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18 June 2013

S U M M O N S

MEETING: Policy and Organisation Board
DATE: 26 June 2013
TIME: 6.00 pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Vicki Stone

Linda Edwards

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Beavis) (ex-officio)
Councillor Hook (Chairman)
Councillor Burgess (Vice-Chairman)

Councillor Carter CR
Councillor Chegwyn
Councillor Forder
Councillor Lane

Councillor Langdon
Councillor Philpott
Councillor Ronayne
Councillor Wright

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

PART A ITEMS

RECOMMENDED
MINUTE FORMAT

1. APOLOGIES FOR NON-ATTENDANCE

2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any disclosable pecuniary interest in any item(s) being considered at this meeting.

3. MINUTES OF THE MEETINGS OF THE BOARD HELD ON 13 MARCH AND 16 MAY 2013

4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday, 24 June 2013. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday, 24 June 2013).

6. GOSPORT VOLUNTARY ACTION

PART II

To receive a presentation by the Chief Executive.

Contact Officer:
Ian Lycett
Ext: 5201

7. MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL STRATEGY

PART II

To consider the updated Medium Term Financial and Capital Strategies.

Contact Officer:
Julian Bowcher
Ext 5551

8. CIVIC AND COMMEMORATIVE EVENTS

PART I

To advise the Board of the proposals for Civic and commemorative events for the next 18 months.

Contact Officer:
Kim Carron
Ext: 5512

Policy and Organisation Board
26 June 2013

9. GOSFEST (GOSPORT COMMUNITY FESTIVAL)

To advise Members of a request for assistance from the Council from Gosport Festivals Limited who are organising a music event for the period 23rd August – 26th August 2013.

Contact Officer:
Ian Lycett
Ext: 5201

10. ANY OTHER ITEMS

which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.

GOSPORT BOROUGH COUNCIL

REPORT TO THE:	POLICY & ORGANISATION BOARD
MEETING DATE:	26 JUNE 2013
TITLE:	MEDIUM TERM FINANCIAL STRATEGY AND CAPITAL STRATEGY
AUTHOR:	BOROUGH TREASURER
STATUS:	FOR DECISION

PURPOSE OF REPORT

To consider the updated Medium Term Financial and Capital Strategies.

RECOMMENDATIONS

It is recommended that the Medium Term Financial Strategy and Capital Strategy be approved.

1.0 BACKGROUND

- 1.1 The Council reviews and approves the Medium Term Financial Strategy each year. Following the recent completion of the budget cycle for 2013/14, it is timely to review the strategy prior to consideration of a budget strategy for 2014/15 by this Board later in the year.
- 1.2 Government expenditure plans for 2015/16 and later years have not been finalised and more amendments may be necessary to the strategy as these become clearer and the impact on the Council is known

2.0 REPORT

- 2.1 Budget preparation will commence in July and will incorporate requirements resulting from Council priorities identified from Capital Strategies, Community Strategy, Corporate Plan and the associated action plans.

- 2.2 The Local Government Act 2003 requires the Council to consider whether its budget is balanced with appropriate levels of reserves (commensurate with perceived budget risks).
- 2.3 Projections contained in the Medium Term Financial Strategy indicate that the Council's General Fund budget requirements will remain relatively stable over the next 4 years following the action taken during the last 2 years to reduce commitments and work within reducing Exchequer support. It should be stressed however that the radical changes to the financing of Local Government including rate retention and the move to the new Council Tax Support Scheme (previously Council Tax rebate) have significantly increased the risk and uncertainty borne by this and other Councils.
- 2.4 The outlook regarding the level of government grant is very uncertain particularly in relation to 2015/16 and future years and the strategy assumes that further reductions will occur of £333,000 in 2015/16 and £35,000 in 2016/17 and 2017/18. This is in addition to the £703,000 reduction notified in the 2014/15 provisional grant settlement. The reduction in government grant support even if confirmed at the levels assumed in the strategy will provide a significant financial challenge to this Council it must also be recognised that there remains a significant risk that even greater reductions will be imposed.
- 2.5 The strategy highlights that the Council is undertaking a series of service reviews with the objective of making efficiency savings whilst still maintaining services. It is recognised that although this should largely help meet the challenges faced for 2014/15 any further reductions in support will require additional; measures such as:-
- (a) Further reducing expenditure on lower priority services;
 - (b) Increase fees and charges in excess of inflation;
 - (c) Raise Capital receipts to reduce the impact of capital investment; and,
 - (d) Consider local tax rises in excess of the current policy, possibly requiring a local referendum.
- 2.6 There is also need to continue to prioritise capital projects within the Capital Programme, particularly considering affordability and impact on local tax levels. The Capital Strategy indicates the considerations that are necessary in order to achieve this.

3.0 CONCLUSION

- 3.1 Both the Medium Term Financial Strategy and Capital Strategy are key documents affecting the financial future of the Council. The Board need to consider these and the potential impact on future council tax policy.

SUPPORTING INFORMATION

Financial Implications:	See Report
Legal Implications:	As the report sets out the Council has to set balanced budgets and to undertake its functions effectively, efficiently and economically
Service Improvement Plan implications:	None
Corporate Plan:	-
Risk Assessment:	See para 2.3
Background papers:	See Council Budget 2013/14 Report
Appendices/Enclosures:	1. Medium Term Financial Strategy 2. Capital Strategy 2013
Report Author/Lead Officer	Julian Bowcher

GOSPORT BOROUGH COUNCIL

MEDIUM TERM FINANCIAL STRATEGY

2013/14 – 2017/18

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GOSPORT BOROUGH COUNCIL

MEDIUM TERM FINANCIAL STRATEGY 2013/14 – 2017/18

1.0 INTRODUCTION AND OBJECTIVES

1.1 Introduction

The Medium Term Financial Strategy (MTFS) contains details of the main challenges affecting the Council's finances over the next few years and indicates how the Council will respond to these. It provides the overall framework for the financial investment in services from 2013 to 2018. Updated and reviewed annually, the MTFS helps to ensure that the Council's financial resources are targeted to achieve the strategic priorities and values contained within the Council's Corporate Plan.

It contains sections covering:

- Revenue – the running costs of General Fund services (affecting Council Tax levels),
- Housing Revenue Account – A statutory account which is primarily financed from Council House rents,
- Capital - the Council's plans for investment in assets used to provide benefit over more than 1 year,
- Treasury Management – management of cash flows, borrowing and investing,
- Budgeting; and,
- Risk Management.

The MTFS also provides a link to other financially related strategies including the Capital Strategy, Asset Management Plan, Treasury Management Strategy and Workforce Development Strategy.

