

FAREHAM

BOROUGH COUNCIL

AGENDA

POLICY AND RESOURCES SCRUTINY PANEL

Date: Monday, 24 June 2019

Time: 6.00 pm

Venue: Collingwood Room - Civic Offices

Members:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors M J Ford, JP
I Bastable
S Cunningham
T Davies
Mrs C L A Hockley

Deputies: Mrs L E Clubley
J G Kelly



1. Apologies for Absence

2. Minutes (Pages 5 - 8)

To confirm as a correct record the minutes of the meeting of the Policy and Resources Scrutiny Panel meeting held on 17 January 2019.

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. Portchester Crematorium Presentation (Pages 9 - 10)

To receive a presentation from and ask questions of the Clerk to the Portchester Crematorium Joint Committee, and the Manager and Registrar of Portchester Crematorium.

7. General Fun and HRA Outturn 2018/19 (Pages 11 - 30)

To consider a report by the Deputy Chief Executive Officer on an update on the financial outturn for the Council's revenue budget in 2018/19.

8. Capital Programme Outturn 2018/19 (Pages 31 - 36)

To consider a report by the Deputy Chief Executive Officer on the financial outturn for the Council's capital programme in 2018/19.

9. Executive Business (Pages 37 - 38)

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, Capital Programme, Revenue Budget and Council tax 2019/20 (Pages 39 - 40)

(2) Housing Revenue Account Budget and Capital Plans 2019/20 (Pages 41 - 42)

(3) Review of the Council's Vision and Outline Strategy for Daedalus (Pages 43 - 44)

(4) Treasury Management Strategy & Capital Strategy 2019/20 (Pages 45 - 46)

- (5) **Unreasonable Complaint Behaviour Policy** (Pages 47 - 48)
- (6) **Attendance at National Planning Summit 2019: Planning for the Future in Today's Climate** (Pages 49 - 50)
- (7) **Business Rates Discretionary Relief** (Pages 51 - 52)
- (8) **D-Day 75 Community Event** (Pages 53 - 54)
- (9) **Citizen of Honour Nominations** (Pages 55 - 56)
- (10) **Irrecoverable Debts** (Pages 57 - 58)

10. Scrutiny Priorities

To provide an opportunity for Members to consider the scrutiny priorities for the Policy and Resources Panel.



P GRIMWOOD
Chief Executive Officer
Civic Offices
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14 June 2019

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FAREHAM

BOROUGH COUNCIL

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

Date: Thursday, 17 January 2019

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor M J Ford, JP (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors: I Bastable, Mrs P M Bryant, T Davies and Mrs C L A Hockley

Also Present: Councillor S D T Woodward, Executive Member for Policy and Resources (Item 10)



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor S Cunningham.

2. MINUTES

RESOLVED that the minutes of the Policy and Resources Scrutiny Panel held on 19 November 2018 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 DIRECTION

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. EXECUTIVE BUSINESS

The Panel considered the Executive items of business which fall under the remit of the Policy and Resources Portfolio, including Individual Executive Member decisions and Officer delegated decisions, that have taken place since the last meeting of the Panel on 19 November 2018.

The Panel considered the decisions shown at items at 7(10 to 7 (2) of the agenda.

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

(1) Financial Forecasts & Budget

No comments were received.

(2) Capital Funding for the Construction of Industrial / Business Units at Faraday Business Park, Daedalus

No comments were received.

7. VANGUARD PROGRESS UPDATE

The Panel considered a report by the Head of Leisure and Corporate Services on a Vanguard Progress Update, who then took questions from members.

At the Invitation of the Chairman, Councillor T M Cartwright addressed the Panel on this item.

RESOLVED that the Panel agreed that they had no comments to make to the Executive.

8. FINANCE STRATEGY, CAPITAL PROGRAMME, REVENUE BUDGET AND COUNCIL TAX 2019-20

The Panel considered a report by the Director of Finance and Resources, and received a presentation, (attached as Appendix A to these minutes), from the Head of Finance and Audit and the Finance Manager which focused on the key areas of interest from the report.

The Panel commented on the fees and charges set out in Appendix D to the Executive report. It was noted that in some instances that percentage increase did not seem to be in-line with other similar fees or charges, and that it would be useful for additional information to be provided with each set of figures as to what the actually monetary increase would be for the Council from these increased fees and charges.

RESOLVED that the Panel:-

(a) thank the Head of Finance and Audit, and the Finance Manager for their informative presentation; and

(b) Support the resolutions reached by the Executive at it's meeting on 7 January 2019.

9. HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS 2019-20

The Panel considered a report by the Director of Finance and Resources on the Housing Revenue Account Budget and Capital Plans 2019-20.

RESOLVED that the Panel had no proposals or comments to make to the Executive.

10. REVIEW OF THE COUNCIL'S VISION AND OUTLINE STRATEGY FOR DAEDALUS

The Panel considered a report and received a presentation by the Director of Finance and Resources on a review of the Council's vision and outline strategy for Daedalus.

The presentation (attached as Appendix B to these minutes) outlined the objectives that were originally set out in the strategy, outlined the changes that has taken place since the Vision was adopted in 2015 and the plans for the future.

At the Invitation of the Chairman, Councillor S D T Woodward, Executive Member for Policy and Resources addressed the Panel on this item.

Members congratulated everyone who has been involved with the development of Daedalus and note the continued success that Daedalus is achieving.

RESOLVED that:-

- (a) the Director of Finance and Resources be thanked for his informative presentation;
- (b) the Executive be asked to note that the Panel expressed support for the vision for Daedalus and the priorities for the next 5 years, and hope that this continues to be a success in the future.

11. SCRUTINY PRIORITIES

The Director of Finance and Resources addressed the Panel on this item and directed them to item 10 of the previous minutes, which contained a list of the priorities identified by the Panel at the last meeting that they would like to be included within the Scrutiny Priorities 5 Year Plan. He asked members if they had any further suggestions for items that they would like to be included in the Scrutiny Priorities plan.

Members agreed that they had already put together a comprehensive list of items to be considered and at present no member had any further suggestions that they wanted to bring forward, but were happy to bring any suggestions to the Chairman, should they have any between now and the next scheduled meeting in June.

RESOLVED that the Chairman and the Director of Finance and Resources discuss the list of suggested priorities in order to determine the items that will come forward for the next meeting.

(The meeting started at 6.00 pm
and ended at 8.01 pm).

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **24 June 2019**

Report of: **Deputy Chief Executive Officer**

Subject: **PORTCHESTER CREMATORIUM PRESENTATION**

SUMMARY

The Panel is to receive a presentation from, and ask questions of, the Clerk to the Portchester Crematorium Joint Committee, and the Manager and Registrar of Portchester Crematorium.

RECOMMENDATION

It is recommended that Members consider the contents of the presentation and make any comments or raise any questions for clarification.

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BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **24 June 2019**

Report of: **Deputy Chief Executive Officer**

Subject: **GENERAL FUND AND HRA OUTTURN 2018/19**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to review the report to the Executive that details the General Fund and Housing Revenue Account outturn for 2018/19. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 1 July 2019.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 1 July 2019.

INTRODUCTION

1. On 1 July 2019 the Executive will receive a report detailing the outturn position for the General Fund and Housing Revenue Account. A copy of this report is attached as Appendix A for information.

OUTTURN 2018/19

2. Members of the Executive will be asked to consider the outturn report for the General Fund and Housing Revenue Accounts for 2018/19 and the report makes the following recommendations:

It is recommended that the Executive:

- (a) approves the carry forward of £171,700 to fund the completion of the General Fund expenditure programmes in 2019/20, as contained in this report;
- (b) approves the carry forward of £799,000 for the HRA Capital Programme to re-align budget and expenditure phasing and to support the forthcoming programme for 2019/20;
- (c) notes the content of the report.

RISK ASSESSMENT

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

CONCLUSION

4. The Board is asked to review Appendix A consider whether it wishes to submit comments for consideration by the Executive.

Appendix A: [General Fund & Housing Revenue Account Outturn 2018-19](#)

Background Papers:

Reference Papers:

Enquiries:

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

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BOROUGH COUNCIL

Report to the Executive for Decision 01 July 2019

| | |
|------------------------------|---|
| Portfolio: | Policy and Resources |
| Subject: | General Fund & Housing Revenue Account Outturn 2018-19 |
| Report of: | Deputy Chief Executive Officer |
| Corporate Priorities: | A dynamic, prudent and progressive Council |

Purpose:

This report provides the Executive with details of the actual revenue expenditure for 2018/19 for the General Fund and Housing Revenue and Repairs Account and seeks approval for the completion, in 2019/20, of the 2018/19 expenditure programmes set out in the briefing paper contained in the report.

