

FAREHAM

BOROUGH COUNCIL

AGENDA

POLICY AND RESOURCES SCRUTINY PANEL

Date: Tuesday, 2 March 2021

Time: 6.00 pm

Venue: Microsoft Teams Virtual Meeting

Members:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors T Davies
Mrs C L A Hockley
L Keeble
J G Kelly

Deputies: I Bastable
S Cunningham
R H Price, JP



1. Apologies for Absence

2. Minutes (Pages 5 - 10)

To confirm as a correct record the minutes of the meeting of the Policy and Resources Scrutiny Panel meeting held on 5 January 2021.

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Direction

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct and disclosures of advice or directions received from Group Leaders or Political Groups, in accordance with the Council's Constitution.

5. Deputations

To receive any deputations of which notice has been lodged.

6. Update of Covid Impact on Council Finances, including Financial Support to Businesses (Pages 11 - 22)

To consider a report by the Deputy Chief Executive Officer on an update of Covid impact on the Council finances, including financial support to businesses.

7. Executive Business (Pages 23 - 24)

To consider any items of business dealt with by the Executive since the last meeting of the Panel, that falls under the remit of the Policy and Resources Portfolio. This will include any decisions taken by individual members during the same time period.

(1) Finance Strategy, Revenue Budget and Council Tax 2021/22 (Pages 25 - 26)

(2) Fees and Charges 2021/22 (Pages 27 - 28)

(3) Capital Programme and Capital Strategy 2021/22 (Pages 29 - 30)

(4) Local Restrictions Supports Grants (Open) Scheme (Pages 31 - 32)

(5) Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2021/22 (Pages 33 - 34)

(6) Housing Revenue Account 2021/22 (Pages 35 - 36)

(7) Treasury Management Strategy 2021/22 (Pages 37 - 38)

(8) Review of Statement of Licensing Policy (Pages 39 - 40)

8. Scrutiny Priorities

To provide an opportunity for Members to consider the scrutiny priorities for the

Policy and Resources Panel.

A handwritten signature in black ink, appearing to read 'P Grimwood', written in a cursive style.

P GRIMWOOD
Chief Executive Officer
Civic Offices
www.fareham.gov.uk
22 February 2021

For further information please contact:
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FAREHAM

BOROUGH COUNCIL

Minutes of the Policy and Resources Scrutiny Panel (to be confirmed at the next meeting)

Date: Tuesday, 5 January 2021

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors: T Davies, Mrs C L A Hockley, L Keeble and J G Kelly

Also Present: Councillor M J Ford, JP, Executive Member for Streetscene



1. APOLOGIES FOR ABSENCE

There were no apologies of absence for this meeting. However, it was noted that whilst Councillor Ford was in attendance at the meeting, he was no longer a member of the Scrutiny Panel having been voted as Executive Member for Streetscene at the Executive meeting on 4 January 2021, and therefore his attendance at the meeting was that of observer not Committee Member.

2. MINUTES

RESOLVED that, subject to two typo's being corrected, the minutes of the Policy and Resources Scrutiny Panel held on 8 October 2020 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman used to the Chairman's announcements to pay tribute to her fellow Ward Councillor, Keith Evans, who sadly passed away in December.

The Committee expressed their loss of their colleague and all agreed he would be greatly missed.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTION

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. ECONOMIC RECOVERY PLAN UPDATE

The Panel received a presentation from the Head of Planning Strategy & Economic Development which provided an update to the Council's Economic Recovery Plan. (presentation is appended to these minutes)

Members asked questions and points of clarity on the presentation.

RESOLVED that the Panel:

(a) note the content of the presentation; and

(b) thank the Head of Planning Strategy & Economic Development for her informative presentation.

7. CAPITAL PROGRAMME AND CAPITAL STRATEGY 2021/22

The Panel considered a report by the Deputy Chief Executive Officer on the Capital Programme and Capital Strategy for 2021/22.

RESOLVED that the Panel:

- (a) note the content of the report;
- (b) agree that there are no comments or recommendations to pass to the Executive at its meeting 1 February 2021.

8. GENERAL FUND REVENUE BUDGET 2021/22

The Panel considered a report by the Deputy Chief Executive Officer on the General Fund Revenue Budget 2021/22.

RESOLVED that the Panel:

- (a) note the content of the report; and
- (b) agree that there were no comments or recommendations to pass to the Executive at its meeting 1 February 2021.

