

AGENDA
SCRUTINY BOARD

Date: Wednesday, 23 September 2015

Time: 6.00pm

Venue: Collingwood Room - Civic Offices, Fareham

Members:

Councillor D C S Swanbrow (Chairman)

Councillor Mrs S M Bayford (Vice-Chairman)

Councillors B Bayford
Mrs M E Ellerton
Mrs C L A Hockley
L Keeble
A Mandry
Mrs S Pankhurst
P W Whittle, JP

Deputies: J V Bryant
R H Price, JP
D L Steadman
N J Walker



1. Apologies for Absence

2. Minutes

To confirm as a correct record the minutes of the Scrutiny Board meeting held on 25 June 2015.

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Directions

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. Minutes - Policy Development and Review Panels

To receive the minutes of the meetings of the Policy Development and Review Panels held since 18 June 2015 (minute 16 of the meeting of the Council held on 18 June 2015 refers):

- (i) Streetscene PDR Panel 16/7/15;
- (ii) Health and Housing PDR Panel 23/7/15;
- (iii) Public Protection PDR Panel 28/7/15.

7. Review of the Board's Work Programme

To consider a report by the Director of Finance and Resources which invites members to review the Board's work programme for 2015/16.

8. Review of Draft Medium Term Finance Strategy

To consider a report by the Director of Finance and Resources on the draft Medium Term Finance Strategy.

9. Executive Business

If requested by a member, to consider any item of business dealt with by the Executive since the last meeting of the Board. The relevant Executive meetings are 13 July 2015 and 7 September 2015. (This will also include any decisions taken by individual Executive members during the same time period.)

P GRIMWOOD
Chief Executive Officer

Civic Offices
www.fareham.gov.uk
15 September 2015

**For further information please contact:
Democratic Services, Civic Offices, Fareham, PO16 7AZ
Tel:01329 236100
democraticservices@fareham.gov.uk**

FAREHAM

BOROUGH COUNCIL

Minutes of the Scrutiny Board

(to be confirmed at the next meeting)

Date: Thursday, 25 June 2015

Venue: Collingwood Room - Civic Offices, Fareham

PRESENT:

Councillor D C S Swanbrow (Chairman)

Councillor Mrs S M Bayford (Vice-Chairman)

Councillors: B Bayford, Mrs M E Ellerton, Mrs C L A Hockley, L Keeble, A Mandry, Mrs S Pankhurst and R H Price, JP (deputising for P W Whittle, JP)

Also Present: Councillor Mrs K Mandry, Executive Member for Health and Housing; Councillor Mrs K K Trott (minute 6)



1. APOLOGY FOR ABSENCE

An apology for absence was received from Councillor P W Whittle, JP.

2. MINUTES

It was AGREED that the minutes of the meeting of the Scrutiny Board held on 19 March 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

In accordance with Standing Orders and the Council's Code of Conduct, Councillor Price declared a non-pecuniary interest in the Annual Report on the Performance of the Fareham Community Safety Partnership (minute 7 below refers).

5. DEPUTATIONS

There were no deputations made at this meeting.

6. REVIEW OF THE BOARD'S WORK PROGRAMME

The Board considered a report by the Director of Finance and Resources on its work programme for 2015/16.

At the invitation of the Chairman, Councillor Mrs Trott addressed the Panel during the consideration of this item.

It was AGREED that:-

- (a) the progress on actions since the last meeting of the Board, as shown in Appendix A to the report, be noted;
- (b) it be noted that the items on the work programme relating to the Department of Work and Pensions (minute 7(c), (d) and (e) of 19 March 2015 refer) had been removed;
- (c) it be noted that a reference from the Health and Housing Policy Development and Review Panel meeting on 28 May 2015 relating to the scrutiny of the health service (minute 2(a) and (b) refer) was being held in abeyance pending the Chairman of the Panel's meeting with representatives of the Clinical Commissioning Group on 15 July 2015;
- (d) it be noted that details of the next two year programme of question and answer sessions with individual members of the Executive, which was due to commence at the meeting on 19 November 2015, would be reported to the next meeting of the Board on 17 September 2015;

- (e) subject to (b), (c) and (d) above, the work programme for 2015/16, as shown in Appendix B to the report, be confirmed; and
- (f) any possible additional items for inclusion on the work programme be e-mailed to the Chairman, with a copy to the Director of Finance and Resources.

7. ANNUAL REPORT ON THE PERFORMANCE OF THE FAREHAM COMMUNITY SAFETY PARTNERSHIP

Councillor Price declared a non-pecuniary interest in this item, stating that he was a member of Fareham Community Safety Partnership, representing Hampshire Fire and Rescue Authority. Councillor Price indicated that, having consulted the Council's Monitoring Officer, he would remain in the room but that he would not participate in the discussion relating to this item.

The Board considered a report by the Director of Community on the Performance of the Fareham Community Safety Partnership.

The Community Safety Manager presented the report and answered members' questions thereon.

It was AGREED that:-

- (a) the performance and progress made by Fareham's Community Safety Partnership and the risks and challenges it faces in the future be noted;
- (b) with reference to paragraph 29 of the report, the officers be requested to look into supplementing the information concerning the Prevent initiative supplied to members via their newsletter and to Community Centre leaders in leaflet form by arranging training sessions; and
- (c) that all the officers concerned with community safety be congratulated on and thanked for the excellent work that they do with the extremely limited resources available.

8. PROPOSED QUESTION AND ANSWER SESSION WITH SOLENT LOCAL ENTERPRISE PARTNERSHIP

The Board was invited to give consideration to the nature of questions to be asked at the proposed question and answer session with the Solent Local Enterprise Partnership. A scoping report prepared by the Director of Finance and Resources was circulated to those present to assist members with their deliberations.

It was AGREED that:-

- (a) the proposed review of the Solent Local Enterprise Partnership be carried out in accordance with the scoping report circulated and attached as Appendix A to these minutes; and

- (b) for the future, consideration be given to requesting that the Executive Leader include an update on the Solent Local Enterprise Partnership in the announcements he makes at Council meetings.

9. EXECUTIVE BUSINESS

The Chairman invited members to indicate if they wished to consider any other item of business dealt with by the Executive since the last meeting of the Board. There were no other items of Executive business considered.

(The meeting started at 6.00pm
and ended at 6.56pm).

APPENDIX A**SCRUTINY BOARD - SCOPING REPORT****Councillor requesting item:** Councillor P Whittle

Issue	Review of the Solent Local Enterprise Partnership
Background	<p>The Solent LEP was formed in 2010, after the Government offered local areas the opportunity to take control of their future economic development. It is a locally-owned partnership between businesses and local authorities and plays a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.</p> <p>The LEP published its Strategic Economic Plan on 31st March 2014, setting out its plan for growth in the Solent area with six strategic priority areas (Enterprise, Infrastructure, Inward Investment, Skills, Strategic Sector and Innovation).</p> <p>The LEP has successfully secured over £150m of Government funding for major infrastructure projects across the area and to support business growth, underpinned by a Growth Deal with Government for the period 2015 – 2021.</p> <p>The LEP also oversees the Solent Enterprise Zone brand at Daedalus, part of which is now in the ownership of Fareham Borough Council.</p> <p>With the borough of Fareham being at the heart of the LEP area, due to the scale of funding that the Solent LEP has successfully secured for the next 5 years, and the importance of the Enterprise Zone to growth plans in the borough, it is felt important that elected Members are clear of the work that the LEP are undertaking.</p>
Objective & Description	<p>To understand the priorities for the Solent LEP and how they contribute to the objectives of the Council. In particular, the LEP is invited to:-</p> <ul style="list-style-type: none"> Outline their governance and management structure, together with accountabilities Provide a summary of recent activity Summarise the priorities within the Strategic Economic Plan Provide a view on the impact of changing central Government policy on the LEP's priorities Highlight the issues and implications that are relevant to the Fareham borough, including how the LEP and the Council can work together to deliver the growth plans for the area.
<p><i>Please clearly state the final objective. Objectives might include scrutiny of process or issue, or shaping of policy option or special project.</i></p>	

Proposed Way Forward	It is proposed that a representative of the Solent LEP is invited to a meeting of the Board and requested to address the Board on the matters outlined above.
<i>How is the objective to be achieved? Options might include a report written by officers and considered by Scrutiny or Review Panels; informal working groups; discussion with external bodies; or a combination of several tools. Thought should be given to the process to be followed once the Scrutiny Board completes its work; a request or comment may be made to the Executive or policy options offered to Council.</i>	
Key Dates	Attendance and presentation to the Scrutiny Board at one of the following meetings: <ul style="list-style-type: none"> • 17th September 2015 • 19th November 2015

FAREHAM

BOROUGH COUNCIL

Minutes of the Streetscene Policy Development and Review Panel

(to be confirmed at the next meeting)

Date: Thursday, 16 July 2015

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor L Keeble (Chairman)

Councillor Mrs S M Bayford (Vice-Chairman)

Councillors: J V Bryant, D J Norris and D C S Swanbrow

Also Present: Councillors Miss T G Harper Executive Member for Streetscene (Item 10), Mrs K K Trott (Item 10) and P W Whittle, JP (Item 10)



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES

It was AGREED that the minutes of the Streetscene Policy Development and Review Panel held on 4 June 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcements:

He stated that he was pleased to see the invitation to all members to attend this meeting for the Member's Open Forum included in the July copy of the member's newsletter. He welcomed Councillor's Whittle, JP and Mrs Trott to the meeting who were attending to take part in the open forum.