Executive summary:

The General Fund actual revenue expenditure for 2018/19 totals £8,961,887 which represents an overall overspend of £521,387 when compared to the revised budget.

However, additional funding income from business rates and grants linked to business rates of £870,501 leaves a position of making a contribution to reserves of £349,114.

Also, it has not been possible to complete a number of expenditure programmes in 2018/19 and approval is sought to complete these programmes totalling £171,700 during 2019/20. When the use of the contribution to reserves in 2018/19 to complete these programmes is taken into account the final contribution to reserves for the year is £177,414.

The final figures for the Housing Revenue and Repairs Account (HRA) in 2018/19 show that, overall, HRA Reserves have increased by £1.84 million. The HRA revenue reserve has reduced by £293,000 against a revised budget surplus of £17,000.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) approves the carry forward of £171,700 to fund the completion of the General Fund expenditure programmes in 2019/20, as contained in this report;
- (b) approves the carry forward of £799,000 for the HRA Capital Programme to re-align budget and expenditure phasing and to support the forthcoming programme for 2019/20; and
- (c) notes the contents of the report.

Reason:

To enable the completion of the General Fund expenditure programme for 2018/19 and to ensure that the balances on the Housing Revenue and Repairs Accounts at 31 March 2019 will be available in future years and that 2019/20 budgets are sufficient to meet the level of work programmed.

Cost of proposals:

There are no additional costs relating to the recommendations.

Appendices:

A: Detailed General Fund Service Expenditure 2018/19

B: Detailed Housing Revenue and Repairs Account 2018/19

Background papers: None

Reference papers:

Report to the Executive 4 February 2019 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019-20.

Report to the Executive 4 February 2019 Housing Revenue Account Budgets and Capital Plans 2019-20.

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BOROUGH COUNCIL

Executive Briefing Paper

| | |
|---------------------|--|
| Date: | 01 July 2019 |
| Subject: | General Fund & Housing Revenue Account Outturn 2018-19 |
| Briefing by: | Deputy Chief Executive Officer |
| Portfolio: | Policy and Resources |

INTRODUCTION

1. This report brings together the outturn position for the General Fund along with the Housing Revenue and Repairs Accounts for the financial year 2018/19. The report compares the actual spend against the revised budgets that were approved by the Executive in February 2018.

EMPLOYEE EXPENDITURE 2018/19

2. The total 'cost of employment' budgets set for the General Fund and Housing Revenue Account for 2018/19 was £16,432,700. The actual expenditure for 2018/19 was £16,711,543 giving an overspend for the year of £278,843 or 1.7% compared to the final budget.
3. There was an underspend from salaries and associated costs of £527,172 which has arisen from vacancies that have occurred during the year. These have been primarily offset by an increase in agency payments (£551,279), severance payments (£241,602) and recruitment costs (£13,134) that have been made during the year.

THE GENERAL FUND

4. The General Fund actual revenue expenditure for 2018/19 totals £8,961,887 and this represents an overall overspend of £521,387 when compared to the revised budget approved by the Executive in February. Funding changes which were over the budget by £870,501 will bring this overspend position to a position where there will be a transfer to reserves of £349,114.
5. Later paragraphs of this report also set out details of a number of expenditure programmes that were not completed in 2018/19 and approval is sought for these programmes to be completed in the current year. If these proposals are approved along with the financing adjustment, this will mean that the final position for the financial year will show a transfer to reserves of £115,414 which will be added to the general fund reserve.

6. The following table summarises the position:-

| ACTUAL REVENUE EXPENDITURE TO 31 MARCH 2019 | | | |
|--|---|---------------------------------|------------------------|
| | Revised Budget 2018/19 £ | Actual 2018/19 £ | Variation £ |
| Committees | | | |
| Planning | 597,800 | 889,764 | 291,964 |
| Licensing & Regulatory Affairs | 522,500 | 468,572 | -53,928 |
| Executive - Portfolio | | | |
| - Leisure and Community | 799,300 | 602,596 | -196,704 |
| - Housing | 151,600 | 3,367 | -148,233 |
| - Planning and Development | -175,600 | -719,091 | -543,491 |
| - Policy and Resources | -931,300 | -1,064,633 | -133,333 |
| - Health and Public Protection | 2,132,500 | 2,081,124 | -51,376 |
| - Streetscene | 4,745,700 | 5,156,236 | 410,536 |
| Total Service Budgets | 7,842,500 | 7,417,935 | -424,565 |
| Less Accounting Adjustments | 3,330,400 | 11,545,009 | 8,214,609 |
| Other Budgets | -2,732,400 | -10,001,057 | -7,268,657 |
| Net Budget | 8,440,500 | 8,961,887 | 521,387 |
| Financing | -8,440,500 | -9,311,001 | -870,501 |
| Net Total | 0 | -349,114 | -349,114 |
| Adjust for: | | | |
| Carry Forwards | 0 | 0 | 171,700 |
| Final Position | | | -177,414 |

7. The detailed position on each service is set out in Appendix A. The main reasons for the variations for key council services are set out in the following paragraphs of this report.

THE KEY COUNCIL SERVICES

8. The Council has a number of services that would be considered as major or demand led services as they have a large impact on the council tax and any major variation in these budgets could lead to unacceptable rises in council tax. The details are shown in the following table:-

| Service | Budget 2018/19 £ | Actual 2018/19 £ | Variation £ | |
|---|------------------------|------------------------|----------------|---|
| Income Budgets | | | | |
| Housing Benefit Payments | -114,100 | -330,716 | -216,616 | ☺ |
| Trade Waste | -82,500 | -136,740 | -54,240 | ☺ |
| Interest On Balances | -463,900 | -481,480 | -17,580 | ☺ |
| Investment Properties | -3,038,200 | -2,995,001 | 43,189 | ☹ |
| Local Land Charges | -125,800 | -62,844 | 62,956 | ☹ |
| Parking Services | -893,000 | -781,121 | 111,879 | ☹ |
| Commercial Estates | -576,000 | -459,266 | 116,734 | ☹ |
| Expenditure Budgets | | | | |
| Local Plan | 1,431,300 | 794,946 | -636,354 | ☺ |
| Homelessness | 285,000 | 133,057 | -151,943 | ☺ |
| Ferneham Hall | 387,400 | 344,539 | -42,861 | ☺ |
| Local Tax Collection | 831,600 | 810,547 | -21,053 | ☺ |
| Street Cleansing | 930,900 | 941,812 | 10,912 | ☹ |
| Planning Appeals | 204,600 | 333,083 | 128,483 | ☹ |
| Planning Applications | 14,900 | 189,165 | 174,265 | ☹ |
| Tree Maintenance | 90,600 | 263,898 | 173,298 | ☹ |
| Parks, Open Spaces and Grounds Maintenance | 1,408,100 | 1,619,096 | 210,996 | ☹ |
| Waste & Recycling Total | 1,784,700 | 2,054,205 | 269,505 | ☹ |

9. The main variations in the key services are detailed as follows:-

- (a) **Housing benefits payments** were £217,000 under the budget for the year. The amount paid out in benefits was more than anticipated by £445,000 which was offset by reduced income from grant received with a small amount due for prior year adjustments giving extra income over budget of £518,000. There was also additional income from money owed due to overpaid benefits and there was a reduction in the bad debts provision for doubtful debts totalling £144,000.