1.2 The Council's Mission

The MTFS plays a key role in helping achieve the Council's mission of 'To work with our community to improve everyone's quality of life and deliver a sustainable future for the Borough.' by providing an efficient, effective and robust financial framework which will enable the Council to focus resources on its stated priorities.

1.3 Objectives of the Strategy

The main objectives of the Medium Term Financial Strategy are:-

To help ensure that the Council's financial resources are sufficient to achieve its stated objectives within the Corporate Plan including strategic priorities and core values;

To seek to minimise net debt and maximise income in order to provide investment in economic and efficient services within Council Tax increases below the level that might result in the possibility capping by the Government;

To ensure that the Council maintains an adequate level of General Reserves to both meet unforeseen events and help reduce vulnerability to significant fluctuations in Council Tax levels;

To provide both a link and framework to other financially related strategies;

To provide a single document to communicate the financial aims and objectives to staff and stakeholders alike; and

To provide a projection of resource requirements over a 5 year period.

2.0 REVENUE

2.1 General Fund Base Budget 2013/14

2.1.1 The current year's budget is divided into the following service areas:

Gosport Borough Services	Gross Expenditure £'000	Gross Income £'000	Net Budget £'000
Environmental Health Services	1,523	146	1,377
Parks and Leisure Activities	2,921	566	2,355
Housing Services	35,116	34,417	699
Council Housing	13,119	13,632	-513
Refuse Collection	1,717	333	1,384
Town Planning & Development	2,126	458	1,668
Transportation	954	966	-12
Other Services and Expenses	7,809	5,046	2,763
Sub-Total	62,285	55,564	9,721
Net transfer to Balances	563		563
TOTAL	65,848	55,564	10,284

2.1.2 The net general fund budget for 2013/14 is 2.4% lower than that for 2012/13 resulting in the Borough's Council Tax rates remaining unchanged, as detailed in the following table:-

Gosport-Percentage Council tax increase for 2013/14

Council's budget needs	-0.6%
Government Grant variation	-8.6%
Transfer to reserves	-4.5%
Change to Council Tax base	13.0%
Changes to Collection Fund balance	0.7%
	0.0%

2.2 Revenue Budget Projections 2014/15 – 2017/18

2.2.1 The following table shows a forecast of the revenue budget for the next four years and takes into account any significant variations in income and expenditure that are presently known or anticipated. It must be recognised that this projection represents a central forecast and may be subject to considerable variation for a number of reasons such as changes in demand for Council services, new or amended Central Government legislation (including the Government Grant Settlement) and the external economic environment in which the Council has to

operate. However, it is essential that this analysis is undertaken and updated as necessary in order that any potential budget problems or opportunities are quickly identified and the appropriate action undertaken.

- 2.2.2 A variation in the forecasts of only approximately £56,000 affects the Borough's Council Tax rates by 1%. Major risks to the forecasts are detailed in the Council's Budget Book and include variations in demand for statutory services (such as homelessness), reduced income from Government Grants/Business Rate Retention Scheme and reduced income from fees, charges and interest receipts. The projections are particularly susceptible to political decisions on public spending levels by the coalition Government in response to the national economic situation. The forecast grant levels for 2014/15 are in accordance with the provisional local Government Finance Settlement published in February 2013. Estimates of the Grant position for 2015/16 and later years remain very uncertain and for the purposes of this forecast it is currently estimated that further reductions of £333,000 in 2015/16 and £35,000 in both 2016/17 and 2017/18 will occur.

**PROJECTED GENERAL FUND FOR THE YEARS TO 2017/18
(AT CURRENT PRICES)**

		(£'000)			
		2014/15	2015/16	2016/17	2017/18
A	2013/14 Base Budget	10,284	10,284	10,284	10,284
B	Budget Increases				
	Crematorium (income down)	50	50	50	50
	Tax Freeze Grant (2013/14)		56	56	56
	Local Elections	50		50	
	Pensions	50	150	200	250
	Inflation (inc pay award)	150	300	450	600
		300	556	806	956
C	Less Budget Decreases				
	New Homes Bonus income	(200)	(300)	(400)	(500)
	Local Plan	(80)	(100)	(100)	(100)
	Leisure Centre running costs	(100)	(100)	(100)	(100)
	RFR reduced contribution	(50)	(50)	(50)	(50)
		(430)	(550)	(650)	(750)
D	PROJECTED BUDGET TOTALS (A+B+C)	10,154	10,290	10,440	10,490
E	FUNDING				
	Revenue Support Grant	(2,524)	(2,124)	(2,024)	(1,924)
	Business rates Collectable /Safety Net	(5,550)	(5,716)	(5,888)	(6,064)
	Less Tariffs payable to Central Government	3,464	3,563	3,670	3,781
		4,610	4,277	4,242	4,207
F	GBC COUNCIL TAX LEVY (D-F)	(5,544)	(6,013)	(6,198)	(6,283)

G COUNCIL TAX BASE	24,562.4	24,592.4	24,622.4	24,652.4
H ESTIMATED COUNCIL TAX INCOME (FOR NO INCREASE)	(4,980)	(4,990)	(4,990)	(5,000)
I POTENTIAL SAVINGS REQUIRED				
CUMULATIVE	564	1,023	1,208	1,283
YEAR ON YEAR	564	459	185	75

2.2.3 Whilst the figures projected in paragraph 2.2.1 represent the best projection that can currently be made, there is a lot of uncertainty regarding future levels of Exchequer support, inflation and interest rates. The most optimistic current forecast beyond 2013/14 is that following the significant reduction in grant (£703,000) in 2014/15 only small reductions will be made in grant levels in 2015/16 and future years. The forecast above assumes that a further significant cut will also be made in 2015/16 although only reasonably modest reductions will occur in 2016/17 and 2017/18. It is felt that this is a realistic forecast at this stage although the risk that reductions in grant above these levels will be incurred remains high.

2.2.4 The Council is currently undertaking a series of service reviews with the objective of making efficiency savings whilst still maintaining service levels in order to help meet the financial challenges ahead. Even though it is anticipated that savings forthcoming from this measure can help meet the financial challenges faced in 2014/15 any further reduction in Central Government support in later years would require the Council to consider actions similar to those taken 3 years ago, including:

- Reduce expenditure on lower priority services;
- Increase fees & charges in excess of inflation;
- Raise capital receipts to reduce the impact of capital investment; and,
- Consider local tax rises in excess of the current policy, possibly requiring a local referendum.