He informed members that the annual visit to the depot would not be possible this year as it is extremely time consuming for Officers to arrange. However should any member wish to have a tour of the depot they should contact Dawn Kenderdine who will arrange individual visits.

Lastly he informed the Panel that the judges for South East in Bloom were in the Borough today and whilst the results are not yet known, Officers are optimistic that the results will be very positive again this year.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. REVIEW OF WORK PROGRAMME 2015/16

The Panel considered a report by the Director of Environmental Services which reviewed the Panel's work programme for 2015/16.

The Director of Environmental Services addressed the Panel to inform them that the Member Work Group for the public toilet refurbishment will be commencing shortly.

It was AGREED that Work Programme for 2015/16 be agreed.

7. ANNUAL REPORT ON STREET CLEANSING SERVICE

The Panel considered a report by the Director of Environmental Services on an annual update of the Street Cleansing Service.

The report was presented by the Operations Manager, who then took questions from members.

Councillor Bryant enquired as to who was responsible for the clearing of weeds off of pavements and streets, and who should the public contact to report these issues. The Operations Manager explained that any reports should be directed to Hampshire County Council in the first instance as they will be responsible for spraying the weeds and then Fareham Borough Council will be responsible for the cleaning up of the weeds once they have completely died off.

The Operations Manager was also asked if there was any enforcement action that could be taken if there was offensive graffiti on private property which the owners refused to have removed. Members were advised that there would be some kind of enforcement action that could be taken but Officers would need to take advice from the Legal team on how this could be done.

Councillor Swanbrow passed on his thanks to the Street Cleansing team who are extremely efficient and quick at responding to reports of dead animals on the highway.

It was AGREED that the Panel note the contents of the report.

8. EXCLUSION OF PUBLIC AND PRESS

It was AGREED that in accordance with Section 100A(4) of the Local Government Act 1972, the public and representatives of the Press be excluded from the remainder of the meeting as the Panel considered it was not in the public interest to consider the matter in public on the grounds that it involved the disclosure of exempt information as defined in paragraph 3 of Part 1 of schedule 12A of the Act.

9. ANNUAL REVIEW OF TRADE WASTE SERVICE

The Panel considered a report by the Director of Environmental Services on an annual review of the Trade Waste Service.

It was AGREED that the content of the report be noted.

10. MEMBERS OPEN FORUM

At the Invitation of the Chairman, Councillor's Mrs Trott, Miss Harper, the Executive Member for Streetscene and Whittle, JP joined the Panel for this item.

Councillor Whittle addressed the Panel as he had received a suggestion to put forward to Officers. He explained that he had recently been contacted by a

member of the public regarding litter picking. The resident suggested that the Council provide bags for volunteers to collect and use for litter picking when they are out in the Borough and then leave the bags by Council litter bins for collection. He also suggested that something similar could also be arranged for dog fouling.

The Operations Manager addressed the Panel to respond to Councillor Whittle's suggestion. He explained that the Council do already operate a system where they provide black FBC marked bags to voluntary litter pickers and then arrange collection of these bags from the volunteer at a time that is convenient to both the volunteer and the Council's operatives.

Councillor Trott raised this issue of advertising of this service that the Council offer as it has been some years since the Council put a notice in Fareham Today outlining this service to residents. The Operations Manager explained that he is currently working with the Head of Parking and Enforcement on ways to tackle dog fouling and littering. As part of this initiative they will be looking at ways to advertise and promote the voluntary service that the Council support.

The Chairman asked if the big clean up events have attracted more volunteers as the events did attract a lot of interest from residents. The Operations Manager did confirm that the events were very well attend and residents were very willing to help out on these days, but they have not gained any regular volunteers through them.

Councillor Whittle suggested that the volunteers receive some kind of award for their hard work, and maybe it could be something that is incorporated into the Council's Fareham in Bloom Award Ceremony.

Councillor Mrs Bayford addressed the Panel and suggested that dog fouling bags be provided by dog bins in the hope that it could encourage less responsible dog walkers to pick up after their dog. The Director of Environmental Services confirmed that this could be investigated as part of the new initiative.

Councillor Norris raised concern that some of the no dog fouling posters that were put up last year have been removed. The Operations Manager assured members that he would ask the enforcement officers to investigate this.

The Director of Environmental Services concluded the discussion by informing the Panel that the Operations Manager will be meeting with the Communications Team next week to start working on the new initiative. He explained that the start of the process would be concerned with working on informing, educating and engaging with residents.

The Chairman thanked all members for their suggestions.

(The meeting started at 6.00 pm
and ended at 7.10 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Health and Housing Policy Development and Review Panel

(to be confirmed at the next meeting)

Date: Thursday, 23 July 2015

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor B Bayford (Chairman)

Councillor D L Steadman (Vice-Chairman)

Councillors: Mrs M E Ellerton, Mrs C L A Hockley, T G Knight and
Mrs K K Trott

**Also
Present:**



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES

It was AGREED that the minutes of the Health and Housing Policy Development and Review Panel held on 28 May 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcement:

He informed the Panel that Collingwood Court has now opened and that some residents have already moved in.

He expressed his thanks to all of the Officer's that were involved in the re-development of these properties, and stated that he thought that it was an excellent facility.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. HEALTH UPDATE

The Panel received a verbal update from the Chairman on local health issues.

He reported that he had recently attended a meeting with senior officers of the CCG, and during that meeting they had discussed many of the issues raised by the Panel.

The Community Hospital was discussed in detail, including the issues with multi agencies that are involved in the running of it, the under use of the facilities and the charges that are being applied to the use of the facilities that are preventing services from using the hospital.

He informed the Panel that the hospital was funded by a private finance initiative (known as LIFT) and the company responsible for this is Solent Community Solutions, and that the CCG are responsible for paying Solent Community Solutions for the unused space in the hospital. More positive news is that the hospital's usage has now increased to approximately 70% with more day care facilities being offered there.

Members expressed concern over the usage of the hospital and the charges that are being applied to those using it, and felt that this should be a matter that the local MP deals with. The Chairman confirmed that this was already happening.

He also informed the Panel that the CCG are planning on creating a local call service where you can be put in touch with, doctors, physio, hospital and social workers. Councillor Knight requested that members be sent the minutes of CCG meetings and the timetable of meetings.

The Chairman concluded by informing the Panel that the NHS are preparing for an amalgamation of community and health services under the Better Care Fund, which will fall under the responsibility of Hampshire County Council.

The Chairman was thanked for his informative health update.

7. PRESENTATION AND REPORT FROM THE ROUGH SLEEPER WORKING GROUP

The Panel received a presentation and considered a report by the Head of Housing, Revenues and Benefits on the findings from the Rough Sleeper Working Group.

The presentation was broken down into the areas that the working group looked at and gave the findings from these. The working group focused on these key questions:

- Why do people sleep rough
- What are the impacts for those who sleep rough and those living, working or visiting the Borough
- What help is available to them
- Why do people sleep rough in Fareham
- What legislation and enforcement action are available to the Council to help them deal with rough sleepers.

Councillor Knight enquired about the funding of the Two Saints Hostel at 101 Gosport Road. The Director of Community explained that the Hostel is funded through Hampshire County Council's Supporting People funding. He explained that this funding will decrease soon but will still allow for the hostel to continue to run.

Councillor Mrs Ellerton expressed her thanks to Caroline Newman and Sara Head for all of their help with the working group and for their depth of knowledge they have on rough sleepers.

It was AGREED that:-

- (a) The Head of Housing, Revenues and Benefits be thanked for her presentation;
- (b) The Panels notes the content of the report;

(c) The Panel confirms the Working Group has completed its investigations; and

(d) The suggested items for further actions be confirmed.

8. PRESENTATION: FINDINGS AND LEARNING ARISING FROM THE VANGUARD INTERVENTION IN HOUSING ALLOCATIONS

The Panel received a presentation from the Tenancy Services Manager on the findings and learning that has arisen from the Vanguard intervention in Housing Allocations which has focused on the letting of Council properties.

The presentation was broken down in sections which outlined the various stages that the intervention has been through so far:

- The Check Stage – working with officers from a variety of sections to gain an understanding of the different processes that are in place throughout the allocations process.
- The Plan Stage – focusing on the key principles. Finding out what was important to the customer and only doing value work. The aim was to keep the processes as simple as possible and with the minimal amount of input from other people and avoid the work being passed around.
- The Value Steps – trying to achieve the perfect flow, by cutting out unnecessary procedures and putting new simpler processes in place.

Councillor Knight enquired as to whether there have been any savings made from the exercise yet. The Tenancy Service Manager explained to the Panel that this is not a cost cutting exercise and that the focus is on providing a better service to the customer.

It was AGREED that the Tenancy Services Manager was thanked for his presentation.

9. COUNCIL HOUSING: REPAIRS AND MAINTENANCE REPORT

The Board considered a report by the Director of Streetscene on Council Housing repairs and maintenance.