- (b) **Trade Waste** achieved £54,000 higher income compared to budget for the year which is a result of taking on more customers during the year. There has also been a reduction in tipping charges against budget. There has also been a slight increase in spend on vehicle repairs and an increase in employee costs mainly in the use of agency staff.
- (c) **Interest on balances** is showing as just under £18,000 over the budget. Interest rates continue to remain low and this impacts on the size of returns the Council receives. During the year changes to the types of investment made have resulted in higher returns as well as keeping in line with the treasury strategy.
- (d) **Investment Property income** was £43,000 below budgeted income, mainly due to a lower overall rent received from the market quay development and rent reductions from rent free periods during the year from other properties. This has been partly offset by a reduction in the bad debt provision.
- (e) **Local Land Charges** is showing an overspend for the year of just under £63,000. Income was just under one third or £81,000 under the budget for the year which is due to changes in the way individuals access the service, many of which result in a lower or nil charge for the service they receive. The reduction in income has been slightly offset by a reduction in the legal charge the service pays.
- (f) **Parking Services** is showing a variation of just under £112,000 against the budget for the financial year. There was reduced income from users of the Council's car parks during the year of almost £51,000 against budget and a reduction against the previous financial year in a continuing trend of a reduction in usage of the car parks by paying users. Expenditure on car park maintenance has also increased particularly in respect of the Osborn Road Multi Storey car park.
- (g) **Commercial Estates** showed an overspend of £117,000 which is mainly due to a reduction in rents received due to vacant properties, increased maintenance costs and an increase in NNDR costs.
- (h) The **Local Plan** service has seen less use of consultants in respect of the formulation of the local plan for which the work will continue through into 2019/20 financial year to the publication of the plan during 2020.
- (i) The **Homelessness** service is showing an underspend of £152,000 mainly as a result of grant that has been received during the year to assist with a growing nationwide problem with homelessness. Not all of this grant was spent during the year and has been moved to a homelessness reserve so that the grant can be used during 2019/20 on projects associated with reducing homelessness and providing housing advice for those in housing need.
- (j) **Ferneham Hall** is showing an underspend for the year of £43,000. The main reason is an increase in income from promotions and shows that showed an increase of £131,000 over the budget. The pantomime took over a third of all income form shows during the year. The increased income was partially offset by increased spend on promoter costs which are largely linked to ticket sales.
- (k) **Local tax collection** is showing an underspend for the year of £21,000 which is mainly due to less demand on the hardship fund along with variations in

employees costs due to vacancies.

- (l) **Street Cleansing** is showing a small overspend for the year of £11,000 which is mainly due to increased spend on the cost of repairing vehicles.
- (m) **Planning Appeals** during the year have shown an overspend of £128,000. Generally planning appeal costs are met by the individual parties involved but costs can be awarded against a party if they are judged to have acted unreasonably. There have been a number of high profile appeals during the year including Posbrook Lane (£136,000), Old Street (£82,000), Sopwith Way (£40,000) and Saw Mills Appeal (£28,000). The costs shown against these appeals do not include officer time.
- (n) **Planning Applications** is showing an increase against the budget mainly as a result of less fee income received during the year against the expected amount that would be received. Other areas have shown an overspend in the use of consultants who have been working on specialist areas on major applications such as the Welborne planning application.
- (o) **Tree Maintenance** over the whole of the council is showing an spend of £264,000 against a budget of £91,000 which is an overspend of £173,000. This is largely due to the volume of tree work that has been undertaken during the year. In total, planned work (which also includes inspection costs, replanting works and general tree maintenance) cost around £192,000 for the year with 'good neighbour' work costing a further £72,000. Good neighbour work is work that is emanating from a customer request such as pruning back overhang which is encroaching onto another's land or trees that are blocking light.
- (p) **Community Parks and Open Spaces** is showing an overspend of £211,000 mainly due to an increase in the number and cost of tree works that have been undertaken during the year which is a concern for all areas that have trees and is explained in the paragraph above. There has also been a large increase in the cost of repairing and maintaining the aging vehicle and plant fleet required to undertake the work.
- (q) The **Waste and Recycling Service** is showing an overspend for the year of £270,000 which is mainly as a result of increased use of agency staff within the service mainly covering vacancies and other absences. The services have also seen a large increase in the repair and maintenance of vehicles due to an aging fleet along with an increase in fuel costs as prices have risen during the year by around 5.7%.

THE COUNCIL'S FUNDAMENTAL PARTNERSHIPS

10. The table below shows the end of financial year performance relating to the Council's element of each of the fundamental partnerships:-

| Service | Budget 2018/19 £ | Actual 2018/19 £ | Variation £ | |
|---|---------------------------------|---------------------------------|------------------------|---|
| Building Control Partnership | 201,900 | 177,230 | -24,670 | ☺ |
| Community Safety Partnership | 175,200 | 172,341 | -2,859 | ☺ |
| Fareham & Gosport CCTV Partnership | 146,600 | 128,903 | -17,697 | ☺ |
| Project Integra | 15,000 | 11,913 | -3,087 | ☺ |
| Portchester Crematorium Joint Committee | -150,000 | -150,000 | 0 | ☺ |
| Environmental Health Partnership | 1,523,100 | 1,465,168 | -57,932 | ☺ |

11. There are no particular causes for concern within the Council's fundamental partnerships.

OTHER BUDGETS

12. These budgets are used where spend or income cannot be shown against a specific service. Most are accounting entries that ensure that items such as depreciation or other capital charges do not have an impact on the council tax or where a service provided is funded from reserves.

PROVISION FOR EXPENDITURE FUNDED FROM 2018/19 UNDERSPENDINGS

13. A proportion of work in the 2018/19 budgets has not been possible to complete during the financial year.
14. In order to minimise the financial burden of this work on the budget for the current year, it is proposed that an equivalent sum from the 2018/19 underspend is brought forward into 2019/20 to allow for their completion, as listed in the table below:

| Description of Goods/Service | Cost £ | Justification |
|--|-------------------|---|
| Community Grants | 90,700 | Slippage of approved Community Grants that have not been paid over/other conditions to be met in 2019/20. |
| Local Plan (Regeneration) | 50,000 | One Public Estate Grant required for Regeneration in 2019/20 |
| Planning Applications | 5,000 | Delay in transferring images from microfiche to computer imagery |
| Parks, Open Spaces and Grounds Maintenance | 18,000 | Parks Improvement Funding. Funds received from MHCLG March 2019 carried forward to be spent 19/20 |
| Cemeteries | 8,000 | Cemeteries conservation work. Delay in work to rebuild tomb chest St Peters Churchyard. |
| | £171,700 | |

15. Taking into account the carry forward proposals above this will result in a final transfer to reserves for the year of £177,414.
16. The Council faces a number of financial challenges over the next few years, and given the scale of these, it is proposed that the any transfer to reserves in 2018/19 is added to the General Fund balance pending the overall update of the Council's Finance Strategy later in the year.

HOUSING REVENUE AND REPAIRS ACCOUNT

Revenue Account

17. On 4 February 2018, the Executive approved the revised budgets for the Housing Revenue and Repairs Account (HRA). At this time it was estimated that the HRA Revenue Reserve would be replenished by £17,000.
18. Due to factors that include pension adjustments and severance payments made in the financial year, a re-assessment of the methodology behind the interest due to the HRA, and higher than anticipated grounds maintenance charges this surplus has not been achieved, as shown in the table below and detailed in Appendix B. £292,627 has been drawn from the HRA Revenue Reserve, while other Reserves have increased by £2.13 million

| | Actual 2017/18 £'000 | Revised Budget 2018/19 £'000 | Actual 2018/19 £'000 |
|---|-------------------------------------|---|-------------------------------------|
| Income | -12,434 | -12,410 | -12,575 |
| Management and Finance | 4,538 | 4,501 | 4,891 |
| Revenue Repairs | 4,161 | 2,840 | 3,158 |
| Capital Improvements | 3,039 | 3,912 | 3,790 |
| Surplus(-)/Deficit | -696 | -1,157 | -736 |
| | | | |
| Transfer from Capital Development Fund | 0 | 0 | -129 |
| Transfer to Debt Repayment Fund | 1,140 | 1,140 | 1,140 |
| Transfer to Leaseholder Reserve | 103 | 0 | 18 |
| | | | |
| Transfer of Balance to(-)/from Revenue Reserve | 546 | -17 | 293 |

Capital Programme

19. The table below summarises the capital spend in the year against the revised budget which shows lower than anticipated HRA Capital Improvements. This area of spend will increase again over the coming year as the findings of the stock condition survey are evaluated and an informed programme of works is compiled. The underspent budget

against Improvements and Modernisation and Other Works and Services are proposed to be carried forward as procurement of the new Asset Management System and stock condition survey finalisation will take place in 2019/20.

