

AGENDA FOR THE EXECUTIVE

Date: Monday, 4 January 2021

Time: 6.00 pm

Venue: Microsoft Teams Virtual Meeting

Executive Members:

Councillor S D T Woodward, Policy and Resources (Executive Leader)

Councillor T M Cartwright, MBE, Health and Public Protection (Deputy Executive Leader)

Councillor F Birkett, Housing

Councillor Miss S M Bell, Leisure and Community

Councillor K D Evans, Planning and Development

Councillor S D Martin, Streetscene

1. Apologies for Absence

2. Minutes (Pages 5 - 8)

To confirm as a correct record the minutes of the meeting of the Executive held on 07 December 2020.

3. Executive Leader's Announcements

4. Declarations of Interest

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

5. Petitions

6. Deputations

To receive any deputations, of which notice has been lodged.

7. References from Other Committees

To receive any references from the committees or panels held.

Matters for Decision in Public

Note: Where an urgent item of business is raised in accordance with Part 3 of the Constitution, it will be considered with the relevant service decisions as appropriate.

8. Health and Public Protection

Key Decision

(1) Concessionary and Season Ticket options at Coastal Car Parks (Pages 9 - 14)

A report by the Director of Leisure and Community.

9. Planning and Development

Key Decision

(1) Introducing charges for heritage advice and design codes, and the use of Planning Performance Agreements (Pages 15 - 22)

A report by the Director of Planning and Regeneration.

10. Policy and Resources

Key Decision

(1) Finance Strategy, Revenue Budget and Council Tax 2021/22 (Pages 23 - 78)

A report by the Deputy Chief Executive Officer.

(2) Fees and Charges 2021/22 (Pages 79 - 114)

A report by the Deputy Chief Executive Officer.

Non-Key Decision

(3) Capital Programme and Capital Strategy 2021/22 (Pages 115 - 136)

A report by the Deputy Chief Executive Officer



P GRIMWOOD
Chief Executive Officer

www.fareham.gov.uk

17 December 2020

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FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 7 December 2020

Venue: Microsoft Teams Virtual Meeting

Present:

S D T Woodward, Policy and Resources (Executive Leader)
T M Cartwright, MBE, Health and Public Protection (Deputy
Executive Leader)
F Birkett, Housing
Miss S M Bell, Leisure and Community
K D Evans, Planning and Development
S D Martin, Streetscene

Also in attendance:

L Keeble, for items 8(1), 9(1) & 10(2)



1. APOLOGIES FOR ABSENCE

There were no apologies for absence given for this meeting.

2. MINUTES

RESOLVED that the minutes of the Executive held on 02 November 2020 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

The Executive Leader announced that as we leave the period of the second national lockdown and move into Tier 2 of the regional framework, it is helpful to reflect on the impacts of the pandemic on our community. The Leader stated that the good news is that the infection rate continues to fall across the borough, and it appears that the recent period of self-isolation has been successful. However, as with the rest of the country, it has deeply wounded many households and there have been over 108 Covid related deaths across the borough - residents who have perished since this appalling pandemic began. Not only has this resulted in the loss of loved ones, but many local people have lost their livelihoods as a result of this cruel virus. The Leader commented that you only need to walk around the town centre to see the impact on the retail and hospitality sector, the shops and restaurants, some of which sadly, have closed for good. Local Business are increasingly announcing redundancies and the immediate impact can be seen in the increase of the workload of the Benefits team and the Borough's council officers.

The Executive Leader went on to announce that, fortunately, it's not all doom and gloom. Now that we are out of the national lockdown, our leisure centres and community centres have re-opened and our communities can participate again in their favourite pastimes. Our voluntary agencies continue to provide an excellent level of support to vulnerable residents and smaller community groups are taking advantage of our special covid community grants. We are also busily distributing £1.5m of government funding to those businesses who have been forced to close during the lockdown period. In addition, we have been allocated £2.3m to support local businesses through a discretionary grants programme and we will be discussing the details of these schemes later on this agenda.

The Executive Leader advised that our Covid marshals are out and about in the community providing advice and support to local businesses and individuals. They are also working with rough sleepers to make sure that we keep these vulnerable individuals as safe as possible. The Leader stated that it is worth repeating that nobody needs to sleep rough in our Borough as we can accommodate rough sleepers as long as they are willing to co-operate with us.

The Executive Leader announced that while we were unable to have any formal switch on events, the Christmas lights are on in many of our shopping areas and hopefully over the next few weeks our shops will benefit from increased spending over the festive period.

The Executive Leader also announced that throughout the pandemic our workforce has continued to keep the Borough clean and tidy as well as moving mountains of additional waste. Established Christmas arrangements are in place, including the collection of Christmas trees which is a very popular service appreciated by residents.

The Executive Leader stated that the impact of the pandemic on the Council's budget is a real challenge and that members will be aware of the scale of the problem following the recent approval of an emergency budget. The Leader went on to state that members would see again in tonight's agenda that the funding gap continues to grow as a result of the second lock down and that there would, undoubtedly, be some tough decisions ahead.

On a final note, the Executive Leader acknowledged the effort and tremendous commitment of council officers in keeping things going and providing much valued support to our local communities. He went on to state that we are very fortunate indeed to have such a strong team in place at a time of crisis like this.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

There were no deputations made at this meeting.

7. REFERENCES FROM OTHER COMMITTEES

There were no references from other Committees made at this meeting.

8. HOUSING

(1) Sale of land to the rear of 22 Cort Way

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

RESOLVED that the Executive approves the disposal of the land to the rear of 22 Cort Way on the terms and conditions as detailed in the confidential Appendix B attached to the report.

9. PLANNING AND DEVELOPMENT

(1) Partnership for South Hampshire Statement of Common Ground

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

RESOLVED that the Executive:

- (a) approves the content of the Statement of Common Ground, included as Appendix A to the report; and
- (b) delegates the signing of the document to the Chief Executive Officer.

10. POLICY AND RESOURCES

(1) Finance Monitoring Report 2020/21

RESOLVED that the Executive notes the Finance Monitoring Report 2020/21.

(2) Treasury Management and Capital Monitoring 2020/21

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

RESOLVED that the Executive notes the Treasury Management and Capital Monitoring Report for 2020/21.

(3) Additional Restrictions Grant Scheme

A revised Appendix A – Additional Restrictions Grant Scheme was tabled at the meeting to clarify some of the proposed principles of the scheme.

RESOLVED that the Executive agrees that:

- (a) the key principles to be followed when designing the Additional Restrictions Grant Fund Scheme, as outlined in the tabled item, revised Appendix A to the report, are approved for adoption in Fareham; and
- (b) authority is delegated to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve the individual elements of the scheme as they are designed.