The report was presented by the Planned Maintenance Manager who informed the Panel that the Vanguard intervention in Building Services is further along in its process than the Housing allocations intervention. He informed members that since 1 April 2015 the Council has been running its own 'in house' contractors which is proving to be very successful. In addition to this they have introduced a van stock system and materials delivery service which allows for the contractor to complete the work on the first visit rather than having to order parts and return at a later date.

The Panel was also advised that the Responsive Repairs Service are looking into reintroducing customer satisfaction surveys. These will be different from the old style surveys in that these will have more open ended questions to allow the customer to provide more detailed feedback on the service that they have received.

Councillor Mrs Hockley asked what feedback has been received from the staff concerning the new way of working. The Planned Maintenance Manager informed the Panel that staff have embraced the new way of working and are very happy with it.

It was AGREED that the Panel notes the content of the report.

10. REVIEW OF THE WORK PROGRAMME 2015/16

The Panel consider a report by the Director of Community which reviewed the Panel's work programme for 2015/16.

It was suggested that an update report on Rough Sleepers be added to the work programme for the 21 January 2016 meeting.

It was AGREED that, subject to the addition of an update report on Rough Sleepers to the 21 January 2016 meeting, the work programme for 2015/16 be approved.

(The meeting started at 6.00 pm
and ended at 8.18 pm).

FAREHAM

BOROUGH COUNCIL

Minutes of the Public Protection Policy Development and Review Panel

(to be confirmed at the next meeting)

Date: Tuesday, 28 July 2015

Venue: The Foyer - Civic Offices, Fareham

PRESENT:

Councillor Mrs M E Ellerton (Chairman)

Councillor J V Bryant (Vice-Chairman)

Councillors: Mrs S M Bayford, J M Englefield, G Fazackarley and
Mrs S Pankhurst and Mrs K K Trott (deputising for R H Price,
JP)



1. APOLOGY FOR ABSENCE

An apology for absence was received from Councillor R H Price, JP.

2. MINUTES

It was AGREED that the minutes of the meeting of the Public Protection Policy Development and Review Panel held on 26 May 2015 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest or disclosures of advice or directions made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. PUBLIC PROTECTION POLICY DEVELOPMENT AND REVIEW PANEL WORK PROGRAMME

The Panel considered a report by the Director of Community on the Panel's work programme for 2015/16.

It was AGREED that:-

- (a) the work programme for 2015/16, as shown in Appendix A to the report, be approved; and
- (b) the progress on actions since the last meeting of the Panel, as set out in Appendix B to the report, be approved.

7. ANNUAL REPORT ON FAREHAM PARKING ENFORCEMENT SERVICE

The Panel considered a report by the Director of Environmental Services on the Fareham Parking Enforcement Service. Members received a presentation from the Head of Parking and Enforcement illustrating various aspects of the report, including: an overview; details of on/off street enforcement; challenges and sample of reasons accepted; current stage of PCNs served in 2014/15; the number of PCNs paid by financial year; the number of PCN challenges by financial year; the on-street enforcement budget and expenditure 2014/15; the off-street enforcement budget and expenditure 2014/15; PCNs served off-street; PCNs served on-street; and PCNs issued by ward and hotspots 2014/15. The Panel was also given an update on the situation at the Council's car parks in view of the power supply problems being experienced at the time.

It was AGREED that:-

- (a) the report be noted; and
- (b) the Head of Parking and Enforcement and the officers in the parking enforcement service be congratulated on the good work they were doing.

8. BIENNIAL REVIEW OF PARKING ENFORCEMENT POLICY

The Panel considered a report by the Director of Environmental Services on the biennial review of the Parking Enforcement Policy.

It was AGREED that the revised Parking Enforcement Policy, as shown in Appendix A to the report, be recommended to the Executive for approval.

(The meeting started at 6.00pm
and ended at 6.44pm).

FAREHAM

BOROUGH COUNCIL

Report to Scrutiny Board

Date **23 September 2015**

Report of: **Director of Finance and Resources**

Subject: **SCRUTINY BOARD WORK PROGRAMME 2015/16**

SUMMARY

Items for the draft work programme of the Board for the year were agreed by the Board at its meeting on 19 March 2015 and endorsed by the Council at its meeting on 23 April 2015. The Board reviewed the work programme at its last meeting on 25 June 2015.

RECOMMENDATION

The Board is now invited to further review the work programme for 2015/16.

INTRODUCTION

1. At the meeting of the Board on 19 March 2015, members agreed items for the draft work programme of the Board for the current year, 2015/16. The work programme was subsequently confirmed by the Council at its meeting on 23 April 2015 and reviewed at the last meeting of the Board on 25 June 2015. The Board's work programme is set out in Appendix A to this report.
2. The progress on actions since the last meeting of the Board is attached at Appendix B for information.

RISK ASSESSMENT

3. There are no significant risk considerations in relation to this report.

CONCLUSION

4. The Board is now invited to further review its work programme for 2015/16.

Background Papers:

None.

Reference Papers:

None.

Enquiries:

For further information on this report please contact Andrew Wannell (Ext 4620).

SCRUTINY BOARD – DRAFT WORK PROGRAMME 2015/16

DATE	SCRUTINY BOARD ITEM
21 May 2015	Meeting cancelled
25 June 2015	Review of the work programme 2015/16 Scoping Report on question and answer session with Solent Local Enterprise Partnership (proposed) Annual Report on the Performance of the Fareham Community Safety Partnership
17 September 2015	Review of draft Medium Term Finance Strategy Review of the work programme 2015/16 Receive minutes of meetings of policy development and review panels
19 November 2015	Question and answer session with Solent Local Enterprise Partnership Review of the work programme 2015/16 Presentation by, and questioning of, the Executive member for Public Protection Receive minutes of meetings of policy development and review panels
14 January 2016	Preliminary overall review of work programme 2015/16 and draft 2016/17 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2016/17 Housing Revenue Account Budget and Capital Plans 2016/17 Receive minutes of meetings of policy development and review panels
17 March 2016	Presentation by, and questioning of, the Executive member for Streetscene Final review of work programme for 2015/16 and draft for 2016/17. Receive minutes of meetings of policy development and review panels

Items to be assigned:

- Review of the implementation of the universal credit system and its impact on the residents of Fareham
- Minutes of meetings of the Portchester Crematorium Joint Committee (as appropriate)
- Presentation by, and questioning of, the Executive member for Health and Housing (June 2016?)
- Presentation by, and questioning of, the Executive member for Leisure and Community (November 2016?)
- Presentation by, and questioning of, the Executive member for Planning and Development (March 2017?)
- Presentation by, and questioning of, the Executive member for Policy and Resources (June 2017?)

			<p>to the scrutiny of the health service (minute 2(a) and (b) refer) was being held in abeyance pending the Chairman of the Panel's meeting with representatives of the Clinical Commissioning Group on 15 July 2015;</p> <p>(d) it be noted that details of the next two year programme of question and answer sessions with individual members of the Executive, which was due to commence at the meeting on 19 November 2015, would be reported to the next meeting of the Board on 17 September 2015;</p> <p>(e) subject to (b), (c) and (d) above, the work programme for 2015/16, as shown in Appendix B to the report, be confirmed; and</p> <p>(f) any possible additional items for inclusion on the work programme be e-mailed to the Chairman, with a copy to the Director of Finance and Resources.</p>	<p>CCG. (minute 6 refers) The reference from the Panel to the Scrutiny Board stands deferred.</p> <p>See Appendix A above – arrangements for 2016/17 onwards subject to confirmation once meeting dates have been agreed</p> <p>ongoing</p>	<p>Andrew Wannell</p> <p>Andrew Wannell</p>
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	Annual Report on the Performance of the Fareham Community Safety Partnership	scrutiny	<p>Councillor Price declared a non-pecuniary interest in this item, stating that he was a member of Fareham Community Safety Partnership, representing Hampshire Fire and Rescue Authority. Councillor Price indicated that, having consulted the Council's Monitoring Officer, he would remain in the room but that he would not participate in the discussion relating to this item.</p> <p>The Board considered a report by the Director of Community on the Performance of the Fareham Community Safety Partnership.</p> <p>The Community Safety Manager presented the report and answered members' questions thereon.</p> <p>It was AGREED that:-</p> <p>(a) the performance and progress made by Fareham's Community Safety Partnership and the risks and challenges it faces in the future be noted;</p> <p>(b) with reference to paragraph 29 of the report, the officers be requested to look into supplementing the information concerning the Prevent initiative</p>		Narinder Bains
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			<p>supplied to members via their newsletter and to Community Centre leaders in leaflet form by arranging training sessions; and</p> <p>(c) that all the officers concerned with community safety be congratulated on and thanked for the excellent work that they do with the extremely limited resources available.</p>		
	Proposed Question and Answer Session with Solent Local Enterprise Partnership	scrutiny	<p>The Board was invited to give consideration to the nature of questions to be asked at the proposed question and answer session with the Solent Local Enterprise Partnership. A scoping report prepared by the Director of Finance and Resources was circulated to those present to assist members with their deliberations.</p> <p>It was AGREED that:-</p> <p>(a) the proposed review of the Solent Local Enterprise Partnership be carried out in accordance with the scoping report circulated and attached as Appendix A to these minutes; and</p> <p>(b) for the future, consideration be given to requesting that the</p>	Anne-Marie Mountifield, the Chief Executive of the Solent LEP, will attend the meeting of the Board on 19 November 2015 (she is unable to attend on 17 September 2015). The work programme shown in Appendix A above has been amended accordingly.	Andrew Wannell

			Executive Leader include an update on the Solent Local Enterprise Partnership in the announcements he makes at Council meetings.		
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FAREHAM

BOROUGH COUNCIL

Report to Scrutiny Board

Date **23 September 2015**

Report of: **Director of Finance and Resources**

Subject: **REVIEW OF DRAFT MEDIUM TERM FINANCE STRATEGY**

SUMMARY

The Board is asked to consider the review of the Finance Strategy and to request the Director of Finance and Resources to refer any comments of the Board to the Executive, when the strategy document is submitted for approval at the Executive meeting on 5 October 2015.