20. Expenditure classified as stock repurchase has been strong in this financial year and has included buying back eleven properties to replenish our housing stock. New build schemes at Bridge Road and Highlands Road are progressing, the underspent budget is proposed to be carried forward as preliminary work is completed and construction commences in 2019/20.

| CAPITAL PROGRAMME | Budget £'000 | Actual £'000 | Carry over to 2019/20 £'000 |
|-------------------------------------|-------------------------|-------------------------|--|
| HRA Improvements and Modernisations | 2,994 | 1,888 | 1,106 |
| Other Works and Services | 195 | 54 | 141 |
| New Builds | 200 | 129 | 71 |
| Stock Repurchase | 1,052 | 1,571 | (519) |
| CAPITAL PROGRAMME - TOTAL | 4,441 | 3,642 | 799 |

This spend has been funded as follows:

| | £000 |
|--|--------------|
| Use of Major Repairs Reserve to fund capital expenditure on HRA assets | 1,690 |
| Capital spend not increasing the asset value funded by the HRA Reserve | 252 |
| Capital Development Fund | 129 |
| 1:4:1 Capital Receipts | 471 |
| Revenue funding to meet acquisition costs | 1,100 |
| Total funding | 3,642 |

HRA Reserves

21. A summary of reserves held by the HRA at the end of the year is set out below. HRA reserves have increased overall by £1.84 million.

| Reserve | Purpose of Reserve | 2017/18 Closing Balance £'000 | 2018/19 Transfers In £'000 | 2018/19 Transfers Out £'000 | 2018/19 Closing Balance £'000 |
|----------------------------------|---|----------------------------------|-------------------------------|--------------------------------|----------------------------------|
| HRA Revenue Reserve | To fund unexpected operating costs | 1,824 | 0 | -293 | 1,531 |
| Exceptional Expenditure Reserve | To fund any exceptional demands upon expenditure | 1,500 | 3,170 | -3,170 | 1,500 |
| Major Repairs Reserve | To fund capital expenditure on HRA assets | 984 | 2,544 | -1,690 | 1,838 |
| Capital Housing Development Fund | To fund new developments | 3,520 | 0 | -129 | 3,391 |
| Debt Repayment Fund | To repay debt | 1,140 | 1,140 | 0 | 2,280 |
| Leaseholder Reserve | To fund major repairs on blocks containing leasehold properties | 263 | | 0 | 263 |
| 1:4:1 Receipts | To fund 30% of costs of new acquisitions | 1,345 | 737 | -471 | 1,613 |
| Total Reserves | | 10,576 | 7,593 | -5,753 | 12,416 |

¹The transfer in of £2,544,000 is the in-year depreciation charge

RISK ASSESSMENT

22. An assessment of the risks and opportunities associated with this decision has been carried out and it is considered that there are no significant risks associated with this report.

CONCLUSION

23. This report outlines the financial position during 2018/19 for the General Fund and the Housing Revenue and Repairs Account.
24. The General Fund is showing a movement to reserves of £349,114 against the revised budget. Taking into account the proposed spending items to be funded from this underspend and the changes to financing the revenue budget, the contribution to the General Fund balance reduces to £177,414.
25. The combined balance on all Housing Revenue Account reserves is £12,416,000.
26. Members are asked to note the contents of the report and approve the carry forward balance and budgets in order that the agreed work can be completed in the current financial year.

Enquiries:

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

ACTUAL REVENUE EXPENDITURE TO 31 MARCH 2019

| | Budget 2018/19 £ | Actual 2018/19 £ | Variation 2018/19 £ |
|---|------------------------|------------------------|---------------------------|
| Planning Committee | | | |
| Processing Applications | 14,900 | 189,165 | 174,265 |
| Planning Advice | 253,900 | 247,424 | -6,476 |
| Enforcement of Planning control | 124,400 | 120,093 | -4,307 |
| Appeals | 204,600 | 333,083 | 128,483 |
| | <u>597,800</u> | <u>889,764</u> | <u>291,964</u> |
| Accounting Adjustments in service | 0 | 83,421 | 83,421 |
| | <u>597,800</u> | <u>973,185</u> | <u>375,385</u> |
| Licensing & Regulatory Affairs Committee | | | |
| Hackney Carriage and Private Hire Vehicles | 1,600 | -31,112 | -32,712 |
| Licensing | -40,800 | -51,053 | -10,253 |
| Health and Safety | 144,700 | 142,010 | -2,690 |
| Election Services | 417,000 | 408,727 | -8,273 |
| | <u>522,500</u> | <u>468,572</u> | <u>-53,928</u> |
| Accounting Adjustments in service | 0 | 17,084 | 17,084 |
| | <u>522,500</u> | <u>485,656</u> | <u>-36,844</u> |
| Leisure and Community | | | |
| Community Grants | 405,300 | 267,158 | -138,142 |
| Community Development | 157,300 | 194,059 | 36,759 |
| Ferneham Hall | 387,400 | 344,539 | -42,861 |
| Fareham Leisure Centre | -113,600 | -163,907 | -50,307 |
| Holly Hill Leisure Centre | -248,500 | -252,658 | -4,158 |
| Community Centres | 146,900 | 145,829 | -1,071 |
| Westbury Manor Museum | 64,500 | 67,576 | 3,076 |
| | <u>799,300</u> | <u>602,596</u> | <u>-196,704</u> |
| Accounting Adjustments in service | 1,059,500 | 1,494,044 | 434,544 |
| | <u>1,858,800</u> | <u>2,096,640</u> | <u>237,840</u> |

| | Budget | Actual | Variation |
|---------------------------------------|------------------|------------------|------------------|
| | 2018/19 | 2018/19 | 2018/19 |
| | £ | £ | £ |
| Health and Housing | | | |
| Housing Grants and Home Improvements | -894,500 | -664,820 | 229,680 |
| Housing Options | 45,000 | 29,595 | -15,405 |
| Housing Benefit Payments | -114,100 | -330,716 | -216,616 |
| Housing Benefit Administration | 380,900 | 338,808 | -42,092 |
| Homelessness | 285,000 | 133,057 | -151,943 |
| Housing Advice | 372,800 | 339,105 | -33,695 |
| Housing Strategy | 202,300 | 221,041 | 18,741 |
| Registered Providers | 0 | 141 | 141 |
| Local Land Charges | -125,800 | -62,844 | 62,956 |
| | <u>151,600</u> | <u>3,367</u> | <u>-148,233</u> |
| Accounting Adjustments in service | 1,099,700 | 1,037,759 | -61,941 |
| | <u>1,251,300</u> | <u>1,041,126</u> | <u>-210,174</u> |
| Planning and Development | | | |
| Parking Strategy | -1,962,100 | -1,877,031 | 85,069 |
| Flooding and Coastal Management | 96,000 | 114,904 | 18,904 |
| Public Transport | 46,800 | 42,265 | -4,535 |
| Transportation Liaison | 14,000 | 29,775 | 15,775 |
| Tree Management | 122,000 | 130,457 | 8,457 |
| Conservation & Listed Building Policy | 32,700 | 30,507 | -2,193 |
| Sustainability & Biodiversity | 43,700 | 15,086 | -28,614 |
| Local Plan | 1,431,300 | 794,946 | -636,354 |
| | <u>-175,600</u> | <u>-719,091</u> | <u>-543,491</u> |
| Accounting Adjustments in service | 26,100 | 184,766 | 158,666 |
| | <u>-149,500</u> | <u>-534,325</u> | <u>-384,825</u> |

| | Budget | Actual | Variation |
|--|------------------|-------------------|------------------|
| | 2018/19 | 2018/19 | 2018/19 |
| | £ | £ | £ |
| Policy and Resources | | | |
| Democratic Representation and Management | 1,069,900 | 1,012,704 | -57,196 |
| Commercial Estates | -576,000 | -459,266 | 116,734 |
| Investment Properties | -3,038,200 | -2,995,011 | 43,189 |
| Solent Airport and Daedalus | -708,000 | -480,938 | 227,062 |
| Public Relations, Comms and Consultation | 468,400 | 440,694 | -27,706 |
| Unapportionable Central Overheads | 175,600 | -45,058 | -220,658 |
| Corporate Management | 734,000 | 556,779 | -177,221 |
| Economic Development | 111,400 | 94,914 | -16,486 |
| Local Tax Collection | 831,600 | 810,547 | -21,053 |
| | <u>-931,300</u> | <u>-1,064,633</u> | <u>-133,333</u> |
| Accounting Adjustments in service | 54,000 | 6,836,207 | 6,782,207 |
| | <u>-877,300</u> | <u>5,771,574</u> | <u>6,648,874</u> |
| Public Protection | | | |
| Pest Control | 38,400 | 36,632 | -1,768 |
| Dog Control | 24,100 | 24,800 | 700 |
| Food Safety | 137,300 | 131,086 | -6,214 |
| Air Quality and Pollution | 195,500 | 190,380 | -5,120 |
| Community Safety | 317,200 | 283,681 | -33,519 |
| Emergency Planning | 56,000 | 57,344 | 1,344 |
| Clean Borough Enforcement | 93,000 | 84,061 | -8,939 |
| On-Street Parking | -14,900 | -74,235 | -59,335 |
| Off-Street Parking | 1,084,000 | 1,170,145 | 86,145 |
| Building Control | 201,900 | 177,230 | -24,670 |
| | <u>2,132,500</u> | <u>2,081,124</u> | <u>-51,376</u> |
| Accounting Adjustments in service | 180,600 | 720,853 | 540,253 |
| | <u>2,313,100</u> | <u>2,801,977</u> | <u>488,877</u> |