(The meeting started at 6.00 pm
and ended at 6.38 pm).

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 January 2021

Portfolio:	Health and Public Protection
Subject:	Concessionary and Season Ticket options for Coastal Car Parks
Report of:	Director of Leisure and Community
Corporate Priorities:	Strong, Safe, Inclusive and Healthy Communities. Dynamic, Prudent and Progressive Council.

Purpose:

This report presents an update on the work that has taken place since the meeting of the Executive on 07 September 2020 and provides options for season tickets and concessions within the 9 individual coastal car parks within the Borough, equating to 598 parking spaces.

Executive summary:

At the meeting of the Executive on 07 September, the introduction of a charge of £1 per hour up to 6 hours parking in the Council's 9 coastal car parks between 10am and 6pm was agreed.

In addition, a request was made that season ticket and concessionary arrangement options for individual coastal car parks be presented at a future meeting of the Executive, to include an option (in principle) for an £80 season ticket.

These options have been explored by officers, with detailed proposals outlined within the report.

Recommendation/Recommended Option:

It is recommended that the Executive agrees that:

- (a) season tickets be valid for use in any coastal car park;
- (b) no limit is placed on the number of season tickets made available to the public;
- (c) season tickets sold to the public, including beach hut owners, will not be transferable between cars; and

(d) only recognised coastal organisations such as the Sailing Clubs, Titchfield Haven, the Wheelhouse and St Mary's Church will be able to purchase transferable season tickets.

Reason:

To ensure that beach hut owners, organisations and residents of the Borough that make regular use of the coastal car parks have a choice of parking options, whilst ensuring that parking management and turnover of spaces is not unduly impacted.

Cost of proposals:

The introduction of season tickets would have an overall negative impact on the projected income for parking charges.

Appendices: None

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BOROUGH COUNCIL

Executive Briefing Paper

Date:	04 January 2021
Subject:	Concessionary and Season Ticket options for Coastal Car Parks
Briefing by:	Director of Leisure and Community
Portfolio:	Health and Public Protection

INTRODUCTION

1. At the meeting of the Executive on 07 September, the principle of the introduction of charges in the Council's 9 coastal car parks was agreed. This report presents an update on the work that has taken place since the meeting and makes proposals for season tickets and concessions within individual coastal car parks.

Background

2. Along with a number of improvements to town centre parking provision, the Executive approved the introduction of a charge of £1 per hour up to 6 hours for parking in the Council's 9 coastal car parks between the hours of 10am and 6pm.
3. In addition, a request was made for season ticket and concessionary arrangement options for individual car parks to be presented at a future meeting, to include an option (in principle) for an £80 season ticket.
4. The following paragraphs of the report outline the work that has taken place since September along with a range of season ticket and concessionary options for consideration.

Engagement with regular users

5. Following the approval of the Parking Review report, the Parking Enforcement Team contacted beach hut owners, sailing clubs, St Mary's Church in Portchester Castle and Hampshire County Council, which operates Titchfield Haven. Views were sought on the proposed season ticket options and any concessionary arrangements that respondents believed were appropriate for individual car parks.
6. In total, 41 responses were received. Although some beach hut owners said that they were willing to pay £80 or higher for a season ticket, the large majority requested free season tickets.

7. Titchfield Haven was concerned about the potential impact of charging on visitor numbers and their staff and volunteers. The Sailing Clubs were also concerned about the impact on their members and the core group of volunteers that regularly use the car parks. The same was true of both St Mary's Church and The Rotary Club which operates the Wheelhouse in Monks Hill car park.
8. Separate to the engagement work, a number of residents contacted the Council asking when the season tickets would be made available for purchase as they are regular users of the coastal car parks.

Potential impact of season tickets on income and parking management

9. It is important to note that whilst issuing season tickets would generate some income for the Council, it is likely to have a negative impact on the overall charging income received.
10. For example, there are projected to be around 331,650 individual visits to all of the coastal car parks during the year. Based on the analysis of how long people generally park for it is estimated that around £471,000 a year could be generated, following tax deductions from hourly parking charges.
11. So, for example, 300 season ticket holders, each visiting just over 2 times per week throughout the year would equate to 10% of the overall visits to coastal car parks. If this were to happen, then charging income would likely reduce by a minimum of £47,120, following tax deductions per annum. However, the negative financial impact on hourly charging income would likely be greater in practice as season ticket holders will probably park for longer than the average user. Whilst challenging to predict with complete certainty, the negative impact on overall income could be approximately £59,200 per annum following tax deductions.
12. Another important consideration when designing a season ticket scheme is the potential impact it may have on turnover of vehicles and parking management. This is of particular importance in car parks with high occupancy levels. Looking at the coastal car parks, a number of them have over 90% occupancy levels at peak times, namely:
 - Hove to, Hill Head
 - Shore Road, Warsash
 - Swanwick Shore Road, Sarisbury
 - Passage Lane, Warsash
 - Portchester Castle Large
 - Portchester Castle Small
13. Both Passage Lane and Shore Road car parks service local shops and there is a concern that selling too many season tickets may have a negative impact on turnover of spaces for shop customers. This could result in visitors not being able to find a parking spot and potentially not visiting the shops. Smaller car parks such as Hove To could also be negatively affected, impacting on peoples' access to the beach huts and sailing club.
14. Gosport Borough Council do not limit season tickets sales. They have a season ticket to coastal parking space ratio of about 50% and report that parking management works well at this level. Havant does not restrict sales on Hayling Island either and has a much higher season ticket to parking space ration of around 88%. Again, they did not report any problems with the availability of spaces, although it must be noted that they generally have higher capacity car parks.

15. Whilst difficult to accurately predict, it is anticipated that the level of demand for season tickets in Fareham would be closer to Gosport than Havant. Taking this into account, it is proposed that season ticket sales are not limited in number. This would be reviewed after 12 months to ensure there is no significant impact on turnover of cars at each car park.
16. In order to help maintain income from hourly parking charges and parking spaces for visitors, it is proposed that season tickets on sale to the public, including beach hut owners, are not transferable between different cars. However, it is proposed that each season ticket will be valid in any of the Council's coastal car parks.

Supporting coastal organisations

17. The Council recognises the important role within the community of organisations that use the coastal car parks. It is therefore proposed that the Sailing Clubs, Titchfield Haven, St Mary's Church and Rotary Club Wheelhouse all be allowed to purchase up to 10 tickets per organisation, that can be transferred amongst different cars.
18. This approach would likely have a greater impact on hourly charging income when compared to offering non-transferable tickets. It would also make enforcement more complicated. However, it would provide organisations with more flexibility as more volunteers would be able to make use of the permits.