2.3 General Fund Working Balance

2.3.1 A key objective of the Strategy is:-

‘To ensure that the Council maintains a realistic level of General Reserves to both meet unforeseen events and help stabilise annual fluctuations in Council Tax Levels’

2.3.2 The Council's Working Balance minimum prudent target level of 7% of net expenditure was dropped from 2009/10 and the balance frozen at £890,000. Although still very low compared to most local authorities, £890,000 is considered to be adequate, subject to the regular review of budget risk. Gosport's working balance remains in the lowest quartile compared to other local authorities. This is considered appropriate as the Council is conscious that the balance represents local taxpayers' funds set-aside and not directly contributing to service provision.

2.3.3 It must be recognised however, that as a result of the radical changes to the financing of Local Government in 2013/14 the Council is exposed to a number of new risk areas (including the collection of Business Rates, a risk previously borne by Central Government) so that the working balance should not be reduced at this time.

2.4 Revenue Financing Reserve

- 2.4.1 The Revenue Financing Reserve (RFR) is a provision available for general use, although it is particularly targeted at:-
- helping achieve efficiencies by providing funding for spend-to-save initiatives (seen as particularly important due to the forecast of a significant reduction in Central Government Grant);
 - helping to ensure that variations in annual maintenance requirements can be adequately financed; and,
 - reducing exposure to risk by helping to underwrite uninsurable risks and by saving premiums where self insurance is undertaken.
- 2.4.2 It is considered that maintaining a viable RFR is an essential element for improved management of the Council's finances. In order to achieve this, the approved Council policy is that the RFR is debited or credited with any General Fund budget variations, receives a base budget contribution and Council Tax Collection Fund surpluses/deficits (subject to the working balance first being maintained at an appropriate level).

3. HOUSING REVENUE ACCOUNT

3.1 Housing Revenue Account (HRA)

- 3.1.1 The HRA comprises expenditure and income relating to stock of over 3,100 Council dwellings and the provision of services to tenants. This includes management, the repair and maintenance of stock and the rent and income collection services.
- 3.1.2 The determination of future expenditure patterns relies upon the following key elements:
- Repair and maintenance needs of the stock
 - Meeting the decent homes and post decent standards
 - Aspirations of the tenants
 - Rent convergence
 - The resources available
 - Repayment of self financing loan.

3.2 HRA Self Financing

- 3.2.1 The HRA subsidy reform happened in April 2012. For Gosport this meant buying out of a negative subsidy position. Full responsibility for managing and maintaining the stock rests entirely with the authority. All income will be collected and managed locally and long term investment needs of the stock can now be planned in consultation with the tenants.
- 3.2.2 The government has set a statutory debt limit for each housing authority which comprises the settlement figure for the authority plus what has previously been borrowed under the prudential code. The debt limit/cap for Gosport is £63.07m. This places a constraint on the potential for investment for this authority in the early years of self financing.
- 3.2.3 The cap on debt restricts the ability of authorities to take on additional borrowing under the prudential code, even if the borrowing is affordable for the HRA. The

localism Act does allow for the reopening of the settlement, but only in very limited circumstances.

3.3 HRA Business Planning

- 3.3.1 An HRA business plan has been developed as part of the requirement for self financing with an accompanying financial model to show that self financing is a viable option and that debt can be repaid within the timeframe. The business plan describes the council's vision for the future of the housing stock under self financing and details how the council intends to finance investment in the housing stock. The plan sets out the long term priorities, objectives and actions for council housing for the coming years.
- 3.3.2 The viability of the plan has been established through the completion of a detailed financial model. The model is calculated over thirty years and shows the baseline position for the HRA. It shows the impact of the increase in housing debt as a consequence of the required borrowing of £57m and the HRA's ability to both repay the debt and manage the stock over the next thirty years.
- 3.3.3 Detailed calculations are provided within the model for future rent levels, management and maintenance costs as well as capital spend, depreciation, debt repayment and working balances. This model will be updated annually and rolled forward to give a continual assessment of income and expenditure over the life of the plan.

3.4 HRA Rent Income

- 3.4.1 The Council is currently operating its rent setting policy within the national rent restructuring framework which was introduced in 2002/3. This has now been amended to take into account the HRA reform and is expected to be completed in 2015/16. The importance of achieving guideline rent levels by 2015/16 has been discussed in other documents. It remains unclear as yet as to what if any policy will be introduced beyond 2015/16 although for the basis of any modelling, increases will be assumed at RPI levels.

3.5 Improvement and Repairs

- 3.5.1 The Housing services Asset Management Strategy and Action plan 2011/12 was submitted to Housing Board in March 2012. It is recognised that the full aspirations of this strategy cannot be achieved when taking into account current and predicted Capital resources (as included in the Housing Revenue Account Business Plan). It is planned for a comprehensive Asset Management Strategy to be produced for March 2013. This will be populated by data from the Asset Management software module and take into account all of the changes brought about under self financing.

3.6 Housing Revenue Account working balance

- 3.6.1 The HRA working balance is a reserve of the Housing Revenue Account and is "ring fenced" for this purpose.
- 3.6.2 The draft HRA balance as at 31 March 2013 is estimated to be in the region of £980,000. The balance is considered to be appropriate taking into account factors including the level of stock and the additional risks borne by the Council following the move to self financing.

- 3.6.3 In future years it is anticipated that it will be possible to maintain or slightly increase reserve levels whilst still achieving the required investment on the existing stock and allowing some funds to be earmarked to enable the provision of new affordable housing.

4.0 CAPITAL

4.1 Capital Priorities and Selection Process

- 4.1.1 In order to ensure that the Council's Capital expenditure is targeted at achieving the Council's Priorities capital projects must be evaluated and prioritised before they are recommended for inclusion in the Draft Capital Programme which is considered by Members as part of the budget process.
- 4.1.2 The projects are considered by the Council's Management Team with particular attention on their affordability (particularly critical as Government grant support has reduced) and their contribution to the priorities detailed within the Corporate Plan and associated Corporate Action Statement. The Team then make recommendations to Members on the schemes to consider and pursue as part of the Council's Capital Programme.

4.2 Prudential Framework/Impact on Revenue Account

- 4.2.1 The Local Government Act 2003 introduced major changes to the capital funding regime with effect from 1 April 2004. The previous system of controlling Councils capital expenditure by limiting borrowing through the use of credit approvals was replaced by a more flexible system based on affordability.
- 4.2.2 The prudential capital finance system (Prudential Framework) allows the Council to make its own borrowing decisions using agreed professional principles as set out in the Prudential Code to ensure that any new borrowing is affordable and prudent. It is accepted that use of the Code by the HRA will necessitate proper arrangements for debt repayment, although not currently required by statute.
- 4.2.3 The main advantages of the increased freedom to borrow under the Prudential Framework are:-
- (i) The ability to bring forward capital schemes that would not otherwise have been possible to fund in the short to medium term under the previous capital financing regime.
 - (ii) Spend-to-Save Schemes where the cost of the borrowing associated with the capital expenditure on a Scheme can be wholly or partly met by revenue savings arising as a result of the project being carried out.
 - (iii) The ability to raise funding up to 3 years in advance when market conditions are favourable.
- 4.2.4 The expenditure possible under (i) will be limited by the ability of the Council to afford the revenue consequences of the borrowing undertaken. In any event, the anticipated low levels of supported borrowing, capital grants and other capital funding resources together with the national pooling of Housing Capital Receipts has resulted in an increase in the need to borrow to finance Capital Expenditure.