| | Budget | Actual | Variation |
|--|--------------------------|--------------------------|-------------------------|
| | 2018/19 | 2018/19 | 2018/19 |
| | £ | £ | £ |
| Streetscene | | | |
| Cemeteries & Closed Churchyards | -20,500 | -78,158 | -57,658 |
| Parks, Open Spaces and Grounds Maintenance | 1,408,100 | 1,619,096 | 210,996 |
| Outdoor Sport and Recreation | 198,900 | 200,750 | 1,850 |
| Countryside Management | 187,600 | 253,880 | 66,280 |
| Allotments | 17,700 | 24,485 | 6,785 |
| Street Cleansing | 930,900 | 941,812 | 10,912 |
| Public Conveniences | 215,400 | 218,846 | 3,446 |
| Household Waste | 859,700 | 1,019,709 | 160,009 |
| Trade Refuse | -82,500 | -136,740 | -54,240 |
| Recycling | 595,500 | 673,957 | 78,457 |
| Garden Waste Collection | 329,500 | 360,539 | 31,039 |
| Street Furniture | 105,400 | 58,060 | -47,340 |
| | <u>4,745,700</u> | <u>5,156,236</u> | <u>257,198</u> |
| Accounting Adjustments in service | 910,500 | 1,170,875 | 260,375 |
| | <u>5,656,200</u> | <u>6,327,111</u> | <u>517,573</u> |
| TOTAL - Before adjustments | 7,842,500 | 7,417,935 | -424,565 |
| Total Adjustments | 3,330,400 | 11,545,009 | 8,214,609 |
| TOTAL - After adjustments | <u>11,172,900</u> | <u>18,962,944</u> | <u>7,790,044</u> |
| Other Budgets | -2,732,400 | -10,001,057 | -7,268,657 |
| TOTAL including Other Budgets | <u>8,440,500</u> | <u>8,961,887</u> | <u>521,387</u> |

DETAILED HOUSING REVENUE AND REPAIRS ACCOUNT TO 31 MARCH 2019

| | Actual 2017/18 £'000 | Revised Budget 2018/19 £'000 | Actual 2018/19 £'000 |
|--|----------------------------|---------------------------------------|----------------------------|
| Income | | | |
| Rents - Dwellings | -10,989 | -10,882 | -11,021 |
| Rents – Garages | -308 | -315 | -313 |
| Rents – Other | -21 | -26 | -28 |
| Service Charges (Wardens, Extra Assistance, Heating) | -591 | -625 | -633 |
| Cleaning | -175 | -189 | -182 |
| Grounds Maintenance | -95 | -9 | -102 |
| Other Fees and Charges | -52 | -52 | -53 |
| Leaseholder Service Charges and Insurance | -47 | -51 | -52 |
| Service Charges Repairs | -156 | -170 | -171 |
| Other income | | -2 | -20 |
| | -12,434 | -12,4104 | -12,575 |
| Management and Finance | | | |
| General Administrative Expenses | 1,738 | 1,529 | 1,803 |
| Sheltered Housing Service | 457 | 501 | 474 |
| Grounds Maintenance | 240 | 205 | 238 |
| Communal Cleaning | 207 | 217 | 202 |
| Communal Heating Services | 88 | 88 | 109 |
| Communal Lighting | 42 | 25 | 28 |
| Rents, Rates and Other Taxes | 45 | 53 | 78 |
| Corporate and Democratic Core | 57 | 43 | 70 |
| Corporate Management | 65 | 73 | 57 |
| Unapportioned Overhead | 138 | 0 | 40 |
| Bad Debts Provision | -13 | 13 | 95 |
| Bad Debts Written off | -1 | 50 | 62 |
| Debt Management Expenses | 36 | 35 | 31 |
| Interest Payable | 1,795 | 1,795 | 1,795 |
| Interest Earned on Internal Balances | -53 | -126 | -67 |
| Pension Fund Adjustments | -303 | 0 | -90 |
| | | | |
| Revenue Repairs | 4,161 | 2,840 | 3,158 |
| | | | |
| Capital Improvements | | | |
| Depreciation | 2,578 | 2,538 | 2,544 |
| Revenue Contribution to Capital | 461 | 1,374 | 1,246 |
| | | | |
| Surplus(-)/Deficit for Year | -696 | -1,157 | -736 |

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **24 June 2019**

Report of: **Deputy Chief Executive Officer**

Subject: **CAPITAL PROGRAMME OUTTURN 2018/19**

SUMMARY

This report provides the Policy and Resources Review Panel with an update on the financial outturn of the General Fund Capital Programme for 2018/19. Actual spend was £3,544,468 compared with the revised capital programme of £10,085,700. The overall variance was £6,541,232 and a detailed analysis of the variations is given in Appendix A to this report.

Total savings of £46,675 were achieved, additional expenditure of £342,178 was incurred and a total of £6,836,735 will be carried forward into 2019/20. Details of the various methods used to finance this expenditure are set out in this report.

RECOMMENDATION

That any comments from the Panel be referred to the Executive at its meeting on 1 July 2019.

INTRODUCTION

1. This report provides the Policy and Resources Scrutiny Panel with details of the capital outturn for 2018/19.

CAPITAL OUTTURN REPORT 2018/19

2. The capital programme for 2018/19, approved in February this year for the General Fund was £10,085,700. The actual capital expenditure, detailed in Appendix A, was £3,544,468 giving an overall variation of £6,541,232. A summary, including savings and additional expenditure, is summarised in the table below.

| | Revised Budget £ | Actual £ | Savings £ | Additional Expenditure £ | Carry forward £ |
|----------------------------|-----------------------------|---------------------|----------------------|-------------------------------------|----------------------------|
| Health & Public Protection | 100,000 | 48,516 | 41,484 | 0 | 10,000 |
| Streetscene | 107,000 | 110,056 | 0 | 0 | (3,056) |
| Planning & Development | 63,300 | 71,966 | 0 | 27,580 | 18,914 |
| Leisure & Community | 348,000 | 315,356 | 114 | 15,942 | 48,472 |
| Housing | 1,097,600 | 854,646 | 0 | 6,934 | 249,888 |
| Policy & Resources | 8,369,800 | 2,143,928 | 5,077 | 291,722 | 6,512,517 |
| Total | 10,085,700 | 3,544,468 | 46,675 | 342,178 | 6,836,735 |

SAVINGS AND ADDITIONAL EXPENDITURE

3. Total savings of £46,675 were recognised. The main scheme saving was £41,484 for the Night Time Closure of Multi-Storey Car Parks as works to install shutters and barriers were lower than anticipated. It is proposed that a budget of £10,000 will be carried forward to fund works to deal with pigeon issues at Osborn Road Multi-Storey Car Park.
4. The main schemes where additional expenditure of £342,178 was incurred were:
 - Hill Head Coastal Protection Phase 2- increased spend of £27,580 for additional paving works funded by Community Infrastructure Levy contributions.
 - Westbury Manor Museum Remodelling- £7,351 additional costs for refurbishment of the toilet area.
 - Town Centre Christmas Lights - £8,575 installation costs which were budgeted in revenue and funded by town centre contributions.
 - Fareham Innovation Centre Phase 2 - additional fit out costs contributed to an overspend of £284,262 on this scheme.
5. In addition, £13,811 of expenditure was incurred ahead of budget and will be carried forward to reduce next year's capital budget.

CARRY FORWARDS TO 2019/20

6. There are a number of schemes still in progress and a total budget of £6,826,735 will be

carried forward to 2019/20.

