cease trading due to the cost of the CAZ charge or replacing their vehicles. Costs that may have been incurred by businesses paying the CAZ charge could have been passed onto consumers. This is especially important for SMEs.

How are you going to measure/check the impact of your proposal?
Unemployment statistics, feedback from businesses regarding reaching compliance.

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C3 - Economy - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?



In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth in the city?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The eligibility criteria and prioritisation criteria will lead to funding being issued to local businesses to support upgrade/retrofit of non-compliant vehicles, leading to local spend and continuation of trade.

How are you going to measure/check the impact of your proposal?

Uptake of CAF measures and distribution of all available funding to those most effected by the CAZ charge.

Q8 - Who was involved in the Integrated impact assessment?

Alexander Roke

This IIA has been approved by:

Contact number:

Date:

Agenda Item 12



Title of meeting:	Cabinet
Date of meeting:	09/03/21
Subject:	Social Value Policy
Report by:	Natasha Edmunds
Wards affected:	All
Key decision:	Yes/ No
Full Council decision:	Yes/ No

1. Purpose of report

This Social Value Policy sets out the Council's formal position in response to several drivers:

- The restorative opportunities to build back better, and greener.
- To complement the City Vision and its objectives.
- Unlocking greater value in the supply chain through commissioning, procurement, and contract management.
- Strengthen the 'Portsmouth Pound' through greater support of the local economy and generating inward investment.
- Develop and grow new and existing partnerships, embedding value at the heart of them

^[i] <https://www.gov.uk/government/publications/social-value-act-introductory-guide>

^[ii] <https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts>

^[iii] <https://www.gov.uk/government/publications/procurement-policy-note-1120-reserving-below-threshold-procurements>

The Social Value Policy presented for approval has been developed by drawing on an evidence base derived from engagement with PCC services already engaged in delivering social value initiatives, desk top analysis of good practice in social value in both the public and private sectors, workshops with a cross section of council staff and the work of the Social Value Working Group.

Details are provided in the Supporting paper in Appendix 3.

2. Recommendations

- I. Formally adopt the social value policy that reinforces a strategic position relating to social value as described in Appendix 1
- II. Adopt the roadmap principles, direction and confirm the key actions required to get to social value maturity within the timeline set out as described in Appendix 2.

3. Background

The Local Government Act 2000 reminds us that fundamentally, the objective of any local authority should be: “The promotion or improvement of the economic, social and environmental wellbeing of their area.”

The UK government has demonstrated commitment to small and medium-sized enterprises (SMEs) by introducing several initiatives designed to increase SME participation.

The 2020 review of the Green Book aimed at levelling up Government expenditure across the UK played a central role in raising the profile of social value delivered through public spending. The Green Book is the Government’s guidance on options appraisal and applies to all proposals that concern public spending, taxation, changes to regulations, and changes to the use of existing public assets and resources. It is vital for designing interventions that both achieve government policy objectives and deliver social value for money - i.e. that maximise the delivery of economic, social and environmental returns for UK society for every pound of public funds spent.

As a result of the global pandemic there is a demonstrable need for the Council to take a formal strategic approach to building social value into how it facilitates the city's recovery with the aim of delivering positive social, economic and environment impact.

4. Reasons for recommendations

The Council recognises the need to further formalise its position and response to social value.

The social value policy sets out the obligations and opportunities that span across the Council. Furthermore, it is responsive to the Central Government updated Public Procurement Notice 6/20^[i] and 11/20^[ii]. This policy will align with and complement the Councils existing policies and strategies. It will further align with the emerging ISO Social Value standard (BS8950)^[iii] and the UN Global Sustainable Development Goals and the 2020^[iv] Transforming Public Procurement Green Paper^[v], that proposes the UK’s procurement reforms post Brexit.

Furthermore, the policy supports many of the Portsmouth City Vision objectives approved in December 2020,

A healthy and happy city | A city rich in culture and creativity | A city with a thriving economy | A city of lifelong learning | A green city | A city with easy travel

Together with a natural alignment to the Councils Corporate Priorities - 2018

- Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe, and independent lives.
- Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit.
- Make our city cleaner, safer and greener.
- Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy, and positive about their futures.
- Make sure our Council is a caring, competent, and collaborative organisation that puts people at the heart of everything we do.

^[ii] <https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts>

^[iii] <https://www.gov.uk/government/publications/procurement-policy-note-1120-reserving-below-threshold-procurements>

^[iii] <https://www.bsigroup.com/en-GB/blog/Environmental-Blog/introducing-the-new-british-standard-on-social-value/bs-8950---guide/>

^[ix] <https://sdgs.un.org/goals>

^[x] <https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement>

Implementation of the policy will be the formal position from which the Council will build upon, to increase the level of social value being delivered and retained within the City boundaries.

5. Integrated impact assessment

The integrated impact assessment for the Policy document has identified no negative impact in the approval and implementation of the policy document.

The process acknowledges that full implementation may require further I.I.A. as policies and processes are reviewed and updated.

6. Legal implications

6.1 Under section 1(3) of the Public Services (Social Value) Act 2012 the Council has a specific statutory duty, when procuring contracts for the provision of services on its behalf (or the provision of services together with the purchase or hire of goods or the carrying out of works) to consider at an early stage in the procurement process:

- (a) how what is proposed to be procured might improve the economic, social and environmental well-being of its area, and

(b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

- 6.2 Assurance of compliance with this statutory duty is provided for within the Council's adopted internal procurement procedures.
- 6.3 This report, together with the proposed Social Value Policy and Roadmap Principles, sets out how these social value objectives can be developed and applied as appropriate more broadly across the range of the Council's activities and functions.
- 6.3 The report further describes how such wider application of social value principles and objectives can enhance the pursuit of a broad range of the Council's existing corporate and strategic objectives and is wholly consistent with emerging national policy in this area.
- 6.4 Adoption and implementation of the proposed Social Value Policy is consistent with the Council's power to promote the economic, social and environmental well-being of its area as originally enacted in Section 2 of the Local Government Act 2000 and since replaced by the general power of competence of local authorities under Section 1(1) of the Localism Act 2011.

7. Director of Finance's comments

Financial implications arising from the recommendations of this report will be met from existing budget provision.

Signed by:

.....
Natasha Edmunds
Director of Corporate Services

Appendices:

- 1) Portsmouth City Council Social Value Policy
- 2) Portsmouth Road Map Summary
- 3) Additional Report

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
A new vision for Portsmouth's future	https://www.portsmouth.gov.uk/2021/01/29/a-new-vision-for-portsmouths-future/ https://imagineportsmouth.co.uk/
Portsmouth City Council - Our council priorities	https://www.portsmouth.gov.uk/services/council-and-democracy/policies-and-strategies/our-council-priorities/
VCSE: A guide to working with government	https://www.gov.uk/government/publications/social-value-act-introductory-guide
Public Procurement policy	https://www.gov.uk/guidance/public-sector-procurement-policy
Procurement Policy Note 06/20 Taking account of social value in the award of central government contracts	https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts
Procurement Policy Note 11/20 Reserving below threshold procurements	https://www.gov.uk/government/publications/procurement-policy-note-1120-reserving-below-threshold-procurements
A guide to the social value standard BS 8950:2020	https://www.bsigroup.com/en-GB/blog/Environmental-Blog/introducing-the-new-british-standard-on-social-value/bs-8950---guide/
United Nations goals	https://sdgs.un.org/goals
Green Paper: Transforming public procurement	https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

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Portsmouth City Council

Social Value Policy

March 2021

Introduction

Portsmouth is a coastal city with an incredible waterfront, a rich cultural heritage, and a strong maritime history. With a naval base, international port, and strong local links across the south, we are the centre of culture and enterprise for our area.

Portsmouth has a population of over 207,000 and more than 6,500 businesses. The local people who live and work in Portsmouth are central to the impact and legacy of the social value policy.

Each year the Council distributes public funding and needs to ensure that value for money is achieved, across a wide range of services and functions. There is both obligation and opportunity to ensure that the public funding leverages social and local value for the benefit of local people, businesses and our environment.

Social Value Definition

The Public Services (Social Value) Act 2012ⁱ came into force on 31st January 2013. Local authorities and other public bodies have a legal obligation to consider the social good that could come from the procurement of services before they embark upon it. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, the Council considers the wider impact of the services delivered. It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous tender but one which goes beyond the basic contract terms and secures wider benefits for the community.

As the government has not provided a specific social value definition, it is important that we as a council take the time to define what this means to both our internal and external stakeholders – what it means to Portsmouth. We have set out below our definition of social value from which we move forward with a set of council-wide thematic areas and principles.

Portsmouth Social Value is:

'The lasting and positive impact that we create through the way in which we act to shape a resilient future, for our local and regional communities, businesses and environment'

Our definition will be achieved through delivering impact, with examples set out in the following areas:

- **Social Impact.** Improving the physical and mental wellbeing of local people, strengthening community spirit and collaboration to reduce poverty and social isolation, supporting young people, disadvantaged groups and address inequality, by raising aspirations of our future generations.

- **Economic Impact.** Improving opportunities for our local SMEs, greater inclusion of the VSCE and social enterprise sectors within our supply chains, driving down unemployment, upskilling the future workforce and addressing skills gaps through apprenticeships and similar schemes. Driving up inward investment and harnessing the Green Revolution to 'build back better'.
- **Sustainability Impact** working towards our 2030 Carbon Net Zero goalⁱⁱ, improving our air quality, and enhancing our biodiversity through net gains. Evaluating our approach to placemaking and taking care of our heritage as a 'Port City.' Ensuring that communities and businesses are educated and empowered about the vital roles they play in delivering a sustainable future, one which builds back greener.

These are just some of the main ways in which this policy will support us to fulfil not only our city vision but also our social value definition.

The policy is underpinned by the leadership role that we are committed to taking, both as an organisation, and within our wider remit both regionally and on the national stage to drive forward social value.

Policy Context

Portsmouth City Council recognises our responsibility to comply with the Public Services (Social Value) Act 2012ⁱⁱⁱ and the Public Contracts Regulations 2015^{iv}. This policy builds upon the Council's existing good work to date and underpins the creation of value for money through the Portsmouth City Vision 2040^v. The social value policy amplifies how the Council can *create big, bold plans for what we want in future; for ourselves, our families, our communities, our businesses, and our co-workers*.

The social value policy sets out the obligations and opportunities that span across the Council. Furthermore, it is responsive to the Central Government updated Public Procurement Notice 6/20^{vi} and 11/20^{vii}. This policy will align with and complement the Council's existing policies and strategies. It will further align with the emerging ISO Social Value standard (BS8950)^{viii} and the UN Global Sustainable Development Goals and the 2020^{ix} Transforming Public Procurement Green Paper^x, that proposes the UK's procurement reforms post Brexit.

It is a policy that defines how the Council delivers value for money for our **local and regional economy, people, and environmental sustainability**. It demonstrates the Council's position on addressing inequality, and its moral requirement to ensure the greatest value is delivered through the Council's leadership, and the actions it takes as a public sector body.

¹ <https://www.gov.uk/guidance/public-sector-procurement-policy>

The social value policy will be cross-cutting and unifying as it forms one of three pillars that support Portsmouth in achieving our City Vision.

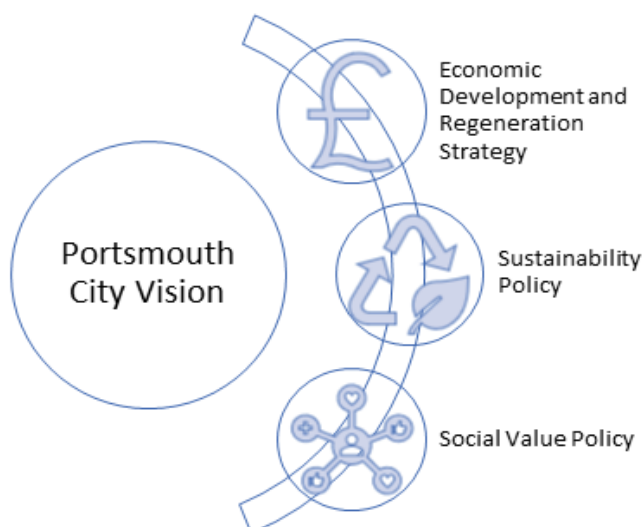


Figure 1

Whilst the social value policy is focused on the strategic position of the Council, it seeks to reflect a shared vision for the City, and more broadly our regional role. The policy reflects a wide range of partners and stakeholder drivers. (e.g., local residents and anchor organisations)

Our City Vision Values

We believe in our community: we will be so proud of our strong and friendly community spirit, how we all take care of each other, keep each other safe, help each other out, and make sure we all feel we belong

- We believe in collaboration: we will all take responsibility for our city and we enjoy working together for the common good, across neighbourhoods, communities, organisations, sectors, and businesses.
- We believe in equality: we will be a fair and equal city where everyone has the opportunity to succeed, enjoy and thrive in the life they want to live, and so we welcome and support each other without discrimination.
- We believe in respect: in 2040 we know every person in Portsmouth has a valuable contribution to make, whether we live, work, study or visit here, so we respect each other's differences, and make sure everyone feels included and safe.
- We believe in innovation: we are ambitious and action-oriented, welcoming new ideas and embracing changes that improve people's lives.

The values defined within the vision have been developed in consultation with more than 2,400 residents and we are committed to social value being a dynamic and responsive position that the Council takes.

Our Corporate Priorities (2018)

The context surrounding this policy is also underpinned by the 2018 Council corporate priorities^{xi} that provide the internal benchmark. We can deliver external impact as follows:

- Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe, and independent lives.
- Encourage regeneration built around our city's thriving culture, making Portsmouth a great place to live, work and visit.
- Make our city cleaner, safer and greener.
- Make Portsmouth a great place to live, learn and play, so our children and young people are safe, healthy, and positive about their futures.
- Make sure our Council is a caring, competent, and collaborative organisation that puts people at the heart of everything we do.

2. BACKGROUND

This policy has been established during a time of significant national (and global) challenge. The public sector is strengthening its role as it supports local people, and economies to reduce inequality and build back better. The policy seeks to nurture and harness the local resilience demonstrated during the Covid-19 pandemic. To align with a council-wide social value strategy that creates **positive opportunities** for greater equality that shapes a happier, safer, and sustainable Portsmouth for generations to come. The policy incorporates the social value that we create through our activities. This may include activity that delivers social value outside of the Portsmouth City boundaries.

This social value policy sets out a formal position for the Council in response to several drivers:

- The restorative opportunities to build back better, and greener.
- To complement the City Vision and its objectives.
- Unlocking greater value in the supply chain through commissioning, procurement, and contract management.
- Strengthen the 'Portsmouth Pound' through greater support of the local economy and generating inward investment.

- Develop and grow new and existing partnerships, embedding value at the heart of them.
- Responding to Central Government policy and legislation. (e.g., The Public Services Act 2012^{xii}, Public Procurement Note 06/20^{xiii} and 11/20^{xiv})

The policy is aligned to the Public Services (Social Value) Act 2012^{xv}. The Act requires Councils to consider Social, Environmental and Economic factors when commissioning, procuring and contract managing goods and services. The policy has been created to build upon public sector best practice for embedding social value. It has also responded to emerging legislation and the direction of central government.

Our social value policy clearly defines:

1. Alignment with the values we share with residents, partners, local businesses and other stakeholders.
2. A social value definition that is reflective of what this means for the Council, and what it means to Portsmouth.
3. Specific social value thematic areas which are aligned to and complement the City Vision.
4. The key principles showing how the Council embeds practical and effective delivery of social value. Achieved through a dynamic set of cross-council initiatives, practices, and processes.
5. The scope in which social value will be embedded within the Council's existing activity and alignment with current strategies and policies.

Social Value Levers

We are committed to delivering on a social value policy that embeds lasting value through a council-wide strategy. A strategy that amplifies our existing good practice continues to provide a unifying and needs-led approach to delivering value for money.

We recognise as a council there will be many levers that enable us to unlock the hidden value we create, and to increase our council-wide value in the years ahead.

The levers include (but are not limited to):

- Commissioning, Procurement and Contract Management
- Regeneration and Planning
- Education and Skills
- Employment and Volunteering
- Portsmouth Partnerships
- Council Employee Engagement

- Cultural change and social value' business as usual'
- Local and regional partnerships
- Consistent and quality communication
- Recognition of commitment and delivery

Social Value Policy Aims

In delivering this policy our aim is to achieve social value through the way in which we operate as a public sector body, and through the way in which we spend public money. The policy aims are to ensure that we continue to make Portsmouth a healthy, vibrant, and sustainable city for all who live, learn, and work here. We have set out below our highest aspirations for Portsmouth by 2040, and this policy aims to contribute directly or indirectly to each of these aspirations.

Our Aspirations (as set out in our City Vision)

A healthy and happy city | A city rich in culture and creativity | A city with a thriving economy | A city of lifelong learning | A green city | A city with easy travel

We recognise that the Council is already achieving positive impact within some existing contracts, commissioning approaches, partner engagement and existing complementary policies, providing robust opportunities for a resilient recovery.

We recognise that social value is already being achieved within the City without any significant direct intervention by the Council through local socially minded business partners, existing social enterprises and the work of key partners.

We recognise that in some areas, the value of this activity is not being fully measured, therefore we have hidden value which we want to uncover, measure, and celebrate. As we move forward with the aims of the policy, we will utilise our social value strategy to ensure we capture the value of existing good practice, to celebrate, communicate and amplify this value.

Social Value Principles

To deliver a council-wide policy we recognise that the aims of the policy will remain flexible enough to allow for the areas of scope to deliver social value in the way most appropriate to their requirements. We have outlined a set of principles that act as **'levers'** which work towards the delivery of our social value definition, thematic areas, and city vision aspirations.

Innovation and leadership are the driving force behind our levers and achieving this policy. We recognise and welcome the role of innovation in the role that we play when building back better and showcasing social value. Our Leadership will allow us to use our social value principles to galvanise social value across our activities, our Council, and our City for generations to come.

- Consult - with key stakeholders through regular engagement to uphold a 'needs led' approach to the development of social value.
- Design –co production of services that are underpinned by the social value policy, city vision and legislation.
- Develop - an ecosystem that is value driven, with transparent and robust systems and processes.
- Manage - social value will become 'business as usual' as we effectively manage the way in which we deliver value for money.
- Embed - social value within the culture of our Council, local businesses, supply chain, partners, and residents.
- Improve - our social value through effective measurement that enables us to define what good looks like and push the boundaries of delivering value for Portsmouth.

Appendix 1 – Summary Roadmap

Appendix 2 – Support Briefing Paper

Glossary

Outputs	The frequency and type of activity delivered.
Outcomes	The change experienced as a result of the outputs being delivered.
Impact	The difference the change makes as a result of the outputs being delivered.
Value	The monetary worth of the impact being delivered
Local Value	Actions, activity and benefits for residents, communities, and businesses within the Portsmouth City postcode area.

ⁱ <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

ⁱⁱ <https://democracy.portsmouth.gov.uk/documents/s25687/Response%20to%20Climate%20Emergency%20Strategy%20appendix%20A.pdf>
<https://www.portsmouth.gov.uk/services/council-and-democracy/policies-and-strategies/our-council-priorities/>

ⁱⁱⁱ <https://www.gov.uk/government/publications/social-value-act-introductory-guide>

^{iv} <https://www.gov.uk/guidance/public-sector-procurement-policy>

^v <https://www.portsmouth.gov.uk/2021/01/29/a-new-vision-for-portsmouths-future/>

^{vi} <https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts>

^{vii} <https://www.gov.uk/government/publications/procurement-policy-note-1120-reserving-below-threshold-procurements>

^{viii} <https://www.bsigroup.com/en-GB/blog/Environmental-Blog/introducing-the-new-british-standard-on-social-value/bs-8950---guide/>

^{ix} <https://sdgs.un.org/goals>

^x <https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement>

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Appendix 1 - Roadmap to Development and Implementation

There is an opportunity to embed social value at the very heart of Portsmouth City Council and continue to grow its positive influence across the Portsmouth public, private and third sectors. This transition can be broken down into five distinct stages that enable social value maturity. Each of the stages needs to be satisfied before moving on to the next stage.

It is possible to reach social value maturity well in advance of the 2040 City Vision goal. The Social Value Business forecasts that significant changes will occur across the Council within 2 years. It could take up to a further 3 years to complete and embed the change in mindset and for social value to be delivered as 'business as usual' across the Council. This forecast is based on a medium-paced trajectory; there are opportunities to accelerate this timeline by learning from current national best practice, and adequately planning/resourcing the changes required. This includes investment into the additional capacity/resources, increasing current capability, development of new processes, and systems needed to support integrated, embedded social value development and rollout and recognise the social, environment and economic benefits that implementing Social Value can stimulate.

Example of Benefit(s)

- For every volunteering hour delivered, there is a £16.07 per hour in value delivered.
- For every 16-25yr old care leavers (FTE) hired on the contract as a result of a recruitment programme, generates £13,636 of value.
- For the weekly engagement of an apprenticeship, 16-25yr old generates £207.40 of value.
- For every £1 spent on Local Businesses (SME), there is an additional 0.09p economic benefit delivered¹.
- For every £1 spent on VCSE sector (there is an additional 0.12p economic benefit delivered)².
- The voluntary sector contributed £18.2bn to the Economy (UK) in 2017/18, representing 0.9% of GDP.
- Salford Council targets increase GVA by £2,353 through the implementation of a Social Value focus³.
- Liverpool City Region forecasted the VCSE sector contributes £917.9m or 3.7% of the regions GVA⁵.
- Every £1 spent by Worcestershire County Council contributes a total of £2.12 to the county's economy⁶.

When the effects of local spend are broken down and analysed, every £1 spent by a participating local authority with local SMEs generated an additional 63p of benefit for their local economy, compared to just 40p generated by large local firms⁷.

The diagram overleaf represents a recommended approach to the council-wide Roadmap that seeks to complement the social value strategy and operational plans at an individual directorate level. These have been created through the information and data obtained via internal consultations, desktop review of current Portsmouth policies, emerging Government legislation and examples from social value development within the UK.