4.3 Projected Expenditure

4.3.1 Capital Programme 2013/14-2015/16

	2013/14 £,000	2014/15 £,000	2015/16 £,000
Community (Housing)	3,950	3,950	3,950
Community (General Fund)	927	1,093	344
Policy & Organisation	460	306	235
Total Capital Programme	5,337	5,349	4,529
Revenue Contribution - HRA	3,550	3,550	3,550
Specific Capital Grants - GF	270	270	270
Developer Contributions for Open Spaces -GF	183	350	
Other Grants and Contributions - GF	245	480	
Capital receipts -GF	50	550	1,125
Capital Funding Requirement - GF	1,039	149	(416)
Total Capital Funding	5,337	5,349	4,529

- 4.3.2 A significant proportion of the planned capital expenditure relates to the Community and Environment Board, with the largest area of expenditure being that of improvements to housing stock. Partly as a result of the move to self financing (see 3.2) it has been possible to increase expenditure from £2,940,000 originally budgeted for 2012/13 to £3,500,000 in 2013/14, 2014/15 and 2015/16.

5.0 TREASURY MANAGEMENT STRATEGY

- 5.1 The treasury management service is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. Whilst the prudential indicators above consider the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework, the treasury management activity covers the effective funding of these decisions. Taken together they form part of the process which ensures the Council meets the requirement of setting a balanced budget.
- 5.2 The CIPFA code of practice requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report will be produced after the year-end to report on actual activity for the year together with the mid-year position. This report includes extracts from the Treasury Management Strategy for 2013/14.

- 5.3 A key requirement of the strategy is to explain both the risks associated with the treasury service and how those risks are to be managed.

This strategy covers:

- The Council's debt and investment projections;
- The Council's estimates and limits on future debt levels;
- The expected movement in interest rates;
- The Council's borrowing and debt strategy
- The Council's investment strategy
- Treasury performance indicators;
- Specific limits on treasury activities;
- Any local treasury issues.

5.4 Treasury Position

- 5.4.1 The council had net borrowing of almost £78.7M at 31 March 2013 which is forecast to slightly increase during 2013/14.

- 5.4.2 The Council's capital expenditure plans will be partially financed by external funds such as capital receipts, capital grants, external contributions and deposits. The remaining element which is not able to be immediately financed from these sources will impact on the Council's borrowing need (the Capital Financing Requirement, or CFR). This borrowing or net financing need is known as unsupported capital expenditure and must be paid for from the Council's own revenue resources.

- 5.4.3 A key risk of the capital funding plan is that the estimated sources of external funding are subject to confirmation and/or negotiation which may cause changes to the budgeted funding pattern. For instance, anticipated asset sales may be postponed due to the continuing impact of the recession on the property market. This will become increasingly important as interest rates begin to rise.

5.5 Expected movement in Interest Rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Sector central view.

Annual Average %	Bank Rate	PWL B Borrowing Rates (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2012	0.50	1.50	3.70	3.90
March 2013	0.50	1.50	3.80	4.00
June 2013	0.50	1.50	3.80	4.00
Sept 2013	0.50	1.60	3.80	4.00
Dec 2013	0.50	1.60	3.80	4.00
March 2014	0.50	1.70	3.90	4.10
June 2014	0.50	1.70	3.90	4.10
Sept 2014	0.50	1.80	4.00	4.20
Dec 2014	0.50	2.00	4.10	4.30
March 2015	0.75	2.20	4.30	4.50
June 2015	1.00	2.30	4.40	4.60
Sept 2015	1.25	2.50	4.60	4.80
Dec 2015	1.50	2.70	4.80	5.00
March 2016	1.75	2.90	5.00	5.20

The economic recovery in the UK since 2008 has been the slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to fully resolve its difficulties now that the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

This challenging and uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;
There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

5.6 The Council's borrowing strategy is reproduced below

- Long-term loans (in excess of 364 days) will be raised with the PWLB or other public bodies
- Short term loans (less than 364 days) will be raised through
 - Money market loans through the London Money Market using brokers appointed at the discretion of the Borough Treasurer
 - Directly or through brokers, at the discretion of the Borough Treasurer, with other public bodies
 - Use of the Council's overdraft limit with its bankers, National Westminster Bank, up to £1 million
 - Internal funds – the cash held in internal funds can be used short term to fund capital expenditure or the repayment of debt, thus delaying the need to borrow externally
- The authority to respond to different interest rates throughout the financial year is delegated to the Borough Treasurer, Head of Accountancy and Group Accountant. There is a clear segregation of duties between setting up and authorising loans and investments.

5.7 The Council's investment strategy is reproduced below

- The key objectives of the Council's investment strategy are security, liquidity and yield in that order.
- The Council has determined that it will only use approved counterparties from the UK
- No Investments are to exceed 3 years although most will not exceed 364 days

- A £3m limit applies with any single group other than the Council's Bank or UK Regulated Qualifying Money Market Funds
- Investments will be placed with bodies that meet the Council's creditworthiness criteria (see Appendix A)
- There is a clear operational difficulty arising from the current banking situation. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness and interest rates suggests short dated investments may provide lower exposure to risk.

6.0 BUDGET STRATEGY AND PROCESS

- 6.1 The Council's current Corporate Plan details the Council's Strategic Priorities which are categorised under four main headings namely, People, Places, Prosperity and the Pursuit of Excellence.
The Corporate Action Statements (contained within the Corporate Plan) underpin the delivery of the Corporate Priorities. Any budgetary implications arising from the actions outlined in Service Improvement Plans (SIP) are included within the Council's initial Draft Budget. Depending on the resource constraints affecting the Council these are either ultimately approved or, if this is not possible, the unit SIP is amended to reflect this.
- 6.2 Budget preparation commences annually in July and incorporates requirements resulting from Council priorities identified from Capital Strategies, Community Strategy, Corporate Plan and Best Value action plans, culminating in recommendations to Boards and Council the following January/February.
- 6.3 Budget preparation is "zero-based" where appropriate and new bids are minimised. Maintenance proposals are provided for according to the latest Asset Management Planning requirements.
- 6.4 Prudent inflation parameters are used in the build up of the initial budgets.
- 6.5 In the interest of sustainability, the Council will not generally budget to use one-off or short-term income (including grants) on expenditure that is properly part of its base budget requirements.
- 6.6 Capital projects bids are considered for inclusion within the Capital Programme in terms of affordability, including impact on local tax levels as part of the Budget Process.
- 6.7 Once the Council's budget is set and the precepting authorities' requirements known, the Council sets Council Tax levels for the forthcoming year. (This has to be done by 11 March).