9. HOUSING REVENUE ACCOUNT BUDGET 2021/22

The Panel considered a report by the Deputy Chief Executive Officer on the Housing Revenue Account Budget and Capital Plans 2021/2022.

RESOLVED that the Panel:

- (a) note the content of the report; and
- (b) agree that there were no comments or recommendations to forward to the Executive at its meeting 1 February 2021.

10. FEES AND CHARGES

The Panel considered a report by the Deputy Chief Executive Officer on the Fees and Charges for 2021/2022.

RESOLVED that the Panel:

- (a) note the content of the report;
- (b) agree that there are no comments or recommendations to pass to the Executive at its meeting 1 February 2021.

11. EXECUTIVE BUSINESS

The Panel considered the Executive items of business which fall under the remit of the Policy and Resources Portfolio, including Executive Member decisions and Officer delegated decisions, that have taken place since the last meeting of the Panel on 8 October 2020.

The Panel considered the decisions at items 11 (1) to 11 (9) of the agenda.

RESOLVED that the Policy and Resources Scrutiny Panel considered the following items of Executive Business.

(1) Financial Forecast for Medium Term Finance Strategy

No comments were received.

(2) Pay Policy

No comments were received.

(3) Council Services Carbon Footprint

No comments were received.

(4) Management and Operation of Solent Airport - Extension of contract with Regional and City Airports Limited

No comments were received.

(5) Annual Review of the Corporate Strategy 2017/23

No comments were received.

(6) Solent Airport Consultative Committee

No comments were received.

(7) Finance Monitoring Report 2020/21

No comments were received.

(8) Treasury Management and Capital Monitoring 2020/21

No comments were received.

(9) Additional Restrictions Grant Scheme

No comments were received.

12. SCRUTINY PRIORITIES

The Deputy Chief Executive Officer addressed the Panel on this item and shared with them a draft Scrutiny Priority Plan 2021/22 that he had drawn up following discussions with the Chairman.

He gave members the opportunity to put forward suggestions for items of business that they were keen to scrutinize. Councillor Mrs Hockley was keen to see the update on the Town Centre Regeneration and noted that it was currently planned for the June 2021 meeting.

Councillor Walker requested an update of the latest Lockdown on the Council finances. The Deputy Chief Executive Officer confirmed that there would a final review of this in June, however he agreed that a light touch update on it is provided to members at the next meeting of the Panel in March.

(The meeting started at 6.00 pm
and ended at 7.17 pm).

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date 2 March 2021

Report of: Deputy Chief Executive Officer

Subject: UPDATE OF COVID IMPACT ON COUNCIL FINANCES
INCLUDING FINANCIAL SUPPORT TO BUSINESSES

SUMMARY

The Policy and Resources Scrutiny Panel are to receive a presentation on the impact of Covid on the Council's Finances, and the work carried out to provide financial support to businesses. This report summarises the key information to be provided in the presentation.

The Covid pandemic has had a fundamental impact on the Council's finances. An emergency revenue budget for 2020/21 had to be introduced in September 2020 to reflect a projected increase of £3.7m. Although partially funded by Government Covid local authority grants, there is a shortfall that will need to be met by reserves. This need continues into 2021/22 such that overall, nearly **£3m** (60%) of useable reserves may need to be drawn down. Actions have been taken to try and mitigate the impact where we can.

The Council has, however, continued to resource the delivery of a number of Government support initiatives for businesses. To date, there is/has been a total of £51.7m of funding available and financial support of nearly **£44m** has been provided to businesses.

RECOMMENDATION

It is recommended that the Scrutiny Panel consider the contents of this report and presentation and make comments or raise any questions for clarification.

INTRODUCTION

1. The global Covid 19 pandemic in 2020 and 2021 is having a significant effect on the economy. At a local level this effect has also been seen on the Council's finances and those of local businesses.
2. This report summarises the current position of the Council's finances and the actions taken to maintain the financial health of the Council. It also summarises the work that has been carried out to implement the Government's financial support schemes for businesses.
3. The Scrutiny Panel will also receive a presentation to supplement the information contained in this report.