In Scope

There are several levers that fully maximise the creation of social value. These levers are underpinned by research and internal consultation, the experience of SVB and national LA best practice. Therefore, the following areas are considered within scope:

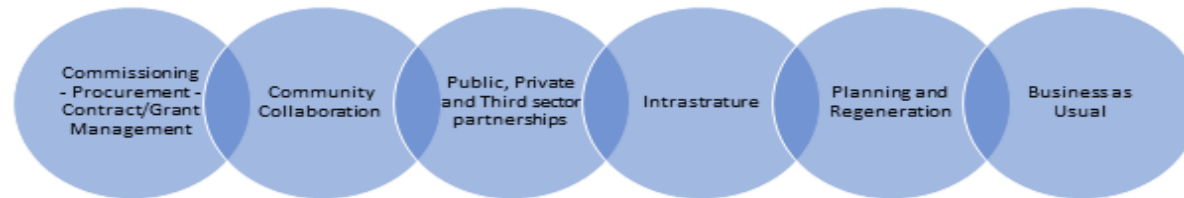


Fig 1

NB. Social Value process will support the measurement and reporting of value created through social, local, economic and environmental activities and initiatives.

Proposed Measurement Methodologies

There is a wealth of nationally recognised methodologies that can be used to measure and report social value. The final methodologies will be identified during a gap analysis. However, for the purposes of this Roadmap the Council will seek to capture baseline, outcomes and impact through 3 data points:

- Upon Engagement - Understand baseline
- Upon Completion – Understand outcomes
- Post Completion – Understand impact

This will allow 360 degree qualitative feedback to listen, learn, develop and improve social value creation within the future.

The following approaches are identified as good practice:

- Social Return on Investment (SROI) - To define for every £1 spent by the council, there is a social return of £x.

- Local Multiplier - To map and measure the retained economic benefit of social value activities.
- Gross Value Added - The Value generated by any unit engaged in the production of goods and services. Enclosed below is a breakdown of the Roadmap which is likely to take between 3 and 5 years. It provides greater specific detail of the actions required during the stages to move from policy to maturity.

Enclosed below is a breakdown of the Roadmap which is likely to take between 3 and 5 years. It provides greater specific detail of the actions required during the stages to move from policy to maturity.

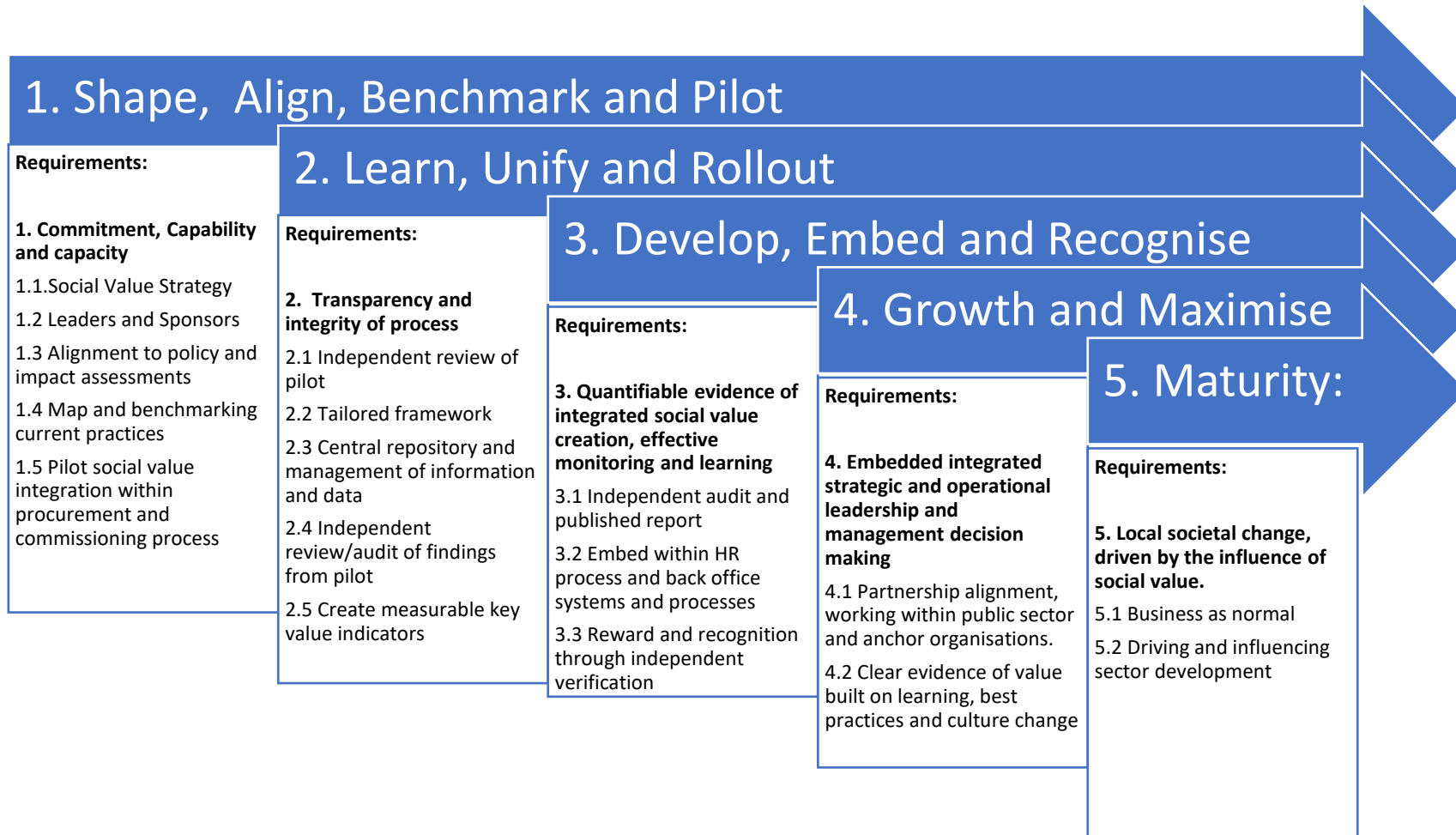


Fig 2

First Year in Focus

Priority

1. Recognise and communicate a baseline, current activities, best practice, change in procurement and future opportunities.
2. Recognise our current partnership, build new partnerships and develop process/opportunities to increase social value creation, development, delivery and recognition.
3. Encourage and facilitate internal and external social value communication, engagement and innovation to build on local best practice and remove barriers where possible.
4. Focus on building and sustaining Social, Environmental and Economic Value

Pilot the delivery of social value within procurement activities, where suitable, relevant and proportionate. Continue to build upon existing and new relationships to further identify and embed social value opportunities.

Social Value Task Force

- Create new terms of reference for the Social Value Working Group (strategic focus) and rename it the 'Social Value Task Force; update participation, identify gaps in representation and add accordingly.
- Cabinet Member for Communities & Central Services - Cllr. Atwell - to become the adopted portfolio holder for Social Value.
- Director of Corporate Services - Natasha Edmunds- to be the nominated executive sponsor.
- Create new subtask and finish groups (operational action/delivery) reporting into the Social Value Task Force.
- Invite local external partnership to participate
- The piloting of social value within future procurement expenditure, where relevant and proportionate.

Internal & External Engagement

- The Development and delivery of 2 specific workshops to build.
 - Policy alignment to facilitate dynamic and proactive engagement.
 - Needs alignment to facilitate positive engagement and integration.

Review and Establish

- Create a local expenditure baseline - Undertake an analysis of current procurement expenditure through profiling (SME/VCSE organisations) and Local as a % of tender procurement expenditure.
- Review current contracts – Analyse the social value activities/actions that are happening within the top £100m procurement expenditure (contracts); map and refocus social value activities in alignment to future priority, audit and report.

Reduce Barriers

- Develop and distribute through 'INTEND' procurement portal and through local partners 'Hive, LEP, Shaping Portsmouth' etc, an online survey to research the barriers to the delivery products and services to the Council.
- Incorporating learning from the online survey. Develop and deliver targeted external Social Value workshops, targeting current suppliers and those who would like to provide services.

Promote 'Local'

- Pilot the reserving of contracts for local suppliers where relevant, suitable, and legal in alignment to Procurement Policy Note: 11/20.

Recognition of good practice

- Develop a localised approach to the recognition of local social impact and value, i.e. award/certification.

Methodology

- Develop a Portsmouth specific Social Value Framework, that can monitor and report on new procurement activity that will have social value embedded within the contract. Promote and embed.
- Recognise Themes Outcomes and Measures (TOM's) as an approach to monetising social impact.
- Recognise Social Value Certificate (Social Value UK) and Social Value Quality Mark® as best practice for social value measurement best practice.

Accessibility

- Develop a local directory, for local organisations to showcase their goods, services and for large organisations to be able to engage within their supply chain/develop new partnerships/consortium.
- Signpost to key partners and existing support such as Shaping Portsmouth, The HIVE, UoP, etc.

Resources

- Continued draw down of existing officer time already engaged in delivery against identified social value levers.
- Subject to availability, assign Project Management Support to strategically manage pilot and rollout.
- Recruit Procurement Contract Management Business Partner, with embedded social value role within specification. (this post is already provided for within the existing Procurement budget)
- As required and subject to availability of funds, purchase specialist Social Value consultancy support to assist in the navigation of barriers and support process development, best practice and implementation.

Communication

- Develop a new internal and external communication strategy to raise the profile of Social Value local, organisations achievements.

Quick Wins: (Not in order of priority) <ul style="list-style-type: none"> a) Better understand need and existing policy commitments. b) Nominate and engage a Social Value representative for all Departments. c) Create a Terms of Reference and milestones for Social Value working group. d) Gap Analysis - Review current social value activities, map and celebrate. e) Consider Government Procurement Notices. (PPN11 /06) f) Establish baseline position of procurement expenditure – SME's/VSCE/Local. g) Sign up to the 'Social Enterprise Place' Initiative. h) Adopt relevant Themes and Outcomes Measures (TOM's) as a Social Value Framework. (proportionate and management 				
<ul style="list-style-type: none"> i) Workshop with suppliers – Raising awareness of Social Value position, focus and meaning. j) Directory of local suppliers – Promoting local organisation for partnership and social value delivery and supply chain development. k) Partner and existing support signposting and alignment l) Formalise and pilot the inclusion of social value within procurement and commissioning activities for contracts. m) Pilot inclusion of social value with grants, Section 106, Local Enterprise Partnership activities. n) Social Value Training for key internal stakeholders. 				
Align and Pilot	Learn and Rollout	Develop and Recognise	Growth and Maximise	Maturity
<ul style="list-style-type: none"> a) Alignment with complementing policies b) Identify council-wide Social Value Champions <ul style="list-style-type: none"> – Formalise internal social value group c) Gap Analysis <ul style="list-style-type: none"> – Identification of departmental baselines and quick wins – Celebrate current good practice d) Implement consultations and e) Social Value Workshops <ul style="list-style-type: none"> – Commissioning – Procurement – Contract Management f) Establish Baseline g) Develop Strategy – 3 years h) Framework Development <ul style="list-style-type: none"> – Commissioning Process – Procurement Process – Contract/Grant Management Process – Qualitative/Quantitative – Weighting/Thresholds – Verification i) Pilot <ul style="list-style-type: none"> – Procurement Implementation – Community Initiatives – Major Works j) Review <ul style="list-style-type: none"> – Process/ Future Scope – Value to date – Key Learning – Recommendation k) Agree Rollout <ul style="list-style-type: none"> – Create measurable objectives 	<ul style="list-style-type: none"> a) Establish Key Value Indicators for social value delivery b) Social value Internal/External Communication plan c) Consider investment in SV tender/ management system d) Develop Social Value Charter e) Formalise a time banking scheme f) Create local Award and Recognition. g) Set up Community Foundation Scheme h) Commence Embedding <ul style="list-style-type: none"> – Service design. – All Departments – Planning/Regeneration – Investment – Partnership(s) i) Embed <ul style="list-style-type: none"> – Internal Impact Assessments j) Social Value Training <ul style="list-style-type: none"> – Delivery Department training – Current/future Supply Chain k) Commence Partnership and alignment <ul style="list-style-type: none"> – Anchor Organisations – Education – Health – Housing – Police – Fire – VSCE and Small Business sector – LEP 	<ul style="list-style-type: none"> a) Embed processes, practices across business support functions and services b) Back office/support department training for data collection c) Independent review and verification of social value claims d) Mid-Point review <ul style="list-style-type: none"> – Process, strategy, outputs and value and its comparable influence on city vision e) Establish Portsmouth and the Councils own unique social value proposition f) Framework development for improved monitoring and management <ul style="list-style-type: none"> – Value v cost ratio – Value v cost breakeven 	<ul style="list-style-type: none"> a) Forecast social value growth b) Engage and align with local public sector bodies and anchor organisations c) Develop external social value taskforce in Portsmouth for integrated working d) Establish a community/council legacy committee e) Establish and embed social value management and maximise principles 	<ul style="list-style-type: none"> a) Drive/Influence change locally b) Social value becomes council-wide business as usual.

Fig 3

Resource and Investment Need Analysis

To enable the council to deliver a comprehensive and integrated social value policy it is recognised that the council will be required to adequately resource this from the beginning. In particular, these areas include additional capacity, capability, assets and the development of new process.

Without adequate resources, it will prove difficult to achieve the aims and objectives set out within the social value policy. This is consistent with similar Local Authorities, attempting to establish a similar approach to and development of social value, within their areas. The diagram below sets out a summary of the main requirements.

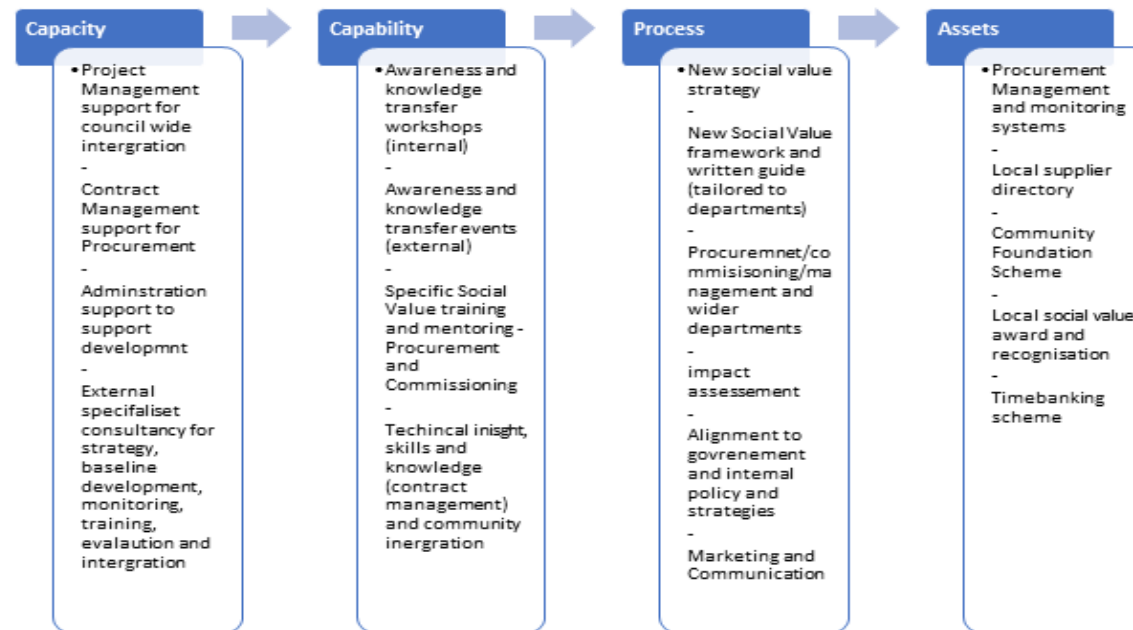


Fig 4

N.B The cost of the resources required for implementation, will cover a period of 5 years, with set up and development costs covering years 1 and 2.

Recommendations

A total of 20 social value recommendation are being made, across 4 main areas. These recommendations are high level and based upon the current data and insights gathered between December 2020 – January 2021.

Best Practice

- Agree to a set of Quick Wins and implementation with aligned resource.
- Further internal and external consultation to build clarity on the social value commitment, design, development, monitoring and measurement process and framework.
- Sign up to 'Social Enterprise Place Initiative' 'Social Enterprise UK.
- Develop 'Key Value Indicators', for measuring social value outcomes.
- Formally recognise National Theme and Outcomes Measure (TOM's), Social Value UK Certificate, Social Value Quality Mark, Social Value UK 7 Principles as best practice.
- Consider value creation across directorate/department as a whole and not individually.

Process

- Alignment with complementary policies.
- Develop a 3+ year strategy, in alignment to the Social Value Policy
- Carry out a gap analysis, develop baseline, benchmark and undercover of social value activities and value.
- Add social value element within future impact assessments.
- Management systems to support effective tender and contract management. (SV)
- Establishment of a Community Foundation and time banking scheme.

Support

- Invest in Contract Management/Project Management and Consultancy support.
- Update marketing and communication strategy to include social value.
- Celebration events and the creation of a 'local social value award'.
- Establish cross agency/public sector bodies social value taskforce.
- Increased promotion of opportunities to local organisations.
- Identification of social value department champions and executive sponsors.

Rollout

- The roll out of social value implementation and integration across the Council, commencing with Piloting social value within commissioning, procurement, and contract management process.
- Roll-out of training and support for organisations to be aware of and be able to effectively respond to tenders that incorporate social value.
- Build online directory development for local suppliers, promoting collaboration and partnership.

Milestones

- The formalisation of a Social Value Task Force and aligned workgroups.
- The clear alignment of the Social Value Policy with current policies and key strategies.
- The clear alignment of Social Value Policy to the current and future needs of the Council.
- The development of external partnership protocol and forums.
- Social Value – Key Value Indicators embedded within contracts on a proportionate and relevant basis, seek to align commitments and reporting structures within a number of existing high impact contracts
- A written framework and guide created for Portsmouth to measure and report social value through procurement and contract measurement.
- An online survey targeting current and future suppliers, to gain views, opinions and barriers to procurement and social value delivery.
- A 'local' award for the recognition of social value
- Pilot 'restricting' small tenders for local organisations.
- An independent review of the success of the 1st year pilot.

Summary Timeline (Year 1 in Focus)

Action	February	March	April	May	June	July	August	September	October	November	December	January	February	March
Social Value Task Force														
Create new terms of reference for the Social Value Working Group														
Create new subtask and finish groups														
Invite local external partnership to participant in Social Value Task Force and subgroups														
The piloting of social value inclusion within high value existing contracts and future procurement expenditure, where relevant and proportionate.														
Internal Engagement														
The Development and delivery of 2 specific workshops (Policy/Needs)														
Review and Establish														
Create a local expenditure baseline														
Review current contracts														
Reduce Barriers														
Develop and distribute Online Supplier Survey														
Develop and deliver targeted internal/external Social Value workshops,														
Promote 'Local'														
Pilot the reserving of contracts for local suppliers														
Recognition of good practice														
Develop a localised social value recognition programme														
Methodology														
Develop a Portsmouth specific Social Value Framework														
Recognise Themes Outcomes and Measures (TOM's)														
Recognise Social Value Certificate (Social Value UK) and Social Value Quality Mark®														
Accessibility														
Develop a local directory of local organisations														
Communication														
Develop a new internal and external communication strategy														

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Appendix 3 - Portsmouth Social Value Policy Supporting Paper

Objective

Develop and deliver a Social Value Policy in February 2021 for consideration and sign off by the Council.

Sponsored by Natasha Edmunds Director of Corporate Services, Cllr Chris Attwell and Cllr Steve Pitt.

Overview of Activity to Date.

- Establishment of Internal Social Value Working Group, comprising of 14 Council staff members, representing 8 departments, meeting bimonthly.
- Attendance at Councillors' meetings.
- Consultation with Directors, through invitation at the Directors meeting on 14th December 2020, and a follow up meeting in January 2021.
- Richard Lock – Acting Procurement Manager direct engagement with Chair of the Social Value Task Force and Local Government Association Lead.
- Identification of best practice from councils and contractors to inform planning
- The Social Value Business (SVB) was commissioned by Portsmouth City Council in December 2020 to deliver a work package to:
 - Present to informal Cabinet February 2021 a Social Value Policy Document to formalise the Council Social Value position through:
 - Advising on current social value position within the UK and the national trends and direction.
 - Act as a critical friend to the Council, helping to navigate challenges and barriers to social value positioning, planning, development and implementation.
 - Reviewing current best practice and Local Authority examples throughout England.
 - Alignment with current Central Government legislation and national direction.
 - Identifying a social value definition, areas in focus and aims objectives and principles.
 - Consult with senior and key influential staff members within the Council.
 - Create a summary roadmap to direct the future approach to Social Value Council-wide.
 - Create a summary needs analysis for the development of Social Value.
 - Create recommendations, based on SVB experience and national good practice and learning.
 - Knowledge transfer.
- To build upon the good practices already delivered through existing Council-wide initiatives.
- Align actions and activities to the delivery of the Portsmouth City Vision.

Outcomes

75+ strategic and operational staff were invited to participant in 1 of 6 internal consultants' workshops, in January to help shape the Social Value Policy, through sharing views and

insight into a social value definition, areas of focus and potential scope. This consultation was supported by an online survey, completed by 25 staff members.

Key Themes and Observations

Underpinned by the consultants:

- Alignment with the City Vision
- Social Value can be woven across most Council activities and actions
- Social Value was being delivered by residents, communities and suppliers, but limited focus on areas that matter most. Additional direction needed
- Strong focus on creating a local identity and approach to social value
- The need to focus on restoring the city
- Reducing inequalities and promotion of opportunities
- Working in partnership and collaboration
- The need to understand the current position through a gap analysis and benchmarking
- Recognise and celebrate current social value activities
- Social Value complements multiple current policies and strategies within the Council
- Social Value working in harmony with environmental direction
- Varied views on examples of Social Value definitions
- Broad agreement on areas in focus
- Broad agreement in areas within scope
- Broad agreement in the need for robust measurement and future collaborative working and integration
- The need for investment in resources to deliver social value

National Context

The 2020 review of the Green Book aimed at levelling up Government expenditure across the UK played a central role in raising the profile of social value delivered through public spending. The Green Book is the Government's guidance on options appraisal and applies to all proposals that concern public spending, taxation, changes to regulations, and changes to the use of existing public assets and resources. It is vital for designing interventions that both achieve government policy objectives and deliver social value for money - i.e. that maximise the delivery of economic, social and environmental returns for UK society for every pound of public funds spent. It is supported by detailed HM Treasury guidance on developing business cases which reflects its principles, and by departmental guidance that addresses issues specific to their policy concerns.