19. Overall Financial Implications

20. As Table 1 shows, the proposed season ticket options could generate £19,200 after tax. However, the potential negative impact on hourly charging income is projected to be around £59,200 after tax.

Table 2: Season Ticket impact on coastal parking income – Based on 300 ticket sales	
Approved hourly charging pricing	
£1 per hour up to 6 hours - approved 7 September Executive	£471,000
Season Ticket Income	+£19,200
Projected reduction in hourly charging income	-£59,200
Total income	£431,000

21. If the proposals are approved coastal charging income would reduce by £40,000 from a projected £471,000 to £431,000 after tax deductions.

Portchester Castle Update

22. Discussions are ongoing with English Heritage regarding the introduction of parking charges, as well as potential season ticket and concessionary options at the two car parks at Portchester Castle. A future report seeking approval for an appropriate agreement will be presented to the Executive in early 2021.

Next Steps

23. The beach hut owners and regular user groups will be contacted regarding the

approved season ticket options. A Traffic Regulation Order (TRO) for the coastal car parks will be consulted upon, in the new year, taking into account the agreed arrangements. It is anticipated that the new charging regime will be in place for summer 2021.

Conclusion

24. A number of season ticket options have been presented for consideration and approval that aim to ensure the effective management of parking spaces, whilst supporting the needs of beach hut owners and organisations that regularly use the coastal car parks when charging is introduced in 2021.

Enquiries:

For further information on this report please contact Lindsey Ansell (Ext 4567) and Roy Brown. (Ext 4489)

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 January 2021

Portfolio:	Planning and Development
Subject:	Introducing charges for heritage advice and design codes, and the use of Planning Performance Agreements
Report of:	Director of Planning and Regeneration
Corporate Priorities:	A dynamic, prudent, progressive and best practice Council

Purpose:

To advise the Executive on introducing charges for heritage advice and design codes, and the use of planning performance agreements.

Executive summary:

In February, 2020, the Executive considered proposals to increase the level of fees that the Council charges for providing pre-application planning advice.

The Executive was advised at that time that a further report would be brought back for consideration relating to charging for heritage advice and for design code work, and the use of planning performance agreements.

This report sets out proposals in respect of each of these three areas.

Recommendation:

It is recommended that the Executive:

- (a) agrees the introduction of pre-application planning advice charges for heritage advice as set out at Paragraph 11, and that the charges will come into effect for all related requests received on or after the 1st February 2021;
- (b) agrees the introduction of charges in respect of work undertaken on design codes as set out at Paragraph 21, and that the charges will come into effect on the 1st February 2021;
- (c) notes the benefits to applicants and this Council of using planning performance agreements along with the potential for the Council to recover some of the abnormal costs it expends in processing related planning applications to agreed timetables;

(d) agrees that this Council consider the use of planning performance agreements on any appropriate planning applications received on or after 1st February 2021.

Reason:

To ensure that the heritage advice provided, along with the advice provided on design codes, meets the needs of customers. To ensure that a proportion of the cost of delivering the heritage pre-application planning advice service is recovered from users of the service along with the full cost of providing advice on design codes. To manage the progress and cost of dealing with large scale and complex planning proposals.

Cost of proposals:

If the charges proposed in the report are implemented, the Council will receive additional income and recover a greater proportion of the cost of delivering the pre-application planning advice service, and potentially some of the abnormal costs associated with processing large scale and complex proposals.

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	04 January 2021
Subject:	Introducing charges for heritage advice and design codes, and the use of Planning Performance Agreements
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. The provision of pre-application planning advice is a discretionary service provided by Fareham Borough Council and is strongly encouraged through the Government's planning guidance. Section 93 of the Local Government Act 2003 gives local authorities a discretionary power to charge for providing pre-application planning advice, being a service that this authority has the power to provide but is not obliged to.
2. At their meeting on the 3rd February 2020, the Executive agreed several changes to the Council's pre-application planning advice service, which included increasing the fees the Council charges to provide informal planning advice. The changes to the service along with the increases in fees came into effect on the 1st April 2020.
3. The Executive were also advised in February, that a further report would be bought back for consideration relating to charging for heritage advice; charging for design coding work; and the use of planning performance agreements. The following report sets out proposals in respect of each of these three areas.

Introduction of pre-application planning advice charges for listed buildings and heritage advice

4. Fees associated with listed building consent applications are set nationally. The current position is that the Council cannot charge a fee to deal with any formal applications seeking listed building consent. The Council is expected to meet the cost in full for processing these types of applications. In addition to this, at present this Council does not charge for providing pre-application planning advice on works solely relating to listed buildings.
5. The Council has one specialist Conservation Planner post who deals with the large majority of heritage related issues. The Conservation Planner receives large numbers of enquiries seeking advice on matters relating to listed buildings and other heritage assets. The most common enquiries relate to whether listed building consent is required or not and whether listed building consent is likely to be granted or not. It is estimated

that approximately 30% of the Conservation Planner's time is spent dealing with informal planning enquiries such as these.

6. Whilst it is important to maintain an advice service for customers, this needs to be balanced against the other pressures on the Conservation Planner's time. These include deciding listed building consent applications; advising on the heritage aspects of planning applications; undertaking Conservation Area Character Assessments and progressing related Article 4 procedures; and advising on the development of planning policy with respect to listed buildings and heritage assets.
7. Whether listed building consent is required or not is normally a fairly straight forward question to answer. At present the Council does not charge customers when they seek informal advice as to whether planning permission is required or not. In light of this it is not proposed to charge customers seeking informal advice as to whether listed building consent is required or not.
8. Whether listed building consent is likely to be granted or not is however a far more complicated question and one which can involve a fair amount of the Conservation Planner's time. To answer this question often requires research to be undertaken in respect of the specific listed building along with an assessment of the proposals; the assessment will often require a site visit including an inspection of the inside of the property. In many cases if the proposal is not acceptable, the Conservation Planner will provide advice on what changes need to be made to make it acceptable in their view.
9. Officers have reviewed a number of recently 'completed' enquiries where pre-application advice was sought and provided in respect of proposals to carry out works to a listed building. Of those completed cases, it was found that the Conservation Planner spent around 2 1/2 hours on average working on requests.
10. In considering the level at which a fee should be set, Officers have had regard to the approach taken by all the other planning authorities in Hampshire. A table listing all the charges set by the other planning authorities in Hampshire is attached at Appendix A of this report. Whilst a small number of authorities do not charge for this work, many charge a fee within a range of £40-£320.
11. The Council's Finance Officers have confirmed that the hourly rate for this Council's Conservation Planner is £75 per hour, when incorporating all relevant on-costs. Whilst it is acknowledged that some Hampshire authorities have set fees in the region £40-£50, this level of fee would not achieve full cost recovery for anything other than the simplest enquiry based on a desk-top response. It is considered appropriate to set a fee which strikes a balance between introducing one simple easily understood charge, whilst achieving full cost recovery in a large number of cases. It is recommended that this Council sets a fee of £150 (inclusive of VAT) for any requests for informal planning advice to carry out works or alterations to a listed building.
12. It is estimated that around 50 detailed enquiries are currently received each year seeking pre-application advice in respect of heritage assets, particularly listed buildings. If the number of enquiries continues unchanged following the introduction of a charge, approximately £7,500 would be recovered