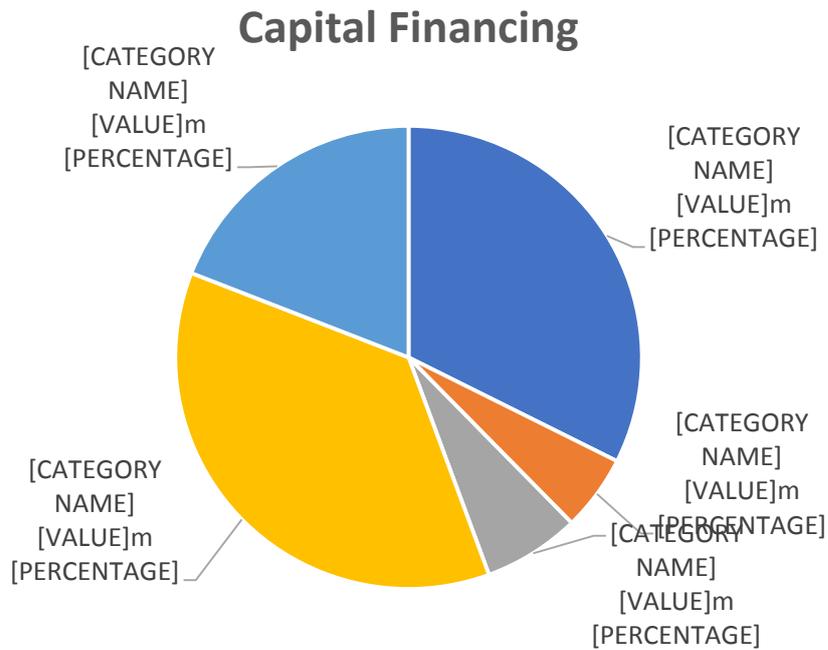
7. The largest carry forward is for the Commercial Property Acquisition of £5,110,000 which was purchased in April 2019 along with £1,095,196 carry forwards for schemes at Solent Airport.

CAPITAL PROGRAMME 2019/20 TO 2023/24

8. The General Fund capital programme will be reviewed by officers in light of the slippage and re-phasing of works and an updated programme for 2019/20 to 2023/24 will be presented to the Executive as part of the Finance Strategy for 2020/21.

CAPITAL FINANCING

9. The various methods used to finance the capital expenditure in 2018/19 are set out in the chart below.



10. The capital programme was predominantly funded by external contributions (39%) and revenue backed capital reserves (37%). £665,000 of internal borrowing (using surplus cash rather than external borrowing) was incurred for schemes at Daedalus.

SIGNIFICANT SCHEMES

11. Further progress has been made in 2018/19 at Daedalus with developments starting to reach break-even point. Achievements included:
- Opening of the £7 million extension to the Fareham Innovation Centre to provide move-on space for current Centre tenants together with more diverse facilities for new tenants.
 - A further £335,000 was spent to complete the £500,000 refurbishment of the Air Traffic control tower, bringing back parts of the building for public and business use, including an indoor café and outdoor and indoor viewing areas.
 - The six new business hangars opened and rent paying tenants started to take up occupancy.
12. A £500,000 five-year play area refurbishment programme was approved during 2018/19 on top of works to the value of £77,000 carried out across two major play areas in Fareham and Warsash and a further £75,000 spent on the Play Area Safety surface replacement programme.
13. The £300,000 extension to Holly Hill cemetery progressed at a cost of £24,000 in 2018/19. This will provide an extra 350 burial spaces.

Background Papers: None

Reference Papers: Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20, 4 February 2019

Enquiries:

For further information on this report please contact Caroline Hancock (Ext 4589)

APPENDIX A

CAPITAL EXPENDITURE AND FINANCING 2018/19

| | Budget £ | Actual £ | Savings £ | Additional Expenditure £ | Carry over to 2019/20 £ |
|--|------------------|----------------|---------------|--------------------------------|----------------------------------|
| PUBLIC PROTECTION | | | | | |
| Night Time Closure of Multi-Storey Car Parks | 100,000 | 48,516 | 41,484 | | 10,000 |
| PUBLIC PROTECTION - TOTAL | 100,000 | 48,516 | 41,484 | 0 | 10,000 |
| STREETSCENE | | | | | |
| Bus Shelter Improvements | 12,000 | 11,547 | | | 453 |
| Holly Hill Cemetery Extension | 20,000 | 23,830 | | | (3,830) |
| Play Area Safety Equipment and Surface Replacement | 75,000 | 74,679 | | | 321 |
| STREETSCENE - TOTAL | 107,000 | 110,056 | 0 | 0 | (3,056) |
| PLANNING AND DEVELOPMENT | | | | | |
| Car Park Surface Improvements | 23,900 | 4,986 | | | 18,914 |
| Hill Head Coastal Protection Phase 2 | 39,400 | 66,980 | | 27,580 | 0 |
| PLANNING AND DEVELOPMENT - TOTAL | 63,300 | 71,966 | 0 | 27,580 | 18,914 |
| LEISURE AND COMMUNITY | | | | | |
| Buildings | | | | | |
| Ferneham Hall Major Repairs Programme | 27,000 | 21,805 | | | 5,195 |
| Community Buildings Review | 130,200 | 91,756 | | | 38,444 |
| Westbury Manor Museum Remodelling | 27,800 | 35,151 | | 7,351 | 0 |
| Burr ridge Village Hall Overflow Parking | 12,000 | 11,985 | 15 | | 0 |
| | 197,000 | 160,697 | 15 | 7,351 | 43,639 |
| Play and Parks Schemes | | | | | |
| Funtley Recreation Ground Play Area | 52,000 | 52,016 | | 16 | 0 |
| Warsash Recreation Ground Play Area | 25,000 | 24,901 | 99 | | 0 |
| | 77,000 | 76,917 | 99 | 16 | 0 |
| Other | | | | | |
| Town Centre Christmas Lights | 50,000 | 58,575 | | 8,575 | 0 |
| Footpath Improvements | 24,000 | 19,167 | | | 4,833 |
| | 74,000 | 77,742 | 0 | 8,575 | 4,833 |
| LEISURE AND COMMUNITY - TOTAL | 348,000 | 315,356 | 114 | 15,942 | 48,472 |
| HOUSING | | | | | |
| Disabled Facilities Grants | 932,600 | 682,712 | | | 249,888 |
| Home Improvement Loans | 165,000 | 171,934 | | 6,934 | 0 |
| HOUSING - TOTAL | 1,097,600 | 854,646 | 0 | 6,934 | 249,888 |
| POLICY AND RESOURCES | | | | | |
| Replacement Programmes | | | | | |
| Vehicles and Plant Replacement Programme | 1,025,300 | 898,918 | | | 126,382 |
| ICT Development Programme | 202,600 | 106,391 | 1,980 | | 94,229 |
| | 1,227,900 | 1,005,309 | 1,980 | 0 | 220,611 |
| Operational Buildings | | | | | |
| Depot Refurbishment Works | 0 | 9,981 | | | (9,981) |
| Civic Offices Improvement Programme | 70,000 | 36,241 | | | 33,759 |

| | 70,000 | 46,222 | 0 | 0 | 23,778 |
|-------------------------------------|-------------------|------------------|----------------|-------------------|------------------|
| | Budget | Actual | Savings | Additional | Carry |
| | £ | £ | £ | Expenditure | over to |
| | | | | £ | 2019/20 |
| | | | | | £ |
| Property Developments | | | | | |
| Commercial Property Acquisition | 5,110,000 | | | | 5,110,000 |
| Solent Airport Schemes | 1,924,400 | 770,635 | 3,097 | 7,460 | 1,158,128 |
| Fareham Innovation Centre Phase 2 | 37,500 | 321,762 | | 284,262 | 0 |
| | 7,071,900 | 1,092,397 | 3,097 | 291,722 | 6,268,128 |
| POLICY AND RESOURCES - TOTAL | 8,369,800 | 2,143,928 | 5,077 | 291,722 | 6,512,517 |
| GENERAL FUND - TOTAL | 10,085,700 | 3,544,468 | 46,675 | 342,178 | 6,836,735 |

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **24 June 2019**

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 decisions 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

2018/19
Decision No.
2082

Record of Decision by Executive

Monday, 4 February 2019

| | |
|----------------------------|--|
| Portfolio | Policy & Resources |
| Subject: | Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2019/20 |
| Report of: | Director of Finance & Resources |
| Corporate Priority: | Dynamic, prudent and progressive Council |

Purpose:

This report seeks final confirmation of the recommendations to be made to Council on 22 February 2019, in respect of the revenue budget, capital programme and council tax for 2019/20.

On 07 January 2019, the Executive reviewed the Council's overall finance strategy and considered proposals relating to the capital programme, revenue budgets and the council tax for 2019/20. This report updates the Council's budgets to reflect the decisions taken on 07 January 2019.