RECOMMENDATION

The Board is asked to review the Finance Strategy and consider whether it wishes to submit comments for consideration by the Executive.

INTRODUCTION

1. The purpose of this report is to give the Scrutiny Board the opportunity to consider the Finance Strategy in order that the Executive can consider the Board's comments on 12 October 2015, when the strategy document attached to this report is considered.
2. The Council's strategy is normally reviewed each February, when the revenue budget and capital programme are approved and a recommendation is made regarding the council tax to be set for the forthcoming year.
3. A further review is carried out in October, when the budget guidelines for the next financial year are agreed.

RISK ASSESSMENT

4. There are no significant risk considerations in relation to this report.

CONCLUSION

5. The Board is asked to review the Finance Strategy and consider whether it wishes to submit comments for consideration by the Executive.

Attachment 1 [Copy of report to the Executive 12 October 2015](#)

Background Papers:

None

Reference Papers:

None

Enquiries:

For further information on this report please contact Neil Wood (Ext 4506).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 12 October 2015

Portfolio:	Policy and Resources
Subject:	Medium Term Finance Strategy
Report of:	Director of Finance and Resources
Strategy/Policy:	Finance Strategy
Corporate Objective:	A dynamic, prudent and progressive Council

Purpose:

This report reviews the Council's finance strategy in the light of the Council's current financial position, the agreed objectives and priorities and the budgetary and other pressures that the Council will face in the current and future years.

Executive summary:

The strategy document, attached to this report as Appendix A, sets out the broad principles on which the management of the Council's finances are based and provides background information regarding the level of resources, the revenue budget and capital programme.

The document also focuses on the various issues that will impact on the Council's financial position, now and in the future.

In the light of these issues, the current financial position has been reviewed and the projected position in future years, up to 2019/20, examined.

To summarise the overall capital position, the programme for services other than HRA housing, up to 2019/20, has been updated and now totals £36.4 million. Resources of £37.9 million are available now to finance the programme and between 2015/16 and 2019/20 resources of £18.1 million are anticipated from direct revenue funding, capital grants, capital receipts and borrowing.

However, the spending reductions likely to be required in 2016/17 onwards may well mean that the revenue contributions to capital have to be significantly reduced in future years.

At the same time, maintenance and improvement programmes for the Council's asset base indicate significant sums need to be spent over the next 10 years, which exceed the resources currently available. The Strategy therefore strengthens the need to identify new resources to provide for the works.

Based on existing spending plans and taking account of the known variations and revenue budget pressures in future years, the projected revenue budget for the life of the strategy through to 2019/20 would indicate a significant increase in the amount payable by the council tax payers, if mitigating action was not taken.

The extent of the financial pressures to be faced as the Government tackles the budget deficit will inevitably mean reductions in the breadth of services that the Council is able to provide.

Much of the Strategy will be dependent outcomes of the future Resource Reviews but the Strategy explains the measures currently underway, and further steps that are planned during the strategy period, to ensure that council tax increases are maintained within acceptable limits and in accordance with the Council's corporate priorities.

Members are reminded that the inclusion of any growth items would lead to a more significant increase with extra revenue expenditure of, say, £60,000 increasing the council tax by a further 1%. The projections of expenditure and funding for 2016/17 and later years indicate that the budgetary pressures will continue.

The Council's main priorities are to produce sustainable spending plans, maintain adequate reserves and to continue to minimise increases in the net revenue budget, such that increases in Fareham's proportion of the council tax does not exceed the prevailing inflation rate. Consequently, strict budget guidelines must be maintained.

The Scrutiny Board considered the various issues at its meeting on 23 September 2015 and the Board's views will be reported to the meeting.

Recommendation/Recommended Option:

That the Executive agrees:

- (a) the Council's finance strategy and the budget guidelines for 2016/17, as set out in the finance strategy document attached to this report; and
- (b) to submit the updated Pay Policy, annexed to the Medium Term Finance Strategy, to the Council for approval.

Reason:

It is appropriate that strict budget guidelines remain in force, spending levels are tightly controlled and no new spending plans – capital or revenue – are implemented until the necessary finance has been identified and secured.

Cost of proposals:

The cost of the proposed capital and revenue schemes are set out in the attached finance strategy document.

Appendices: [A: Draft Finance Strategy – 2015/16 to 2019/20](#)

Background papers: None

FAREHAM
BOROUGH COUNCIL

**FINANCE
STRATEGY**

**2015/16
To
2019/20
(DRAFT)
October 2015**

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BACKGROUND

1. The main focus of prudent financial management is the Council's medium term finance strategy, the overall objective of which is to structure and manage the Council's financial resources, revenue and capital, to ensure that they match and support the direction of the Council's objectives.
2. Fareham has a long history of prudent financial management which has been the subject of favourable comments from the Council's external auditors over many years.
3. At the same time the strategy must ensure that the requirement to set a balanced budget is fully met and that the Council is able to respond to year-on-year changes and short-term service delivery issues.
4. To overcome these difficulties the finance strategy is supported by a strategic and long term approach to corporate planning that is delivered through an integrated and co-ordinated service and financial planning process.
5. Most importantly though, there are a number of fundamental principles that are followed by the Council and which form the basis of the finance strategy and which are key to the Council's approach to financial management.

THE FUNDAMENTAL PRINCIPLES

6. The principles of the strategy cover five main areas – resources, capital expenditure, revenue expenditure, transparency and openness, and partnership working. More details on the principles can be found at Appendix B.

Resources

7. It is essential that the Council has sufficient resources in place to meet its financial requirements. However, situations may arise, either long or short term that may put pressure on these resources.
8. In order to mitigate any potential situation the following reserves will be held:
 - Major Repairs and Renewals Fund to cover emergency capital expenditure in relation to the Council's assets
 - A working balance to cover variations in cash flow.
 - A spending reserve to cover unforeseen changes in revenue expenditure or income.
9. These reserves should not be used to meet on-going, unsustainable levels of revenue expenditure but any surpluses on the reserves can be used for one-off projects.

Capital Expenditure

10. All new potential capital schemes will only be considered if they make a clear contribution to the Council's objectives and priority actions and support the

Council's Asset Management Plan.

11. Where new capital schemes are included in the capital programme there will be a need to ensure that the necessary resources are in place to meet the full capital costs (including where appropriate external funding) and also that the on-going revenue costs will be fully met.

Revenue Expenditure

12. New revenue spending plans will only be considered if they make a clear contribution to the Council's objectives and priority actions or to meet new statutory responsibilities.
13. Strict budget guidelines are maintained and are approved by the Executive each year.
14. All significant new revenue spending plans are considered together for inclusion at the time of council tax setting and are subject to a prioritisation process.

Transparency and Openness

15. It is Council policy to be transparent in the decision making process and provision of information about the Council's activities through the website. To this end, budgetary plans and historical spending information (including payments to third party suppliers) is published in a variety of formats on the Council's transparency portal, accessible through its website.
16. As part of the Localism Act 2011 the Council is required to prepare and publish a pay policy statement. The policy for 2015/16 was approved by The Executive as part of the Medium Term Financial Strategy in October 2014. The Pay Policy Statement for 2016/17 is attached at Appendix C.