The UK government has demonstrated commitment to small and medium-sized enterprises (SMEs) by introducing several initiatives designed to increase SME participation. These include the prohibition of the use of pre-qualification stages in sub-threshold procurements, and also increased visibility of advertised opportunities through an open national register. Central Government had a target of 33% of all contracts to be delivered or sub-contracted to SMEs by 2020.

The Local Government Act 2000 reminds us that fundamentally, the objective of any local authority should be: "The promotion or improvement of the economic, social and environmental wellbeing of their area."

Appendices

Appendix 1: Social Value in Practice

Preston City Council

- Social Value within Preston City Council is through the use of thresholds which trigger a different procurement route. In this way, relatively low-value procurements can be dealt with using informal quotes, thereby increasing efficiency, with a strong focus on value for money. Conversely, larger opportunities (over £75k) will be subject to open advertisements, and therefore introduce complete transparency and unlimited competition
- Within the wider Lancashire economy (including Preston) £488.7m of spending had been retained, a rise of £200m from the baseline analysis

Manchester Council

- They include a social value element of 20% in all contracts with suppliers and will only do business with companies who will:
 - give something back to Manchester people – from a list that they told us they value
 - boost local neighbourhood economies
 - minimise their impact on our environment
- 53.3% of direct spend with the top 300 suppliers in 2015/16 was with organisations categorised as SMEs – this has increased from 46.6% in 2014/15
- The extent to which the Manchester Council re-spent back in the Manchester economy on Manchester-based suppliers and resident employees of their own. The amount re-spent has increased from 25p in the £1 in 2008/09, to 43p in the £1 in 2015/16.
- Expenditure with organisations based in, or with a branch in Greater Manchester has increased from 86.5% to 90.7%
- The proportion of Manchester spend in the 10% most deprived neighbourhoods has decreased from 47.6% in 2008/09 to 39.6% in 2015/16

Calderdale

- All contracts above the EU threshold must include clauses to require that Suppliers and sub-Contractors must pay subcontractors in the supply chain within 30 days of receipt of payment from the Council
- All procurement and commissioning activity will, where appropriate, be structured to maximise the potential for skills training, apprenticeships, and job creation to support the local economy. Local companies providing goods and services to the Council will be encouraged to take on apprenticeships
- Calderdale Council's annual budget, although significantly reduced, is still around £145m each year, with 40% of that spent locally. Over 85% is spent in West Yorkshire and around 55% spent with small and medium-sized companies
- Target local spend 60% across the public sector spend by 2024

Durham

- In 2013, Durham formed a Social Value Task Force in conjunction with the local branch of the Federation of Small Businesses and Social Enterprise UK

- Durham Council has focused on the Social, Environmental Economy value, together with its sustainability strategy
- In all, 55% of Durham's total annual procurement spend is with SMEs, 64% is within the North East, 45% is within the county, and 13% is spent with the third sector

Bristol

- Bristol's focus is to promote social value, including the local economy and environmental sustainability, to the extent that it is legally permitted
- Comply with the Council's Social Value Policy and associated supply chain standards and initiatives
 - i. Seek to reduce disadvantage, advance equality and promote community cohesion as defined in the Equality Act 2010
 - ii. Make every effort to promote local business, including Small and medium-sized enterprises (SME)
- To choose a supplier under a tendering process who not only provides the most economically advantageous tender but one which goes beyond the basic contract terms and secures more extensive benefits for the community
- A weighting of 20% is applied to the overall assessment being attributed to social value

Appendix 2 - Overview of Social Value Business

Social Value Business has nearly 20 years' experience conducting an extensive range of consultancy and evaluation for clients in a variety of sectors.

Social Value Business is an independently recognised UK leader in providing social value measurement, evaluation and development services. We strongly believe in collaborating with people to enable them to enhance their business through developing the right strategies, which in turn helps them understand the difference that their services are making. Through evidence-based findings we believe we can improve performance to help generate a greater, more sustainable impact for individuals, organisations and communities.

As a commitment for social value development, SVB developed the Social Value Quality Mark as a project, before established it within its own Social enterprise in 2020. (Social Value Quality Mark CIC)

Our clients include:

- **Public Sector** – Cabinet Office, Modern.Gov – Manchester – Birmingham – Swindon – Thurrock - Cheshire East – Herefordshire - Bolton – Stockport – Oldham Councils and Cheshire and Merseyside Care Partnership
- **Private Business** - Price Waterhouse Coopers (PWC), Kier Group, Growth Company, World Advertising and Marketing Forum
- **Public Sector Mutuals** – Sirona Care and Health – North Somerset Community Care – Lets Go Global – Spiral Health – Nottingham City Care Partners, Wigan Community and Leisure Trust
- **Third Sector** – Shelter, YMCA, Home Start, Canals and Rivers Trust (formally British Waterways) Change Grow Live, Royal Voluntary Service
- **Universities** – Manchester – Oxford – Cambridge – North Staffordshire – Keele
- **Housing** – Great Places - Progress -Sovereign - Trident - Nealth and Port Talbot – Clarendon – Irwell Valley - Knighstone
- **Funders** - Big Lottery - Social Investment Business – Unltd

2020 highlights include:



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Title of meeting:	Cabinet decision
Date of meeting:	9 March 2021
Subject:	Safer Portsmouth Partnership Plan 2021-22
Report by:	Lisa Wills, Strategy and Partnership Manager
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Purpose of report

This community safety plan is a statutory requirement for all local authority areas. In Portsmouth this plan will inform the development of the Health and Wellbeing Strategy and consideration of the priorities set out in the plan will enable the Council to discharge its duty under Section 17 of the Crime and Disorder Act to:

'....exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area'

2. Recommendations

That the Cabinet:

- i) Recommends to Full Council it endorses the strategic priorities contained in the Safer Portsmouth Partnership Plan 2021-22 (appendix 1)
- ii) The council aligns the relevant budgets to support activity in line with section 17 Crime and Disorder Act 1998 (as amended).

3. Background

- 3.1 The Safer Portsmouth Partnership was incorporated into the Health and Wellbeing Board in June 2019. The constitution of the board was amended to take on the statutory duties of a local community safety partnership. The Health and Wellbeing Board is now the vehicle through which the five statutory partners - council, fire, police, health and probation² - work together to reduce crime, anti-social behaviour, substance misuse and reoffending as required by Sections 5 and 6 of the Crime and Disorder Act 1998 (as amended).³

¹ <https://www.legislation.gov.uk/ukpga/1998/37/section/17>

² Also referred to as the 'responsible authorities'

³ <https://www.legislation.gov.uk/ukpga/1998/37/section/5> and <https://www.legislation.gov.uk/ukpga/1998/37/section/6>

- 3.2 The responsible authorities are required by sections 5 of the Act to produce a detailed piece of analysis (strategic assessment), that identifies local priorities for action. The strategic assessment 2019-20 was approved by the Health and Wellbeing Board in November 2020.
- 3.3 The priorities identified in the strategic assessment are directly reflected in the statutory partnership plan for 2021-22. The plan was approved by the Health and Wellbeing Board on 3rd February 2021.
4. **Strategic Assessment for community safety** - the partnership strategic assessment will in future be produced by the Public Health Intelligence Team. This detailed document uses a range of data from partner agencies, including police recorded crime, and provides a summary of local and national analysis and research that:
- Check the partnership's current priorities and identifying any emerging issues
 - Provide a better understanding of local issues and community concerns, by triangulating key data sets
 - Provide knowledge of what is driving the problems to help identify appropriate responses
- 4.1 The 2019-20 recent strategic assessment shows crime reported to the Crime Survey for England and Wales (CSEW) has been fairly stable over recent years, following a sustained reduction since levels peaked in 1995. Meanwhile, crimes recorded by the police nationally have increased slightly, which may still be due to improvements in recording practice. Overall police recorded crime for Portsmouth was also found to be stable and this is reflected in the findings from our local community safety survey.⁴
- 4.2 However, detailed analysis shows that this stability doesn't apply to all crime types. Some types of crime have decreased since 2018/19, particularly acquisitive crimes, while **others have increased, for example stalking & harassment, public order, robbery and drug offences.**
- 4.3 **Domestic abuse continues to be the most common known driver of assaults,** but while the proportion of assaults between spouses/partners/ex-partners has remained fairly constant (30%) over the last seven years, the proportion of assaults between family members has been increasing. It is now double what it was in 2012/13 (9% compared with 4.3%). Meanwhile, the number and proportion of **assaults taking place in the main night-time economy areas has reduced** by 22% (n163) since 2016/17.
- 4.4 Serious violence had seen an upward trend locally since 2014/15, but has been fairly stable overall for the last two years. **Three quarters of victims of serious**

⁴ Community Safety Survey 2020

violence were male and the peak age groups were 10-17 and 18-24 years.

Analysis has found that perpetrators of serious violence in Hampshire had often been convicted of at least one prior offence, been a victim themselves (on average at 14 years of age) **and two thirds had either experienced, witnessed or perpetrated domestic abuse.**

- 4.5 Anti-social behaviour recorded by the police has also been on a downward trend both locally and nationally. The Office for National Statistics report that these figures should be treated with caution as improvements in police recorded crime could mean that incidents that would have been recorded as 'anti-social behaviour' are now being recorded as crime. Conversely, our local survey found that more people were witnessing and experiencing anti-social behaviour. This indicates that **anti-social behaviour is likely to be increasing, but that residents may be increasingly reluctant to report incidents to the police.**

- 4.6 See summary and conclusions from the strategy assessment attached at appendix 2. The full strategic assessment can be found here:
<http://www.saferportsmouth.org.uk/strategic-assessments/>

5. The impact of Covid-19

- 5.1 The strategic assessment 2019-20 only includes data up to the end of March 2020. Analysis of most types of police recorded crime⁵ found a substantial dip in April 2020 when lockdown measures were imposed, followed by a return to pre-lockdown levels by June as measures were eased.
- 5.2 While levels of violence dipped overall, some types of violence increased in Q1 2020/21 compared to the previous quarter, or Q1 2019/20. In particular, public order offences increased by 14% (n89), other sexual offences (not rape) by 21% (n22) and possession of a weapon offences by 40% (n24) from the previous quarter. Domestic abuse crimes saw a 4% increase (n38) from the previous quarter, and some additional analysis provided by the police found that the number of domestic abuse crimes has risen further in July.⁶

6. **The Community Safety Plan for Portsmouth 2021-22** - the community safety plan is a high-level strategic document, pulling together activity set out in three existing plans⁷ in order to avoid duplication.

- Tackling violent crime; continuing to focus on domestic abuse, serious violence, and knife-enabled violence
- Tackling drug misuse in the city
- Early identification of and interventions with children and young people at risk of exploitation or abuse, of misusing substances and of perpetrating anti-social behaviour or offending

⁵ From iQuanta website retrieved 17/08/20

⁶ Hampshire Constabulary, August 2020, Covid Risk Indicators YTD comparison (District Level).

⁷ Domestic Violence and Abuse Strategy, Violence Reduction Unit Response Strategy, and the Early Intervention and Prevention Strategy.

- 6.1 The plan also demonstrates the extent to which community safety focus and activity now runs through mainstream services.
- 6.2 Progress will be monitored by the partnership support team and reported by exception to the Health and Wellbeing Board at its quarterly meetings.

7. Reasons for recommendations

Crime and Disorder Act 1998 (as amended) Secs 5 and Sec 6 set out the requirements for the council to work with the responsible authorities previously mentioned to produce the partnership plan. The partnership plan identifies three main priorities that address the underlying issues of crime and anti-social behaviour. By providing collaborative leadership alongside our partners in order to address these issues, the levels of crime and anti-social behaviour should reduce and make residents safer.

8. Integrated impact assessment

A preliminary Integrated Impact Assessment has been completed for this plan (see appendix 4. Separate EIAs for agreed delivery activity are undertaken as necessary.

9. Legal implications

The report is clear in addressing the relevant issues. The report is compliant in that it is a statutory function to produce a community safety plan. The plan seeks to cover a number of key areas without placing any group that may have particular protected characteristics in a disadvantaged position.

10. Director of Finance's comments

There are no direct financial implications arising from the recommendations contained within the report. The services being monitored through this plan by the Health and Wellbeing Board will need to continue to operate within their approved Cash Limit.

.....
Signed by:
Corporate Strategy Manager

Appendices:

Appendix 1 - Community Safety Plan 2021-22

Appendix 2 - Strategic Assessment 2019-20 Summary and Conclusions

Appendix 3 - Community Safety Survey 2020 - Findings

Appendix 4 - Integrated Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Safer Portsmouth Partnership Strategic Assessment 2019-20 2. Community Safety Survey 2020 3. Safer Portsmouth Partnership plan 2018-20	Strategy Unit and/or www.saferportsmouth.org.uk

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

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Community Safety Plan 2021 - 2022

Foreword

We are pleased to present Portsmouth's Community Safety Plan for 2021-22. The council, police, fire service, health services and probation services have a collective responsibility to identify community safety priorities for the city and put in place a plan to address them. We encourage our partners to share this document widely within their individual organisations. The strategic assessment for 2019/20 identifies the priorities and this plan sets out how the priorities will be addressed. All community safety partners and all council departments are responsible for making sure the actions in the plan are delivered. This plan supports our **City Vision 2040** and aims to make sure all our residents, communities feel safe, feel like they belong, and can thrive. The plan will also inform the next Health and Wellbeing Strategy.

Over the past 20 years, the community safety partnership has regularly analysed a wide range of data in order to understand what drives crime in the city, taking what is now referred to as a 'public health approach' by refining research and focusing in on the detail as well as long term trends. Plans based on the findings from this analysis have been updated and published every few years in line with statutory requirements. Crime levels and rates have come down over the past 10 years, despite changes in the way crime is recorded by police. Violence - especially most serious violence - has remained relatively stable over the past two years, although, like all densely populated urban centres, Portsmouth continues will always have challenges. Overall, it is a safe city.

However, there are known risk factors including, domestic violence and abuse, poor mental health and substance misuse that often result in young people and adults becoming involved in crime and anti-social behaviour. It is important to raise awareness that community safety issues touch so many areas of our work, and to join up the plans and activities of a wide range of council services alongside our partners to reduce duplication and maximise efficiency. This collaborative approach can reduce costs and increases opportunities for early intervention, crime prevention and working together in active partnership to drive down crime and anti-social behaviour in the city.

As the approach to analysis has developed over the years, there has been increasing pressure on public sector resources. This has necessitated an evolving, more mainstream approach to tackling the 'wicked issues'¹ described above, often challenging our established systems and changing the way we deliver services to better reflect the needs of those who are vulnerable to poor outcomes.

The 1996 Morgan Report put forward the idea that crime reduction was not solely the responsibility of the police. Nearly twenty-five years on it feels as though this is understood and embraced by all partners working to improve community safety in Portsmouth.

We know the Covid 19 virus has had a huge impact on our city and on our work, and has affected different groups of people in very different ways. This plan will be refreshed in line with other key strategies in the city once the pandemic is over. The Health and Wellbeing Board approved this plan on 3rd February 2021.

Cllr Lee Hunt - Cabinet Member for Community Safety, Portsmouth City Council

Cllr Matthew Winnington - Co-Chair, Health and Wellbeing Board

¹ <https://www.youtube.com/watch?v=w5gt8zrXjGQ> and <https://www.leadershipcentre.org.uk/artofchangemaking/theory/critical-tame-and-wicked-problems/>
Community Safety Plan for Portsmouth 2021-22

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A	Introduction
B	Three Priorities
C	Summary
Page 492	Priority A - violent crime - domestic abuse, serious violence and knife enabled violence
	Priority B - drug misuse and drug related harm
	Priority C - early intervention - focus on children and young people at risk of exploitation or abuse, of misusing substances and of perpetrating anti-social behaviour or offending
D	Impact Monitoring
E	Governance and Delivery

A. Introduction

As we have discovered more and more about what drives crime, city leaders across public services have improved their focus on key priorities that will improve the lives of Portsmouth residents, the local economy and environment. The understanding of the relationship between 'people' and 'place' continues to evolve; the more we know, the clearer it is that the underlying causes of a significant proportion of crime are the same as the underlying causes of poor health, poor educational attainment and worklessness. It is appropriate therefore that Portsmouth's community safety partnership merged with the Health and Wellbeing Board in June 2019 to enable a more efficient leadership structure. The board brings together the human and financial resources of businesses, the voluntary and public services - in one place - to jointly tackle shared priorities.

The 'Safer Portsmouth Partnership' is now an integral part of this multi-agency group, that is responsible for health and care in Portsmouth as well as community safety, and also supports the development of the Children's Trust Plan. Children and adult safeguarding partnerships, local economic partnerships sit alongside the Health and Wellbeing Board to create a comprehensive governance framework for the city supported by a range working groups that co-ordinate, deliver and monitor improvement and development activity.

Service delivery has also changed since the Crime and Disorder Act 1998 required 'responsible authorities' to work together, moving from individual specialist services established to tackle newly identified priorities, such as domestic abuse, through to larger co-located multi-agency community safety teams and departments. As public sector resources dwindled, many of these specialist services were pulled back into mainstream provision. The aim is for community safety to be 'business as usual' for all council services², joining together with other key partners to reduce crime and improve wellbeing.

The legal requirements relating to strategic analysis and planning remain in place so the link between priorities identified in the local community safety strategic assessment and those in this plan should be clear. This will inform the development of the Health and Wellbeing Strategy for Portsmouth once business returns to normal, hopefully by the summer of 2021.

Plans already in place

In June 2019, in response to a surge in serious violence and knife crime in the UK's urban centres, the Home Office provided funding to establish Violence Reduction Units in key areas of the UK via local Police and Crime Commissioners. Portsmouth used the funding to embed the work on violence reduction within existing partnerships and strategies rather than create a competing structure without the same deep foundations.³ The Violence Reduction Unit Response Strategy was approved in January 2020.

² Section 17 Crime & Disorder Act 1998 (as amended)

³ Violence Reduction Unit Response Strategy

The Domestic Abuse Strategy was refreshed in 2019 and approved in January 2020. This was followed by the Children's Trust Plan 2020-2023 in June 2020. This plan is supported by detailed related strategies; Safeguarding Children Strategy, Youth Justice Plan, Exploitation Action Planning and Children's Safeguarding Strategy and the Education Strategy. Together these three plans set out the city's approach to early intervention and prevention.

So, rather than duplicating effort, this short community safety plan aims to demonstrate the connectedness of these existing strategies and their collective capacity to deliver improvements for the city in relation to the identified priorities; violence, and substance misuse and early intervention and prevention. The Venn diagram at Appendix 1 explains the co-dependant relationship between priorities.

B. Three community safety priorities

The impact of the pandemic on staff capacity means the community safety strategic assessment has been developed over a longer period of time; from late 2019 until September 2020 when it was approved by the Health and Wellbeing Board.

The priorities for 2020-2023 are:

- A. Tackling violent crime; continuing to focus on domestic abuse, serious violence and knife-enabled violence
- B. Tackling drug misuse in the city
- C. Early identification of an interventions with children and young people at risk of exploitation or abuse, of misusing substances and of perpetrating anti-social behaviour or offending

These priorities are based directly on the findings from the strategic assessment and community consultation as well as local research and analysis undertaken over the past three years⁴.

⁴ <https://www.saferportsmouth.org.uk/community-safety-survey/> and <https://www.saferportsmouth.org.uk/strategic-assessments/>

C. Summary of each priority

As referenced above, each of the community safety priorities is addressed by pre-existing plans, with agreed objectives, measures and associated delivery plans, a summary of which is set out below. The full plans and strategies are available on request.

Priority A - Violence <i>Focusing on domestic violence and abuse, serious violence and knife enabled violence</i>	
Strategic planning group (s)	Domestic Abuse Steering Group
Objectives	A. Promote healthy relationships B. Improve identification and assessment C. Challenge and support those who use abusive or unhealthy behaviours D. Hold to account those who use coercive control and violence E. Improve performance monitoring, quality assurance and workforce development
Key Personnel	Supt Clare Jenkins, Sarah Daly, Assistant Director, Children's Services, Bruce Marr, Head of Hidden Harm, Lisa Wills, Strategy Unit
Measures	Some key measures from the new Domestic Abuse Monitoring Framework: a) Number of cases where midwives, health visitors and GPs identify and discuss domestic abuse b) Number of early help assessment where parental conflict is an issue c) Number of Domestic Abuse Disclosure Scheme requests to police d) Develop measures to evaluate the impact of interventions with perpetrators of domestic abuse and those who use unhealthy behaviours e) Number of Domestic Violence Protection Notices and Orders f) Numbers of staff across all agencies attending regular multi-agency training g) Number of cases where service users feel safer
Delivery	<ul style="list-style-type: none"> • Deliver 'Is this Love' campaign in all secondary schools and FE Colleges Feb-March 2021 • Make sure domestic abuse is included in new Sex and Relationship Education • Explore alternative shared city wide needs assessment alongside established risk assessment • Retender domestic abuse support services • Establish domestic abuse practitioners forum • Review the Multi-agency Risk Assessment Conference process • Work with Police to align activity in relation to offending and reoffending and develop consistent response to coercive control • Develop new monitoring framework including regular feedback from service users

Priority B - Substance Misuse

Strategic planning group (s)	TBC
Key personnel	Helen Atkinson, Director of Public Health; Alan Knobel, Public Health Development Manager, Portsmouth Police (DCI)
Objectives	<ul style="list-style-type: none"> A. Support more homeless people with complex needs to access drug and alcohol treatment B. Increase the number of women engaged in treatment, providing specific women only provision C. Continue to reduce drug related deaths D. Improve pathways for people with co-occurring substance misuse and mental health needs E. Explore innovative interventions which may encourage the most hard to reach in to treatment F. Engage with business and partners to reduce alcohol-related harm and promote responsible retailing
Measures	<ul style="list-style-type: none"> a) Number of people in drug and alcohol treatment, including: b) Number of rough sleepers or those at risk of rough sleeping c) Women d) Drug related deaths e) % of people accessing drug and alcohol with mental health need that is being met f) Monitor and analyse drug related and acquisitive crime
Delivery	<ul style="list-style-type: none"> • Develop a new homeless drug & alcohol support service using funding from the Rough Sleeping Drug & Alcohol treatment grant - March 2021 • Retender the existing adult substance misuse service to commence in April 2022 to address, among other things, provision for: women, parents, alcohol only, offenders and homeless clients. • Develop a co-occurring conditions action plan, to form part of the work of the Portsmouth Mental Health Alliance - March 2021 • Public Health and Hampshire Constabulary to explore funding options for innovative interventions which may engage the hardest to reach in to treatment.