COVID IMPACT ON THE COUNCIL'S FINANCES

2020/21 Revenue Budget

4. In February 2020, the Council approved a net revenue budget for 2020/21 of **£9.6m**. This budget was reported to be fully financed although it was noted that a funding gap of £489,000 was predicted from 2021/22 in the 5-year Medium-Term Financial Strategy. Reserves were therefore being used to fund a number of projects in the Opportunities Plan which were expected to deliver year on year savings to bridge the gap.
5. The emergence of Covid-19 fundamentally changed the expected financial position and by the end of June 2020 it was clear that the Council would exceed the annual revenue budget, due to extraordinary costs being incurred and a drastic reduction in a number of income streams.
6. In September 2020, an emergency budget of **£13.3m** was therefore approved. This would be partially funded by Covid grants being provided by the Government, who recognised the impact the crisis was having on local authorities. However, it was predicted that there would still be a funding shortfall of **£1.1m** which would have to be funded from reserves.
7. A summary of the budgets and funding sources is provided in [Appendix A](#).

Actions Taken

8. In response to the financial forecasts a number of actions are being taken to mitigate the impact where possible. These include:
 - (a) A number of events or activities have been cancelled or postponed, such as the local election, Fareham In Bloom and Access All Areas.
 - (b) Staff are being redeployed to support the services where demand has increased, new responsibilities have emerged or where the Covid infections or restrictions are impacting on service delivery. This means a number of other discretionary service activities have been or are being reduced or put on hold.
 - (c) The capital programme has been reviewed to identify any projects that could be postponed, or which needed reassessing once the impact on the economy is clear. In particular the delivery of Fareham Live has been put on hold.

- (d) Nominated staff have been assigned to monitor the Government's financial support packages for Councils and to ensure that applications for assistance are being submitted, where appropriate.
 - (e) The Council has rolled out a message to all managers that they should strive to find ways to "Live below their Means" for the time being as every pound saved will reduce the impact on the Council's reserves.
9. The Government's Job Retention Scheme was considered, which would involve furloughing some members of staff, but it was ultimately not invoked as staff either continued to provide services or were deployed to support other areas.
 10. Additional financial monitoring has been instigated by the Section 151 Officer. The latest forecasts for 2020/21 are indicating that the Council's spending will be contained within the emergency budget envelope and there will be a reduced call on the Council's reserves this year than originally anticipated.

2021/22 Budget Setting

11. The budget setting process for 2021/22 is nearly complete and the Council is proposing to again increase council tax by £5 which is the allowable limit without needing to carry out a referendum. The revenue budget of **£12.8m** is slightly reduced compared to the 2020/21 emergency budget. However, it will again require the use of the Council's reserves to fully fund the budget.
12. If the use of reserves in 2020/21 and 2021/22 is in line with the budgets set this will mean that 60% of the council's useable reserves will have been drawn down.

FINANCIAL SUPPORT TO BUSINESSES

13. There are approximately 3,300 business rates payers in the Borough of Fareham. There are also an unknown number of businesses which operate from domestic properties who pay council tax, or who operate from shared commercial offices where they are not the rates payer.

Grants and Reliefs

14. Throughout the year, the Government has been announcing and funding a range of support packages to help with the impact of the pandemic restrictions on businesses. They have been using local councils to administer the grant schemes as well as the business rate relief schemes. The Council has therefore been resourcing this new responsibility since February 2020 and continues to deliver against the Government's expectations.
15. **Appendix B** lists all the grant schemes and reliefs that have been introduced in response to the pandemic that the Council has been delivering. The spring and summer schemes have now closed, and the reliefs currently relate to the 2020/21 financial year only.
16. However, there is still funding available for the current grant schemes. We are actively promoting the schemes to encourage businesses to apply including assisting them with

their applications. Details of all current schemes is shown in [Appendix C](#).

17. To date, there is/has been a total of £51.7m of funding available and financial support of nearly **£44m** has been provided to businesses. Nearly 3,000 businesses have been helped under the 3 groups of initiatives. However, some of these will be the same businesses receiving support under more than one initiative.

Other Support

18. Other Council activities and decisions which have been assisting businesses survive the pandemic include:
 - (a) Changing the council's business terms to ensure all invoices are paid as soon as they have been verified and passed for payment.
 - (b) Negotiating debt terms with business rates payers and businesses renting property from the Council to help those severely impacted manage their cash flow.
 - (c) Targeted financial assistance package to one key Council supplier
 - (d) Implementing a plan of work and assistance as part of the Economic Recovery Plan
 - (e) On-going advice and support to help businesses comply with Government restrictions and social distancing requirements.