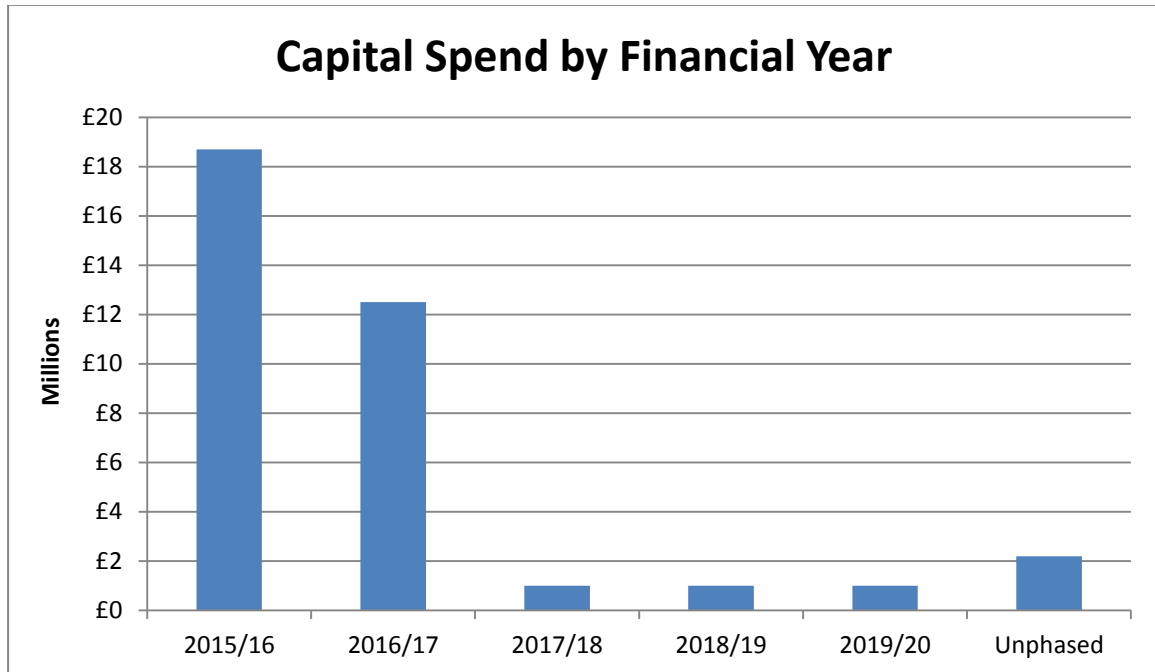
Partnership Working

17. The Council has adopted as a corporate priority the need to save money, raise income and work in partnership with others to achieve more for less while continuing to minimise council tax increases.
18. In order to achieve this, the Council has worked with partners to provide a better service to our customers while still recognising the need to make efficiencies and ensure that costs are controlled and income targets are achieved.

THE GENERAL FUND CAPITAL PROGRAMME

19. The Council has adopted as a corporate priority the need to maximise the value gained from assets that are owned by the Council. The finance strategy demonstrates how the Council's capital programme supports its corporate priorities and sets the framework for developing the capital investment programme to deliver these priorities.
20. The Council agrees a rolling five-year programme each year consistent with the finance strategy and the resources available along with any impact on the revenue budgets.

21. Each review of the Council's finance strategy includes a review of the capital programme for non-housing services, the latest being by the Executive on 2 February 2015 when the programme for the years 2014/15 to 2018/19 was approved.
22. The capital programme for the duration of the strategy has been amended to take into account slippage from previous years and now totals £36.4 million. The phasing of the programme is now:



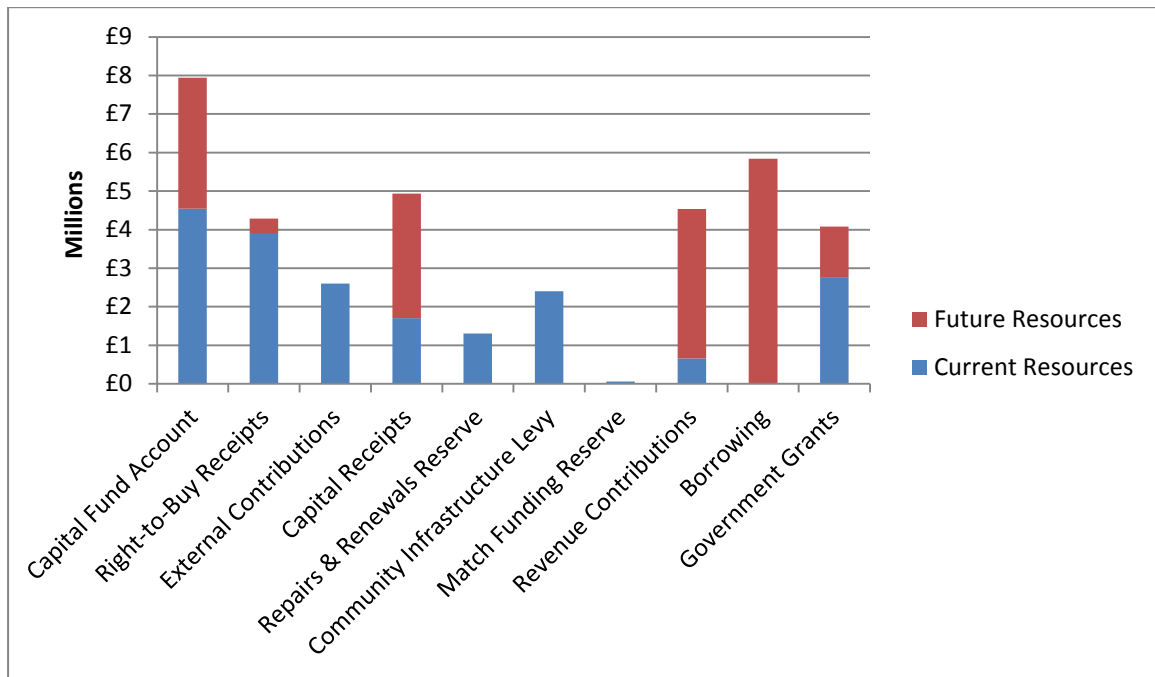
23. The top 5 schemes by cost in the capital programme are as follows:

Schemes	£000s
Daedalus	13,192
Holly Hill Leisure Centre	9,157
Disabled Facilities Grants	2,180
Commercial Property Acquisitions	1,937
Vehicles and Plant Acquisitions	1,869

24. The phasing of the detailed programme will be considered in detail during the budget process to ensure that it realistically reflects the latest forecast for capital expenditure.

CAPITAL RESOURCES

25. The Council's financial resources that are available as at 1 April 2015 to finance the capital programme are summarised in the following table:



THE OVERALL CAPITAL POSITION

26. Resources of £37.9 million are estimated to be available over the life of the updated capital programme and therefore there should be a surplus of resources of approximately £1.5 million in 2019/20.
27. The forecast surplus of resources is limited and relies partly on resources that have not yet been secured (such as future capital receipts as well as continued revenue contributions towards capital investment), totalling £9.7 million.
28. In the event that these resources do not materialise, other funding options will need to be investigated including borrowing, reliance on external funding or the programme scaled back. Longer term, the increasing need to use New Homes Bonus to support revenue costs will make it more difficult to continue relying upon revenue sources to fund the capital programme.
29. It must also be borne in mind that the implications of some of the Council's priority actions and emerging capital spending pressures have not yet been quantified. Costs associated with approved schemes also remain provisional until tenders have been received.
30. Spending pressures in this respect include repair and refurbishment or replacement works to Council assets (for example, community and leisure facilities, car parks, etc.) that have yet to be added to the capital programme.

REVENUE BUDGET AND COUNCIL TAX FOR 2015/16

31. The revenue budgets for providing services in 2015/16 were agreed by the Executive on 2nd February 2015. The net budget of £9,174,600 was recommended to Council, with funding of £3,337,213 and a demand on the council tax payers being £5,837,387. This allowed the council tax for 2015/16 to remain at the same level of £140.22 and this recommendation

was approved by the full Council on 20 February 2015.

THE OVERALL REVENUE POSITION

32. The Council has been committed to minimising increases in the overall net budget and council tax increases. This has proven successful in restricting the proportion of gross expenditure on general fund services that has to be met by council tax payers, currently 13%.
33. Since the budget was approved in February, a number of issues that will impact on the revenue budget for this year, and on the revenue budget and council tax for 2015/16 and later years, have arisen.
34. Because the proportion is so low, the Fareham element of the council tax (around 10%) is very sensitive to even minor increases in expenditure. An increase in gross expenditure of 1% (approximately £½m) would result in an increase in the amount to be met by council taxpayers of 8.6%.
35. There are a number of budget pressures that will have a significant impact on the Council's overall position in the current and future years and these pressures are examined in the following paragraphs of this report.

FUTURE BUDGET PRESSURES

36. The risk profile of the Council's finances has increased in recent years, and is set to increase further in the future as the demand for increased expenditure presents itself, the fundamental change in the way local government services are funded and the general reduction in the quantum of funding available.
37. To manage the financial risks effectively, the Council maintains a profile of the spending pressures it faces and the impact the cost of these pressures will have on the Council Tax.
38. The individual pressures are listed below and represent an increase of nearly £0.75m per year. This is an estimate as there are many unknown aspects to this, and consequently, the levels of expenditure and reduction in income could be greater, particularly in the later years. (All figures quoted in the table below reflect movements against the 2015/16 base budget).