Introduction of charges in respect of work undertaken on design codes

13. Design codes are a distinct form of detailed design guidance. They are a set of illustrated design requirements that provide specific, detailed parameters for the

physical development of a site or area. They provide clarity over what constitutes high design quality for a particular site or area, providing a level of certainty for developers and the local community alike.

14. Design codes set out design principles aimed at delivering better quality places, by setting out the requirements for street widths, building heights and setbacks, treatment of footways, type and scale of planting and so forth. However, unlike many generic urban design guidelines or local development standards, design codes do not simply repeat policy or guidance found in other national or local policy or guidance documents. Instead, design codes provide a positive statement about the particular qualities of a place.
15. Design codes are focussed around those design characteristics that are important to achieve, and they establish and firmly fix the 'must have' design elements. In so doing codes help to provide continuity in quality and consistency over time. To achieve this aim, design codes often build upon a design vision in a development plan or masterplan.
16. Design codes can be commissioned or prepared by either the local planning authority or developer but are best prepared in partnership to secure agreed design outcomes and maintain viability, particularly across complex sites and phased and multi-developer schemes. They can also be prepared for smaller sites, including self-build or custom build projects, where codes can be used to maintain a degree of certainty whilst allowing for design freedom. Design codes can be applied to all development types including residential, commercial, mixed use, open space, landscape or public realm requirements.
17. Members will be aware from the recent consultation on the White Paper: Planning for the Future, that the Government wants to see design codes play a far greater role in the decision-making process on planning applications. The thrust of the White Paper is that the Government expects design codes to be prepared locally with community involvement, and that codes will be more binding on decisions made on planning applications.
18. As part of the planning permission the Planning Committee resolved to grant for Welborne, there is a requirement for the developer to submit both strategic and neighbourhood design codes to the Council for approval.
19. Strategic design codes will provide details of the nature of the character of the whole Welborne site, within which the neighbourhood areas will sit. The strategic design codes will provide details of the different character areas within Welborne, where they are located and how they will vary to reflect the site conditions, the different uses and spaces proposed. The neighbourhood design codes will supplement the strategic design codes and provide a greater level of detail in relation to different parcels of land within Welborne.
20. Officers consider that it is highly important that both strategic and neighbourhood design codes are prepared in partnership with the master developer. The neighbourhood design codes will continue to be produced and refined throughout the lifetime of the Welborne development. Developing the design codes in partnership with the master developer is likely to involve considerable Planning Officer and Urban Designer time and may require additional input from external consultants on occasions.
21. In recognition of the amount of officer time which is likely to be spent working on design

codes, it is considered appropriate to recover this cost from master- developers or applicants. The differing scale of proposals which may use design codes, mean that it is not possible to set a 'fixed fee' at this stage for the work likely to be undertaken. It is therefore recommended that the charge for any work undertaken by this Council in respect of design codes, will be on a 'price on application' basis. The fee will be calculated on a case by case basis, based on a schedule of officer rates published annually on the Council's website, plus the costs of external consultant input when required.

22. With respect specifically to Welborne, there is a need to develop and agree a strategic design code with the master developer. It is anticipated that the work in association with the strategic design code will require in the region of 100 hours of Fareham Borough Council's Officers' time which will equate to approximately £9,000 of the Council's costs being recovered.
23. Work on subsequent neighbourhood design codes will be dependent on the manner in which Welborne is which bought forward, and the size of the neighbourhood areas. At this stage it is estimated that the initial neighbourhood design code is likely to require the same level of Officer time and in turn could secure the same level of cost recovery as the strategic design code. The Welborne program produced by Buckland Development Limited sets out that the strategic design code and first neighbourhood design code will be developed during 2021. Charging for design code work will assist in recovering the costs to this Council for delivering the Welborne Garden Village.
24. Whilst Welborne is one particular site where design codes will play an important role, there is potential that other development sites will come forward where the use of design codes will be appropriate.

The use of planning performance agreements

25. The statutory time limits for making decision on planning applications is usually 13 weeks for applications for major development and 8 weeks for all other types of development. In the case of an application subject to an Environmental Impact Assessment, there is a period of 16 weeks in which to make a decision. Where it is clear at the outset that an extended period will be necessary to process an application, the Government recommends that the local planning authority and the applicant should consider entering into a planning performance agreement before the application is submitted.
26. A planning performance agreement is a project management tool which local planning authorities and applicants can use to agree timescales, actions and resources for handling particular applications. They are intended to cover the pre-application and application stages but may also extend through to the post-application stage. Planning performance agreements can be particularly useful in setting out an efficient and transparent process for determining large and/or complex planning applications. They encourage joint working between the applicant and local planning authority and can also help to bring together other parties such as statutory consultees. Whilst they can be used for differing scales of applications, they are more likely to be used on the larger more complex schemes.
27. There are no prescribed national format for planning performance agreements, and it is for the local planning authority and the applicant to discuss and agree a suitable process, format and content which is proportionate to the scale of the project and the complexity of the issues to be addressed. As a minimum, these agreements should be

built around an agreed timetable, setting out development objectives and the responsibilities for various tasks. There will always need to be a clear and agreed timescale for reaching a decision on the application once it is submitted.

28. A planning performance agreement can extend to matters beyond the formal application process – such as programming the negotiation of any section 106 agreement. For very large or complex schemes the agreement may also provide a basis for any voluntary contributions which the applicant has offered to pay to assist with abnormal costs of processing the application. The parties will want to ensure that such payments do not exceed the cost of the additional work involved, are not seen to have any implications for the decision on the application, and do not deflect resources from processing other cases; any additional resource provided in this way needs to be used for additional capacity that is genuinely required to ensure a timely and effective service.
29. The use of planning performance agreements would be a helpful project management tool, particularly in respect of larger scale and more complex development proposals. An opportunity would exist for this Council to seek agreement from applicants to cover some of the abnormal costs which might be incurred by the Council in determining such planning applications. As there is no nationally specified format to planning performance agreements and each one will be bespoke, the drafting of individual agreements will be undertaken by planning officers in consultation with either the Head of Development Management or the Director of Planning and Regeneration.