RISK ASSESSMENT

19. Although expenditure over the next two years will be fully funded, this report highlights that there is a financial risk that by the end of 2021/22 60% of the Council's useable reserves may have been drawn down. The Council will therefore need to continue to identify projects, such as are being delivered in the Opportunities Plan, to bridge future funding gaps and to make provision to replenish the reserves.
20. There is an inherent risk of fraud in the business grants process and indeed a number of cases have been found at the Borough. The council has therefore adopted proportionate pre and post payment assurance processes which seek to balance the need to ensure that only eligible businesses receive grants, against the need to get the grants to businesses who are struggling as fast as possible.

Appendices

Appendix A – Summary of Budgets 2020/21 and 2021/22

Appendix B - Summary of the Grants and Reliefs Provided to Businesses

Appendix C – Current Business Support Grant Schemes

Background Papers:

Results of Survey of Businesses in the Borough January 2021

Reference Papers:

Report to the Executive Committee on 3 February 2020 on the Revenue Budget and Council Tax 2020-21

Report to the Executive Committee on 7 September 2020 on the Covid 19 Emergency Revised 2020/21 Budget and Financial Recovery Plan

Report to the Executive Committee on 1 February 2021 on the Revenue Budget and Council Tax 2021-22

Report to the Executive Committee on 26 January 2021 on the Local Restrictions Supports Grants (Open) Scheme

Report to the Executive Committee on 07 December 2020 on the Additional Restrictions Grant Scheme

Report to the Executive Member for Policy and Resources on 02 June 2020 on the Discretionary Business Grant Scheme

Government Guidance documents on each Business Grant Scheme

Enquiries:

For further information on this report please contact Elaine Hammell (Ext 4344)

Summary of Budgets 2020/21 and 2021/22

	2020/21 Initial Budget Feb 2020 £'000	2020/21 Emergency Budget Sept 2020 £'000	2021/22 Initial Budget Proposed Feb 2021 £'000
Net Service Budgets	8,821	12,569	14,693
Non-Service Budgets	785	703	-1,854
Net Budget	9,606	13,272	12,839
Core Funding & Collection Fund balance	2,410	2,410	2,662
Council Tax	7,196	7,196	7,456
Government Covid Funding	-	1,464	751
Fees and Charges Reduction Funding	-	1,058	0
Lower Tier Services Grant	-	-	154
Use of Reserves	-	1,144	1,816
Total Funding	9,606	13,272	12,839

Summary of the Grants and Reliefs Provided to Businesses

As at 12th February 2021

	Period of Restriction	Nature of Scheme	Value of the Fund to date	Grants or Relief paid out to date	Number of Businesses Supported
Current Grant Schemes					
LRSB - Closed	November Lockdown	Mandatory	£1,500,360	£779,218	482
	December Tier 2		£11,010	£49,435	31
	December Tier 4		£2,250,540	£276,865	482 ¹
	January Lockdown			£1,162,830	482 ¹
Closed Business Lockdown	January Lockdown	Mandatory	£4,500,000	£2,390,000	479
Christmas Support for Pubs	December Tier 2/4	Mandatory	£40,000	£24,000	24
LRSB - Open	December Tier 2	Discretionary	£177,815	0	0
ARG	November Lockdown	Discretionary	£909,864	£358,746	143
	December-March Top Up		£929,864	£632,500	142
ARG - Markets	Not applicable	Discretionary	£20,000	£3,234	26
ARG – Wider Support	Not applicable	Discretionary	£464,932	0	
ARG top Up	Not applicable	Discretionary	£1,032,504	0	
Totals of Current Grant Schemes			£11,836,889	£5,595,828	651²
Closed Grant Schemes					
Small Business Grants	Spring / Summer	Mandatory	£11,030,000	£10,890,000	1,089
Retail, Hospitality and Leisure Grants	Spring / Summer	Mandatory	£9,350,000	£7,905,000	403
Local Authority Discretionary Grants	Spring / Summer	Discretionary	£1,019,000	£1,019,000	150
Totals of Closed Grant Schemes			£21,399,000	£19,814,000	1,642

	Period of Restriction	Nature of Scheme	Value of the Fund to date	Grants or Relief paid out to date	Number of Businesses Supported
Business Rates Relief					
Extended Retail Relief	2020/21	Mandatory	£17,992,243	£17,992,243	647
Nursery relief	2020/21	Mandatory	£230,244	£230,244	12
Pub Relief	2020/21	Mandatory	£170,000	£170,000	34
Totals of Business Rates Relief			£18,392,487	£18,392,487	659³
Total Value of Business Support			£51,628,376	£43,883,315	2,952