BUDGET PRESSURES	2016/17	2017/18	2018/19	2019/20
	£000s	£000s	£000s	£000s
Reduction in Government funding	384	768	960	1,152
Loss of investment interest	0	100	150	125
FBC elections	100	0	100	0
Movements in the cost of employment	180	280	380	480
Service cost inflation	60	120	180	240
Increasing pension costs	65	135	210	290
Parking income	200	200	200	200
Reduction in commercial rent	100	50	50	50

income				
Land Charges income	0	250	250	250
Playground Renewal Programme	125	125	125	125
Street Scene expenditure	140	140	140	140
Residents Survey	0	20	0	20
TOTAL	1,354	2,188	2,745	3,072

39. Central Government Funding - In July 2015 the Chancellor issued a Summer Budget Briefing, which was the first one of the new one party Government. Although real details were kept close to the Chancellor's chest, it is widely anticipated that unprotected departmental spending, including local government spending could be reduced by up to 40%.
40. What remains clear is that although reductions in Central Government support are unclear the amount received will still be some £1 million below the figure that will be received at the beginning of the strategy period.
41. The Government and departments will continue to work on their proposals during the summer and early autumn with the final spending review due to be announced on 25 November 2015.
42. Interest on Balances – The budget for 2015/16 is £599,900 and covers the General Fund share of interest on investments together with the notional interest payable by the Housing Revenue Account to the General Fund.
43. No base rate increases are anticipated in the current financial year and although interest rates are likely to rise during 2016/17 there remains uncertainty as to when these rises will happen and therefore achieving the budget for interest on investments remains challenging.
44. Equally, the amount of money invested will reduce as the capital programme is implemented, which will impact on the amount of investment income received in future years.
45. FBC Elections - The elections of Council members takes place every 2 years with elected members serving a 4 year term of office. The last elections took place in May 2014.
46. Movements in the cost of employment - The rising cost of employment in future years reflects the cost of an assumed 1 % pay award and other pay movements. This also includes changes to National Insurance contributions that come into effect from 1 April 2016.
47. Increased Pension Costs – During 2013, the triennial pension fund valuations took place and concluded that the fixed element of the contributions needed to increase, so that the fund liabilities could be met. It is likely that this increase will continue after the next valuation takes place in 2016.
48. Reduction in Parking Income - The income from parking fees has declined over recent years, mainly due to changes in the way people shop and to specific factors, such as the new shopping complex at Whiteley, and store

parking spaces at Tesco. While a development bond arrangement has provided some protection to the Council, it is anticipated that the full impact will affect the budget from 2016/17.

49. Reduction in Commercial Rent Income - As with car parking income the level of commercial rent has steadily declined, mainly in relation to the Council's interest in the shopping centre at Fareham. As a result, this places pressure on the income budgets within the commercial property portfolio.
50. Land Charges – As part of the Queen's speech in June 2014 it was announced that the land charges function would be centralised and run by the Land Registry in order to support the delivery of digital services. The timetable for this is not clear but would result in a significant loss of income for the Council.
51. In addition to the budget pressures listed above and the changing local government environment, other areas of budget pressures could be identified which could give rise to increased costs. Costs will be drawn up when these pressures are known.

THE SPENDING RESERVE

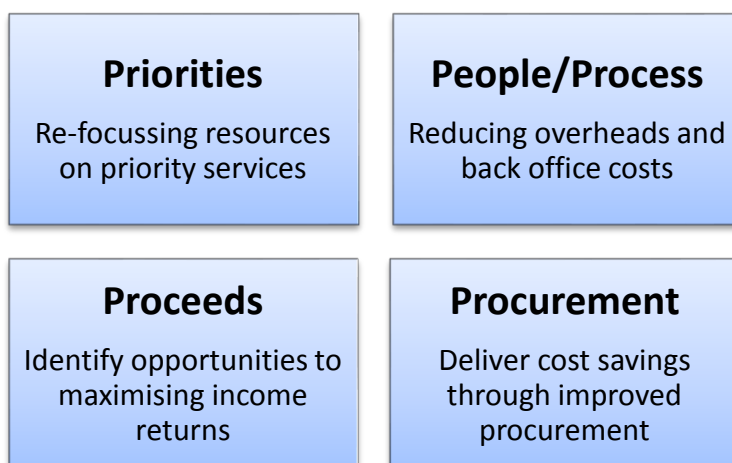
52. It is Council policy to maintain the spending reserve at 5% of gross expenditure and the current balance of £3,142,000 exceeds the minimum threshold for 2015/16 which, based on the estimated gross expenditure of £45.1 million, should be £2,256,000. Proposals to use the surplus of £886,000 will be developed during the autumn, for consideration in January, alongside the consolidated draft budget for 2016/17.

PROJECTED COUNCIL TAX FOR 2016/17 TO 2019/20

53. The projections shown above indicate that measures must be taken to reduce the net service cost if council tax increases are to be minimised.
54. In February 2009 Council Tax was set at £140.22. This level of council tax was maintained for a 7th consecutive year in 2015/16.
55. The Council has retained its corporate priority in respect of minimising council tax increases throughout the Strategy period, and will use the RPIX index as a benchmark measure of inflation when considering any rises in council tax levels.
56. In each of these years since 2011 the Council has received Council Tax Freeze Grant as an incentive for keeping council tax at the same levels. While this has ensured funding remains in place and has saved local tax payers around £32 (23%) per Band D property since 2009 the effect has been that any future increase will be working on a lower base figure.
57. It is unclear if freeze grant will be available to local authorities for the 2016/17 council tax setting.

THE NEED FOR EFFICIENCY INITIATIVES

58. The forecast in this Strategy has highlighted the on-going and increasing need for savings in the Council's budget.
59. This is reflected in the Council's corporate priorities, in order that good quality services can continue to be provided while at the same time seeking opportunities to reduce costs and therefore minimise any extra cost burden for the taxpayer.
60. In the same way that the Council maintains a profile of spending pressures, opportunities to offset and mitigate these cost pressures are continually sought, so that a forward-planned approach can be taken to delivery. The Council also seeks to develop its efficiency plans well in advance to ensure that they are sufficiently reliable before being included in budgets, and to allow the full consequences of such changes to be considered and consulted upon where appropriate.
61. Such opportunities are developed on the following basis



62. In preparing the Finance Strategy, efficiencies of around £1.5 million have been identified but there is still a need to implement further efficiencies in the remaining years of the strategy.

THE OVERALL REVENUE POSITION

63. The following table shows the projected position for the years 2016/17 to 2019/20:

Projections for	2016/17	2017/18	2018/19	2019/20
	£000s	£000s	£000s	£000s
Adjusted Budget Projection including Pressures and Efficiencies	8,844	9,191	9,556	9,691
Funded by:				

Government Funding	-2,816	-2,432	-2,240	-2,048
Council Tax Projection	-5,968	-6,102	-6,239	-6,379
Funding Projection	-8,784	-8,534	-8,479	-8,427
Shortfall	+60	+657	+1,077	+1,264

64. Although significant savings have already been identified over the next four years, it is clear that further reductions will be necessary to produce a balanced budget for the period to 2019/20. This will be reviewed over the strategy period and steps taken as necessary, to deliver a balanced budget.

SENSITIVITY ANALYSIS

65. For each of the financial pressures, an assessment has been made about the possible variation above and below the "most likely" position. This allows the sensitivity of the projected totals to changes on each financial pressure to be assessed. As more information becomes available about the individual pressures, the projections can be updated and made more certain.
66. The following table highlights the gearing effect that additional expenditure has on the council tax.

	£M	% Increase
Spending = £45.4 million	45.1	
- An extra £500,000	0.5	1.1
Council Tax Payers	5.8	
- An extra £500,000	0.5	8.6

RISK ASSESSMENT

67. The budget projections indicate the susceptibility of the Council's revenue budget to changes in the level of expenditure and income caused by factors outside the control of the Council. It is clear that even a small variation in expenditure or income would have a significant impact on the Council's revenue budget position.
68. There are a number of services where the costs and/or income directly correlate with service activity, some of which would have a notable impact on the Council's overall financial position if a significant variation in activity arose. These are classified as "volatile" services and account for £11.4m of gross expenditure and £10.0m of gross income. Special arrangements are in place to track financial performance of these services and the other major services, and take action where there is a significant deviation from plans.

69. Given the uncertain funding position and external pressures facing the Council, it is important to maintain a minimum spending reserve equivalent to 5% of gross revenue expenditure.

BUDGET SETTING PRINCIPLES FOR 2016/17

70. In addition to the fundamental principles on which the Council's medium term finance strategy is based, the Council adopts for each financial year a set of budget setting principles that form the framework for budget preparation.
71. It is proposed therefore that the following budget guidelines be adopted for 2016/17:
- No provision for the effects of inflation to be provided in revenue budgets except to cover price increases that are unavoidable or the Council is legally obliged to accept,
 - Revenue budgets to be cash-limited to the current level and to be reviewed to ensure that all on-going savings that have accrued in previous years and the current year are reflected in future budgets,
 - Fees and charges to be increased to achieve a realistic increase in income wherever possible and every effort to be made to identify new sources of income. The proposed charges should be considered alongside those for similar services in neighbouring authorities and, where appropriate, the charges levied by private sector providers,
 - New revenue commitments and capital schemes will only be considered for inclusion in the budget where the expenditure is essential to protect the Council's assets or meet the Council's corporate priorities.
 - Full weight to be given to the Council's overall position and future council tax levels when services are reviewed and revenue budgets, capital programmes and fees and charges are considered.

CONCLUSION

72. The Council has a long history of prudent financial management, of achieving efficiency savings while providing a wide range of excellent services.
73. The projections set out in this report give a broad indication of the anticipated level of expenditure, based on the latest information available about the Government's funding intentions.
74. There also remains a number of significant financial pressures linked to corporate priorities, both revenue and capital, which either need to be mitigated or resourced through reallocating funds from within the total budget envelope.