RISK ASSESSMENT

30. If the charges are not introduced for providing pre-application advice on listed buildings, heritage assets and design codes, the Council will need to continue funding this part of the service from other revenue budgets.

CONCLUSION

31. The Executive is invited to approve the proposed charge for providing advice on proposals affecting listed building and heritage assets as set out at Paragraph 11; the charge in connection with work on design codes as set out at Paragraph 21; and to agree to the Council using planning performance agreements on appropriate planning proposals.

Enquiries:

For further information on this report please contact Lee Smith (Ext 4427)

Pre-application planning charge for heritage advice

Local Planning Authority	Charges	Explanation for differing fees
Basingstoke	£0	
East Hampshire	£67-£133	The first fee is for a desk based assessment with written advice only; the second fee includes a site visit
Eastleigh	£0	
Gosport	£50 upwards	£50 is for householder proposals. For all other types of development, a fee of at least £80 is levied on top of the Council's quoted pre-application charges
Hart	£70-£320	£70 is for householder proposals and for either written advice or a meeting. £320 relates to non- householder heritage advice
Havant	£67-133	The first fee is for written advice only, with the second including a site visit
Isle of Wight	£150 - £200	The first fee is for householder proposals with the second being for non-householder proposals
New Forest DC	£66-£130- £198	The first fee relates to advice where only listed building consent is involved. The second fee is for householder development relating to listed buildings which requires planning permission. The last fee is for extensive works proposed to listed buildings.
New Forest NP	£50	
Portsmouth	£40	
Rushmoor	£40	
Southampton	£50 -100	The first fee is for a desk based assessment with written advice only; the second fee includes a site visit
South Downs NP	£0 - £48	The first fee is for written advice only. Meetings are charged at £48 per hour
Test Valley	£0	
Winchester	£123.60	

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 January 2021

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

Purpose:

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

Executive summary:

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

Revised General Fund Revenue Budget 2020/21

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

General Fund Revenue Budget 2021/22

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

5-Year Financial Forecasts

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

Recommendation/Recommended Option:

It is recommended that the Executive:

Financial Forecasts (MTFS)

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

Revenue Budgets

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

Reason:

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

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

Cost of proposals:

As detailed in the report.

Appendices: **A:** General Fund Revenue Budget Summary 2020/21 and 2021/22

B: Detailed Draft Revenue Budgets by Service Portfolio 2020/21 and 2021/22

C: Medium Ter Finance Strategy 2020/21 to 2024/25

Background papers: **None**

Reference papers:

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	04 January 2021
Subject:	Finance Strategy, Revenue Budget and Council Tax 2021/22
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. This report provides an update on the financial forecasts for the next 5 years and makes recommendations on how the projected funding gaps can be mitigated.
2. It also brings together the revenue spending plans for the Council's services for the rest of the current year and for next year.

MEDIUM TERM FINANCE STRATEGY

3. The Medium-Term Finance Strategy, attached to this report as **Appendix C**, 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.
4. 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.
5. The document 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 2024/25, examined.
6. 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 2024/25 would indicate a funding gap of £1.7 million even if Council Tax is increased by £5 each year.
7. There are also a number of spending priorities, potential pressures and uncertainties for which no provision has been made in the projections which could cause a widening of the funding gap. Members are reminded that due to the gearing effect any increase in spending has a significant increase on the amount that has to be met from Council Tax

payers. For example, an increase in spending of 1%, increases the Council Tax by 7%.

OPPORTUNITIES PLAN

8. An Opportunities Plan, as summarised below, has therefore been developed which consists of a number of projects that have been identified to either reduce expenditure, increase income or safeguard the Council from future expenditure increases.
9. As part of the budget setting report for 2019/20 the Executive agreed the setting up of a Project Team at a cost of £600,000 over 2 years to be met from reserves. The table below shows the number of projects that the team and other officers have been working on and the latest projections of the potential savings that can be made.

Opportunities Plan Update Document					
Financial Summary of Plan					
Project group	Latest Projected Savings (£)	Actual Savings Realised (£)	Budget Adjust. 19/20 (£)	Budget Adjust. 20/21 (£)	Budget Adjust. 21/22 (£)
1. Service changes already in progress	300,700	300,700	300,700		
2. Projects needing resources led by Project Team	1,445,300	-653,035	93,500		£938,320
3. Projects needing resources to be led by HOS	652,000	376,662	-12,500	302,900	
4. Projects led by HOS achievable within current resources	391,200	20,000			
5. Good Practice Projects	None expected				
6. The 'B List' of projects to do as resources allow	Not Costed				
7. Other projects (additional to Plan)	£20,000	7,913			
8. Completed Projects	£120,700	£90,387		£5,000	
			381,700	£307,900	£938,320
Totals	2,929,900	142,627		£1,627,920	
Things outside of the Plan - savings		37,700			
Things outside of the Plan – costs	-400,000				

10. Savings to budgets from the Opportunities Plan totalling **£1,627,920** have already been built into the budget forecasts the years up to 2021/22.

GENERAL FUND REVENUE BUDGETS

Revenue Budget 2020/21

11. The base net revenue budget set for 2020/21 set was £9,606,500, an increase of £940,100 on the previous year. This was part funded by a council tax increase of £5 which is the maximum allowable by the Government before a local referendum is needed.

12. Additional budget provision totalling £110,600 was carried forward for incomplete projects from 2019/20; this was fully financed from underspending in 2019/20.
13. The overall revised budget has increased from the base budget to £15,904,600. The budget reflects known changes that have occurred during the current financial year mainly as a result of the COVID-19 pandemic and has seen service budgets increase by £4,316,600. Other budgets, such as investment income, contributions to capital, and movement in reserves, have also changed, which changes bring this figure down to £3,683,000.
14. Some of this increase has been offset by Central Government funding of just over £2.9m, leaving a balance of £0.7m to be met from general fund reserves.
15. Further information of how this is spread across portfolios is provided in Appendices A and B.