Priority C - Early intervention

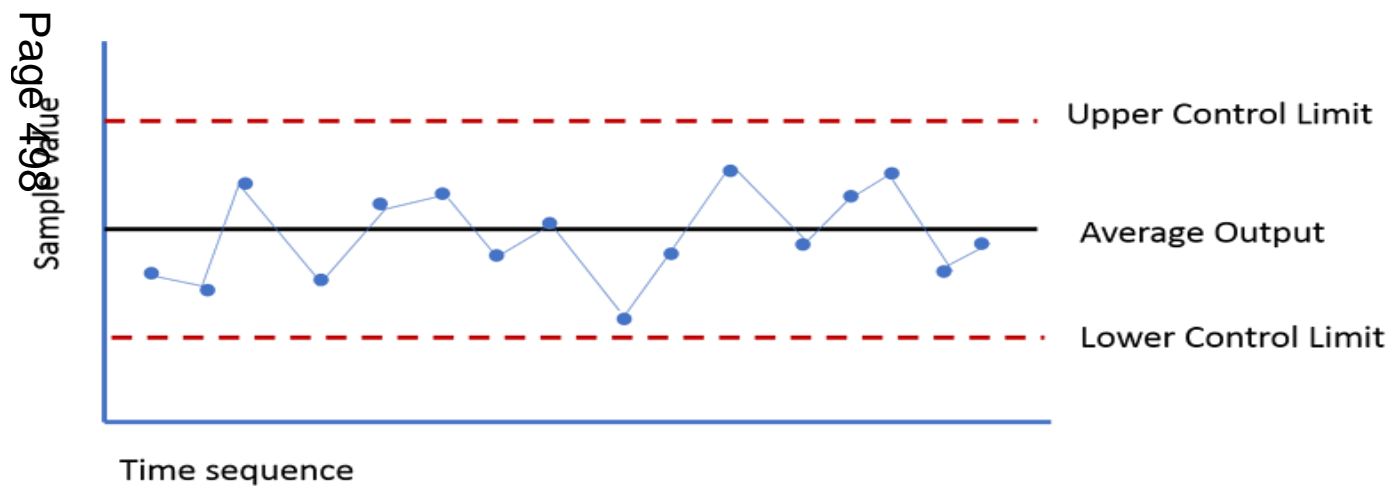
Strategic planning group (s)	Violence Reduction Unit Local Core Group, Excellent Early Help Board (Stronger Futures Phase 2) and Portsmouth YOT Partnership Management Board
Key Personnel	Sarah Daly, Assistant Director, Children's and Families, and Kelly Pierce Head of Early Intervention and Prevention, Bruce Marr, Head of Hidden Harm
Objectives	1a Reduce school absence and exclusion 1b. Review of diversionary activities in the city 1c. Delivery of the Domestic Abuse Strategy (see priority) 1d. Educate young people on serious violence and knife crime 2a. Develop shared data system to identify risk 2b. Reduce First Time entrants into Youth Justice 2c. Improve family-based Early Help offer to tackle criminogenic risk 2d. Mainstream Trusted Adults offer 3a. Reduce Reoffending Rate 3b. Reshape pathways for high risk young people through the YOT, social care and CAMHS 3c. Improve the multi-agency disruption of County Lines
Measures	See existing monitoring arrangements
Delivery	<ul style="list-style-type: none"> • Review diversionary activities in the city - develop a youth strategy and commission appropriate services • Work with police colleagues to establish the Youth Crime Reference Group • Work with local communities to deliver crime prevention projects targeted at young people • Youth Justice Plan to support and enhance the work of partners in respect of children who are at risk of, or who are, offending • Pathway analysis of children involved in serious violence - workshop took place 12th November 2020, supported by police audit of 120 PPN1's due early 2021. • Analysis of hospital data • Continue to delivery Trusted Adult Worker programme • Develop predictive analytics

- Interviews with knife carriers

D. Monitoring impact and using measures

Monitoring regimes are already in place for serious violence, domestic abuse, and early intervention.

There will be no numerical targets - Portsmouth's Community Safety Analyst is now part of the central public health intelligence team and will focus on monitoring police and related data sets quarterly using Statistical Process Control (SPC) Charts that plot performance data over time. This method suggests that variation between the upper and lower control limits (see below) is to be expected and should not cause concern unless other signals are present.



The focus is on spotting and understanding the reason for unusual patterns and responding appropriately. The signals that indicate a need for further investigation or action are:

- a point that falls outside the parameters determined by the upper and lower control limits
- trends of six or more consecutive data points in one direction

- a run of 8 data points on the same side
- a clear run of 14 or more alternating points either side of the centre line
- 3 points in succession close to a control limit line.

Figure 1

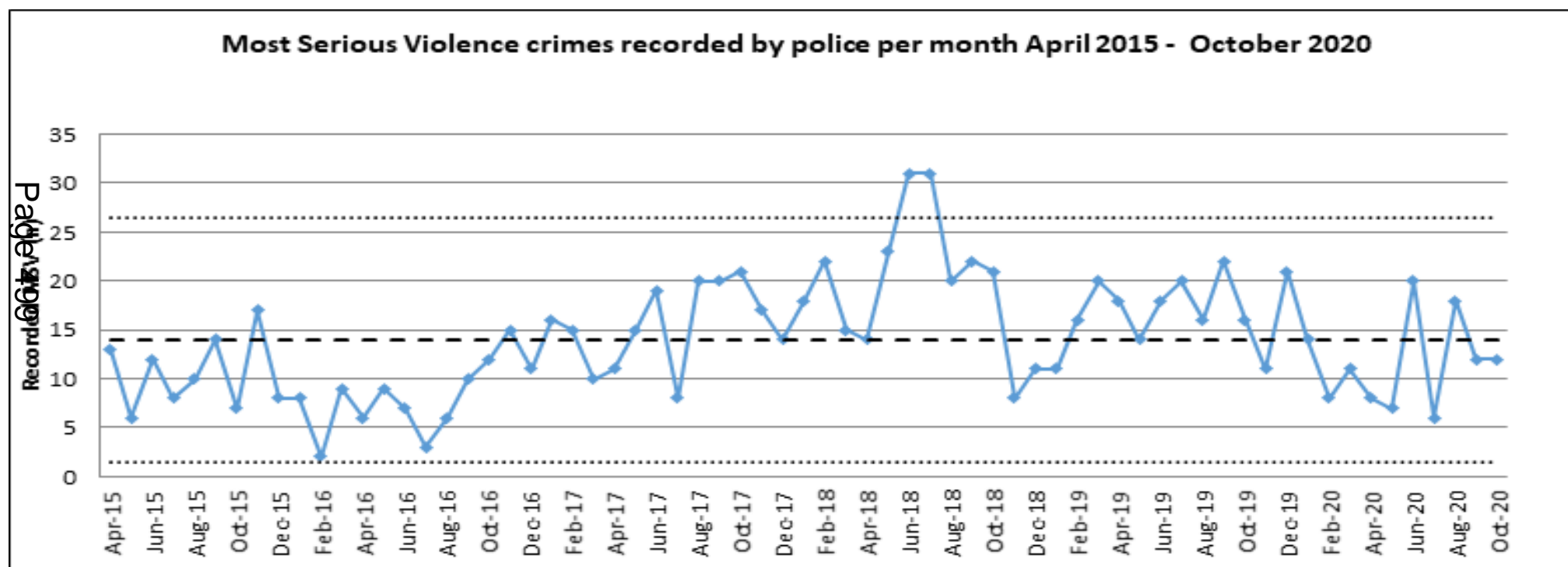


Figure 1 above shows significant increases in most serious violence recorded by police in response to which detailed analysis was commissioned in 2016 and which subsequently informed the Serious Violence Problem Profile.

This approach tracks key measures, but will also take into account the voice of service users, the experience of service providers, alongside financial considerations, and statistical analysis.

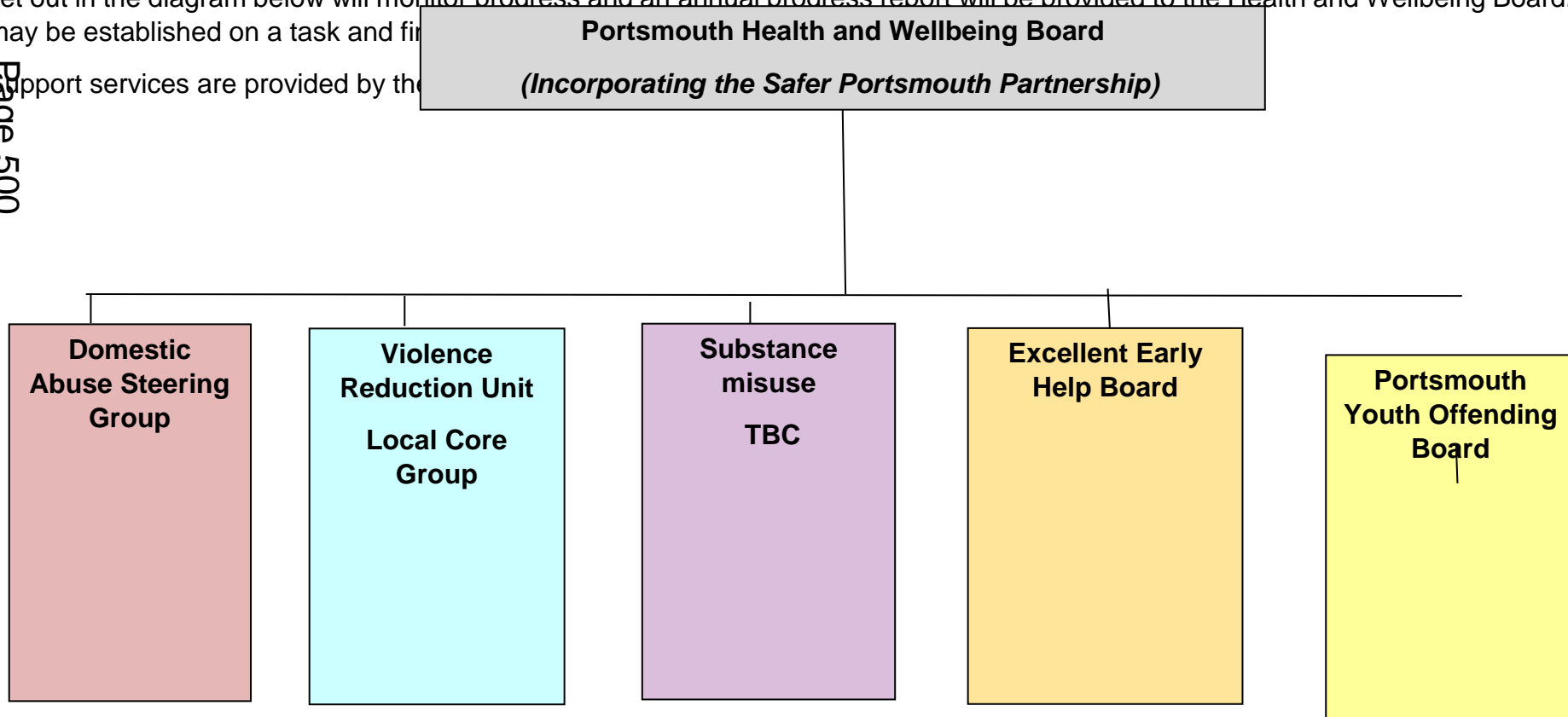
Measures using the following criteria will be developed:

- Are used by leaders to take effective action on the system
- Show variation over time so we can see if we are improving or getting worse
- Help PR actioners to learn, understand and improve the whole system

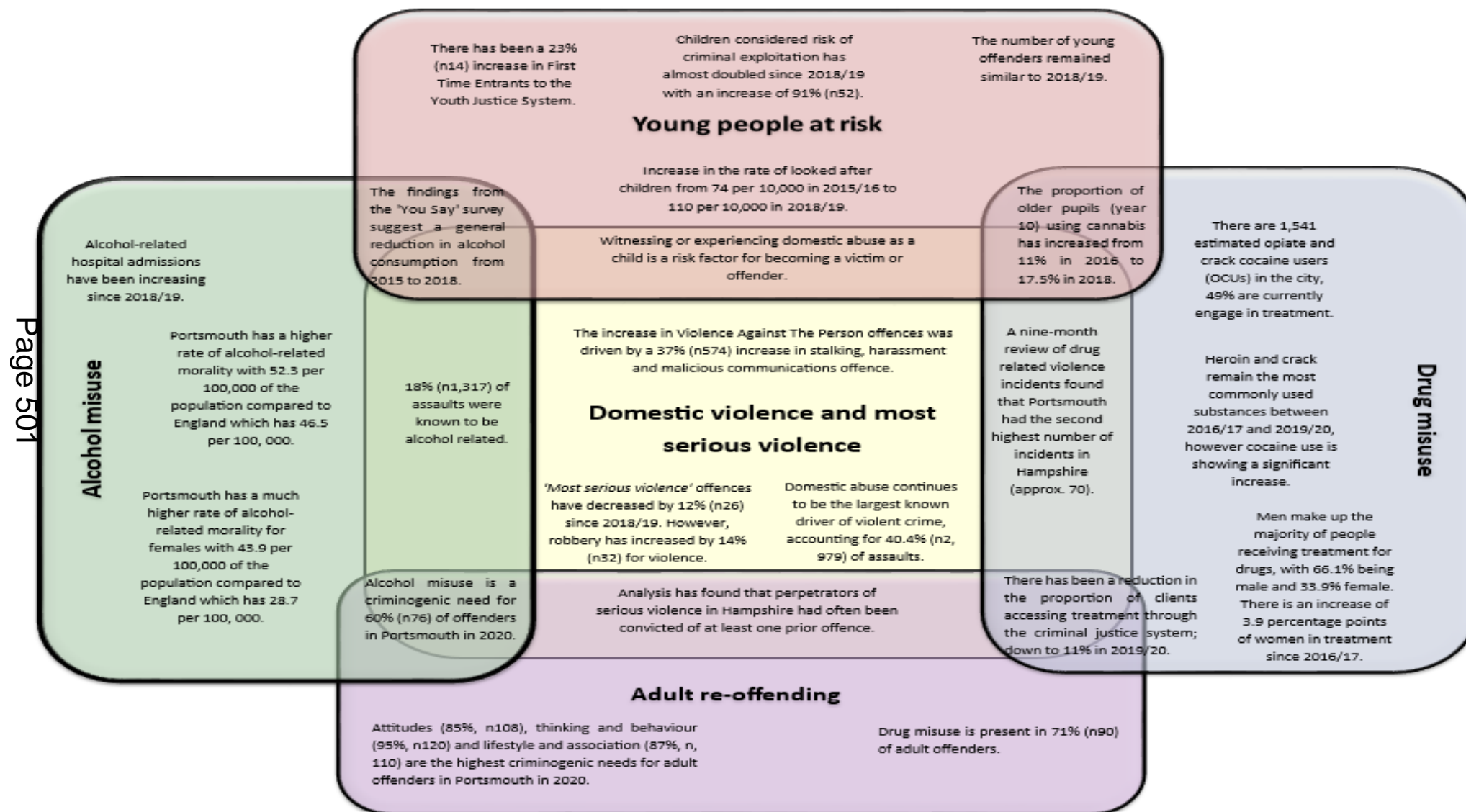
E. Governance

The Health and Wellbeing Board is responsible for delivering the statutory duties of the Safer Portsmouth Partnership. The dynamic sub-groups set out in the diagram below will monitor progress and an annual progress report will be provided to the Health and Wellbeing Board. Other groups may be established on a task and finish basis.

Page 500



Appendix 1 - Venn diagram - inter-connected priorities



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Strategic Assessment 2019-20

Conclusions and recommendations

Nationally, **crime reported to the Crime Survey for England and Wales (CSEW) has been fairly stable over recent years**, following a sustained reduction since levels peaked in 1995. Meanwhile, crimes recorded by the police nationally have increased slightly, which may still be due to improvements in recording practice. Overall police recorded crime for Portsmouth was also found to be stable and this is reflected in the findings from our local community safety survey.¹ However, detailed analysis shows that this stability doesn't apply to all crime types. Some types of crime have decreased since 2018/19, **particularly acquisitive crimes, while others have increased, for example stalking & harassment, public order, robbery and drug offences.**

Domestic abuse continues to be the most common known driver of assaults, but while the proportion of assaults between spouses/partners/ex-partners has remained fairly constant (30%) over the last seven years, **the proportion of assaults between family members has been increasing.** It is now double what it was in 2012/13 (9% compared with 4.3%). Meanwhile, the **number and proportion of assaults taking place in the main night-time economy areas has reduced** by 22% (n163) since 2016/17.

Serious violence had seen an upward trend locally since 2014/15, but has been fairly stable overall for the last two years. 'Most serious violence' has reduced by 12%, knife-enabled serious violence has reduced by 3% and possession of a weapon offences have remained stable. However, **robbery (which makes up 16%, n54 of serious violence) has continued to increase since 2018/19 (by 14%, n32) and the subcategory of knife-enabled robbery has increased by 16% (n9).** Three quarters of victims of serious violence were male, and the peak age was **18-24 years**. Young males were more likely to be assaulted by a stranger or acquaintance than in a domestic setting. The reverse is true for females; **two thirds of female victims of serious violence were victims of domestic violence, including 25% by ex-partner** (compared to 3% of male victims). **Most offenders were male and the peak age groups were 10-17 and 18-24 years.** Analysis has found that perpetrators of serious violence in Hampshire had often been convicted of at least one prior offence, been a victim themselves (on average at 14 years of age) **and two thirds had either experienced, witnessed or perpetrated domestic abuse.**

While 40% of Portsmouth residents who participated in the CSS 2020 thought knife crime was a problem, most were basing this on what they had heard from friends or in the media. **Just over one in ten had seen someone carrying a knife, 3% (n26) had witnessed someone being threatened or attacked with a knife and 1% (n11) had been threatened or attacked themselves.** These findings indicate that **knives are visible in the community** and is anticipated to be even more of an issue for more vulnerable groups who are less likely to have engaged with the survey.

¹ Community Safety Survey 2020

The CCS 2020 found that that **fewer than half of crimes reported to the survey had been reported to the police or other agencies**, often because they felt the crime was not that serious or a belief that the police would not do anything because they did not have the resources.

Anti-social behaviour recorded by the police has also been on a downward trend both locally and nationally. The Office for National Statistics report that these figures should be treated with caution as **improvements in police recorded crime could mean that incidents that would have been recorded as 'anti-social behaviour' are now being recorded as crime**. Conversely, complaints reported to the noise pollution team are increasing, and our local survey also found that more people were witnessing and experiencing anti-social behaviour. This indicates that **anti-social behaviour is likely to be increasing, but that residents may be increasingly reluctant to report incidents to the police**.

Drug use is becoming more of an issue in Portsmouth. More residents reported people **using or dealing drugs** to the residents' survey and this has become the **most commonly witnessed/experienced type** of anti-social behaviour for the first time. The **number of drug possession and supply offences has been increasing**, and was the only crime type not to dip in April when the UK lockdown measures were the most restrictive. While drug markets appear to be stable, there has **been a slight increase in County Lines** (which tend to supply the majority of heroin & crack), although the number of young people known to be linked to drug networks doesn't appear to have increased. There has also been an **increase in the proportion of year 10 pupils reporting that they use cannabis**, which is often thought of as a gateway drug, exposing young people to dealers where they may be able to procure other substances. Finally, the **number of people in treatment for dependence on drugs has increased, but the number successfully completing treatment hasn't**.

The rate of **First Time Entrants to the youth justice system has increased, along with the rate of re-offending** and both are higher than the national average, and the average for similar areas. However, there has been a notable reduction (28%, n203) in the offences committed by young people that resulted in a substantive outcome, which should result in the rate of reoffending reducing for the 2019/20 cohorts.

Despite the reduction in police recorded trafficking offences for children and young people, **children considered at risk of criminal exploitation has almost doubled since 2018/19**. And while there have also been fewer episodes of young people going missing, **the number of missing reports for young people in care have not reduced**. Local analysis has continued to **highlight the links between these high risk children and young people and their home environment**; for example, the majority of the children considered at high risk of criminal exploitation had either witnessed domestic abuse or directly experienced abuse or neglect. Due to the focus early intervention for serious violence, it is recommended that the risk and protective factor framework (designed as part of the violence reduction work) is populated so that other areas of concern relating to other aspects that could be linked to young people becoming a victim or perpetrator of crime can be addressed. 📖



Consultation with residents via the Community Safety Survey and the Building Safer Communities workshops found that the priorities for participants were to **increase the presence of police or wardens** in the community, and to **focus on early intervention activities and groups with children and young people** to keep them engaged and occupied. In addition, some participants in both consultation exercises also felt that **community 'spirit' or cohesion was the key to a safer community**.

The lockdown and social distancing measures introduced to limit the harm caused by Covid-19 pandemic has had far reaching effects on our society, particularly from a mental health and financial perspectives, and researchers have also warned of a predicted rise in suicide rates for young people (15-29years) as a consequence of increased food and housing poverty. These measures have changed behaviour patterns, and **almost all types of crime experienced lower levels during April, followed by a gradual return to pre-lockdown levels**. However, there was a higher level of public order and possession of a weapon offences, often relating to social distancing measures. Reports of antisocial behaviour have also increased substantially during this period. **Drug possession and supply offences have continued to increase**, while county lines have remained active by adapted their model to bypass restrictions. There is also concern about the possibility of increase adulteration of substances to keep up with demand. There has also been a slight **increase in domestic abuse offences**, although this is a continuation of the current upward trend. It is **possible that the levels of domestic abuse have been higher than the reported crimes suggest but that lockdown measures have meant that people experiencing domestic abuse have had less opportunity to seek support or engage with services**.

1.1. Recommended priorities

Whilst many of the main themes have remained the same for a number of years, with the changes in partnership structure and the amalgamation of the Safer Portsmouth Partnership into the Health and Wellbeing Board, there is a need for a clearer focus on fewer priorities.

It is recommended that the following are key priorities for the partnership:

- **Tackling violent crime; continuing to focus on domestic abuse, serious violence, and knife-enabled violence**
- **Tackling drug misuse in the city**
- **Early identification of and interventions with children and young people at risk of exploitation or abuse, of misusing substances and of perpetrating anti-social behaviour or offending**

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Portsmouth Community Survey

Survey

2020

June 2020

Compiled and written by Sam Graves

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Executive summary

The community safety survey is the main method of consulting Portsmouth residents about their concerns and experiences of crime and anti-social behaviour. Fieldworkers conducted face-to-face interviews with 936 Portsmouth residents in various locations across the city. Demographic information was captured and monitored to ensure that participants represented the population of Portsmouth as closely as possible.