75. With the growing financial risk profile over the next four years, it is clear that firm measures are necessary to maintain a balanced and sustainable budget into the medium term. This can only be achieved by mitigating rising costs where possible, and delivering further efficiencies in sufficient time for their inclusion within the budget.
76. The focus will therefore be to identify where capacity can be created through the delivery of more efficient services to meet demand, while protecting, as far as possible, services to the public, using the four-part model highlighted in the strategy.

BUDGET RESPONSIBILITIES

Responsibility for budgets rests formally with the Full Council but there are arrangements in place as part of the Constitution that delegates certain responsibilities to the Executive, the committees and to officers.

The timetable for the financial planning and budget process is:

Stage	Detail	
1	Consultation with residents and business representatives (incl. Chambers of Commerce, Federation of Small Businesses, the Institute of Directors, Business Solent and Solent Local Enterprise Partnership)	Continual
2	Member approval review of corporate objectives and priority action plan	June 2011 (reviewed September 2014)
3	Member review of Medium Term Finance Strategy	October
4	Member consideration of revenue budgets and local service agreements, the capital programme and fees and charges	November/ December
5	Member consideration of new capital schemes and revenue growth items Member review of Finance Strategy Member confirmation of capital programme Member confirmation of overall revenue budget	January
6	Member approval of the council tax	February

Full Council

The Full Council has the general responsibility for setting the Council's policy and budget framework. The Full Council must ensure the following:

- Corporate strategies are approved in accordance with the projected resources of the Council;
- Approved revenue budgets, capital programmes and council tax levels are in accordance with the Council's finance strategy;
- Supplementary estimates are only approved after consideration of the Council's overall financial position.

The Executive

The Executive has general responsibility for making decisions on Council services within the policy and budget framework. The Executive must ensure the following:

- Detailed estimates of expenditure and income for all services and

committees, and the proposed council tax levels are prepared within the context of the council's finance strategy for approval by Full Council;

- Expenditure is only incurred if it forms part of the approved service revenue budget or capital programme;
- Any decision to reallocate revenue or capital budgets from one service to another does not exceed the virement rules;
- The overall revenue budget and capital programme are not exceeded.

The Committees

The Committees have general responsibility for carrying out non-Executive functions within the powers delegated to them by Full Council. The Committees must ensure the following:

- Detailed estimates of expenditure and income for committee services are submitted to the Executive for approval by Full Council;
- The committee revenue budgets are not exceeded.

Employees

All budgets are allocated to a named manager who has the authority to spend the approved budget. Financial regulations also form part of the Constitution and these set out the scheme for the authorisation of expenditure.

Expenditure can only be incurred within the revenue and capital budgets approved by the Council.

Officers can delegate their power to incur expenditure but only within the limits of their own delegated powers.

The limits given to any individual employee are in accordance with the schedule of limits set out in the financial regulations. All employee powers to incur expenditure should be officially documented and authorised in a form approved by the Statutory Chief Finance Officer.

The Council's financial regulations are available to all employees on the corporate filing system giving detailed guidance on:

- The responsibilities of employees
- Financial reporting
- Revenue and capital budgets
- Budgetary control and virements.

THE FUNDAMENTAL PRINCIPLES

The principles of the strategy cover five main areas – resources, capital expenditure, revenue expenditure, transparency and openness, and partnership working.

Resources

A minimum balance on the following reserves will be kept

Name of Reserve	Minimum Balance
Major Repairs and Renewal Fund	£1 million
Working Balance	£1.4 million
Spending Reserve	5% of gross expenditure (currently £2.271 million)
<p>The Major Repairs and Renewals Fund is used to cover emergency capital expenditure in relation to the Council's assets.</p> <p>The working balance is retained to cover variations in cash flow.</p> <p>The spending reserve is retained to cover unforeseen changes in revenue expenditure or income.</p>	

Any deficits arising from services provided on behalf of other agencies (such as the on-street parking service), may be held on the Council's balance sheet but should be fully offset by an equivalent contribution to the spending reserve, to protect the Council's long term finances.

The need to increase the minimum balance on the Major Repairs and Renewals Fund, the working balance and the spending reserve is considered by the Executive at the end of each financial year and as part of the annual finance strategy review.

Reserves are not used to meet on-going, unsustainable levels of revenue expenditure.

“Windfall” or one-off revenue resources will only be used to increase capital resources or to meet one-off revenue expenditure.

Capital receipts from the sale of assets will be used to meet future corporate priorities rather than be retained for use on the service that has relinquished the asset.

Resources allocated to particular capital projects but subsequently not required are returned to meet future corporate priorities rather than be retained for use by that service.

All decisions regarding the use of significant reserves take account of the effect on the revenue budget from a reduction in investment interest.

Capital Expenditure

All new potential capital schemes are subject to the process for the prioritisation of new capital schemes, as set out in the Council's Financial Regulations.

New schemes will only be considered if they make a clear contribution to the Council's objectives and priority actions and support the Council's Asset Management Plan.

When new potential capital schemes are considered for inclusion in the capital programme during the year, this is only agreed in principle with the final decision being made at the time of council tax setting except in exceptional circumstances where a delay could jeopardize the achievement of an important priority.

No new capital schemes are included in the capital programme without the necessary resources to meet the full capital costs and the on-going revenue costs being in place.

When decisions are made concerning the inclusion of new schemes in the capital programme, these factors need to be considered:

- The on-going operational costs associated with the scheme
- The whole life costing implications of the scheme
- The cost of servicing the debt if the scheme is financed by borrowing
- The loss of investment interest if internal resources are used and therefore no longer available for investment.

In the light of these factors, it is inappropriate to consider the inclusion of non-priority schemes in the capital programme.

Every effort will be made to secure external (non-borrowing) sources of funding capital schemes. Internal capital resources will only be released to fund schemes once external sources of funding (such as developers contributions, lottery grants, etc) have been explored and rejected.

Capital schemes will normally be financed by internal resources or external contributions. Borrowing will only be considered where government support is available to meet, at least in part, the capital financing costs, or where there is a sound economic business case (e.g. for spend to save schemes) whereby borrowing costs are wholly offset by long term revenue income or savings.

Revenue Expenditure

The Council has adopted as a corporate priority the need to save money, raise income and work in partnership with others to achieve more for less while continuing to minimise council tax increases.

Strict budget guidelines are maintained and are approved by the Executive each year.

New revenue spending plans will only be considered if they make a clear contribution to the Council's objectives and priority actions or to meet new statutory responsibilities.

When any significant new revenue spending plans are considered for inclusion in the revenue budget during the year, this is only agreed in principle with the final decision being made at the time of council tax setting.

All significant new revenue spending plans are considered together for inclusion at the time of council tax setting and are subject to a prioritisation process.

No new revenue spending plans are included in the revenue budget without the necessary resources to meet the full capital costs and the on-going revenue costs being in place. This is particularly important because of the implications for the council tax of even modest increases in expenditure.

Part of the revenue budget is support by use of the New Homes Bonus while the balance is used to support the capital programme.

New Homes Bonus funding is used in the following way:

- Firstly, if necessary, the award is top-sliced to meet reduced central government funding, and to support service delivery (particularly where demand has grown in line with the growth in housing);
- The balance is earmarked for investment in capital schemes or other projects, which are driven by corporate priorities;
- In determining the use of funds for capital investment, there should be a bias towards
 - investing in land & property that will generate a long term source of income;
 - Projects that support economic or employment growth;
 - Projects that support or secure further housing delivery.

Transparency and Openness

It is Council policy to be transparent in the decision making process and provision of information about the Council's activities through the website. To this end, budgetary plans and historical spending information (including payments to third party suppliers) is published in a variety of formats on the Council's transparency portal, accessible through its website.

Partnership Working

The Council will seek to work with partners to achieve more for less and actively pursue the achievement of the Council's priorities. The following key partnerships have been identified:

- Portchester Crematorium Joint Committee (with Gosport BC, Havant BC and Portsmouth CC)
- Building Control Partnership (with Gosport BC and from May 2015 Portsmouth CC)
- Fareham Community Safety Partnership (with Police and Crime Commissioner for Hampshire, Probation Service and Hampshire CC)
- Project Integra (with other Hampshire authorities)
- Fareham and Gosport CCTV Partnership
- Partnership for Urban South Hampshire (PUSH)
- Solent Local Enterprise Partnership
- Environmental Health Partnership (with Gosport BC)
- Legal Services Partnership (with Southampton CC)
- Eastern Solent Coastal Partnership (with Gosport BC, Havant BC and Portsmouth CC)

FAREHAM BOROUGH COUNCIL PAY POLICY STATEMENT FINANCIAL YEAR 2016 - 17

1. Purpose

The purpose of this Pay Policy Statement (“Pay Statement”) is provided in accordance with the Localism Act 2011 (“Localism Act”) and this will be updated in each subsequent financial year.

This Pay Statement sets out Fareham Borough Council’s pay policies relating to its workforce for the financial year 2016-17, including the remuneration of its Chief Officers, lowest paid employees and the relationship between its Chief Officers and that of its employees who are not Chief Officers.

2. Definitions

For the purpose of this Pay Statement the following definitions apply:

2.1 “Pay” in addition to base salary includes charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.