7.0 RISK MANAGEMENT AND INSURANCE

7.1 Risk Management

- 7.1.1 The Council recognises the importance of an effective risk management process covering all aspects of the significant business risks that the authority faces. Although much has already been achieved, further development of the risk management process remains a key priority of the Council and significant resource has been earmarked for this purpose. In particular Risk Working groups have been formed to review areas considered to be of greater risk i.e. motor, property and combined liability in order to improve the Council's overall risk performance.

- 7.1.2 The Council has an agreed Risk Management Strategy in place. Major capital schemes must be risk assessed as part of the approval process. In addition risk registers for both operational and strategic risks are in operation which assesses the financial risks as part of its overall framework. Finally, a corporate risk management group meets to discuss key risk issues that influence the Council's day-to-day business and to further develop and critically review the risk management process.
- 7.1.3 The Budget report to Council and the Budget Book highlight the principal areas of risk to the budget with an assessment of likelihood and impact.

7.2 Insurance

The Council has a range of insurance policies which help safeguard against many of the higher financial risk areas particularly relating to property, employers and public liability insurance.



Gosport Borough Council

Capital Strategy

2013

CAPITAL STRATEGY

1.0 INTRODUCTION

- 1.1 The main purpose of the Capital Strategy is to outline how the Council decides what Capital Projects are supported and the process that is undertaken to make sure that these are in line with the Council's priorities and objectives.
- 1.2 The funding options and constraints relating to the funding of the programme are explored for the Capital Programme 2012-17.

2.0 FINANCIAL AND ASSET INFORMATION

Revenue Budget

The Council's gross revenue budget 2013/14 totals £64.848 Million, which after deducting gross income of £55.564 Million results in a net revenue budget of £10.284 Million.

Assets

The Authority's asset base is dominated by its housing stock, which numbered 3,193 properties on 31 March 2013 with an estimated value of over £109 Million representing 71.4% of the total fixed asset value of £153 Million.

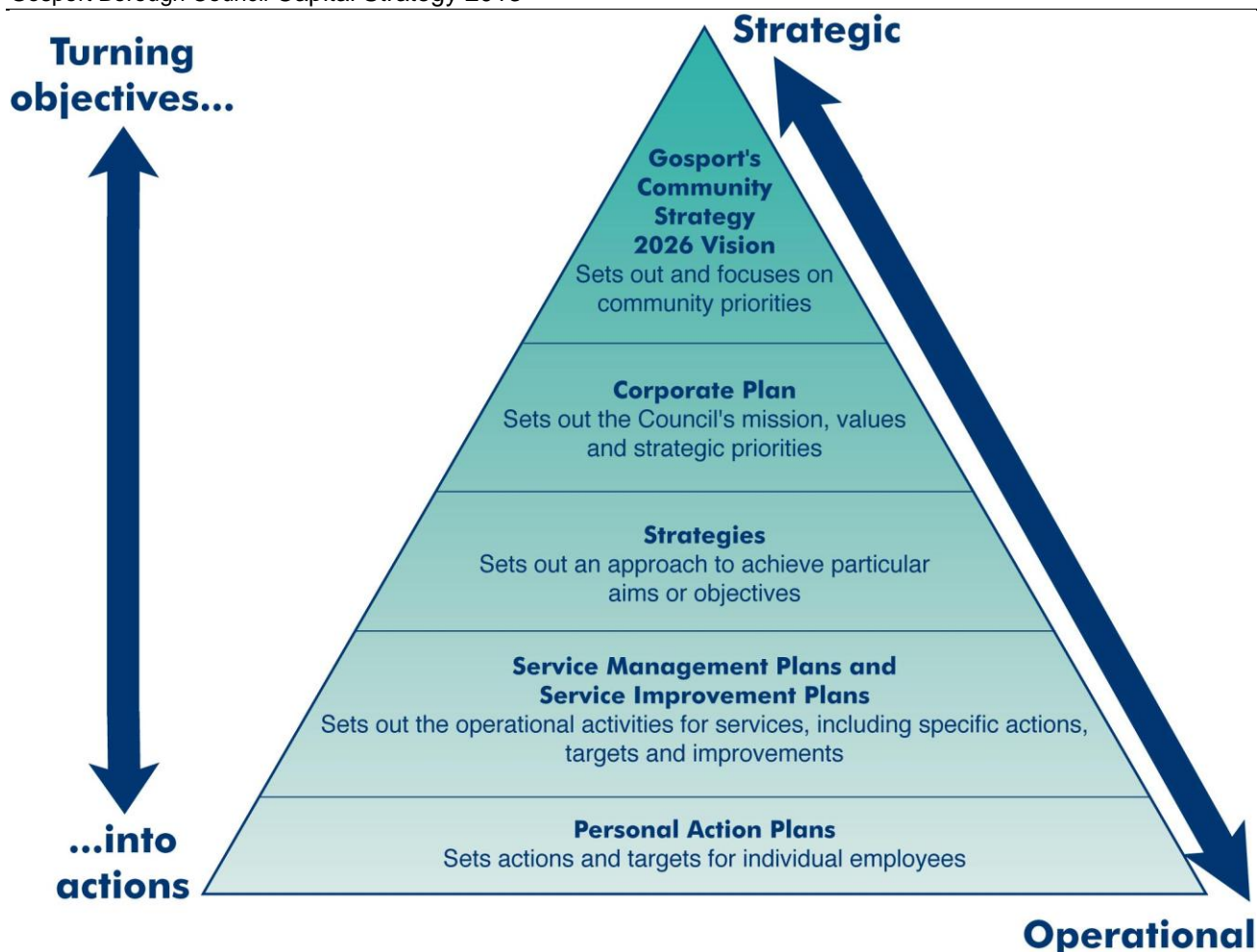
Council Assets 2012/13

	2012/13 £'000
Council Dwellings	109,466
Land & Buildings	21,746
Vehicles, Plant & Equipment	859
Infrastructure	8,943
Community Assets	3,985
Surplus Assets	68
Assets Under Construction	206
Heritage Assets	209
Investment Property	7,216
Intangible Assets	569
	153,267

- 2.1 The relatively high proportion of Infrastructure Assets (£8.9M) is primarily due to the coastal nature of the Authority and includes sea defence features such as sea walls and pontoons. The Community Assets (£4.0M) include land set aside for recreation and leisure purposes (including the 27 designated parks within the Borough).