This survey does not rely on respondents reporting to the police or other agencies so is able to provide information about incidents or crimes that are not usually captured. It was found that **fewer than half of crimes reported to the survey had been reported to the police or other agencies**. The most common reasons for not reporting stemmed from a belief that the police would not do anything (which in some instances was because they had previously reported something similar and felt no action was taken) or because they felt the crime was not that serious. However, a small proportion acknowledged the reduction in police resources and said they did not want to bother the police.

The **proportion of respondents who reported being a victim of crime has remained stable (37%)** since the 2018 survey. The crimes that were **most commonly reported to the survey were 'threatening behaviour' (12%), followed by 'damage to car/motorbike' (6%), 'bike theft' (4%) and 'stalking/harassment' (4%)**.

The crimes seeing the **biggest reported increases since the 2018 survey were: 'threatening behaviour' (3.8 percentage points), 'stalking/harassment' (2.8 percentage points) and 'hate crime' (1.8 percentage points)**. **These were also amongst the crimes that were least likely to be reported**.

Knife-enabled crime and possession of a weapon offences account for only a small percentage of violent crime but have been increasing over the past five years and have the potential to cause serious harm. New questions were added to the 2020 survey to try and find out more about knife crime from the perspective of Portsmouth residents, and although as yet there is no trend data, these questions can provide a snapshot of the current situation. **While about two fifths of respondents said they thought knife crime was a problem in Portsmouth, this was largely based on what they had heard from the media or word of mouth, rather than personal experience**. However, **15% of respondents had more concrete reasons for their beliefs**, which included; friends, family or acquaintances being threatened, coming across the issue in their place of work (such as hospitals or schools), having seen people carrying knives, thinking it was too easy to obtain knives and a few having been personally attacked or threatened. **Just over one in ten respondents had seen someone carrying a knife of some description** (ranging from a pocket knife to a machete), more commonly an adult, but someone 17 years or younger in about 40% of the sightings.

While most respondents had not personally witnessed or experienced knife crime, **1% (n11) stated that they had been attacked or threatened with a knife or were otherwise the victim of a knife crime. A further 3% (n26) said they had witnessed someone attack or threaten with a knife**. Considering this

survey has probably not engaged with the sections of the community most likely to be involved in knife crime, **the findings indicate that knives are visible in the community** and that the current focus on knife-enabled serious violence and early intervention in this area is important and necessary.

74% (n695) of respondents personally witnessed or experienced anti-social behaviour in their area, which is significantly¹ higher than in 2018 (68%). This finding supports the view that police recorded anti-social behaviour is decreasing because people are not reporting it, and does not reflect the day to day reality for residents. Not tackling anti-social behaviour could affect confidence in the police and agencies dealing with these issues.

The **most commonly reported types of anti-social behaviour were: 'people using/supplying drugs' (21%), 'people hanging around' (17%), and 'damage/graffiti' (14%).** 'People using/supplying drugs' has **been increasing substantially since the 2016 survey** (from 6% to 21%), and this is the first time that it has been the most commonly witnessed or experienced type of anti-social behaviour reported to this survey. This is consistent with anecdotal local reports and the national picture; 'people using/dealing drugs' was also the most common type of anti-social behaviour reported to the Crime Survey of England and Wales (2019).

Somerstown and Buckland were the most commonly avoided areas in Portsmouth (18% and 10% respectively), and have been for the last twenty years. While this is largely due to a 'bad reputation', there are currently also **concerns about drug use or dealing and violence**. Meanwhile Portsea, Paulsgrove and Landport were in the top five most commonly avoided areas and now rank 8, 9 and 10. Portsea became less avoided following the regeneration project including Gunwharf Quays in 2001. Paulsgrove was seen more favourably from 2016 onwards and may be at least partially due to the Positive Family Future work that has been done there. It is likely that community work has also been responsible for Landport more favourably, but further analysis into what may have driven this change may be useful when considering how to address the current issues in Somerstown and Buckland.

Overwhelmingly, the main suggestion for how to make Portsmouth Safer was to increase the police presence on the streets (65% of suggestions). This was followed by suggestions **to increase funding for youth groups, facilities and activities** (9% of suggestions) as some respondents recognised that young people needed to be actively engaged and supported to reduce the likelihood of them becoming involved in crime and/or anti-social behaviour.

¹ Statistically significantly

1. Background & methodology

1.1 Background

This survey is the main method of consulting residents about their concerns and experiences of crime and anti-social behaviour (ASB) and ensures that we understand the issues that Portsmouth residents are facing. It is a key piece of research contributing to the overall picture of crime and anti-social behaviour, because it does not rely on respondents having reported incidents or crimes to the police or other agencies. It can be used to triangulate with other data sources, to improve the credibility and validity of analysis produced by local analysts.²

The Community Safety team has produced or commissioned a community safety survey regularly since 1999. From 1999 until 2009 the surveys were conducted by IPSOS Mori, initially as stand-alone, face-to-face interviews and later as part of a larger survey encompassing questions about various council services.

Due to council-wide budget cuts, the 2009 Resident's survey was the last survey commissioned from Ipsos MORI and for three years there was no community safety survey in any format. A new approach was taken in 2012, working with the Institute of Criminal Justice Studies at the University of Portsmouth. The survey was drawn into a research methods unit of an existing course, and the field work was carried out by a large number of students supervised by the university lecturers. However, with so many students involved (approximately 100 students each conducted 5 to 10 surveys), there were issues with quality control, and the locations for interviews were limited which meant that the sample size, although large, was not representative of the population as a whole.

This led to the Partnership and Strategy team running the survey in-house biennially from 2014 onwards. Between 2014 and 2020 small changes to the questionnaire were made to improve the usefulness of the data collected, but crucial elements of the survey remained comparable enabling a long-term comparison and the identification of patterns and trends.

1.2 Method

The field work was carried out by the research team and by a group of approximately ten students from the University of Portsmouth who were selected and subsequently trained to administer the questionnaires. Under supervision the students conducted face-to-face interviews with residents at various locations across the city. Data entry and analysis were also completed in-house which gave us a better understanding of the data and the opportunity to consider various aspects in further detail.

² Triangulation can enhance the credibility and validity of a piece of research in four ways; the findings can be corroborated if two or more methods produce the same result, qualitative methods can elaborate on the quantitative findings, the results of two or more methods vary but are complementary and provide insights or the results differ and contradict each other (Brannen, 1992, p. 176).

Two new questions were added in this year, aiming to:

- Explore whether residents think that knife crime is problem and why, and also to find out whether they have experienced or witnessed knife crime.
- Find out what residents think would make Portsmouth a safer place to live.

1.3 Sampling & Statistics

This survey uses a convenience sample - i.e. participants were not chosen randomly. Members of the public were approached in various locations across the city. This means there is an element of self-selection, as people could choose whether or not to participate. As a result the views reported by participants may not reflect the views of the whole population. However, this limitation applies to most research, including all previous community safety surveys and other crime surveys used for context and comparison.

In an effort to gain a sample that was representative of the Portsmouth population, the demographic information gathered during the survey was compared to official statistics of the Portsmouth population and fieldworkers were asked to try and approach different demographics where proportions were low. A detailed overview of this information is presented in chapter 2. However, due to the nature of this survey, some sections of the community are less likely to have participated (e.g. businesses and those in residential care or hospital) and thus the findings cannot be generalised to these groups of residents. It also does not capture crimes which have no victim that can be interviewed (such as homicide or drug offences).

There were approximately 171,000 residents over the age of 18 in Portsmouth in the most recent estimate (mid 2018).³ Given this population size the target sample size was set at a 1000 participants to ensure the findings were not due to chance.

See Appendix 2 for further information about the analysis.

1.4 The Research Phase

The fieldwork took place in multiple locations over a five week period from 11th February 2010 to 14th March to fit in with the availability of the students. This means that each time the survey is carried out, some fieldwork sessions are cancelled due to bad weather. However, this time there was an even bigger barrier to engaging participants and conducting fieldwork sessions. The first known patient suffering from

³<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

Covid-19 was reported in the UK on 29th February.⁴ Although government advice on social distancing and isolation (if suffering symptoms) wasn't released at this point and advice was to carry on working as normal, fieldworkers and supervisors noticed that as the days went on, fewer residents were willing to stop and engage with the survey. We also felt that contact with large numbers of members of the public was not advisable, so we cancelled most sessions in week 5 (after 9th March) carrying out one final session on 14th May as it was a Saturday session that had been advertised to allow people who are working during the week to participate. Formal guidance halting all non-essential work and social distancing / isolation measures was given on March 23rd 2020. The Covid-19 pandemic had a substantial impact on the fieldwork; we completed fewer surveys than in previous years and did not meet the target of 1000 responses. However, we obtained 936 responses, which is still a large sample meaning that the findings will still be robust and useful to the Health & Wellbeing Board.

The demographics were carefully monitored during the fieldwork period and adjustments were made to ensure a proportional distribution of the demographic characteristics of the participants. For instance, two sessions were held on a Saturday to try and include more respondents in full-time employment. Due to the curtailment of the fieldwork, only one extra booster session was conducted - at the Women's Day event at the Friendship Centre on the 4th March.

The sample for each ward was not large enough to allow for detailed analysis per ward but can provide some information about particular issues in each area if requested. Fieldwork locations can be found in Appendix 2.

⁴ <https://www.bbc.co.uk/news/uk-51683428.html>

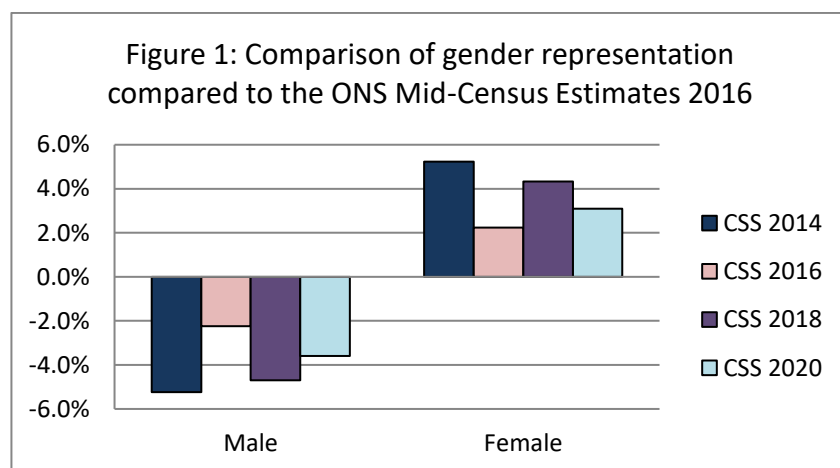
2. Demographics

936 participants completed the survey which was fewer than in the previous surveys (approximately 1,200) for the reasons discussed in chapter 1.

This section breaks down the demographic data collected about the respondents and shows how closely the sample matches the population of Portsmouth. This information is presented in a number of charts which illustrate the difference between the survey sample and the proportions measured by ONS Census. The closer the column is to zero on the y-axis (vertical axis) of the charts, the more closely the sample represents the local population. The charts also include the proportions from the CSS of 2014, 2016 and 2018 for comparison.

2.1 Gender

Slightly more of the participants were female (52.2%, n489) than male (47.3%, n443). In comparison to the 2018 ONS mid-year population estimate there were 3.1% more female participants (figure 1).



2.2 Age

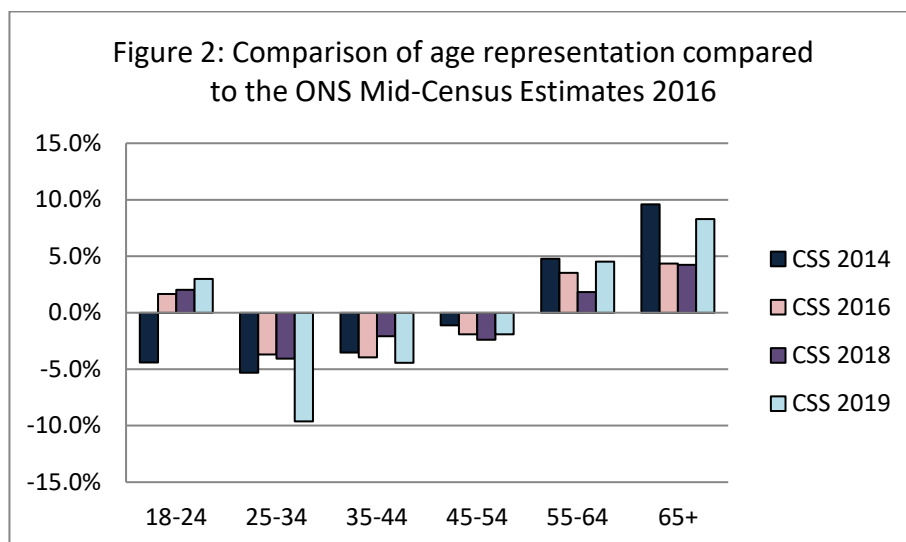
This year the '65+' group was split into '65-74 years' and '75+' because more people are working beyond 65 years of age and this gives us more detail going forward about those who may be more vulnerable due to their age. To enable comparison with previous years, these two age groups have been combined for parts of this analysis.

The '65+' section of the Portsmouth population was overrepresented, accounting for just over a quarter of respondents (n243). This is 8% higher than the target and is consistent with previous surveys. This could be due to the greater willingness of this age group to take part in the survey or this could reflect a greater presence of this age group in the various fieldwork locations during the fieldwork hours. Conversely the

'25-34' age group was underrepresented, accounting for just over 10% of respondents (n101) and being almost 10% less than the target. This is likely to be partially as a result of us being unable to conduct booster samples of '25-34's' and '35-44's' at the end of the main fieldwork sessions, which is usually done in the evening to engage participants who are working during the day when most of the fieldwork sessions take place.

Table 1: Respondents by age group

Age Group	(n)	(%)	Target (%)	Difference (pp)
18-24	203	21.7%	18.7%	3.0%
25-34	101	10.8%	20.4%	-9.6%
35-44	98	10.5%	14.9%	-4.4%
45-54	128	13.7%	15.6%	-1.9%
55-64	162	17.3%	12.8%	4.5%
65-74	142	15.2%	9.6%	5.6%
75+	101	10.8%	8.1%	2.7%
Total	935	99.9%		

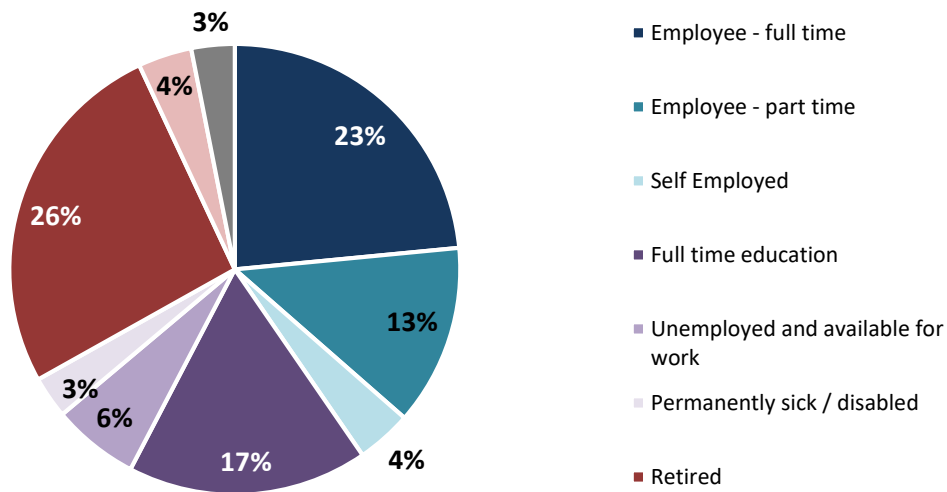


2.3 Main Occupation

Just over a third (36%) of respondents were in full time employment, which is a smaller proportion than in the last couple of years, where it was closer to 45%. This is once again due to the fact that most fieldwork takes place during work hours, trying to engage people on their lunch hour. Although extra sessions outside work hours were organised, only two Saturday sessions took place before the fieldwork sessions had to stop.

The most commonly reported occupation was 'retired' (n244, 26%), followed by 'full time employment' (23%, n219) and 'full time education' (17%, n161).

Figure 3: Main occupation of participants in 2020



2.4 Disability

There was no set target for the proportion of disabled participants to be included, but this data was collected to analyse whether people with disabilities have different experiences and perceptions of crime and anti-social behaviour to those who do not. Almost one fifth (19.6%, n183) of participants reported at least one disability, which is a similar proportion to 2018 (19%) and a little higher than in 2016 (17.5%).

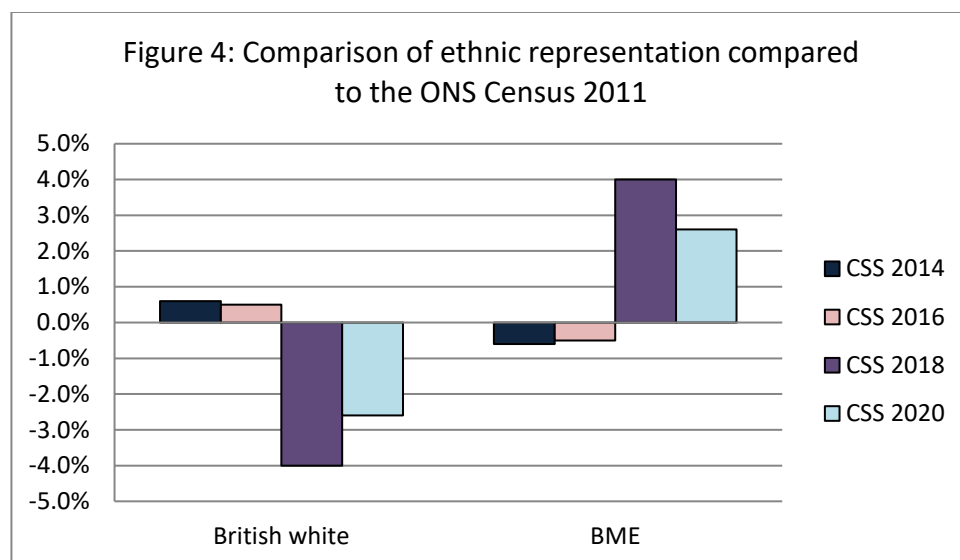
Almost 4% (3.8%, n36) of respondents reported that they had more than one disability, which again is comparable to the proportion in 2018 (3.5%).

Table 2: Respondents reporting disabilities

Disability	(n)	(%)
Mobility / physical	69	7.4%
Hearing	14	1.5%
Visual	10	1.1%
Learning	21	2.2%
Mental Health	31	3.3%
Other	38	4.1%
None	741	79.2%
Missing	12	1.3%
Total	936	100.0%
Multiple disability	36	3.8%

2.5 Ethnicity

The respondents to this survey were largely white British (81%, n761) with 18% (n169) from other ethnic backgrounds. This is a slightly larger proportion of other ethnic backgrounds (2.6%) than the most recent census in 2011. However, it is likely that the demographics of Portsmouth have changed since 2011. A comparison with previous surveys is shown in figure 4.



After 'British White' the largest ethnic group was 'any other White background' (5.3%, n50) which includes both European and International backgrounds. A full breakdown of the ethnicities of the respondents, alongside the target, can be found in Appendix 3.

Whilst the varying ethnic backgrounds are generally representative of the population in Portsmouth, the numbers of each group are too small to provide any meaningful analysis for individual ethnic groups. Therefore, any comparisons in this report will look at the differences between British White respondents and respondents from other ethnic backgrounds as one group.

2.6 Ward

Generally there was a good representation from all wards and most were either above or no more than 1 percentage point below the target. However, ideally we would have liked more responses from Copnor, Cosham, Drayton & Farlington and Hilsea. Residents from Charles Dickens were overrepresented in the survey and this was expected as there were a number of sessions in Commercial Road which is in the Charles Dickens ward as it was a good place to speak to residents from all parts of the City.⁵ Two sessions were conducted in Cosham and Drayton & Farlington, but only one was done in Copnor before we had to stop the fieldwork due to the Covid-19 pandemic. A detailed breakdown of the ward demographic data can be found in table 3 below.

⁵ based on the 2016 small area population forecast

Table 3: Residents by ward

Ward	(n)	(%)	Target	Difference
Baffins	72	7.7%	6.9%	0.8%
Central Southsea	97	10.4%	8.4%	2.0%
Charles Dickens	127	13.6%	10.7%	2.9%
Copnor	31	3.3%	6.1%	-2.8%
Cosham	49	5.3%	6.5%	-1.2%
Drayton and Farlington	39	4.2%	6.2%	-2.0%
Eastney and Craneswater	67	7.2%	6.6%	0.6%
Fratton	86	9.2%	7.1%	2.1%
Hilsea	39	4.2%	6.3%	-2.1%
Milton	61	6.5%	6.9%	-0.4%
Nelson	60	6.4%	6.7%	-0.2%
Paulsgrove	52	5.6%	6.2%	-0.6%
St. Jude	57	6.1%	6.5%	-0.4%
St. Thomas	95	10.2%	8.9%	1.3%
Total	932	100.0%		

2.7 Armed forces

In this survey 10% (n96) of participants were serving in the armed forces or were veterans. Based on the latest estimate, the armed forces population in Portsmouth is 15,193.⁶ This is roughly 9% of the Portsmouth population aged 18 and over. Therefore, the survey included a representative number of armed forces personnel. Analysis comparing veterans with non-veterans found that there were no significant differences in their perception or experience of crime and anti-social behaviour.

⁶ Data from report: 2017 Armed forces community within Solent. Figure includes veterans and serving personnel.

3. Survey Findings

3.1 Quality of life

Respondents were asked to rank their quality of life in Portsmouth on a scale where 1 indicated a poor quality of life and 5 indicated a very good quality of life. The quality of life question is subjective and may be influenced by a number of factors, including amongst other things: health, employment and/or financial status, housing and social networks. This is a useful way to ascertain whether Portsmouth residents generally feel that their quality of life is good. **The mean reported average for all respondents was 3.90 indicating that most respondents were fairly happy with their quality of life.** Although this is only slightly lower than in 2018 (M=4.01), this difference is statistically significant.⁷ However, the mean score for quality of life isn't significantly lower than in 2014 (M=3.95) or 2016 (M=3.98).