2.2 “Chief Officers” refers to the following roles within the Council:

Statutory Chief Officers are:

- a) Chief Executive Officer, as Head of Paid Service
- b) Director of Environmental Services, as Monitoring Officer
- c) Director of Finance & Resources, as Section 151 Officer

Non Statutory Chief Officers are:

- d) Director of Planning & Development
- e) Director of Community

Deputy Chief Officers are:

- f) Heads of Service who report directly to/or accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

2.3 “Lowest paid employees” refers to those employees employed within Grade1 of the Council’s mainstream pay structure. This definition has been adopted because Grade1 is the lowest grade on the Council’s mainstream pay structure.

2.4 “Employee who is not a Chief Officer” refers to all employees who are not covered under the “Chief Officer” group above. This includes the “lowest paid employees”. i.e. employees on Grade1.

3. Pay Framework and remuneration levels

3.1 General approach

The pay structure and pay scales have been designed to enable the Council to recruit and retain suitably qualified employees at all levels who are dedicated to fulfilling its corporate objectives and delivering services to the public whilst operating within an acceptable financial framework.

With a diverse workforce the Council recognises that its Pay Policy needs to retain sufficient flexibility to cope with a variety of circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. The decision to apply a market premium will be approved by the Head of Personnel and ICT and endorsed by the Chief Executive Officer.

The Chief Executive Officer, as Head of Paid Service, has delegated power to update the pay policy in line with establishment changes

3.2 Responsibility for decisions on pay structures.

The outcome of reviews into the local pay and grading structures covering all jobs are submitted to a meeting of Full Council for approval.

The Council's locally determined pay structures are based on the outcome of a job evaluated process and were implemented for the Chief Officers, Heads of Service and all other employees in April 2008. This followed a national requirement for all Local Authorities to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer to comply with employment legislation.

The pay structure for the Chief Executive Officer was established in 2008 having regard to the need to be fully competitive in the market and to be confident of attracting and retaining the highest calibre of employee to reflect the high level of organisational and corporate performance which the Council requires its Chief Executive Officer to deliver. Relevant labour market and comparative remuneration data was considered. This was reviewed in 2013.

3.3 Pay scales and grading framework

The mainstream pay structure for all employees below the level of Heads of Service was determined through a local process based on the outcome of a job evaluation scheme and consists of a pay spine of 46 points, comprising 11 grades containing 5 spinal column points with grade1 being the lowest and grade11 the highest. Each employee will be on one of the 11 grades based on their job evaluated role.

The Chief Executive's pay grade reflects the same principles as for all of the Council's pay structures consisting of 5 spinal column points.

The pay structure for Chief Officers and Heads of Service was determined through a local process that took into account market alignment with District Councils in Hampshire and the outcome of a job evaluated process. It followed the same principles as applied for the mainstream pay structure and consists of one pay grade for Chief Officers and three pay grades for Heads of Service with all grades containing 5 points.

Details of the Council's pay structures are published on the Council's website and a copy as at 1st April 2015 is appended to this Statement (at annex 1).

Pay awards are considered annually for all employees. The outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions in relation to the settlement of the annual pay award is normally applied.

If there is an occasion where to do so would distort the local pay structures alternative proposals are developed, discussed with the trade unions and brought to Elected Members for formal approval.

4. Remuneration – level and element

4.1 Salaries

4.1.1 “Chief Officers” are identified at **2.2** above and constitute the Council's Corporate Management Team. They are all paid within the Council's pay structures as follows:

- a) Chief Executive Officer, as Head of Paid Service will be paid a salary within the grade range £108,000 to £125,000.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £76,632 to £88,015.

4.1.2 “Deputy Chief Officers” who are Heads of Service are all paid within the Council's pay structures as follows:

- c) Heads of Service will be paid a salary within grades ranges £50,752 to £76,632.

Typically these Chief Officers and Heads of Service have received the same percentage pay award as for all other employees.

Details of Chief Officer and Heads of Service remuneration have been published since 2010 on the Council's website.

4.2 “Lowest paid employees”

Each lowest paid employee will be paid a salary within the pay scales for Grade1 mindful of the need to meet the National Minimum Wage and National Living Wage requirements.

A very detailed review of pay and grading was undertaken on this topic along with other parts of the grading structure and the review and recommendations were reported to Full Council in December 2014.

4.3 Bonuses and Performance related pay

There is no provision for bonus payments or performance related pay awards to any level of employee.

There is, however, an honorarium provision which may be awarded where an employee performs duties outside the scope of their post over an extended period or where the additional duties and responsibilities involved are exceptionally onerous. All such payments are subject to approval by a Chief Officer (Director) and the Head of Personnel and ICT.

4.4 Other pay elements

The pay structure for Chief Officers does not take account of the clearly defined additional responsibilities in respect of the Section 151 and Monitoring Officer roles. Officers undertaking these roles receive payment equivalent to two spinal column points based on the incremental pay progression from the penultimate to maximum point of the pay grade for Chief Officers.

Provision for the recognition of the role of acting Head of Paid Service exists within the Chief Officers pay structure for up to two spinal column points on the same payment principle as for the Section 151 and Monitoring Officers.

These pay arrangements allow for flexibility in the allocation of the additional roles to Chief Officers and for the responsibilities to be rotated.

4.5 Charges, fees or allowances

Allowances or other payments, for example shift working, standby, etc. may be made to employees, below the level of Heads of Service, in connection with their role or the pattern of hours they work in accordance with National or Local collective agreements.

The Council recognises that some employees incur necessary expenditure in carrying out their responsibilities, for example travel costs. Reimbursement for reasonable expenses incurred on Council business are paid in accordance with the Council's collective agreement and subsequent amendments to it.

The Chief Executive Officer has been appointed as the Council's Returning Officer for elections and he has appointed the Head of Democratic Services and the Head of Corporate Services as his Deputy Returning Officers. For performing elections duties the Returning Officer and Deputies receive a fee payable according to a scale of costs, charges and expenses set by the Hampshire and Isle of Wight Election Fees Working Party and allowed under the Local Government Act 1972. This scale is published on the Council's website.

The Chief Executive Officer and Chief Officers are entitled to receive payment for one subscription to a relevant professional body.

4.6 Benefits in kind

There are no benefits in kind payable to any employee of the Council.

4.7 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme(LGPS).

4.8 Severance payments

The Council already publishes its policy on discretionary payments on early termination of employment and flexible retirement as well as publishing its policy on increasing an employee's total pension and on awarding additional pension. These policies are applied in support of efficient organisational change and transformation linked to the need for efficiencies and expenditure reduction.

Details of the Council's policies are published on the Council's website.

No employee who has left the Council in receipt of a redundancy or severance package will be re-employed by the Council, in any capacity, unless there are exceptional business circumstances in which case approval is required from the Chief Executive Officer.

4.9 New starters joining the Council

Employees new to the Council will normally be appointed to the first point of the salary scale for their grade. Where the candidate's current employment package would make the first point of the salary scale unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different starting salary point within the grade may be considered by the recruiting manager in consultation with Personnel Services. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary scale within the grade.

5. Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers".

This relates to the ratio of the Council's highest paid employee (falling within the definition of "Chief Officers") and the mean average earnings across the whole workforce as a pay multiple. By definition, the Council's highest paid employee is the Chief Executive Officer. The mean average pay has been calculated on all taxable earnings for the financial year 2015-16, including base salary, allowances, etc.

Highest paid employee	£125,000
Mean average earnings for remainder of workforce	£25,522
Ratio	4.90

**Fareham Borough Council
Local Pay Scales as at 01/04/2016**

Chief Executive

Spinal Column Point		Annual
5	1	125,000
4		120,750
3		116,500
2		112,250
1		108,000

Directors (Grade & Salary scale)

Spinal Column Point		Annual
5	1	88,015
4		84,934
3		81,961
2		79,092
1		76,632

Senior Management (Grades & Salary scales)

Spinal Column Point			Annual
5		1	76,632
4			74,458
3			72,296
2			69,851
1			67,489
5		2	67,489
4			65,127
3			62,848
2			60,648
1			58,526
5	3		58,526
4			56,477
3			54,500
2			52,593
1			50,752

Mainstream (Grades and Salary scales)

Spinal column point			From 1 April 2016	Spinal column point	JE points range
46		11	50291	46	
45			49183	45	
44			48101	44	
43			47045	43	
42		10	46004	42	LG11 700+
41			45443	41	
40			44338	40	
39			43257	39	LG10 622 – 699
38		9	42186	38	
37			41172	37	
36		8	40068	36	
35			39003	35	
34			37955	34	LG9 586 – 621
33			36938	33	
32		7	35859	32	
31			34821	31	
30		6	33804	30	
29			32825	29	
28			31866	28	
27			30933	27	
26		5	30030	26	
25			29163	25	
24		4	28314	24	
23			27489	23	
22			26688	22	
21			25913	21	
20		3	25095	20	
19			24302	19	
18			23539	18	
17		2	22798	17	
16			22025	16	
15			21281	15	
14			20564	14	LG4 338 – 385
13		1	19862	13	
12			19197	12	
11			18549	11	
10		3	17918	10	
9			17320	9	LG3 280 – 337
8			16689	8	
7		2	16087	7	
6			15544	6	
5			15019	5	
4	1		14665	4	
3			14426	3	
2			14264	2	
1			14040	1	