Revenue Budget 2021/22

16. The revenue budget for 2020/21 has been prepared as detailed in the Medium-Term Finance Strategy, as attached to Appendix C to this report. The proposed General Fund budget for 2020/21 totals £14,692,700 for service budgets along with -£3,823,500 for other budgets along with £751,000 of additional government funding for the COVID19 pandemic giving an overall position of £10,118,200 which is an increase of £511,700 against the original budget for 2020/21. This detailed in Appendices A and B.
17. In preparing the 2021/22 budget there have been many changes as a result of the COVID19 Global Pandemic. The main areas that have been affected are detailed in the table below:

Service	Effect on 21/22 Budget
Leisure Centres – Loss of Income and revised management arrangements	£1.2m
Car Parking – Loss of Income	£0.6m
Town Centre and Market Quay – Loss of Rental Income	£0.4m
Impact on Homelessness Budgets	£0.1m
Increase in Bad Debt provision	£0.3m

18. The budget takes into account the predicted level of core funding resources that will be available for the year and builds in provisions for expected increases and decreases in expenditure and income in the year.
19. The budget also takes into account decisions made by the Executive during the year and the opportunities and pressures arising in the Council's key services.

GENERAL FUND CAPITAL PROGRAMME

20. The detailed General Fund capital programme for the period 2020/21 to 2024/25 is part of the Capital Strategy which is under a separate report on this agenda.

RISK ASSESSMENT

21. In considering the budgets and forecasts, there are a number of risks and uncertainties as set out in Section 6.3 in the Medium-Term Finance Strategy.
22. The Executive has previously agreed that the balance on the spending reserve should equate to at least 5% of gross revenue expenditure. A detailed assessment of need has been carried out, following guidance from the Chartered Institute of Public Finance and Accountancy (LAAP77), which indicates that this is an appropriate level to retain and should not be reduced. The budgets proposed will allow the Spending Reserve to be maintained at the required level.
23. Other General Fund reserves will need to be used in order to balance the budget in 2020/21 and in 2021/22 and this position will be monitored to reduce the impact on the overall level of reserves and protect the council's financial position.
24. Delivery of the Opportunities Plan aims to address the shortfalls forecast across the next 5 years plus build in some spare capacity for pressures not yet built into the forecasts.
25. The Government's expectation and associated funding levels indicate that they believe that Fareham will continue to raise council tax by up to £5 next year with a spending review detailing future proposals commencing in 2021/22.
26. While the Council's capital resources are expected to exceed planned capital expenditure at the end of the programme period, future spending requirements could give rise to a very significant shortfall. It is therefore imperative that capital reserves are replenished whenever possible in order to meet the future spending needs.

Enquiries:

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

GENERAL FUND REVENUE BUDGETS SUMMARY 2020/21 AND 2021/22

a) Revised Budget 2020/21

	Budget 2020/21 £	Revised 2020/21 £	Variation Base to Rev £
Committees			
Licensing and Regulatory Affairs Committee	520,500	432,600	-87,900
Planning Committee	472,600	599,000	126,400
Executive - Portfolio Budgets			
- Leisure and Community	453,800	1,665,400	1,211,600
- Housing	1,468,500	1,784,900	316,400
- Planning and Development	1,584,800	1,664,900	80,100
- Policy and Resources	-987,400	-177,500	809,900
- Health and Public Protection	221,100	1,249,400	1,028,300
- Streetscene	5,101,900	5,437,100	335,200
Accounting Adjustments not included above	2,752,700	3,249,300	496,600
SERVICE BUDGETS	11,588,500	15,905,100	4,316,600
Capital Charges	-2,927,700	-3,466,100	-538,400
Direct Revenue Funding	1,510,000	1,510,000	0
Minimum Revenue Provision	1,134,300	1,100,900	-33,400
Bad Debt Provision	0	519,900	519,900
Interest on Balances	-695,700	-559,700	136,000
Portchester Crematorium	-165,000	-165,000	0
New Homes Bonus	-459,900	-702,100	-242,200
Contribution from Reserves	-378,000	-853,000	-475,000
OTHER BUDGETS	-1,982,000	-2,615,100	-633,100
NET BUDGET before COVID Funding	9,606,500	13,290,000	3,683,500
Contribution from Reserves for COVID	0	-690,200	-690,200
Fees and Charges Reduction Funding	0	-1,329,000	-1,329,000
Government COVID Funding	0	-1,664,300	-1,664,300
	0	-3,683,500	-3,683,500
NET BUDGET	9,606,500	9,606,500	0

b) Base Budget 2021/22

	Budget	Budget	Variation
	2020/21	2021/22	Base to
	£	£	base
			£
Committees			
Licensing and Regulatory Affairs Committee	520,500	552,700	32,200
Planning Committee	472,600	482,000	9,400
Executive - Portfolio Budgets			
- Leisure and Community	453,800	1,641,400	1,187,600
- Housing	1,468,500	1,856,500	388,000
- Planning and Development	1,584,800	1,659,500	74,700
- Policy and Resources	-987,400	-705,100	282,300
- Health and Public Protection	221,100	557,100	336,000
- Streetscene	5,101,900	5,399,300	297,400
Accounting Adjustments not included above	2,752,700	3,249,300	496,600
SERVICE BUDGETS	11,588,500	14,692,700	3,104,200
Capital Charges	-2,927,700	-3,466,100	-538,400
Direct Revenue Funding	1,510,000	1,475,000	-35,000
Minimum Revenue Provision	1,134,300	1,315,300	181,000
Bad Debt Provision	0	300,000	300,000
Interest on Balances	-695,700	-695,700	0
Portchester Crematorium	-165,000	-165,000	0
New Homes Bonus	-459,900	-306,500	153,400
Contribution from Reserves	-378,000	-378,000	0
OTHER BUDGETS	-1,982,000	-1,921,000	61,000
NET BUDGET before COVID Funding	9,606,500	12,771,700	3,165,200
Contribution from Reserves for COVID	0	-1,902,500	-690,200
Fees and Charges Reduction Funding	0	-300,000	-300,000
Government COVID Funding	0	-451,000	-451,000
	0	-2,653,500	-2,653,500
NET BUDGET	9,606,500	10,118,200	511,700

DETAILED DRAFT REVENUE BUDGETS BY SERVICE PORTFOLIO
2020/21 AND 2021/22

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Committees			
Licensing and Regulatory Affairs Committee	520,500	432,600	552,700
Planning Committee	472,600	599,000	482,000
Executive - Portfolio Budgets			
Leisure and Community	453,800	1,665,400	1,641,400
Housing	1,468,500	1,784,900	1,856,500
Planning and Development	1,584,800	1,664,900	1,659,500
Policy and Resources	-987,400	-177,500	-705,100
Health and Public Protection	221,100	1,249,400	557,100
Streetscene	5,101,900	5,437,100	5,399,300
Accounting Adjustments	2,752,700	3,249,300	3,249,300
NET EXPENDITURE	11,588,500	15,905,100	14,692,700