Quality of life was found to be associated with age group⁸, occupation⁹, ward¹⁰ and having a disability.¹¹ Table 4 shows the mean quality of life score for each age group, with older residents reporting a better quality of life on average than those under 65 years. Residents aged 55-64years reported the lowest mean score (M=3.70).

Table 4: Quality of life by age group

Age group (years)	Mean score
18-24	3.91
25-34	3.94
35-44	3.91
45-54	3.73
55-64	3.70
65-74	4.01
75+	4.16
Overall mean	3.90

This links into the association with occupation, where retired residents had the highest mean score (M=4.03) followed by those who were self-employed (M=4.00). Those who said they were unemployed or permanently sick/disabled reported the lowest mean scores (M=3.47 and M=3.57 respectively). Furthermore, those with a disability had a significantly lower mean score than those who did not (M=3.60 and M=3.97 respectively).

The ward where people lived also affected their mean quality of life, with residents living in Drayton & Farlington having the highest mean score (M=4.26), closely followed by Eastney and Craneswater

⁷ Mann-Whitney Z score=-2.712, p=0.007

⁸ Kruskal-Wallis H score=21.497, df=6, p=0.001

⁹ Kruskal-Wallis H score=23.155, df=10, p=0.01

¹⁰ Kruskal-Wallis H score=30.552, df=13, p=0.004

¹¹ Mann-Whitney Z score=-4.443, p<0.001

(M=4.18) and Paulsgrove (M=4.17). Residents living in Charles Dickens had the lowest mean score (M=3.71) followed by Hilsea (M=3.74), Fratton (M=3.74) and Nelson (M=3.77). See Appendix 4 for a map showing Portsmouth wards and see table 5 below for full details.

Table 5: Quality of life by ward of residence

Ward	Quality of life (Mean score)
Drayton & Farlington	4.26
Eastney & Craneswater	4.18
Paulsgrove	4.17
St Jude	4.05
Copnor	4.00
St Thomas	3.94
Milton	3.89
Cosham	3.86
Baffins	3.85
Central Southsea	3.80
Nelson	3.77
Fratton	3.76
Hilsea	3.74
Charles Dickens	3.72
Total	3.90

3.2 Anti-social behaviour

The questions enquiring about residents' experience of anti-social behaviour are designed to complement the existing datasets from Hampshire Constabulary, the Noise Pollution Team and the Clean, Safe and Tidy Teams. There have been changes to the way that all the teams record anti-social behaviour over the last three or four years, and the questions in this survey allow comparison over a longer period of time.

Anti-social behaviour is subjective; a behaviour which causes distress to one person may not even be noticed by another. It refers to a wide range of behaviours from environmental issues like littering, fly tipping and dog mess through to personal nuisance such as neighbour disputes and noise. It can also include criminal offences such as harassment, arson and criminal damage. It is important to note that fieldworkers did not show a list of options to participants, so that they only report issues that they feel are a trouble to them, rather than any issues that could occur in their area.

Anti-social behaviour reported to the police has been reducing since 2011/12¹² but anecdotally it seems there is a commonly held view that the police do not do anything about it due to lack of resources and different priorities. But conversely it is possible that residents have reported incidents to more than one agency, so it isn't possible to just add up the total number of incidents logged by all services. This survey

¹² Strategic Assessment of Crime, Anti-social behaviour, Reoffending and Substance Misuse: Update for 2018/19

is able to give a detailed overview of the types of anti-social behaviour causing problems for residents that does not rely on reporting and recording by various agencies.

Respondents were asked to indicate on a scale whether they thought anti-social behaviour was a big problem in their area, where 1 indicated that they did not think it was a problem at all and 5 indicated that they thought it was a very big problem. **The average for all respondents was 2.91, which is slightly higher than in 2018 (M=2.86) and statistically significantly higher¹³ than in 2014 (M=2.49).** This finding demonstrates an increasing trend over the past six years, where **residents are finding anti-social behaviour increasingly problematic.**

Associations were found between thinking that anti-social behaviour is a big problem and the ward where respondents lived¹⁴ and ethnicity.¹⁵ British White respondents were more likely to think that anti-social behaviour was a problem than ethnic minority respondents (M=2.98 and M=2.20 respectively).

Residents living in St Thomas (M=3.24), Nelson (M=3.22) and St Jude (M=3.18) were more likely to think that anti-social behaviour was a big problem (table 6). It is worth noting that while neighbourhood boundaries are not clearly defined, Somerstown is largely contained within St Thomas, and Buckland is spread across Nelson and Charles Dickens. Conversely, the wards with the highest mean quality of life scores, also were the ones less likely to think anti-social behaviour was a big problem: Eastney & Craneswater (M=2.44), Paulsgrove (M=2.44) and Drayton & Farlington (M=2.44). While this is not a causal relationship and other issues such as health and finances play a part, it does indicate that experiencing and witnessing anti-social behaviour is likely to have some impact on quality of life.

Table 6: Viewing anti-social behaviour as a big problem by ward of residence

Ward	ASB is a big problem (Mean score)
St Thomas	3.24
Nelson	3.22
St Jude	3.18
Charles Dickens	3.14
Baffins	3.13
Fratton	3.02
Cosham	2.92
Milton	2.87
Central Southsea	2.75
Copnor	2.68
Hilsea	2.59
Drayton & Farlington	2.54
Paulsgrove	2.44
Eastney & Craneswater	2.44
Total	2.92

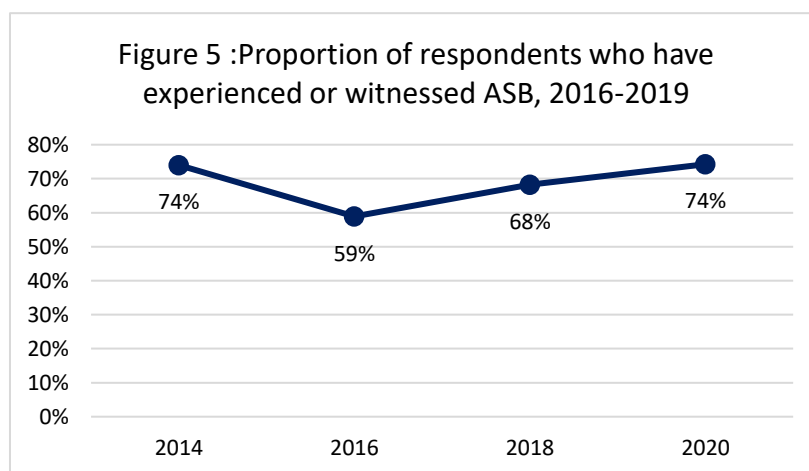
¹³ Mann Whitney Z score=-6.916, p<0.001

¹⁴ Kruskal-Wallis H score=37.986, df=13, p<0.001

¹⁵ Mann Whitney Z score=-2.453, p=0.014

3.3 Personal experience of anti-social behaviour

Almost three quarters of respondents (74%, n695) reported experiencing or witnessing anti-social behaviour in the previous twelve months (so from March/April 2019 to February/March 2020). **The proportion of respondents indicating that they had witnessed or experienced anti-social behaviour has risen by 6 percentage points from the 2018 survey, which is a statistically significant increase.**¹⁶



Reported anti-social behaviour has been increasing over the last four years, up 15 percentage points from 2016, although this is a return to the levels seen in 2014.

The most commonly reported issues that respondents had experienced or witnessed in their area in the last twelve months were:

- People using/supplying drugs (21%, n199)
- People hanging around (17%, n160)
- Criminal damage/graffiti (14%, n132)
- Noise in the street (13%, n125)
- Domestic noise (13%, n120)

This is the first time that **'people using/supplying drugs'** has been the most commonly reported type of anti-social behaviour, although the 2018 survey found that there had been a notable increase from the previous survey and it was the second most commonly reported type of anti-social behaviour. There has been a further **8.4 percentage point in reporting of drug use/supply since 2018**. Participants were vocal about the impact of drug-related anti-social behaviour, which they found intimidating.

There were **increases in all five most common types of anti-social behaviour**. *'Damage/graffiti'* and *'domestic noise'* were not in the top five in the previous survey and they replaced *'bullying/intimidating behaviour'* and *'street drinking'* which had similar proportions to the 2018 survey. Table 7, below, shows the proportion of respondents reporting each type of behaviour in four most recent surveys, the change from 2018 to 2020 and the direction of the overall trend from 2014 (or 2016 where this wasn't a listed item in 2014).

¹⁶ Chi Sqr=51.532, df=3, p<0.001

Some significant associations were found between witnessing and experiencing anti-social behaviour and the following demographic characteristics:

- Age group: respondents over 75 years were less likely to witness or experience anti-social behaviour than other age groups.¹⁷
- Ward: respondents living in Paulsgrove were less likely, and those in St Jude were more likely to witness or experience anti-social behaviour than those living in other wards.¹⁸
- Ethnicity: British white respondents were more likely to witness or experience anti-social behaviour than those from other ethnic groups.¹⁹

When interpreting these findings, it is important to note that anti-social behaviour is reliant on the individual's perception rather than the behaviours themselves. Two people can experience the exact same behaviours and one will barely notice, while another finds it upsetting or irritating.

Table 7: ASB types over time

ASB Type	2014	2016	2018	2020	change from 2018	overall trend since 2014
People using / supplying drugs	5.7%	5.8%	12.9%	21.3%	8.4pp*	↑
People hanging around	11.4%	9.4%	16.4%	17.1%	0.7pp	↑
Damage/graffiti	9.4%	9.4%	10.0%	14.1%	4.7pp	↑
Noise in the street	13.4%	13.7%	11.5%	13.4%	1.9pp	↔
Domestic noise	14.4%	10.5%	8.9%	12.8%	3.8pp	↔
Street drinking	11.5%	11.4%	12.4%	12.2%	-0.2pp	↔
Bullying / intimidating behaviour	6.2%	6.2%	11.6%	11.0%	-0.6pp	↑
Litter/rubbish	13.7%	11.7%	9.8%	10.4%	0.6pp	↓
Dog mess	12.4%	9.6%	5.7%	6.4%	0.7pp	↓
Traffic issues	6.7%	9.4%	7.3%	6.0%	-1.3pp	↔
Rough sleeping	3.0%	3.6%	6.5%	5.8%	-0.7pp	↑
Other alcohol related ASB	n/a	3.2%	5.9%	5.1%	-0.8pp	↑
Fly tipping	n/a	0.6%	3.1%	5.0%	1.9pp	↑

Looking at more long-term trends, the categories which have seen the biggest increases since 2014 are:

- People using/supplying drugs (15.6 percentage point increase)
- People hanging around (5.7 percentage point increase)
- Bullying & intimidating behaviour (4.8 percentage point increase), and
- Damage/graffiti (4.7 percentage point increase).

¹⁷ Chi Sqr= 26.262, df=6, p<0.001

¹⁸ Chi Sqr=24.626, df=13, p=0.026

¹⁹ Chi Sqr=12.903, df=1, p<0.001

This profile has changed over time; in the early surveys (from 2001 to 2008) the two consistently experienced and witnessed types of anti-social behaviour experienced were '*speeding cars*' and '*litter*', neither of which are now the most common concerns. By 2009, the most common anti-social behaviours had shifted to '*teenagers hanging around*', '*people being drunk*' and '*vandalism*'.

The Crime Survey of England and Wales also asks questions about experience of anti-social behaviour nationally, although there are fewer categories and the methodology is different so the percentages cannot be directly compared. However, **the most commonly experienced or perceived behaviour was '*people using or dealing drugs*' which shows that this is a national issue, and not unique to Portsmouth.** The next most common types of anti-social behaviour were '*rubbish/litter*', '*teenagers hanging around*', '*drunk and rowdy behaviour*' and '*vandalism/graffiti*', all of which featured in the more common types reported to this survey (in one form or another).²⁰ The comparison of the two surveys demonstrates that the anti-social behaviour experienced in Portsmouth is similar to the national picture.

3.4 Fear of crime

65% of respondents (n604) were worried about being a victim of crime and this concern has been slowly increasing since 2016 (59% in 2016 and 62% in 2018). The increase since 2016 is significant,²¹ although the increase from the previous survey is not.

The crimes that participants were most worried about happening to them were:

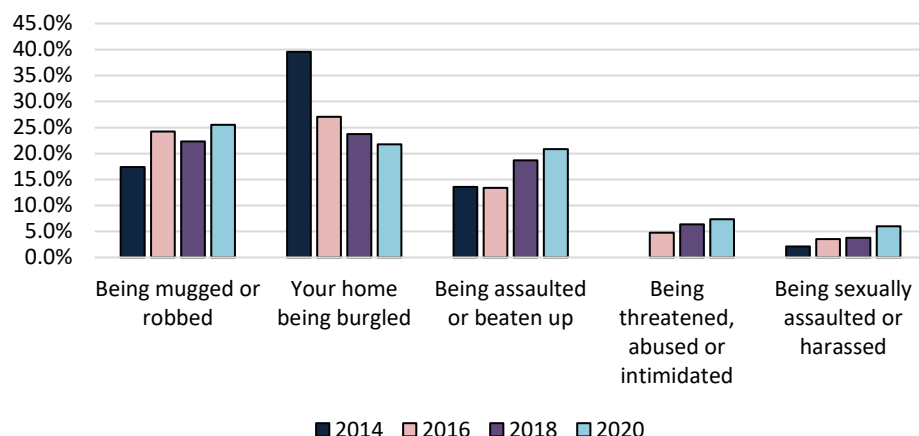
- Being mugged or robbed (26%, n239)
- Being burgled (22%, n204)
- Being assaulted (21%, n195)

Since the 2014 survey, participants have been consistently more worried about '*being mugged or robbed*', '*your home being burgled*' or '*being assaulted or beaten up*' than any other type of crime. However, since 2014, the proportion of respondents reporting that they feared being burgled has been dropping, whilst **those concerned about being the victim of robbery or assault have been rising (by 8.1 and 7.2 percentage points respectively).** Concern about '*being threatened, insulted or abused or behaviour likely to cause fear or distress*' or '*being sexually assaulted or harassed*' have also been increasing over the same time period.

²⁰<https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/adhocs/010237crimesurveyforenglandandwalescsewestimatesofpersonalandhouseholdcrimeantisocialbehaviourandpublicperceptionsbypoliceforceareayearendingmarch2019>

²¹ Chi Sqr=17.782, df=3, p<0.001

Figure 6: Crimes that respondents most feared, 2014 - 2020

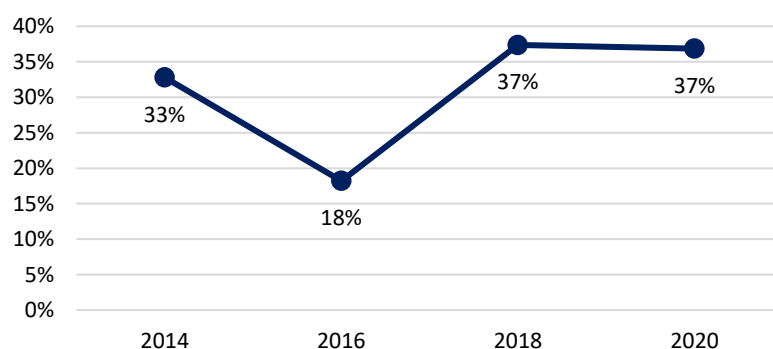


Where respondents gave answers that were not listed, their answers were recorded. The most commonly mentioned crimes that were not listed were '*knife crime*' (n18) and '*drug-related crime*' (n7). Furthermore twelve respondents specifically mentioned that they were worried about '*being stabbed*' (n12), which was also recorded as being worried about being assaulted.

3.5 Victimisation

The proportion of respondents who reported that they had been a victim of a crime in the last twelve months has remained stable since the last survey (37%), and slightly higher than in 2014. The results of the 2016 survey finding a much lower proportion (18%) seems to be a blip. **This also lends support to the view that there has been a slight increase in overall crime since 2014/15, and that the substantial increase in police recorded crime is largely due to changes in recording.**²²

Figure 7: Proportion of respondents who at experienced a crime (2014 - 2018)



The crimes most commonly reported to the survey remain the same as in the 2018 survey: '*threats/intimidation*' (12.1%, n113), '*damage to car/motorbike*' (5.8%, n54), '*bike theft*' (4.8%, n45).

²² Strategic Assessment of Crime, Anti-social behaviour, Reoffending and Substance Misuse: Update for 2018/19

'*Stalking/harassment*' was the fourth most commonly reported crime (4.7%, n22) but this has increased substantially since the previous survey.

Table 8: Crimes that people experienced in the previous 12 months and reported to the survey.

Crime type	2014	2016	2018	2020	change from 2018 (pp)	overall trend since 2014
Threats/intimidation	6.9%	2.5%	8.2%	12.1%	3.8	↑
Damage to car/motorbike	5.7%	3.7%	5.5%	5.8%	0.3	↔
Bike theft	5.3%	2.5%	4.9%	4.8%	-0.1	↔
Being stalked/harassed	1.1%	0.2%	1.9%	4.7%	2.8	↑
Hate crime	0.0%	2.5%	2.3%	4.1%	1.8	↑
Being assaulted	2.5%	3.5%	3.1%	3.8%	0.7	↑
Bogus callers at your door	3.4%	0.2%	3.7%	3.8%	0.1	↔
Damage to home/garden	3.3%	1.9%	3.5%	3.2%	-0.3	↔
Theft from a vehicle	1.6%	2.4%	3.6%	3.1%	-0.5	↑
Theft from your garage/shed/garden	2.0%	0.7%	3.3%	2.9%	-0.4	↔
Sexual assault/harassment	0.6%	0.1%	2.0%	2.6%	0.5	↑
Burglary	2.0%	1.8%	2.1%	1.8%	-0.3	↔
Cyber/online crime	0.9%	0.1%	1.6%	1.7%	0.1	↑
Other fraud	0.7%	0.2%	1.1%	1.6%	0.5	↑
Theft of car/motorbike	0.8%	0.4%	1.1%	1.4%	0.3	↑
Identity theft	0.1%	0.5%	1.5%	1.3%	-0.2	↑
Robbery	1.0%	1.5%	2.6%	1.0%	-1.6	↔
Street theft	1.0%	0.2%	0.7%	0.5%	-0.1	↔
Arson	0.1%	0.0%	0.6%	0.2%	-0.4	↔

The crimes which have seen the biggest reported increase since 2018 were:

- Threats/intimidation (3.8 percentage point increase)
- Stalking/harassment (2.8 percentage point increase), and
- Hate crime (1.8 percentage point increase).

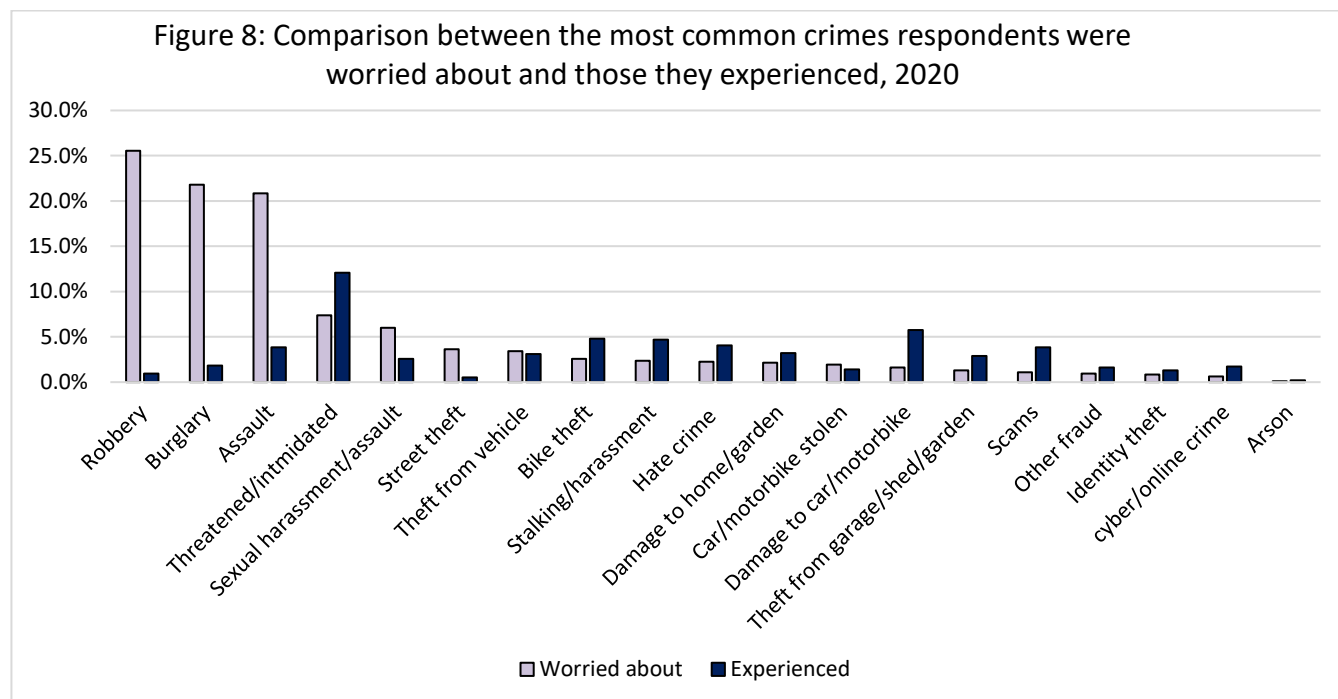
These have also increased since 2014 along with '*assault*', '*sexual assault/harassment*', '*theft of car/motorbike*', '*theft from a vehicle*', '*cyber-crime*', '*fraud*' and '*identity theft*'.

Respondents who were retired were statistically significantly less likely to be victims of crime, while people who were **unemployed were statistically significantly more likely to be victims of crime.**²³

As in previous years, **fear or worry about crime significantly exceeded the proportion of respondents being a victim of the crimes which were the most feared: '*being mugged/robbed*', '*being burgled*' or**

²³ Chi Sqr=18.375, df=10, p=0.049

'being assaulted'. For example, **just over a quarter of respondents were worried about 'being mugged/robbed', while 1% of them had been a victim of robbery in the previous twelve months.** This is likely to reflect the serious physical or emotional impact that these types of crime are may have on a victim and the amount of media coverage given to these crimes.