3.0 THE COUNCIL'S OBJECTIVES

- 3.1 The diagram below shows how the Council's objectives are identified and incorporated within the strategies and plans of the Council to ensure that the limited resources available are targeted to the areas considered most important.



- 3.2 The Corporate Plan which is reviewed annually and is the key document for setting out the Council's objectives detailing the Council's Mission, values and strategic priorities many arising from the Community Strategy/2026 Vision.

The Council's mission is:

'To work with our community to improve everyone's quality of life and deliver a sustainable future for the Borough'.

A number of Core Values are also identified under the headings of Participation, Performance, Partnership, People and Political Processes to help the Council to meet its aspiration to be recognised as an open and responsive organisation, regarded as excellent and at the centre of the community.

The Corporate Plan also lists the Council's Strategic Priorities under the four main headings of:

People
Places
Prosperity
Pursuit of Excellence

People, Places and Prosperity are the cornerstones of Gosport's 2026 Vision whilst Pursuit of Excellence embraces the core values.

The Council's Strategic Priorities are a combination of the priorities of local people, national priorities set by Central Government and the challenges arising from Gosport's changing social, economic and environmental context.

- 3.3 As shown in the diagram the principal purpose of the various Strategies of the Council are to help set out a framework to assist the achievement of the objectives and strategic priorities of the Council. The Capital Strategy seeks to ensure that the Council's limited Capital Resources are best used to achieve this objective.

4.0 THE SELECTION AND PRIORITISATION OF CAPITAL PROJECTS

- 4.1 In order to ensure that the Council's Capital expenditure is targeted at achieving the Council's Priorities capital projects must be evaluated and prioritised before they are recommended for inclusion in the Draft Capital Programme which is considered by Members as part of the budget process.
- 4.2 The projects are considered by the Council's Management Team with particular attention on their affordability (particularly critical as Government grant support has reduced) and their contribution to the priorities detailed within the Corporate Plan and associated Corporate Action Statement. The Team then make recommendations to Members on the schemes to consider and pursue as part of the Council's Capital Programme.

5.0 FINANCING THE CAPITAL PROGRAMME

- 5.1 The Local Government Act 2003 introduced major changes to the capital funding regime with effect from 1 April 2004. The previous system of controlling Councils capital expenditure by limiting borrowing through the use of credit approvals was replaced by a more flexible system based on affordability.
- 5.2 The prudential capital finance system (Prudential Framework) allows the Council to make its own borrowing decisions using agreed professional principles (as set out in the Prudential Code which has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA)) to ensure that any new borrowing is affordable and prudent.
- 5.3 The main advantages of the increased freedom to borrow under the Prudential Framework are: -
- (i) The ability to bring forward capital schemes that would not otherwise have been possible to fund in the short to medium term under the previous capital financing regime.
 - (ii) Spend-to-Save Schemes where the cost of the borrowing associated with the capital expenditure on a Scheme can be wholly or partly met by revenue savings arising as a result of the project being carried out.
 - (iii) The ability to raise funding up to 3 years in advance when market conditions are favourable.
- 5.4 The capital expenditure possible through the prudential framework will be limited by the ability of the Council to afford the revenue consequences of the borrowing undertaken placing an increasing reliance on other sources of Capital Funding. These include:

5.5 Internal Funding

Usable Capital Receipts-Receipts arising from the disposal of Council Land, buildings and other assets.

Whilst 100% of the receipts arising from the disposal of General Fund Assets can usually be used to fund capital projects the rules regarding the disposal of HRA assets are more complex. Non Right To Buy (RTB) receipts are no longer subject to pooling. In April 2012 this authority signed an agreement with the CLG regarding RTB receipts under which the Council is able to retain a greater

proportion of receipts on the understanding that a maximum of 30% is earmarked for investment in affordable housing.

Revenue Contributions to Capital-

Revenue funding of capital projects represents another funding option although, due to revenue budget pressures, it has generally not been possible to fund such contributions from the General Fund. Such contributions from the Housing Revenue Account (ring fenced for Housing Capital Expenditure) have historically played an important funding role in supporting the Housing Stock Improvement Programme. As a result of the introduction of self financing and the discontinuation of the Major Repairs Allowance this has become an even more significant source of funding of HRA capital expenditure.

5.6 External Funding

Some of the principle sources of external funding are:-

Specified Capital Grants

Government grants given towards certain capital expenditure items such as Disabled Facilities Grants.

Developer Contributions for Leisure Community and Open Space Facilities

Sums paid by a developer in accordance with a specified formula to facilitate new or upgraded leisure facilities.

Developers Contributions for Social Housing

Sums paid by a developer in accordance with a specified formula to be used for the provision of Social or Affordable Housing.

Other Grants and Partnership Contributions

All other external grants and contributions from other sources.

6.0 THE CAPITAL PROGRAMME 2013/14-2015/16

- 6.1 A summary of the Council's Capital Programme and proposed funding for the next 3 years is set out in the table below. More detailed breakdowns of the programme is available in the Council's Budget Book 2013/4

	2013/14 £,000	2014/15 £,000	2015/16 £,000
Community (Housing)	3,950	3,950	3,950
Community (General Fund)	927	1,093	344
Policy & Organisation	460	306	235
Total Capital Programme	5,337	5,349	4,529
Revenue Contribution - HRA	3,550	3,550	3,550
Specific Capital Grants - GF	270	270	270
Developer Contributions for Open Spaces -GF	183	350	
Other Grants and Contributions - GF	245	480	
Capital receipts -GF	50	550	1,125
Capital Funding Requirement - GF	1,039	149	(416)
Total Capital Funding	5,337	5,349	4,529

- 6.2 A significant proportion of the planned capital expenditure relates to the Community and Environment Board, with the largest area of expenditure being that of improvements to housing stock. Partly as a result of the move to self financing (see 3.2) it has been possible to increase expenditure from £2,940,000 originally budgeted for 2012/13 to £3,500,000 in 2013/14, 2014/15 and 2015/16.

7.0 CAPITAL PROGRAMME AND PROJECT MONITORING

- 7.1 Once approved it is important the Capital Programme is delivered and a robust monitoring process is in operation. The Capital Programme is closely monitored and any variation is included in the Budget Monitor (produced four times each year) which is either distributed to Policy and Organisation Board Members or where required (such as when a virement or supplementary estimate is needed) is taken to the Board for decision. In addition the programme is revisited as part of the annual budget process with scheme progress being monitored and scheduled projects re-phased or deleted as necessary.
- 7.2 In addition to the above process a specific project group for larger projects is established to progress and monitor the progress of the scheme. The project team would also report back regularly to Council Management Team and if issues arise requiring political decision to the appropriate Council Board.