Note 1 - 5 of these businesses are different to those receiving the November Lockdown payment

Note 2 – This figure only includes different businesses receiving at least one grant

Note 3 – This figure excludes the pubs as they also get Extended Retail Relief

CURRENT BUSINESS SUPPORT GRANT SCHEMES

Ref	Scheme	Who is this for?	What is the value of the grant?	How do I get the grant?
MANDATORY GRANTS (SCHEME DEFINED BY GOVERNMENT)				
LRSG (C) / A	Local Restrictions Support Grant (Closed) Addendum	<p>Businesses rates payers forced to close by the government during a National Lockdown</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still eligible</p>	£1,334, £2,000 or £3,000 every four weeks (based on the rateable value of the property)	<p>Application form on the Council's website</p> <p>Only 1 application needed for the first period of lockdown, after which payments will be automatically made.</p>
LRSG (C)	Local Restrictions Support Grant (Closed)	<p>Business rates payers forced to close by the government when the borough is in Tier 2 or Tier 3</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still eligible</p>	£667, £1,000 or £1,500 every two weeks (based on the rateable value of the property)	Payments automatically sent to recipients of LRSG (C) / A who also qualify for this grant
LRSG (C) / A T4	Local Restrictions Support Grant (Closed) Addendum Tier 4	<p>Business rates payers forced to close by the government when the borough is in Tier 4</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still</p>	£667, £1,000 or £1,500 every two weeks (based on the rateable value of the property)	Payments automatically sent to recipients of LRSG (C) / A who also qualify for this grant

Ref	Scheme	Who is this for?	What is the value of the grant?	How do I get the grant?
		eligible		
CSP	Christmas Support Payment for Wet-Led Pubs	<p>Pubs and Bars who derive more than 50% of their income from sales of drink</p> <p>Businesses must be liable for business rates, open to the general public and allow free entry</p>	One-off payment of £1,000	Application form on the Council's website. Closed 28/02/21
CBLP	Closed Business Lockdown Payment	<p>Business rates payers forced to close by the government during the National Lockdown commencing 5 January 2021</p> <p>Businesses required to close but still partially trading, for example, by adapting to takeaway, click and collect or online trading are still eligible.</p>	One-off payment of £4,000, £6,000 or £9,000 (based on the rateable value of the property)	Payments automatically sent to recipients of LRSG (C) / A who also qualify for this grant
DISCRETIONARY GRANTS (SCHEME DEFINED BY LOCAL AUTHORITIES)				
LRSG (O)	Local Restrictions Support Grant (Open) – as proposed in this report	<p>Business rates payers severely impacted when the borough is in Tier 2 or Tier 3 from the following sectors:</p> <p>Hospitality, Hotel, Bed and Breakfast and Leisure</p> <p>Businesses in the supply chain where their primary customers are in these sectors are also included.</p>	£467, £700 or £1,050 every two weeks (based on the rateable value of the property)	Application form on the Council's website (not yet available)
ARG T1	Additional	Businesses suffering a	One off payment of £1,334,	Application form on the

Ref	Scheme	Who is this for?	What is the value of the grant?	How do I get the grant?
	Restrictions Grants Tranche 1	financial loss of at least 15% during the November 2020 National Lockdown and who are not eligible for a Local Restrictions Support Grant.	£2,000 or £3,000 depending on nature of the business's premises. Top up of £2,500 for businesses operating from domestic premises.	Council's website
ARG T2 P1	Additional Restrictions Grants Tranche 2 Part 1	Businesses suffering a financial loss of at least 15% during the December 2020 Tier 4 restriction and January 2021 National Lockdown , and who are not eligible for a Local Restrictions Support Grant.	One off payment of £4,000, £6,000 or £9,000 depending on nature of the business's premises. Top up of £2,500 for businesses who are not rate payers but operate from commercial premises and who did not receive assistance under the previous discretionary scheme.	Payments automatically sent to recipients of ARG T1 who also qualify for this grant
ARG T1M	Additional Restrictions Grants for Market Traders	Businesses who actively trade at the Fareham or Portchester Markets	Varies depending on the frequency and cost of hiring the market stall between 14/12/20 to 31/03/21	Arranged via the Market Operator

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **2 March 2021**

Report of: **Deputy Chief Executive Officer**

Subject: **EXECUTIVE BUSINESS**

SUMMARY

One of the key functions of this Scrutiny Panel is to hold the Executive Portfolio Holder and Senior Officers to Account in the delivery of the Service and the Improvement Actions identified in the Council's Corporate Priorities and Corporate Vision.