The capital programme for the years 2018/19 to 2022/23 will be £39,229,000.

The revenue budget for 2019/20 will be £8,666,400. With retained business rates estimated to be £1,897,692 and a deficit to be paid to the collection fund of £106,236, the total amount due from the council tax payers will be £6,874,944.

Taking these changes into consideration, the council tax for 2018/19 will be £160.22 per Band D property. This represents an increase from the council tax set for 2018/19 but would be within the referendum limit set by the Government.

Options Considered:

A tabled item was presented in respect of this item to clarify that the Council Tax payment of £160.22 per Band D property will apply for the 2019/20 municipal year and not 2018/19 as stated in the Executive Summary section of the report.

A tabled item was also presented to correct paragraph 21 of the report to show that the net

rates payable from National Non-Domestic Rates for 2019/20 (after Transitional arrangements and reliefs) is £42,307,239.

As recommendation.

Decision:

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 22 February 2019:

- (a) the capital programme and financing of £39,973,000;
- (b) an overall revised revenue budget for 2018/19 of £8,440,500;
- (c) a revenue budget for 2019/20 of £8,666,400;
- (d) the remainder of the surplus in the spending reserve remains in the reserve to cover the anticipated future funding shortfalls as set out in paragraphs 16-19;
- (e) a council tax for Fareham Borough Council for 2019/20 of £160.22 per band D property, which represents a £5.00 increase when compared to the current year and is within referendum limits; and
- (f) an unchanged Council Tax Support scheme for 2019/20.

Reason:

To allow the Council to approve the Council Tax for 2019/20.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 February 2019

FAREHAM

BOROUGH COUNCIL

**2018/19
Decision No.
2083**

Record of Decision by Executive
Monday, 4 February 2019

| | |
|----------------------------|---|
| Portfolio | Policy & Resources |
| Subject: | Housing Revenue Account Budget and Capital Plans 2019/20 |
| Report of: | Director of Finance & Resources |
| Corporate Priority: | Providing housing choices |

Purpose:
This report seeks Executive approval for the revised budget for the Housing Revenue Account 2018/19, the base budgets and rent increases for 2019/20 and the Capital programme with its financing for the years 2018/19 to 2022/23.

The Executive recommended, and the Council approved in February 2018, the base budget and rent increase for 2018/19, for Housing Revenue Account (HRA) services.

This report sets out the Housing Revenue Account revised budget for 2018/19 and base budget for 2019/20 along with the capital programme and financing for the years 2018/19 to 2022/23. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 01 April 2019.

A new Affordable Housing Strategy is currently being developed and is expected to be consulted on in early 2019. This, together with any findings and outcomes arising from the 2019 Stock Condition Survey, will inform future revisions to the 2019/20 revenue and capital budgets for future financial years.

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:

As recommendation.

Decision:

RESOLVED that the Executive approves and recommends to the meeting of the Council to be held on 22 February 2019 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 17 with effect from 1 April 2019;
- (b) rents for Council garages be increased by 4.2% with effect from 01 April 2019;
- (c) the revised budget for 2018/19 be approved;
- (d) the base budget for 2019/20 be approved; and
- (e) the capital programme and financing for 2018/19 to 2022/23 be approved.

Reason:

To allow the Council to approve the Housing Revenue Account budgets for 2019/20

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 February 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2084

Record of Decision by Executive

Monday, 4 February 2019

| | |
|----------------------------|---|
| Portfolio | Policy & Resources |
| Subject: | Review of the Council's Vision and Outline Strategy for Daedalus |
| Report of: | Director of Finance & Resources |
| Corporate Priority: | Dynamic, prudent and progressive Council; Maintain and extend prosperity; Protect and enhance the environment |

Purpose:

To review the progress made in delivering the Council's adopted Vision and Outline Strategy for Daedalus, and to agree the priority actions for the next 5 years.

In March 2015, the Council acquired land at Daedalus, then developed its Vision for the airfield and development areas, together with a series of objectives designed to achieve it. The Vision was adopted on 12 October 2015.

The Executive established a Member Working Group to oversee the delivery of the Vision, chaired by the Deputy Leader of the Council. Councillor Trevor Cartwright. A review of progress has been undertaken and is set out in the documents attached to the report. The review was considered by the Member Working Group in December and it was subsequently reported to the Policy and Resources Scrutiny Panel on 17 January 2019.

The report demonstrates that significant progress has been made in delivering the Vision three years after it was adopted, across each of the objectives. A number of unplanned activities were also undertaken or facilitated in that period, the most notable being the IFA2 Interconnector development, a NATS radar training facility, a MEOSAR search and rescue facility and the extension to the Fareham Innovation Centre.

A key objective within the Vision was to achieve a financially sustainable position overall, and the report indicates that this should broadly be achieved in 2018/19.

Recognising the substantial progress already made, priorities for the next five years have been identified to continue making progress with the Vision and, if these are agreed, they will guide investment decisions at Daedalus in the coming years.

Once the report has been considered by the Executive, a communications plan will be developed to share the report and future proposals with interested parties during February and March. This will include a static display in locations across the borough, targeted events for tenants and prospective businesses, as well as a public engagement event for local residents. E-panel, social media and local media would also be used to raise awareness of the revised plans.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) considers the progress made in delivering the adopted Vision for Daedalus;
- (b) agrees the priorities and action plan for the period 2019-2023; and
- (c) requests officers to undertake a range of actions to publicise the Council's plans and encourage feedback.

Reason:

To demonstrate progress made in one of the Council's priority actions and seek approval for a revised plan for the period 2019-2023.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 February 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2085

Record of Decision by Executive

Monday, 4 February 2019

| | |
|----------------------------|--|
| Portfolio | Policy & Resources |
| Subject: | Treasury Management Strategy & Capital Strategy 2019/20 |
| Report of: | Director of Finance & Resources |
| Corporate Priority: | Dynamic, prudent and progressive Council |

Purpose:

This report considers the draft Treasury Management Strategy and the new Capital Strategy for 2019/20, 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 Capital Strategy. The documents for 2019/20 are attached as Appendix A and B to the report for consideration by the Executive before being submitted to Council for approval.

The main highlights in the Treasury Management Strategy are:

- i) The level of capital expenditure estimated for 2019/20 is £28.8 million. The current estimate is that £16.2 million of this will be met by new borrowing.
- ii) The strategy includes a new investment strategy which covers commercial property investments. The Council has £59 million of investment properties.

The new 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 implication for future financial sustainability.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) endorses the draft Treasury Management Strategy and Capital Strategy for 2019-20, attached as Appendix A and B 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, the Prudential Code and guidance from the Ministry of Housing, Communities and Local Government (MHCLG), the Treasury Management Strategy and Capital Strategy to be approved by full Council.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 February 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2086

Record of Decision by Executive

Monday, 4 February 2019

| | |
|----------------------------|--|
| Portfolio | Policy & Resources |
| Subject: | Unreasonable Complaint Behaviour Policy |
| Report of: | Head of Leisure and Corporate Services |
| Corporate Priority: | Dynamic, prudent and progressive Council |

Purpose:

This report provides details of a proposed policy for dealing with unreasonable complaint behaviour.

The Council received a large number of customer enquiries, with most being dealt with quickly and effectively and with a positive outcome for the customer. Occasionally, however, a customer may be dissatisfied with our response or the outcome to their enquiry, at which point they can escalate their complaint using the Council's corporate complaints procedure. A copy of this procedure is attached as Appendix A to the report.

The Council's complaints procedure explains how customers can make a complaint and the procedure that will be followed. At stage one of the complaint procedure, the Head of Service in the department responsible for the service will investigate the complaint. If the complainant is unhappy with the response, the complaint can be escalated to stage two of the process, where the Director of the department responsible for the service will review the complaint.

If the customer remains unhappy with the stage two response, they can ask the Local Government and Social Care Ombudsman (LGSCO) for an independent review.

Whilst the Council is committed to dealing with all complaints fairly, on occasion, our employees may have to deal with unreasonable, persistent or vexatious behaviour from our customers.

The LGSCO provides guidance notes to help local authorities and other bodies within their jurisdiction develop a proportionate approach when responding to unreasonable complaint behaviour, based on their view of good practice with these complainants.

The LGSCO provides the following definition of unreasonable complaint behaviour:

Unreasonable and unreasonably persistent complainants are those complainants who, because of the nature or frequency of their contact with an organisation, hinder the organisation's consideration of their, or other people's complaints.