Conversely, for most of the other types of crime, particularly theft of or damage to property, the proportion of respondents who were concerned was lower than those who had experienced the offences, possibly because people can claim on their insurance or are not physically harmed in these types of offences. This was also the case for 'being threatened/intimidated', 'stalking/harassment' and 'hate crime' (see figure 8); the reason for this is less clear, although once again, people are not physically harmed and some may feel that they can chose to ignore these types of incidents.

3.6 Knife Crime

Knife-enabled crime and possession of a weapon offences account for only a small percentage of violent crime (3.6%, n478) but have been increasing over the past five years and have the potential to cause serious harm. A serious violence profile has been produced for Portsmouth but this relied mainly on crimes that were reported or detected by police. New questions were added to the 2020 survey try and find out more about knife crime from the perspective of Portsmouth residents.

About two fifths of respondents (41%, n383) said they thought knife crime was a problem in Portsmouth, while just over a third (35%, n327) said they didn't and a quarter (24%, n221) didn't know. Where respondents thought knife crime was a problem, they were asked why and thematic analysis was used to find out the main reasons (see table 9).

Of the 336 respondents who gave a reason, **half had heard about knife crime in the media or by word of mouth (50%, 169), while another 34% (n114) gave a general statement about it being a problem or kids carrying knives without having had any personal experiences or expressing concrete reasons.**

Table 9: Main reasons given by respondents who think knife crime is a problem in Portsmouth

Why do you think knife crime is a problem?	n	%
Heard about it (news/media)	72	21%
Heard about knife crime/stabbings in Portsmouth (no source specified)	59	18%
Generally a problem in the UK	38	11%
Drug use/dealing drives knife crime	24	7%
Heard about it (word of mouth from someone they know)	20	6%
People / Kids carrying knives for protection	18	5%
No reason given - just "a lot about" or "getting worse"	17	5%
Friends/acquaintances/family have been threatened / stabbed	14	4%
Come across it at work (hospital / school / key work)	12	4%
Have seen people carrying knives	11	3%

However, some respondents had personal experience of knife crime or knew someone who had with:

- 4% (n14) having had friends, acquaintances or family threatened
- 3.6% (n12) having come across knife crime at their place of work (where specified, at hospitals, schools or when providing key worker support)
- 3.3% (n11) have seen people carrying knives
- 2.3% (n8) thought it was easy to obtain knives
- 1.1% (n4) had been personally threatened or assaulted, and
- 1.1% (n4) had seen someone threatened or assaulted.

Respondents were then specifically asked about whether they **had seen someone carrying a weapon or knife, and 11% (n104) had done.** Of these weapons, **76% (n79) were knives.** Sometimes extra detail was given, and knives ranged from small pocket knives and flick knives, to kitchen or butchers knives or in a couple of cases - machetes.

Most of the respondents who had seen someone carrying a knife were able to state whether a young person or adult was the one carrying a knife. In **61% (n59) of cases, the person carrying the knife was 18 years or older,** while in 39% (n37) of cases it was someone 17 years or younger.

Most respondents had not personally experienced or witnessed knife crime (93%, n870), but 1% (n11) had experienced a knife crime and a further 3% (n26) had witnessed one.²⁴ Some respondents who experienced a knife crime gave some details, and of these two indicated that they had been attacked with a knife, but did not say whether they had been injured, while four said they were threatened. Where respondents witnessed a knife crime, ten said they had witnessed someone being stabbed or been in the

²⁴ This question was left blank in 3% (n29) cases

vicinity, while the others seemed to indicate the knife was used to threaten, commit a robbery or was in someone's possession.

Considering this survey probably has not engaged with the sections of the community most likely to be involved in knife crime, **the findings indicate that knives are present in the community and that the current focus on knife-enabled serious violence and early intervention in this area is warranted.**

3.7 What crimes do people report?

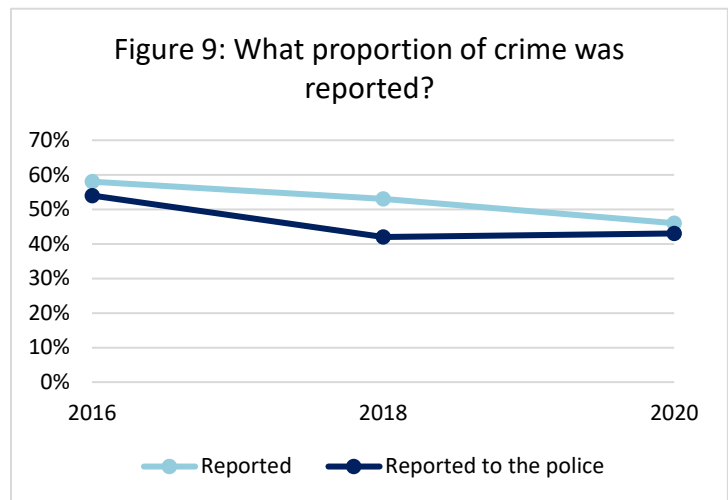
37% (n345) of respondents who were the victim of crime in the last 12 months reported 486 crimes. **Just under half of these crimes (n221, 46%) were reported,**²⁵ which is a **reduction on previous years: 7 percentage points fewer than in 2018 and 12 percentage points less than in 2016.**

Where crimes were reported, **respondents were more likely to report to the police than any other agency;** 43% of crimes reported to the survey had been reported to the police.

This is a similar proportion to the previous survey (42%), but this analysis has found that respondents were reporting fewer crimes to other agencies. Thematic analysis of the comments found that the most common reasons for not reporting a crime were: they thought that *'the police could not or would not do anything'* (24%, n57), *'didn't think it was worthwhile'* (20%, n48) or the crime *'didn't have much impact on them'* (16%, n39). These were the same main reasons as in the 2018 survey. 5% (n12) didn't want to bother the police because they recognised that the police had reduced resources in recent years.

The crimes **most likely to be reported** were:

- **Having car/motorbike stolen (80%, n8)**
- **Identity theft (80%, n8)**
- Burglary (77%, n13)
- Damage to home/garden (68%, n19)
- Being mugged or robbed (63%, n5)
- Assault (61%, n19)



²⁵ This includes reporting to the police but also other agencies like the City Council, Bank, employer, housing association, insurance company, fraud agency, credit card company, landlord, phone/internet supplier, mediation services, GP, university, citizens advice and IDVA.

The crimes **least likely to be reported** were:

- Hate crime (25%, n8)
- Being sexually assaulted (27%, n6)
- Cyber/online crime (33%, n4)
- Being threatened/intimidated (35%, n35)
- Being stalked (42%, n16)

3.8 Areas that people avoid

Just over half of respondents (53%, n480) stated that there were parts of Portsmouth that they avoided because they felt unsafe. This is slightly higher than in recent years (2018 - 50% and 2016 - 49%), but lower than it has been prior to this (e.g. 55% in 2014, 65% in 2012 and 68% in 2007), however in many of the earlier surveys, the questions may have been asked differently so caution should be taken when comparing this over time.

Somerstown was cited as the most commonly avoided area (18%, n170) followed by Buckland (10%, n97), Fratton (9%, n85), Commercial Road (7%, n62) and the Guildhall Walk area (6%, n53). Table 6, below, shows the trends for the most avoided areas since 2001.

Table 10: Areas avoid by rank from 2001 to 2020

Ranking	2001	2004	2007	2009	2012	2014	2016	2018	2020	Direction from 2018	Direction from 2001
Somerstown	1	1	1	1	1	1	1	1	1	↔	↔
Buckland	2	2	2	3	3	2	2	2	2	↔	↔
Fratton	7	7	7	7	2	4	3	4	3	↑	↑
Commercial Rd	Did not rank in top 10					9	4	3	4	↓	↑
Southsea	Did not rank in top 10					8	5	6	6	↔	↑
Guildhall Walk	6	6	4	4	4	3	6	5	5	↔	↑
Paulsgrove	4	3	3	2	5	5	7	7	9	↓	↓
Portsea	3	4	5	5	6	6	8	8	8	↔	↓
Landport	5	5	6	6	7	7	10	10	10	↔	↓
Northend	Did not rank in top 10					9	9	9	7	↑	↑

Somerstown and Buckland have been consistently ranked the most avoided areas, although many more people said they avoided Somerstown (n170 compared with n97). Portsea, Paulsgrove and Landport are avoided less compared to earlier surveys. Conversely Fratton, Commercial Road, Southsea, Guildhall Walk and Northend are avoided more.

Thematic analysis was conducted to explore the reasons why people avoided these areas. **Somerstown was mostly avoided due to 'having a bad reputation' (n54)**, although other commonly cited reasons

included **'drug use/dealing'** (n20), **'concern about violence'** (n18), being known to have **'high levels of crime'** (n17), **'poor lighting'** (n14) and **'feeling generally unsafe/being rough'** (n12).

The most common reasons for avoiding Buckland were respondents thinking it had a **'bad reputation'** (n18), **'drug use/dealing'** (n13), the area **'feeling unsafe/being rough'** (n13) and **'people hanging around'** (n9).

Fratton was also largely avoided due to its **'bad reputation'** (n16), but also due to the area **'feeling unsafe/being rough'** (n11) and **'alcohol related anti-social behaviour'** (n8).

Commercial Road was largely avoided at night (n9) and because of the **'presence of homeless people'** (n8), which some found intimidating. Southsea and Guildhall Square were largely avoided at night-time (n10 and n9) respectively. The main issues for Southsea were **'drug use/dealing'** (n8) and **'alcohol-related anti-social behaviour'** (n8) and Albert Road was specifically mentioned a number of times. **'Alcohol-related antisocial behaviour'** was overwhelmingly the most commonly mention reason that Guildhall Square was avoided (n21).

As in previous surveys, overall, the most common reason for avoiding areas was a **'bad reputation'** rather than personal experience. It is difficult to ascertain what this perceived bad reputation is based upon but these reputational issues may be something that could be addressed by the partnership's communications strategy. However, crime and ASB rates for these areas are generally higher than the average for Portsmouth and so there is some substance behind the residents' concerns.

3.9 What would make Portsmouth Safer?

The final question asked respondents whether they could suggest anything that would make Portsmouth a safer place to live. This is a new question which aimed to engage residents in suggesting ideas and replaced the previous question which simply invited further comments.

The vast majority (79%, n744) made one or more suggestion. These suggestions were sorted into themes, and the most common themes have been set out in table 11 overleaf.

Table 11: Suggestions about how to make Portsmouth Safer - Common themes.

Themes	No	%
More police on the streets	481	65%
More youth groups / facilities / activities	67	9%
Better lighting (some details given about where)	48	6%
More CCTV	44	6%
Community activities / bonding / spirit	31	4%
Tackle drug misuse / dealing	29	4%
Harsher punishments - current system too lenient	26	4%
Tackle homelessness	26	4%
More PCSOs	22	3%
Better parenting (discipline / responsibility / education)	17	2%
Feel safe already	14	2%
Tolerance / acceptance / respect	14	2%
Re-open police stations	12	2%
Improve public transport - safer buses and later at night	12	2%
More wardens	11	1%

Overwhelmingly **participants (65%, n481) mentioned wanting to see a greater police presence**, patrolling the streets and to a lesser extent more Police Community Support Officers (PCSOs, 3%, n22) and wardens (1%, n11). Linked to this were comments about wanting to see police stations re-opened (2%, n12) so that they knew where to go to speak to a police officer in person to report a crime or anti-social behaviour. Some respondents also explicitly said they thought the police should be more involved and engaged with the community.

"More police presence for deterrence, particularly hotspots"

"Community policing (proactive, not reactive), co-production [sic] with community. Greater accessibility to police and hubs"

"More police presence. Open police stations - currently don't know where to go"

"More police officers on the street, getting to know the community more to make a good relationship"

The **second most common theme was around funding for youth groups, facilities and activities (9%, n67)**. The comments for this theme were much more varied; some along the lines of keeping young people occupied with diversionary activities and clubs and others around early intervention for young. Examples of comments included:

"More things for youths to do in the holidays, would reduce crime. There is nothing for families to do"

"More activities for young people to keep them occupied instead of involving themselves in crime"

"Young people carry knives because they are scared"

"More investment and preventing [sic] criminality in young people"

"More activities for young people, targeted outreach - fund these services!"

There was recognition that youth clubs, activities and other such services had been cut or were reduced and a feeling that engaging young people would reduce the likelihood of them becoming involved in anti-social behaviour or crime.

Other common suggestions were to improve lighting in particular areas (6%, n48) and to increase surveillance by improving CCTV or putting more cameras up (6%, n44). A number of respondents (4%, n31) also felt that building stronger communities was the way to improving safety in the city.

4. Conclusion

This survey has found that the overall level of crime has remained fairly stable since 2018, although within this, there have been rises in some types of crime. The most notable increase was seen for '*threatening and abusive behaviour*'; 12% of respondents reported experiencing this type of crime and it was also one of the crimes least likely to be reported to the police. This category is broadly aligned with the offence category of '*public order*' offences, and where detail was given often amounted to verbal abuse, often shouted in the street. To a slightly lesser extent, '*stalking and harassment*' also increased, was the third most common offence reported to the survey and was often not reported to the police or any other agency. This is consistent with a rise in police recording '*stalking and harassment*' offences in 2018/19, and indicates a genuine increase in this type of offence, rather than the increase being due to changes in recording practices.

The questions on knife crime revealed that knives are present in the community, with 1% of respondents having been threatened with a knife or stabbed, and a further 3% having witnessed someone being threatened with a knife or stabbed. This is in the context of this survey being unlikely to have been completed with those most at risk of being a victim or perpetrator of knife crime. Therefore the current focus on knife-enabled crime and early intervention with those at risk of becoming involved with it, is crucial in addressing this issue.

Unemployed residents were significantly more likely to be a victim of crime. However, where residents lived and their age, gender, ethnicity or whether they had a disability were not factors that were associated with a greater likelihood of being a victim of crime. Due to the relatively small numbers of individual crimes, it was not possible to look for associations for each crime type, so there may be associations between demographic factors and particular crime types that were not picked up.

Antisocial behaviour has increased significantly since the previous survey, which supports anecdotal evidence that police recorded anti-social behaviour is only decreasing because people are not reporting it, and does not reflect the day to day experience of residents. This ties in with comments from respondents that there is no point in reporting it to the police as they do not respond. The neighbourhoods of Somerstown and Buckland have consistently been ranked the areas most avoided and this is largely due to the areas having a bad reputation, although drug use or dealing were also mentioned. However, these areas are in wards where residents were significantly more likely to think that anti-social behaviour was a big problem (largely in the wards of St Thomas, Nelson and Charles Dickens) and the levels of anti-social behaviour may be affecting perception of this area.

Reported '*drug use/dealing*' has continued to increase substantially since the 2016 survey, and is now the most commonly reported type of anti-social behaviour. Respondents commented on the smell of drugs, drug litter and drug users/dealers hanging around where they live, sometimes even in the foyer or on the stairs of the blocks where they live. Some people found this intimidating or unpleasant, and particularly felt it wasn't something they were happy for their kids to see.

Suggestions for how to make Portsmouth a safer place largely focussed on wanting to see more police presence, but also more facilities, activities and support for young people. The value of diversionary activities and early intervention was appreciated and the comments showed that people are noticing and recognising the impact of sustained reductions in funding, particularly to the police and youth services, but also a variety of services such as substance misuse, mental health, social care. Finally, as you can see from some of the quotes below, residents would welcome a greater sense of community:

"Initiative to get people to know their neighbours,
dispel preconceived ideas and get people to give each
other a chance"

"Getting communities together, everyone getting together"

"People taking more responsibility - leadership to look after
their areas"

Appendix 1. Community Safety Survey

Portsmouth Community Safety Survey 2020



Check: Does the respondent live in the Portsmouth area?

PO1, PO2, PO3, PO4, PO5, PO6

Prompt: We would like to ask you about crime and nuisance behaviour in the area where you live and in Portsmouth as a whole. This survey will take about 10 minutes and what you tell us will contribute to an overall picture of crime and anti-social behaviour in the city. These findings will be used by the Partnership when they are planning how to address these issues and improve community safety, so your views are important to us.

I will be asking you questions about your personal characteristics such as your age and ethnicity. I won't need your name though and the information I collect about you will be anonymous and not be used to identify you in any way.

About You (Show this page and next to the interviewee and fill it out together)

1	Gender	Male (1)	Female (2)	Other (3)
----------	---------------	----------	------------	-----------

2	Age	18-24 (1)	25-34 (2)	35-44 (3)	45-54 (4)	55-64 (5)	65-74 (6)	75+ (7)
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3	Main Occupation	Choose the most relevant category	
		Employee in full time job (30+ hours per week)	1
		Employee in part time job (Under 30 hours/week)	2
		Self Employed (full or part time)	3
		On a Government supported training programme	4
		Full time education	5
		Unemployed and available for work	6
		Permanently sick / disabled	7
		Wholly retired from work	8
		Looking after home	9

	Other	10
4	Do you, or have you ever served in the Army, Navy or Air Force?	
	Yes	No

5	Postcode / Ward	
----------	------------------------	--

6	Ethnicity	Choose one option from this list that best describes your ethnic group or background	
White	British / English / Welsh / Scottish / Northern Irish		1
	Irish		2
	Gypsy or Irish Traveller		3
	Any other white background (please describe)		4
Mixed or multiple ethnic group	White and Black Caribbean		5
	White and Black African		6
	White and Asian		7
	Any other multiple ethnic background (please describe)		8
Asian or Asian British	Indian		9
	Pakistani		10
	Bangladeshi		11
	Chinese		12
	Any other Asian background (please describe)		13
Black or Black British	African		14
	Caribbean		15
	Any other Black background (please describe)		16
Other ethnic group	Arab		17
	Any other ethnic group, (please describe)		18

7	Disability	Do you consider yourself to have a disability? If so choose the option from this list that best describes your disability.	
		Mobility / physical	1
		Hearing	2
		Visual	3
		Learning	4
		Mental health	5
		Other (please describe)	6
		None	7

Questions about crime and anti-social behaviour (ASB)

Please indicate to what extent you agree or disagree with the following statements on a scale of 1 to 5

Q1	The overall quality of my life in Portsmouth is very good.						
	Strongly disagree	1	2	3	4	5	Strongly agree

Q2	Anti-social behaviour is a big problem in the area where I live.						
	Strongly disagree	1	2	3	4	5	Strongly agree

Q3	What type of anti-social behaviour, if any, have you personally experienced or witnessed in your area in the last twelve months? (<u>Do not show or read this list, just tick the most relevant box</u>).						
Noise	Noise from domestic / residential property	1					
	Noise from commercial property (industrial, shops etc.)	2					
	Noise from licensed premises (pubs, clubs, bars & restaurants)	3					
	General noise in the street	4					
	Traffic noise in the street	5					
Environmental	Traffic issues such as parking or cycling on pavements	6					
	Litter and rubbish in the street	7					
	Dog mess	8					
	Bin bags left out on the wrong day/time	9					
	Vandalism or graffiti	10					
	Fly tipping	11					
Personal	Neighbour/general disputes	12					
	Harassment/bullying or intimidating behaviour targeting individuals	13					
	Online harassment/bullying or intimidating behaviour targeting individuals	14					
Nuisance / Drugs / Alcohol	People hanging around (specify)	15					
	Begging	16					
	Street drinking	17					
	Rough sleeping	18					
	Other alcohol related ASB (specify)	19					
	People using drugs	20					
	People dealing drugs	21					
	Drug litter	22					
Other	Dangerous animals / roaming or unsupervised dogs	23					
	Other (specify)	24					
	None	25					

Q3	Comments
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Q4	What types of crime, if any, are you worried about happening to you? (<u>Do not show or read this list, just tick the most relevant box</u>).		
Violence	Being mugged or robbed	1	
	Being assaulted or beaten up	2	
	Being sexually assaulted or harassed	3	
	Being harassed or stalked (e.g. following, loitering, spying <u>on more than one occasion</u>)	4	
	Being threatened, insulted or abused, or behaviour likely to cause fear or distress (can be one occasion)	5	
	Hate crime (targeted behaviour because of race, religion, disability or sexuality)	6	
Theft & Fraud	Your home being burgled	7	
	Having things stolen from your garage, shed or garden	8	
	Bogus callers at your door (scams - NOT unwanted cold callers)	9	
	Having a car or motorbike stolen	10	
	Having a car broken into	11	
	Having a bicycle stolen	12	
	Street theft such as being pick pocketed	13	
	Identity theft	14	
	Other fraud	15	
Damage	Arson	16	
	Criminal damage to your home / garden	17	
	Damage to your car or motorbike	18	
Other	Cyber/online crime (please specify):	19	
	Other (please specify):	20	
	Don't know	21	
	None	22	
	Comments:		

Q5	Looking at the list below, what types of crime, if any, have actually happened to you in Portsmouth in the last twelve months? (<i>Show the list for this question</i>).		
Violence	Being mugged or robbed	1	
	Being assaulted or beaten up	2	
	Being sexually assaulted or harassed	3	
	Being harassed or stalked (e.g. following, loitering, spying <u>on more than one occasion</u>)	4	
	Being threatened, insulted or abused, or behaviour likely to cause fear or distress (can be one occasion)	5	
	Hate crime (targeted behaviour because of race, religion, disability or sexuality)	6	
Theft & Fraud	Your home being burgled	7	
	Having things stolen from your garage, shed or garden	8	
	Bogus callers at your door (scams - NOT unwanted cold callers)	9	
	Having a car or motorbike stolen	10	
	Having a car broken into	11	
	Having a bicycle stolen	12	
	Street theft such as being pick pocketed	13	
	Identity theft	14	
	Other fraud	15	
Damage	Arson	16	
	Criminal damage to your home / garden	17	
	Damage to your car or motorbike	18	
Other	Cyber/online crime (please specify):	19	
	Other (please specify):	20	
	Don't know	21	
	None	22	
	Comments:		

Q6a)	Do you think knife crime is a problem in Portsmouth?		
	Yes	No	I don't know

Q6b)	If you answered yes to the previous question, why do you think knife crime is a problem in Portsmouth?		
	Comments:		

Q6c)	Have you seen someone carrying a knife or a weapon in the area that you live in?		
	Yes		
	No		
	Don't know		

Q6d)	If you have seen someone carrying a weapon, what type of weapon was it?		
	Please specify:		

Q6e)	Was it a young person or an adult carrying the weapon?		
	Young person (17 or under)		
	Adult (18+)		
	Not sure		

Q6f)	Have you experienced or witnessed a crime involving a knife or bladed weapon in the past 12 months?		
	No		
	Experienced		
	Witnessed		
	Comments:		

Q7	Of those crimes that you experienced, which did you report to the police or other organisation? <i>(Please list each crime separately and name which organisation it was reported to - if no crimes experienced, move on to Q9.)</i>	
Crime	Reported? Y/N	To whom

Q8	If you did not report a crime that you experienced, please list the crime and a reason why you did not report it <i>(Please list each crime separately and give a reason for not reporting – this can include ‘don’t know’)</i>.	
Crimes which were not reported	Why didn't you report this crime?	