Members are therefore invited to consider the items of business which fall under the remit of the Policy and Resources portfolio and have been dealt with by the Executive since the last meeting of the Panel. This includes any decision taken by Individual Executive Members.

The relevant notices for decisions taken are attached for consideration.

RECOMMENDATION

It is recommended that Members consider the items of Business discharged by the Executive and make any comments or raise any questions for clarification.

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2243

Record of Decision by Executive

Monday, 4 January 2021

Portfolio	Policy & Resources
Subject:	Finance Strategy, Revenue Budget and Council Tax 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the revised revenue budget for 2020/21 and 2021/22.

This report gives the Executive the opportunity to consider the Council's 5-year financial forecasts as set out in the Medium-Term Finance Strategy (MTFS), revised service budgets for 2020/21 and proposed service budgets for 2021/22.

Revised General Fund Revenue Budget 2020/21

The revised general fund revenue budget for 2020/21 amounts to £15,905,100 for service budgets with other budgets totalling -£3,823,500 (including a use of general reserves of £690,200) and Government COVID funding of £2,993,300 giving an overall position of £9,606,500 which shows no increase from the base budget for 2020/21.

General Fund Revenue Budget 2021/22

The proposed general fund budget for 2021/22 totals £14,692,700 for service budgets along with -£3,823,500 for other budgets (including a use of general reserves of £1,902,500) and Government COVID funding of £751,000 giving an overall position of £10,118,200 which is an increase of £511,700 against the original budget for 2020/21.

5-Year Financial Forecasts

The 5-Year financial forecasts for 2020/21 to 2024/25 is predicting a funding shortfall by 2022/23. The Opportunities Plan approved last year is still predicted to address the shortfall and build in some capacity for future pressures and uncertainties.

Options Considered:

At the invitation of the Executive Leader, Councillor L Keeble addressed the Executive on this item.

As recommendation.

Decision:

RESOLVED that the Executive:

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2020/21 to 2024/25, as set out at Appendix C to the report;

Revenue Budgets

- (b) approves the revised 2020/21 general fund revenue budget, amounting to £9,606,500, as set out in Appendix A and B to the report; and
- (c) approves the base 2021/22 general fund revenue budget amounting to £10,118,200, as set out in Appendix A and B to the report;

Reason:

The proposed budgets and capital programme will continue to support delivery of the Council's services and corporate priorities whilst taking account of the continuing financial pressures.

The Medium-Term Finance Strategy forecasts a funding shortfall by 2022/23. An Opportunities Plan has been developed to address this and build in capacity for future pressures and uncertainties.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 4 January 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2244

Record of Decision by Executive

Monday, 4 January 2021

Portfolio	Policy & Resources
Subject:	Fees and Charges 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report provides an update and proposals for the Council's fees and charges for the financial year 2021/22.

This report gives the Executive the opportunity to consider the Council's fees and charges for 2021/22 including approving increases in existing charges and consider new charges where applicable.

Options Considered:

At the invitation of the Executive Leader, Councillor L Keeble addressed the Executive on this item.

As recommendation.

Decision:

RESOLVED that the Executive approves the fees and charges for 2021/22 as set out at Appendix A to the report.

Reason:

The proposed fees and charges will continue to support delivery of the Council's services and contribute to the budgets setting process for 2021/22.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 4 January 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2245

Record of Decision by Executive

Monday, 4 January 2021

Portfolio	Policy & Resources
Subject:	Capital Programme and Capital Strategy 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report considers the Capital Strategy for 2021/22, prior to its submission to the Council for approval.

Regulations require the Council to prepare and formally approve a Capital Strategy. The document for 2021/22 is attached as Appendix A to this report for consideration by the Executive before being submitted to Council for approval.

The Capital Strategy gives a high-level overview of how capital expenditure, capital financing, asset management and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

The main highlights in the Capital Strategy are:

- i) The level of capital expenditure estimated for 2021/22 is £32.2million. The current estimate is that £16.4 million of this will be met by new borrowing.
- ii) A high-level review of future funding requirements has identified a capital funding requirement of £196 million.
- iii) The Council's commercial property portfolio has an estimated value of £64.3million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2021/22 will be presented at the February meeting of the Executive.

Options Considered:

At the invitation of the Executive Leader, Councillor R H Price, JP addressed the Executive on this item.