8.0 POST IMPLEMENTATION REVIEW

- 8.1 The lead officer for major (over £100,000) Capital Projects will notify the Head of Accountancy when the project is completed and a Post Implementation Review form is to be supplied. The feedback on these forms will then be considered by Council Management Team.
- 8.2 The form provides details on how successfully the project has been delivered specifically in relation to the following:-
- (1) Timing-was the project started/completed by the anticipated dates?
 - (2) Cost-was the Scheme completed in accordance with the allocated budget?
 - (3) Objectives-did the scheme achieve the anticipated outputs/outcomes?

9.0 PARTNERSHIP WORKING

- 9.1 Working in partnership with other organisations from both the private and public sector is an important way of ensuring the limited Capital Resources available are used efficiently to help maximise their contribution towards achieving the Corporate Objectives and Priorities. Partnership working may range from key overarching Partnerships such as those arising from the Local Strategic Partnership, preferred partners in specific Service areas such as the Key Housing Association Partners or 'one off' schemes where the organisation's and the Council's priorities coincide.
- 9.2 The Capital Scheme Proposal Form specifically requests information on how the scheme will Develop partnership working, financial and non financial input from other partners and asks how the scheme will contribute to the partners' strategies and priorities.

10.0 MEDIUM TERM FINANCIAL STRATEGY

- 10.1 The Medium Term Financial Strategy provides an overall framework for the financial investment in services for a five year period. It therefore is closely linked with the Capital Strategy and shows the effect on the overall revenue budget and associated Council Tax levels of the financing charges arising from the Capital Programme.
- 10.2 It is important, therefore, that any significant alterations in the Capital Strategy are promptly used to update the Medium Term Financial Strategy to help fully understand the impact of such changes on the Council's Finances as a whole.

11.0 ASSET MANAGEMENT PLAN

- 11.1 The Council's Asset Management Plan helps develop a process to achieve efficient effective and economical management of its assets. The linkages to the Capital Strategy and Programme are strong with capital expenditure on Council Assets being a significant element of the Programme particularly relating to the Council's Housing Stock.
- 11.2 It is important that the Council's property assets are maintained as they play a vital role in the delivery of the Council's Statutory Services and the delivery of its Corporate Priorities. The Asset Management Plan informs the Council on the improvement and maintenance requirement of the Council Assets with the larger schemes being included in the Capital Programme.

12.0 HOUSING BUSINESS PLAN

- 12.1 The Housing Business Plan is a long term plan for managing the authority's housing Assets and financing the necessary investments. It is a key element in ensuring the effective long term management and maintenance of the Council Housing Stock and should enable the Authority to operate in a more businesslike manner. The importance of the plan has further increased following the introduction of self financing of the HRA with a greater responsibility and risk being borne by the Council.
- 12.2 The Plan should be consistent with the Authorities wider corporate objectives and Housing Strategy and will inform on the level of Capital Expenditure required on the Housing stock necessary to achieve the Decent Homes and energy efficiency targets.

13.0 REVIEW OF THE CAPITAL STRATEGY

- 13.1 The Capital Strategy is reviewed annually to take account of any changes in legislation, capital expenditure requirements, funding position or process improvements. Any significant changes are considered by Council Management Team and consequent amendments to the strategy are submitted to Policy and Organisation Board for consideration and approval.

AGENDA ITEM NO. 8

Board/Committee:	POLICY AND ORGANISATION BOARD
Date of Meeting:	26 th JUNE 2013
Title:	CIVIC AND COMMEMORATIVE EVENTS
Author:	COMMUNITY AND CUSTOMER SERVICES MANAGER
Status:	FOR INFORMATION AND PART FOR REFERRAL TO FULL COUNCIL

Purpose

The purpose of this report is to advise the Board of the proposals for Civic and Commemorative events for the next 18 months.

Recommendations

That the Board:

- (a) Note the proposed Civic and Commemorative event programme
- (b) Recommends to an extraordinary meeting of Full Council that Mr Alex Thomson be given the Freedom of the Borough.

1.0 Background

1.1 Each year a number of regular Civic and Commemorative events take place. Regular annual events include those such as:

- Mayor Making
- Civic Sunday
- Flag Hoisting for Armed Forces week
- Remembrance Sunday and
- Civic Carol Service.

1.2 During the next 18 months it is proposed that additional events will take place which will recognise World War 1 (WW1) and D Day.

1.3 This report describes the plans and progress to date in developing the Civic and Commemorative events programme.

2.0 Report

2.1 Listed below are the events planned for 2013 and the first 6 months of 2014. Where the events take place annually, they have been omitted from the list for 2014 and referenced as annual in the 2013 events programme.

2.2 2013 Events Programme

(a) **Flag Hoisting Ceremony for Armed Forces Week**

This event will take place at Falkland Gardens on either Monday 24th June or Monday 4th July. This event takes place annually.

(b) **Mr Alex Thomson, Freedom of the Borough**

Mr Alex Thomson from Gosport is one of Britain's most talented sailors and holder of two world records. He is the youngest skipper ever to win a round the world race.

Recently, after finishing third in the Vendee Globe, sailing 24,000 miles solo around the world, British yachtsman Alex Thomson returned to Gosport on board HUGO BOSS to a spectacular welcome home.

In recognition of his achievements it is proposed that in accordance with Section 249(5) of the Local Government Act 1972, and in recognition of his input into the maritime economy of Gosport, that the Policy and Organisation Board be requested to refer to an extraordinary meeting of Full Council, the award of the Freedom of the Borough to Mr Alex Thomson.

(c) **33 Field Hospital Parade**

This event is due to take place in Gosport High Street on Wednesday 30 October at 2.30pm.

(d) **Remembrance Sunday**

This event takes place at the Gosport War Memorial Hospital with a similar event taking place at Lee on Solent, both on Sunday 10th November. These events take place annually on the nearest Sunday to the 11th November.

(e) **Mayors Civic Carol Services**

This event will either take place at St Faiths or Holy Trinity Church and is normally held the last Sunday before Christmas close down. This event takes place annually.

2.3 **2014 Events Programme**

(a) **Commonwealth day**

A new initiative to 'Fly A Flag for the Commonwealth - 10 March 2014' was launched on Commonwealth Day 2013.

All local authorities, including Borough, District, City, County, Metropolitan and Unitary Councils throughout the United Kingdom, Channel Islands and Isle of Man are encouraged to hold a short ceremony and fly the Commonwealth flag at a time to be agreed on

Commonwealth Day 2014. Commonwealth Flags will be provided free of charge.