SUBJECTIVE ANALYSIS

	£	£	£
Employees	10,262,700	10,226,000	10,253,100
Premises-Related Expenditure	3,145,000	2,938,500	3,049,300
Transport-Related Expenditure	1,503,000	1,475,100	1,500,600
Supplies and Services	5,084,400	6,687,200	6,021,000
Third Party Payments	1,469,500	1,556,200	1,465,400
Transfer Payments	16,169,400	15,791,300	15,683,300
Support Services	3,029,100	3,277,100	3,308,800
Capital Charges	3,517,300	3,999,300	3,999,300
GROSS EXPENDITURE	44,180,400	45,950,700	45,280,800
Government Grants	-16,600,100	-16,789,800	-15,872,200
Other Grants & Reimbursements	-2,245,000	-1,660,500	-1,772,000
Customer & Client Receipts	-7,019,200	-5,396,000	-6,600,400
Rents	-6,574,000	-6,045,700	-6,189,900
Recharges to other Accounts	-153,600	-153,600	-153,600
GROSS INCOME	-32,591,900	-30,045,600	-30,588,100
NET EXPENDITURE	11,588,500	15,905,100	14,692,700

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2021/22

LICENSING AND REGULATORY AFFAIRS COMMITTEE

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Hackney Carriage and Private Hire Vehicles	3,300	7,500	9,400
Licensing	-39,300	-31,600	-6,700
Health and Safety	147,900	140,600	144,200
Election Services	408,600	316,100	405,800
	<u>520,500</u>	<u>432,600</u>	<u>552,700</u>

PLANNING COMMITTEE

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Planning Applications	72,900	108,200	55,400
Planning Advice	215,400	204,300	198,500
Planning Enforcement	127,300	140,700	130,800
Planning Appeals	57,000	145,800	97,300
	<u>472,600</u>	<u>599,000</u>	<u>482,000</u>

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2021/22

LEISURE AND COMMUNITY PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Community Grants	292,400	341,500	280,300
Community Development	256,700	213,700	208,800
Ferneham Hall	110,700	117,700	120,800
Fareham Leisure Centre	-111,200	468,600	471,000
Holly Hill Leisure Centre	-247,500	368,000	401,200
Community Centres	152,700	155,900	159,300
Total Before Accounting Adjustments	453,800	1,665,400	1,641,400
Accounting Adjustments for Portfolio	976,400	1,419,100	1,419,100
	<u>1,430,200</u>	<u>3,084,500</u>	<u>3,060,500</u>

HOUSING PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Housing Grants and Home Improvements	16,800	30,000	30,400
Housing Options	27,800	26,300	28,300
Housing Benefit Payments	-121,100	50,300	50,300
Housing Benefit Administration	470,000	429,800	496,400
Homelessness	435,400	551,900	566,300
Housing Advice	474,400	438,300	474,200
Housing Strategy	193,900	228,400	189,600
Local Land Charges	-28,700	29,900	21,000
Total Before Accounting Adjustments	1,468,500	1,784,900	1,856,500
Accounting Adjustments for Portfolio	27,100	29,100	29,100
	<u>1,495,600</u>	<u>1,814,000</u>	<u>1,885,600</u>

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2021/22

PLANNING AND DEVELOPMENT PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Flooding and Coastal Management	83,200	86,100	86,600
Transport Liaison	36,400	36,600	36,400
Tree Management	317,100	345,300	319,400
Conservation & Listed Building Policy	29,400	28,600	34,500
Local Plan	1,118,700	1,168,300	1,182,600
Total Before Accounting Adjustments	1,584,800	1,664,900	1,659,500
Accounting Adjustments for Portfolio	88,300	88,300	88,300
	<u>1,673,100</u>	<u>1,753,200</u>	<u>1,747,800</u>

POLICY AND RESOURCES PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Democratic Representation and Management	1,164,500	1,160,400	1,181,500
Commercial Estates	-498,000	-303,500	-553,900
Investment Properties	-3,815,200	-3,317,700	-3,438,700
Solent Airport and Daedalus	-628,000	-367,100	-482,900
Public Relations, Comms and Consultation	495,100	492,900	485,300
Unapportionable Central Overheads	175,600	175,600	175,600
Corporate Management	997,000	864,400	770,000
Economic Development	169,700	194,600	157,600
Local Tax Collection	951,900	922,900	1,000,400
Total Before Accounting Adjustments	-987,400	-177,500	-705,100
Accounting Adjustments for Portfolio	587,900	685,400	685,400
	<u>-399,500</u>	<u>507,900</u>	<u>-19,700</u>

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2021/22

HEALTH & PUBLIC PROTECTION PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Pest Control	39,900	45,400	43,300
Dog Control	25,100	24,600	25,300
Food Safety	140,100	132,300	136,100
Air Quality and Pollution	203,000	191,500	168,000
Community Safety	348,300	346,800	284,600
Emergency Planning	57,700	42,000	78,300
Clean Borough Enforcement	101,200	126,600	211,100
Off-Street Parking	-895,500	139,100	-589,000
Building Control	201,300	201,100	199,400
Total Before Accounting Adjustments	221,100	1,249,400	557,100
 Accounting Adjustments for Portfolio	 77,200	 17,900	 17,900
	298,300	1,267,300	575,000

STREETSCENE PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Base Estimate 2021/22 £
Cemeteries & Crematorium	-12,800	-53,200	-54,300
Parks, Open Spaces and Grounds Maintenance	1,679,900	1,654,000	1,698,500
Sports Pavilions, Pitches, Greens and Courts	119,000	134,300	130,100
Countryside Rangers	171,200	173,100	174,200
Allotments	8,400	8,300	8,200
Street Cleaning	919,000	945,300	946,900
Public Conveniences	235,200	230,800	233,600
Waste Collection	886,500	949,200	927,600
Trade Refuse	-97,400	-7,300	-82,400
Recycling	696,100	915,800	929,400
Green Waste	395,100	423,600	424,300
Street Furniture	101,700	63,200	63,200
Total Before Accounting Adjustments	5,101,900	5,437,100	5,399,300
 Accounting Adjustments for Portfolio	 995,800	 1,009,500	 1,009,500
	6,097,700	6,446,600	6,408,800
 OVERALL BUDGET TOTAL	 11,588,500	 15,905,100	 14,692,700

FAREHAM

BOROUGH COUNCIL



Medium Term Finance Strategy

2020/21 to 2024/25

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1. OVERVIEW OF THE MEDIUM TERM FINANCIAL STRATEGY (MTFS)

1.1 PURPOSE

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.