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) endorses the draft Capital Strategy for 2021/22, attached as Appendix A to the report;
- (b) approves the capital programme for the period 2020/21 to 2024/25, amounting to £86.2 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2021/22 to Council for approval

Reason:

To allow the Council to approve the Capital Strategy in accordance with the Prudential Code.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 4 January 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2247

Record of Decision by Executive

Tuesday, 26 January 2021

Portfolio	Policy & Resources
Subject:	Local Restrictions Supports Grants (Open) Scheme
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council; Maintain and extend prosperity

Purpose:

To approve the Local Restrictions Supports Grants (Open) Scheme (LRSG-O) for Fareham Borough Council.

The Council has been allocated funding by the government to be used to implement a Local Restrictions Support Grant (Open) Scheme. This scheme will support local businesses severely impacted when the Borough is placed in Tier 2 or Tier 3 restrictions in response to the Covid-19 pandemic. The local authority has some discretion on how these funds are used.

The report therefore seeks approval for the proposed LRSG-O scheme for this Borough.

Options Considered:

As recommendation.

Decision:

RESOLVED that:

- (a) the Local Restrictions Support Grant (Open) Scheme, attached as Appendix B to the report, is approved for adoption in Fareham; and
- (b) authority is delegated to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve and implement any further Covid-19 support schemes for businesses, which the government requests the Council to deliver, but which have a discretionary element as to who are the recipients of that support, and what support they receive.

Where the Deputy Chief Executive Officer considers it in the best interests of the local economy to deviate significantly from the government guidance on their preferences as to who are the recipients of that support, and what support they receive, the proposed scheme will first be reported to the Executive Committee for decision.

Reason:

The proposed LRSG-O scheme attached as Appendix B to the report is in line with the Governments' preferences set out in their guidance documents. The discretionary elements in the scheme seek to maximise the number of businesses in the Borough that will be helped by this funding, without making the application process too burdensome for businesses or too slow to administer. Where possible it matches criteria already being used in the Additional Restrictions Grant Scheme.

There may also be future discretionary grant schemes which the Council is required to administer. Delegated authority will allow these schemes to be up and running more quickly and get the money out to businesses who now desperately need it.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 26 January 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2248

Record of Decision by Executive

Monday, 1 February 2021

Portfolio	Policy & Resources
Subject:	Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report seeks final confirmation of the recommendations to be made to Council, on 26 February 2021, in respect of the revenue budget, capital programme and council tax for 2021/22.

On 04 January 2021, the Executive reviewed the Council's overall finance strategy and considered proposals relating to the capital programme, revenue budgets and the council tax for 2021/22. The report updates the Council's budgets to reflect the decisions taken on 04 January 2021.

The capital programme for the years 202/21 to 2024/25 will be £53,902,000.

The revenue budget for 2021/22 will be £10,271,900. With retained business rates and grants estimated to be £2,731,105 and a surplus from the collection fund of £84,393, the total amount due from the council tax payers will be £7,456,402.

Taking these changes into consideration, the council tax for 2021/22 will be £170.22 per band D property. This represents an increase from the council tax set for 2020/21 but would be within the referendum limit set by the Government.

Options Considered:

At the invitation of the Executive Leader, Councillor L Keeble addressed the Executive on this item.

A revised page 11 of the agenda pack was tabled at the meeting to show a corrected estimate figure of £2,731,105 for retained business rates and grants; a corrected total amount of £7,456,402 due from the council tax payers; and the correct date of the February Council meeting. A revised page 21 of the agenda pack was also tabled to include the corrected figure of £7,456,402 at Appendix A of the report.

A revised page 16 of the agenda pack was tabled at the meeting to confirm that the net rates payable from National Non-Domestic rates for 2021/22 (after transitional arrangements and reliefs) is £ 43,985,447.

As recommendation.

Decision:

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 26 February 2021:

- (a) the capital programme and financing of £53,902,000;
- (b) an overall revised revenue budget for 2020/21 of £9,606,500;
- (c) a revenue budget for 2021/22 of £10,271,900;
- (d) a council tax for Fareham Borough Council for 2021/22 of £170.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
- (e) an unchanged Council Tax Support scheme for 2021/22

Reason:

To allow the Council to approve the Council Tax for 2021/22.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 1 February 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2249

Record of Decision by Executive

Monday, 1 February 2021

Portfolio	Policy & Resources
Subject:	Housing Revenue Account 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Providing housing choices

Purpose:

This report seeks Executive approval for the revised budget for the Housing revenue account for 202/21, the base budgets and rent increases for 2021/22.