The Council has confirmed its interest in taking part in 2014.

(b) 70th Anniversary of D Day

It is proposed that this event takes places at Stokes Bay on Friday 6th June 2014, following the erection of a suitable memorial in a location yet to be confirmed.

The Council and Hampshire County Council are working up a suitable scheme design. The design and location have not, as yet, been determined.

(c) 100th Anniversary of the Commencement of World War 1

A Civic celebration is planned at the Alver Valley on 4th August 2014.

Plans are being developed to plant out a poppy field this calendar year to provide a stunning poppy field on the Alver Valley where the ceremony will take place.

Seeds have been sourced and a possible location identified. It is hoped that working with aviators, that poppy petals can be dropped from light aircraft during the ceremony.

3.0 Risk Assessment

3.1 The risks to these events are low.

4.0 Conclusion

4.1 An active annual Civic programme raises pride in the Borough and allows the Council to recognise achievement by individuals as well as commemorating important events, like DDay and WW1.

Financial Services comments:	None for the purposes of this report
Legal Services comments:	None for the purposes of this report
Crime and Disorder:	Not applicable
Equality and Diversity:	Not applicable
Service Improvement Plan implications:	Not applicable
Corporate Plan:	Not applicable
Risk Assessment:	See 3.0 above
Background papers:	
Appendices/Enclosures:	None
Report author/ Lead Officer:	Kim Carron x 5212

AGENDA ITEM NO. 09

Board/Committee:	POLICY& ORGANISATION BOARD
Date of Meeting:	WEDNESDAY 26 TH JUNE 2013
Title:	GOSFEST (GOSPORT COMMUNITY FESTIVAL)
Author:	CHIEF EXECUTIVE
Status:	FOR DECISION

Purpose

To advise Members of a request for assistance from the Council from Gosport Festivals Limited who are organising a music event for the period 23rd August – 26th August 2013.

Recommendation

It is recommended that the Board approves:

- a) The waiving of the hiring fee and requirement for a reinstatement deposit for Walpole Park for the period Monday 19th August 2013 to Wednesday 26th August inclusive.
- b) The Council enter into a licence agreement with Gosport Festivals Limited on terms agreed by the Chief Executive in consultation with the Borough Solicitor.

1 Background

- 1.1 This Council organised the Gosport Waterfront Music Festival for a number of years. It provided support for the festival both financially (£29,527.99 in 2010) and with officer time, printing, PR and other services.
- 1.2 In 2011 and 2012 a group of local residents and businesses formed an organisation to provide a music festival which took place on Walpole Park on the August Bank Holiday in 2011 and the May Bank Holiday in 2012. These festivals were known as the Waterfront Community Festivals.
- 1.3 Various forms of support to the Waterfront community Festivals in 2011 and 2012 were approved by this Board.

2 GosFest

- 2.1 I have been contacted by Mr Paul Cobb of Gosport Festivals Limited who is proposing to run this year's event called GosFest (Gosport's Community Festival) on Walpole Park.
- 2.2 The proposed festival will be held on the Bank Holiday at the end of August over 4 days; 23rd August 2013 – 26th August 2013.

- 2.3 Gosport Festivals Limited was incorporated on 21 January 2013 by Mr Cobb who is currently the Sole Director. The purpose of the company is to establish a reputable organisation that is dedicated to providing an annual community event and hopefully smaller events throughout the year.
- 2.4 Mr Cobb has worked at the Gosport Festivals for the past 4 years, initially in a security and advisory capacity and in 2011 he managed security and stewarding. In 2012 he became involved in the site management. His other experience includes business consultancy in organisation/streamlining marketing and for 6 years was an active committee member involved in Rowner, Bridgemary, Titchfield and Ryde carnivals.
- 2.5 It is proposed that the event will follow a similar format as previous community festivals with a main stage which will have various acts and bands throughout the day/evening, with a wide selection of acts to cater for “everyone’s tastes”. In addition, a fairground is to be provided with more emphasis on rides for younger children to make the event family orientated. Food outlets will also be available.
- 2.6 Mr Cobb believes that the event will attract a footfall of approximately 25,000 over the 4 days.
- 2.7 Gosport Festivals Limited are a new limited private company. Mr Cobb informs me that the company’s aim is to “provide an event that caters for local residents, families in particular, that is affordable and enjoyable to everyone”.
- 2.8 A small entrance charge was made for the Waterfront Community Festivals in 2011 and 2012. The proposed entrance fees for the August 2013 event are:
- Friday - £2 per adult (12yrs+), £1 children (5-11yrs), free for children under 5yrs
- Saturday/Sunday/Monday (12.30pm – 4.30pm) £1 per person, free for children under 5yrs
- Saturday/Sunday/Monday (4.30pm +) £2 per adult (12yrs+), £1 children (5-11yrs), free for children under 5yrs
- Senior Citizens and people with disabilities/mobility problems £1 per person

3 Request for Support

- 3.1 Gosport Festivals Limited have asked for the Council to waive the hiring fee for Walpole Park for the period of the festival, including set up and taking down days; Monday 19th August to Wednesday 28th August 2013. For a period of 10 days this would amount to £4,400

3.2 Gosport Festivals Limited have also asked for this Council to waive the requirement for a reinstatement deposit (£4,400). They have indicated that they will, however, take full responsibility for any reinstatement works the Council feel are necessary after the event has taken place.

3.3 No further support has been requested from the Council.

4 Financial Implications/Risk Assessment

4.1 The Council is not being asked to provide any financial support towards GosFest (Gosport's Community Festival) 2013 other than the waiving of fees detailed above (see paragraph 3.1).

4.2 The only risk to the Council relates to reinstatement of the land should this be necessary and Gosport Festivals Limited failure to adequately reinstate the land.

5 Conclusion

5.1 The Council has supported an annual music festival in Gosport Town Centre for a number of years. It continues to be a popular event with our community despite a number of other attractions being available over the period of the festival.

5.2 Gosport Festivals Limited are a new company formed to continue this annual event and are proposing a music festival over the Bank Holiday of 23rd August – 26th August 2013.

5.3 The annual music festival provides an opportunity for the local community to join together and increases community cohesion.

Financial Services comments:	As detailed in Paragraph 4
Legal Services comments:	The Licence will require the land to be reinstated and for the Council to recover the costs of doing so from the Company if they do not do it
Crime and Disorder:	N/A
Equality and Diversity:	N/A
Service Improvement Plan implications:	N/A
Corporate Plan:	N/A
Risk Assessment:	As detailed in Paragraph 4
Background papers:	None
Appendices/Enclosures:	n/a
Report author/ Lead Officer:	Ian Lycett, Chief Executive