Comments:

Q9	Are there any parts or places in Portsmouth where you feel unsafe or where you avoid going due to feeling fearful of crime?	
	Yes	No

Please list each area where you feel unsafe or avoid going due to feeling fearful of crime and rank the top three locations (1st, 2nd & 3rd)

Thinking about each location can you tell us why you feel unsafe or avoid these locations?

Where? Please tell us about the area and the specific location if there is one:	Reason why you feel frightened or avoid these locations:	Rank

Any additional comments:

Q10	Is there anything that you could suggest that would make Portsmouth a safer place to live?

Thank you for taking part in this survey, the findings will be published by the SPP on its website by the end

Appendix 2: Fieldwork locations & details about analysis

- **Baffins** - Library as base
- **City Centre** - Commercial Road and Guildhall square (busy areas frequented by residents from all over the city)
- **Copnor** - Copnor Road parade of shops
- **Cosham** - High Street
- **Drayton & Farlington** - Farlington Sainsbury's , Havant Road Co-op (Drayton)
- **Fratton** - The Bridge Centre, Asda and Fratton Road
- **Guildhall Square & Civic Offices reception area**
- **Milton & Eastney** -Eastney Road Co-op and Bransbury Community Centre/Park
- **Northend** - Library as base
- **Paulsgrove** - Allaway Avenue Housing Office as base.
- **Somerstown** - Somerstown Hub
- **Southsea** - Palmerston Road, Friendship House (Elm Grove)

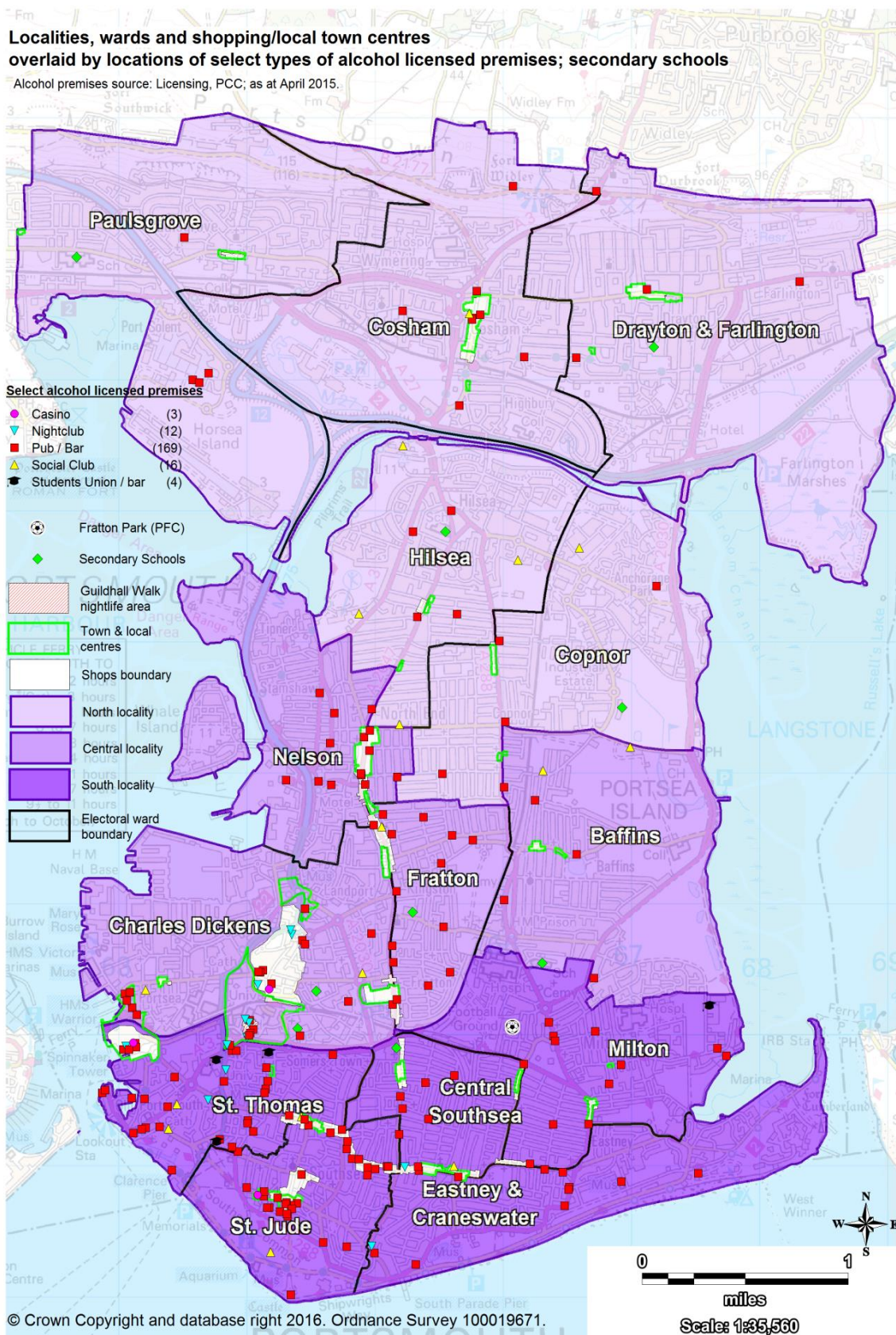
The analysis was completed using Excel for descriptive statistics and thematic analysis (quantitative) and SPSS for the statistical analysis. Comparisons within groups were only made where the groups were large enough to allow for a meaningful comparison. For this reason comparisons have been made between British white residents and all other ethnicities, and those with or without a disability, rather than between different types of disability or ethnic background. For the purposes of this report, a 'statistically significant finding' means that after a statistical test there was at least a 95% certainty that this result did not occur by chance. The full detailed statistics are available on request. The current report does not use any weighted data,²⁶ instead the sample was matched as closely as possible to the ONS population estimate.

²⁶ Weighting is used to adjust the results of a study to bring them more in line with what is known about a population. For example, if a sample contains 40% males and the population contains 49% males weighting can be used to correct the data to correct for this discrepancy.

Appendix 3: Break down by ethnicity

Ethnicity	Survey		Target	Difference
White British	761	81.4%	84.0%	-2.6%
White Irish	8	0.9%	0.5%	0.3%
White Gypsy or Irish Traveller		0.0%	0.0%	0.0%
Any other White background	50	5.3%	3.8%	1.6%
White and Black Caribbean	4	0.4%	0.5%	-0.1%
White and Black African	5	0.5%	0.5%	0.1%
White and Asian	4	0.4%	1.2%	-0.7%
Any other multiple ethnic group	4	0.4%	0.5%	-0.1%
Asian or Asian British Indian	22	2.4%	1.4%	0.9%
Asian or Asian British Pakistani	4	0.4%	0.3%	0.2%
Asian or Asian British Bangladeshi	8	0.9%	1.8%	-0.9%
Asian or Asian British Chinese	8	0.9%	1.3%	-0.4%
Any other Asian background	13	1.4%	1.3%	0.0%
Black or Black British African	23	2.5%	1.4%	1.0%
Black or Black British Caribbean	6	0.6%	0.3%	0.4%
Any other Black background	1	0.1%	0.1%	0.0%
Other ethnic group Arab	7	0.7%	0.5%	0.2%
Any other ethnic group	2	0.2%	0.5%	-0.3%
Missing	5	0.5%		
Total	935	100.0%		

Appendix 4: ward map



Integrated Impact Assessment (IIA)

Integrated impact assessment (IIA) form December 2019

www.portsmouth.gov.uk

The integrated impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies that could impact positively or negatively on the following areas:
 - Communities and safety
 - Regeneration and culture
 - Environment and public space
 - Equality & - Diversity This can be found in Section A5

Directorate:

The Executive

Service, function:

Strategy Unit

Title of policy, service, function, project or strategy (new or old) :

Community Safety Plan

Type of policy, service, function, project or strategy:

- ☐ Existing
- ☐ New / proposed
- ☒ Changed

What is the aim of your policy, service, function, project or strategy?

To reduce crime, anti-social behaviour, substance misuse and reoffending in Portsmouth

Has any consultation been undertaken for this proposal? What were the outcomes of the consultations? Has anything changed because of the consultation? Did this inform your proposal?

Community Safety Survey 2020 <https://www.saferportsmouth.org.uk/community-safety-survey/>

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A1-Crime - Will it make our city safer?



In thinking about this question:

- How will it reduce crime, disorder, ASB and the fear of crime?
- How will it prevent the misuse of drugs, alcohol and other substances?
- How will it protect and support young people at risk of harm?
- How will it discourage re-offending?

If you want more information contact Lisa.Wills@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-spp-plan-2018-20.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

The community safety plan is a statutory requirement for all local authority areas. The 2021-22 plan pulls together a range of activity across the council and partner organisations designed to address priorities identified by data analysis and community consultation. The plan addresses the underlying drivers for crime, substance misuse and offending - these are complex issues so the impact of the activity is often not immediate but evident over a longer period of time.

How will you measure/check the impact of your proposal?

The Public Health Team will track agreed indicators and report by exception every 6 months to the appropriate sub-groups and the Health and Wellbeing Board.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A2-Housing - Will it provide good quality homes?



In thinking about this question:

- How will it increase good quality affordable housing, including social housing?
- How will it reduce the number of poor quality homes and accommodation?
- How will it produce well-insulated and sustainable buildings?
- How will it provide a mix of housing for different groups and needs?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/psh-providing-affordable-housing-in-portsmouth-april-19.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A3-Health - Will this help promote healthy, safe and independent living?



In thinking about this question:

- How will it improve physical and mental health?
- How will it improve quality of life?
- How will it encourage healthy lifestyle choices?
- How will it create healthy places? (Including workplaces)

If you want more information contact Dominique.Letouze@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Early intervention with young people will help to reduce the impact of mental health problems, facilitate healthy lifestyle choices and longer term quality of life.

How are you going to measure/check the impact of your proposal?

As above - in particular the rate of youth offending, and substance misuse.

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A4-Income deprivation and poverty-Will it consider income deprivation and reduce poverty?



In thinking about this question:

- How will it support those vulnerable to falling into poverty; e.g., single working age adults and lone parent households?
- How will it consider low-income communities, households and individuals?
- How will it support those unable to work?
- How will it support those with no educational qualifications?

If you want more information contact Mark.Sage@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-homelessness-strategy-2018-to-2023.pdf>
<https://www.portsmouth.gov.uk/ext/health-and-care/health/joint-strategic-needs-assessment>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Early intervention with young people will help them remain engaged with education, which is more likely to lift them out of poverty.

How are you going to measure/check the impact of your proposal?
As above

A - Communities and safety

Yes

No

Is your policy/proposal relevant to the following questions?

A5-Equality & diversity - Will it have any positive/negative impacts on the protected characteristics?



In thinking about this question:

- How will it impact on the protected characteristics-Positive or negative impact (Protected characteristics under the Equality Act 2010, Age, disability, race/ethnicity, Sexual orientation, gender reassignment, sex, religion or belief, pregnancy and maternity, marriage and civil partnership,socio-economic)
- What mitigation has been put in place to lessen any impacts or barriers removed?
- How will it help promote equality for a specific protected characteristic?

If you want more information contact gina.perryman@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-equality-strategy-2019-22-final.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B1-Carbon emissions - Will it reduce carbon emissions?☐☒

In thinking about this question:

- How will it reduce greenhouse gas emissions?
- How will it provide renewable sources of energy?
- How will it reduce the need for motorised vehicle travel?
- How will it encourage and support residents to reduce carbon emissions?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cmu-sustainability-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B2-Energy use - Will it reduce energy use?☐☒

In thinking about this question:

- How will it reduce water consumption?
- How will it reduce electricity consumption?
- How will it reduce gas consumption?
- How will it reduce the production of waste?

If you want more information contact Triston.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

<https://democracy.portsmouth.gov.uk/documents/s24685/Home%20Energy%20Appendix%201%20-%20Energy%20and%20water%20at%20home%20-%20Strategy%202019-25.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B3 - Climate change mitigation and flooding-Will it proactively mitigate against a changing climate and flooding?

☐☒

In thinking about this question:

- How will it minimise flood risk from both coastal and surface flooding in the future?
- How will it protect properties and buildings from flooding?
- How will it make local people aware of the risk from flooding?
- How will it mitigate for future changes in temperature and extreme weather events?

If you want more information contact Tristan.thorn@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-surface-water-management-plan-2019.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/cou-flood-risk-management-plan.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B4-Natural environment-Will it ensure public spaces are greener, more sustainable and well-maintained?

☐☒

In thinking about this question:

- How will it encourage biodiversity and protect habitats?
- How will it preserve natural sites?
- How will it conserve and enhance natural species?

If you want more information contact Daniel.Young@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-solent-recreation-mitigation-strategy-dec-17.pdf>

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B5-Air quality - Will it improve air quality?☐☒

In thinking about this question:

- How will it reduce motor vehicle traffic congestion?
- How will it reduce emissions of key pollutants?
- How will it discourage the idling of motor vehicles?
- How will it reduce reliance on private car use?

If you want more information contact Hayley.Trower@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/env-aq-air-quality-plan-outline-business-case.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B6-Transport - Will it improve road safety and transport for the whole community?☐☒

In thinking about this question:

- How will it prioritise pedestrians, cyclists and public transport users over users of private vehicles?
- How will it allocate street space to ensure children and older people can walk and cycle safely in the area?
- How will it increase the proportion of journeys made using sustainable and active transport?
- How will it reduce the risk of traffic collisions, and near misses, with pedestrians and cyclists?

If you want more information contact Pam.Turton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/travel/local-transport-plan-3>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

B - Environment and climate change

Yes

No

Is your policy/proposal relevant to the following questions?

B7-Waste management - Will it increase recycling and reduce the production of waste?



In thinking about this question:

- How will it reduce household waste and consumption?
- How will it increase recycling?
- How will it reduce industrial and construction waste?

If you want more information contact Steven.Russell@portsmouthcc.gov.uk or go to:

<https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C1-Culture and heritage - Will it promote, protect and enhance our culture and heritage?



In thinking about this question:

- How will it protect areas of cultural value?
- How will it protect listed buildings?
- How will it encourage events and attractions?
- How will it make Portsmouth a city people want to live in?

If you want more information contact Claire.Looney@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/pln-portsmouth-plan-post-adoption.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Reduction in crime rates should encourage people to come to the city to live.

How are you going to measure/check the impact of your proposal?
There is unlikely to be a measurable impact.

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C2-Employment and opportunities - Will it promote the development of a skilled workforce?



In thinking about this question:

- How will it improve qualifications and skills for local people?
- How will it reduce unemployment?
- How will it create high quality jobs?
- How will it improve earnings?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

Early intervention with young people will improve their skills and employment opportunities. Working with the new National Probation Service (NPS) to support the rehabilitation of offenders by engaging them in work experience and learning will also improve employment opportunities.

How are you going to measure/check the impact of your proposal?

C - Regeneration of our city

Yes

No

Is your policy/proposal relevant to the following questions?

C3 - Economy - Will it encourage businesses to invest in the city, support sustainable growth and regeneration?



In thinking about this question:

- How will it encourage the development of key industries?
- How will it improve the local economy?
- How will it create valuable employment opportunities for local people?
- How will it promote employment and growth in the city?

If you want more information contact Mark.Pembleton@portsmouthcc.gov.uk or go to:

<https://www.portsmouth.gov.uk/ext/documents-external/cou-regeneration-strategy.pdf>

Please expand on the impact your policy/proposal will have, and how you propose to mitigate any negative impacts?

As previously mentioned - a safer city is one where businesses will be happy to invest.

How are you going to measure/check the impact of your proposal?
There is unlikely to be a measurable impact.

Q8 - Who was involved in the Integrated impact assessment?

Lisa Wills

This IIA has been approved by:

Contact number:

Date:

Agenda Item 14



THIS ITEM IS FOR INFORMATION ONLY

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting:	Cabinet Meeting
Subject:	Replacement for Capita ONE IT system
Date of meeting:	9 th March 2021
Report by:	Mike Stoneman, Deputy Director Children, Families & Education
Wards affected:	All

1. Requested by

- 1.1 Councillor Gerald Vernon Jackson - Leader, Portsmouth City Council

2. Background

- 2.1 The Capita ONE IT system has been used by Education for a considerable period of time and is critical to Education's operations and the statutory functions the service has to deliver. These include the use of a number of modules (which crucially are all linked):
- Admissions
 - Exclusions
 - Children Missing Education
 - SEN (Special Education Needs)
 - Reduced Timetables
 - Children in Employment / Entertainment.
- 2.2 In addition, the Capita ONE systems supports the following:
- Monitoring School Attendance - weekly datafeeds from all 61 school's management information systems
 - Providing details about our Looked After Children and Education Psychologist involvement
 - The system is used extensively by MASH (Multi Agency Safeguarding Hub) and the Early Help and Intervention Service.
- 2.3 Whilst the current application broadly meets our needs there are a number of factors that have contributed to the decision to seek a replacement to the Capita ONE IT system. They include the following:
- Ongoing issues of poor support, limited investment and product development and no clear product strategy, coupled with the ongoing

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turmoil of changing staff and reduced support resources. We are also having a greater number of operational resourcing challenges in terms maintaining and staying compliant with essential upgrades. Resources are no longer available at Capita as they were 2 - 3 years ago. In 2020 the council had to undertake the upgrade as the resources were not forthcoming from Capita or available when needed.

- Capita has not been definitive or forthcoming about their long term strategy and investment for Capita ONE. There is a general concern from other authorities around the longevity of the platform. Capita has already sold the SIMS (school management information systems) business. Hampshire County Council is also concerned and they sit on the Capita supplier forum group. Their feedback was that there is more risk than they would like to see, still no real sign of improvement in performance or development and subsequently are also considering looking at market supplier alternatives in 2022.
- The annual maintenance cost for the system continues to rise despite the lack of improvement in any automation and data integration models. A lot of what we now do is very manual and resource intensive within Education and IT in order to support the system.

3. Implications of not replacing the Capita ONE IT system

3.1 As set out above, the Capita ONE IT system is critical to Education's operations and the statutory functions the service has to deliver. It is used by other parts of the CFL Directorate, most notably by MASH. If Capita withdrew support at short notice, it would be high risk to the Council and would probably result in an unstructured scramble by authorities to move to another provider or transition if they sold the Capita platform to a competitor. The procurement of a new system and migration to that system is an 18 month to two year project. The longer we leave it the greater the risk.

3.2 **Without an effective system we run the risk of having a detrimental impact on children and young people's life chances in terms of:**

- We won't even be able to allocate school places in line with parental preference - some children might not even be offered a school place
- We won't know when children are not attending school, or have been excluded, or put on a part time timetable. We won't be able to intervene and support to make sure individual vulnerable children access education, or challenge and support school practice. The system is used every day for this.
- Not knowing whether children are attending school or even what school they are attending will make it much more difficult to keep them safe - the system is used extensively by MASH and the Early Help and Intervention Service

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- We won't be able to do checks on the employment of children that prevent exploitation and reduce safeguarding risks
- Essentially we won't be able to deliver on our vast range of duties to support the education of children.

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Agenda Item 15



THIS ITEM IS FOR INFORMATION ONLY

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting:	Cabinet Meeting
Subject:	Creating additional specialist school provision and school places for growing numbers of children with special educational needs and disabilities (SEND)
Date of meeting:	9 th March 2021
Report by:	Mike Stoneman, Deputy Director Children, Families & Education
Wards affected:	All

1. Requested by

- 1.1 Councillor Gerald Vernon Jackson - Leader, Portsmouth City Council

2. Background

- 2.1 The recent SEND Strategic Accommodation Review and the refreshed SEND and Alternative Provision (AP) pupil forecasts confirmed that:
- Forecasting shows rapidly increasing numbers of SEND pupils in the city across a range of SEND needs (similar to other Local Authorities)
 - Accommodation for SEND pupils is not sufficient to meet future demand
 - Demand for alternative provision is also growing and the city is approaching capacity
 - Place costs (revenue funding) are creating a significant pressure on the High Needs Block within the Dedicated Schools Grant
 - Capital funding from central government is very limited and is insufficient to address pressures on accommodation for pupils with SEND / SEMH (Social, Emotional and Mental Health)
 - There is an urgent need to find a financially viable solution which re-focuses provision for pupils with SEND and SEMH in line with the vision for an inclusive city. This will enable the council to meet its statutory duty to place resident children in suitable educational provision.
- 2.2 A five year programme of capital works has now been developed which will meet the future demand for places and ensure an inclusive approach involving both mainstream and special schools, providing places across the city and reducing the need for out of city placements. Details of the programme are set out in the attached report.

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- 2.3 The programme has been carefully phased. In addition to the funding that is already available, the £3.485m capital uplift will ensure the funding and delivery of all identified projects until 2023.

3. Implications of not providing the capital uplift

- 3.1 The implications of not providing this capital uplift are as follows:
- The Council will be unable to meet its statutory duty of providing children with SEND an appropriate school place
 - The Council will have to consider funding out of city places (if available) which are more expensive and not in the best interests of the child unless it is for very specialist provision. This will put increasing pressure on the High Needs Block of the Dedicated Schools Grant (DSG) and the Council's home to school transport budget.
 - There will be an increasing likelihood of appeals to the first tier SEN tribunal where children have been offered a place that is not in line with parental preference
 - There will be an increasing likelihood of placement breakdowns where children are placed in settings that are not able to meet all of their needs.
- 3.2 **Without funding, there will be a detrimental impact on children and young people's life chances in terms of not being able to:**
- Some children with specialist needs will have very long car journeys to get to independent special schools out of the city, which will be tiring for them
 - Provision for children in mainstream and special schools in the city will not be as good as it could be because we have to meet the high costs of out of city places for other children
 - Care placements for some looked after children could break down because we don't have good school placements locally
- 3.3 It is also important to note that the five year capital programme that has been developed
- Is based on several years of reviews and feasibility work which has the full buy in of all key partners
 - Offers an inclusive approach involving both mainstream and special schools across the city
 - Offers the most cost effective solution both in terms of capital and revenue terms.