The Executive recommended, and the Council approved, in February 2020, the base budget and rent increase for 2020/21, for Housing Revenue Account (HRA) services.

An emergency Budget for 2020/21 was prepared in response to the impact of the COVID-19 pandemic, approved by the Executive in September 2020.

This report sets out some further revisions to the Housing Revenue Account revised budget for 2020/21 and base budget for 2021/22 along with the capital programme and financing for the years 2020/21 to 2024/25. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 01 April 2021.

Council budgets are susceptible to change in the level of expenditure and income caused by factors inside and outside the Council's control. A risk assessment has been carried out to indicate the effect on housing balances of changes in the level of expenditure and income. This can be used to estimate the account balances needed to provide a prudent level of reserves and a working balance.

Options Considered:

At the invitation of the Executive Leader, Councillor P Davies addressed the Executive on this item.

As recommendation.

Decision:

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 26 February 2021 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 21 of the report with effect from 01 April 2021;
- (b) rents for Council garages be increased by 1.5% with effect from 01 April 2021;
- (c) the revised budget for 2020/21 be approved; and
- (d) the base budget for 2021/22 be approved.

Reason:

To allow the Council to approve the Housing Revenue Account budgets for 2021/22.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 1 February 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2250

Record of Decision by Executive

Monday, 1 February 2021

Portfolio	Policy & Resources
Subject:	Treasury Management Strategy 2021/22
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report considers the draft Treasury Management Strategy and Investment Strategy for 2021/22, prior to its submission to the Council for approval.

Regulations require the Council to prepare and formally approve both an annual Treasury Management Strategy and Investment Strategy. The document for 2021/22 is attached as Appendix A to the report for consideration by the Executive before being submitted to Council for approval. There have been no significant changes proposed to the strategies.

In the past 12 months, the Council's investment balance has ranged between £14million and £44million. The higher balances are due to Covid-19 related Government grants received in advance and are expected to reduce in the forthcoming year. The majority of the Council's investments are expected to be invested in short-term unsecured bank deposits and money market funds with approximately £12m available for longer-term investment.

The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk short-term investment options reducing the value of investments.

Borrowing levels are expected to increase to a projected £72.7million at the end of 2021/22 to fund the capital programme. The Council has previously raised all of its long-term borrowing from the Public Works Loan Board (PWLb) but will consider long-term loans from other sources. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield.

Options Considered:

A revised page 53 of the agenda pack was tabled at the meeting to correct the net rate of return on commercial investments, as detailed in the table provided at paragraph 77 of the report.

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) endorses the draft Treasury Management Strategy and Investment Strategy for 2021/22, attached as Appendix A to the report; and
- (b) agrees to submit the report to Council for approval.

Reason:

In accordance with the Code of Practice for Treasury Management in the Public Services and guidance from the Ministry for Housing Communities and Local Government (MHCLG), the Treasury Management Strategy and Investment Strategy have to be approved by full Council.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 1 February 2021

FAREHAM

BOROUGH COUNCIL

2020/21
Decision No.
2251

Record of Decision by Executive

Monday, 1 February 2021

Portfolio	Policy & Resources
Subject:	Review of Statement of Licensing Policy
Report of:	Director of Leisure and Community
Corporate Priority:	Strong, safe, inclusive and healthy communities

Purpose:

This report sets out the Statement of Licensing Policy (Licensing Policy) that details the Council's approach to promoting the four licensing objectives when making decisions under the Licensing Act 2003. The Policy is reviewed every five years and has taken account of changes in legislation, regulations and guidance. The renewed Policy is attached as Appendix A to the report and is being presented to the Executive for approval, before adoption at full Council.

The Council has an existing Licensing Policy which has been reviewed without there being any substantive policy changes. It sets out the standards and criteria for applications received according to the Licensing Act 2003 and how those applications will be determined and the licensing objectives promoted.

Options Considered:

The comments of the Licensing and Regulatory Affairs Committee were taken into account in considering this item.

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) agrees the updated Licensing Policy, as detailed in Appendix A to the report; and
- (b) recommends the policy to Council for adoption.

Reason:

Section 5 of the Licensing Act 2003 ("the Act") requires the licensing authority to prepare and publish a Statement of Licensing Policy every five years. This outlines the general approach of the licensing authority when making licensing decisions under the Act and can be reviewed and revised by the authority at any time.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 1 February 2021