As well as taking up a lot of officer time, on occasion, the behaviour of the complainant may be rude, derogatory, sarcastic or threatening. Whilst this type of behaviour happens rarely, a policy has been produced using the LGSCO's definition of unreasonable complaint behaviour together with their guidance. This policy will ensure that the Council's customers, employees and Councillors understand how the Council will deal with the complaints of this nature.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive adopts the Unreasonable Complaint Behaviour Policy, as set out in Appendix B to the report.

Reason:

The Council does not currently have a policy for dealing with unreasonable complaint behaviour. The adoption of this policy will help deal with complaints of this nature, whilst also protecting the wellbeing of the Council's employees.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 February 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2090

Record of Decision by Executive Leader (Delegated Decision)

Tuesday, 19 February 2019

| | |
|----------------------------|--|
| Portfolio | Executive Leader |
| Subject: | Attendance at National Planning Summit 2019: Planning for the Future in Today's Climate |
| Report of: | Director of Planning and Regulation |
| Corporate Priority: | All Corporate Priorities |

Purpose:

This report seeks approval for the Executive Member for Planning and Development to attend the National Planning Summit 2019: Planning for the Future in Today's Climate, on 14 May 2019, at the Hallam Conference Centre, London.

In order to be able to stay on top of their game planners need to be able to react to, and stay up to date with, the latest legislative and legal challenges that are facing them, as well as understanding the real world impact that implementing these policies have had.

The National Planning Summit will bring together planning professionals and policy makers to discuss real world case studies, challenges to implementing the latest policy as well as looking at what policies the next 18 months will bring.

Options Considered:

That approval is given for the Executive Member for Planning and Development to attend the National Planning Summit 2019: Planning for the Future in Today's Climate taking place on 14 May 2019 at the Hallam Conference Centre, London.

Decision:

RESOLVED that approval is given for the Executive Member for Planning and Development to attend the National Planning Summit 2019: Planning for the Future in Today's Climate taking place on 14 May 2019 at the Hallam Conference Centre, London.

Reason:

This conference will provide an opportunity for the Executive Member for Planning and Development to take part in discussions and talks on; understanding the future of the high street, the impact of viability policy changes on developer contributions and delivery; and uncovering opportunities and challenges created by the government approaches to the greenbelt.

Confirmed as a true record:

Tuesday, 19 February 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2098

Record of Decision by Executive

Monday, 4 March 2019

| | |
|----------------------------|--|
| Portfolio | Policy & Resources |
| Subject: | Business Rates Discretionary Relief |
| Report of: | Director of Finance & Resources |
| Corporate Priority: | Dynamic, prudent and progressive Council; Maintain and extend prosperity |

Purpose:

To consider changes to the Council's Business Rate Discretionary Relief Policy which will allow additional assistance to eligible businesses.

The Chancellor has introduced several discretionary measures with the aim to assist businesses with the cost of Business Rates.

All these measures fall outside Fareham's existing discretionary rate relief policy, this report seeks to vary that policy to incorporate the following changes:

Revaluation Relief

Agree the continuation of Revaluation Relief which supports businesses who have suffered the largest increases in their Business Rate Bills following the 2017 revaluation. Fareham has a reduced maximum grant of £36,000 to distribute in 2019/2020 and £5,000 in 2020/21.

Newspaper Relief

Agree the continuation of the Business Rate discount for office space occupied by local newspapers, this relief of up to £1,500 has now been extended until 31 March 2020.

Retail Relief

Agree the new award of Retail Relief for Businesses which could reduce the Business Rates payable for eligible properties by up to one third.

The Government will fully reimburse local authorities for the local share of the

discretionary relief granted.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive agrees to a variation to the Business Rate Discretionary Relief Policy to allow relief to be granted in the specific circumstances detailed in the report from 01 April 2019.

Reason:

To offer reductions in Business Rates payable which will give financial assistance to businesses in accordance with government requirements.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 March 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2099

Record of Decision by Executive

Monday, 4 March 2019

| | |
|----------------------------|---|
| Portfolio | Policy & Resources |
| Subject: | D-Day 75 Community Event |
| Report of: | Head of Leisure and Corporate Services |
| Corporate Priority: | Strong, safe, inclusive and healthy communities |

Purpose:

To outline plans to commemorate the 75th anniversary of D-Day.

At the December 2016 Executive meeting, two events to commemorate two important anniversaries at Daedalus were approved, the first being the 100th anniversary of flying at Daedalus and the second, the 75th anniversary of D-Day.

Fareham's 75th anniversary of D-Day event is proposed to take place over two days. It will provide a unique opportunity to publicly commemorate the anniversary, raise awareness of the history of the airfield and attract new interest from the flying community.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive approves:

- (a) the Council's plan for a two-day community event to commemorate the 75th D-Day Anniversary; and

(b) an increase in the event budget from £30,000 to £60,000, to enable the event to take place over two days.

Reason:

To provide a fitting two-day community event to commemorate the 75th anniversary of D-Day.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 4 March 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2100

Record of Decision by Executive

Monday, 4 March 2019

| | |
|----------------------------|---|
| Portfolio | Policy & Resources |
| Subject: | Citizen of Honour Nominations |
| Report of: | Head of Leisure and Corporate Services |
| Corporate Priority: | Strong, safe, inclusive and healthy communities |

Purpose:

This report presents nominations for consideration under the Council's annual Citizen and Young Citizen of Honour Awards 2019.

The Citizen of Honour Award was introduced in November 1996. Five years later, the scheme was extended to recognise the efforts of younger residents under the age of 18 through the Young Citizen of Honour Award.

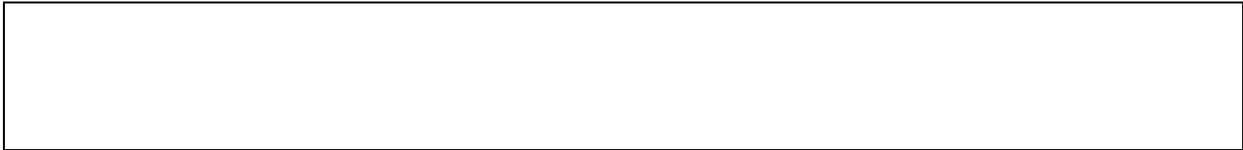
Over the last 22 years, the award has honoured 95 residents of the Borough, with nomination being received from all areas of Fareham.

This year, the Council has received 22 nominations overall. There are 16 nominations for the Citizen of Honour Award (18 and over) and 6 nominations for the Young Citizen of Honour Award (under 18).

In order to encourage resident participation in future years, those who put someone forward for nomination this year, will be invited to do so again next year if their candidate does not win the 2019 award. The Executive reserves the right to increase the number of candidates who are honoured in future awards, provided a higher number of nominations are received.

Options Considered:

As recommendation.



Decision:

RESOLVED that the Executive agrees:

- (a) that candidates 5, 7, 11, 13, 14 & 16 are selected from the nominations at confidential Appendix A to be formally recognised as Citizens of Honour 2019;
- (b) that candidates 17, 18 & 20 are selected from the attached nominations at Confidential Appendix B, as Young Citizens of the year; and
- (c) that the persons listed as numbers 5, 7, 11, 13, 14, 16, 17, 18 & 20 in the confidential Appendices A and B of the report be selected for the annual Citizen of Honour and Young Citizen of Honour Awards 2019.

Reason:

The Citizen of Honour and Young Citizen of Honour Awards are valuable initiatives for rewarding local residents for their community service and for recognising the important contribution and difference that they have made to the lives of others. The Young Citizen of Honour category also recognises young people who have overcome severe personal difficulties or who give up their time to care for family or friends.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 March 2019

FAREHAM

BOROUGH COUNCIL

2018/19
Decision No.
2102

Record of Decision by Executive

Monday, 4 March 2019

| | |
|----------------------------|--|
| Portfolio | Policy & Resources |
| Subject: | Irrecoverable Debts |
| Report of: | Director of Finance & Resources |
| Corporate Priority: | Dynamic, prudent and progressive Council |

Purpose:

This report proposes the approval of the write-off of certain debts over £5,000 which are considered to be irrecoverable.

The confidential Appendix A to the report lists the debts that are considered irrecoverable. Every effort has been made to recover the debts and there is no further legal action that can be taken, where it is applicable.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive agrees that the debts listed in Appendix A to this report be written off as irrecoverable.

Reason:

There is no further legal action that can be taken to collect the debt or exceptional circumstances apply that justify the non-collection of the debt.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)
Monday, 4 March 2019