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.

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.

The Council has adopted as a corporate priority in the Corporate Strategy for 2017-2023 to "continue to work within a balanced and sustainable budget, recognising the reduction in Government funding". To meet these requirements the Medium Term Finance Strategy is supported by a strategic and long-term approach to corporate and service planning.

1.2 FUNDAMENTAL PRINCIPLES

There are a number of fundamental principles that are followed by the Council and which form the basis of the Medium Term Finance Strategy as they are key to the Council's approach to financial management. These are summarised in the table below.

Table 1 – The Fundamental Principles of FBC Financial Management

RESERVES

- **Major Repairs and Renewals (MRR) Fund:** A MRR fund will be maintained to cover emergency capital expenditure on Council Assets. The minimum balance will be **£1million**.
- **Spending Reserve:** A spending reserve will be maintained to cover unforeseen changes in revenue expenditure or income. The minimum balance will be **5% of gross expenditure**.
- The levels of these reserves to be maintained will be reviewed each year.
- 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.
- All decisions regarding the use of any significant reserve will take account of the effect on the revenue budget from a reduction in investment interest.

USE OF RESOURCES

- “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.
- CIL receipts will be used to meet future community infrastructure projects in accordance with the priorities of the council.
- New Homes Bonus funding will be used to support day-to-day service delivery
- 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.

CAPITAL EXPENDITURE

- All new potential capital schemes will only be considered if they make a clear contribution to the Council’s objectives and priority actions, or support the Council’s Asset Management Plan.
- The following factors need to be considered before a decision is made to include a new scheme in the capital programme:
 - On-going operational costs associated with the scheme;
 - Whole life costing implications of the scheme;
 - Cost of servicing the debt if the scheme is financed by borrowing;
 - Loss of investment interest if internal resources are used.
- 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 and the on-going revenue costs.
- Efforts 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 use of capital reserves or external contributions. Borrowing will only be considered where there is a sound economic business case (e.g. for spend to save schemes) whereby borrowing costs are wholly offset by long term net revenue income or savings.
- New schemes will be subject to prioritisation as set out in the Council’s Capital Strategy.
- 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.

REVENUE EXPENDITURE

- Budget setting guidelines are maintained and approved by the Executive each year as part of this Strategy.

- 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 and are affordable.
- 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.

TRANSPARENCY AND OPENNESS

- It is Council policy to be transparent in the decision making process and provision of information about the Council's activities is available through the website. To this end, budgetary plans and historical spending information (including payments to third party suppliers) is published on the Council's website.
- Under the Localism Act 2011 the Council is required to prepare and publish a pay policy statement which forms part of this Strategy.

PARTNERSHIP AND AGENCY WORKING

- The Council will seek to work with partners to achieve more for less and actively pursue the achievement of the Council's priorities.
- 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.

2. REVENUE POSITION

2.1 CORE FUNDING RESOURCES

The Council's core funding comes from 4 main sources:

- Central Government Grants
- Business Rates
- New Homes Bonus
- Council Tax

These are largely governed by Central Government Policy. The autumn statement in October 2018 heralded "the end to austerity" with short term spending increases announced for several areas ahead of the 2019 Spending Review. Areas being targeted include highways, education and social care. The Housing Revenue Borrowing Cap was also lifted and extra money was allocated to the Housing Infrastructure Fund.

Local Government Settlement

As part of the Statement, councils were offered a 4-year settlement deal in order to give some certainty around the levels of funding through to 2019/20. Fareham chose to accept the deal on offer. The Council is currently in the first year of the extension to the settlement.

The Government is carrying out a [Fair Funding Review](#) for local government, which will inform the basis of distributing resources to councils beyond 2020/21. This review was been delayed due to a general election being held in December 2019 and has since been delayed by another year due to the COVID-19 pandemic. The review will commence in time for the 2022/23 financial year. There was a 1 year settlement announced for 2020/21 after the election and a further 1 year announced in November 2020. The Spending review announcement in November 2020 did cover an overall increase in total spending for Councils for 2021/22 but this is being targeted at non district services such as adult social care.

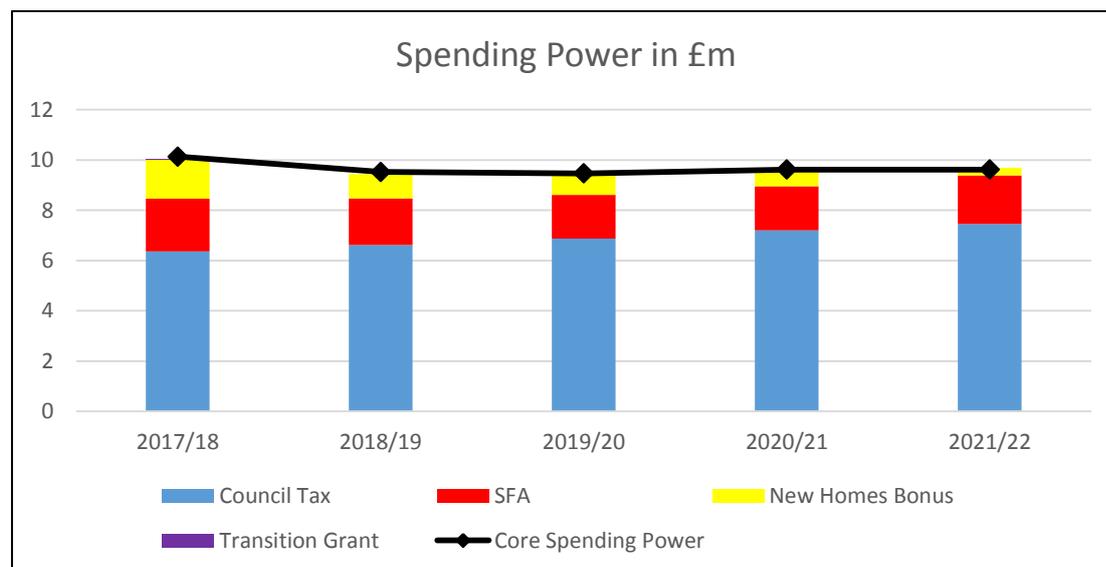
The allocation of resources is determined by the Government's assessment of the funding needs of the borough, as discussed below.

FBC Spending Power

Spending power is defined by central government as a gauge of how much money a council needs to provide its services. The spending power calculation takes into account a number of factors and the graph below shows how Fareham's spending power has reduced over the last 3 years of the current settlement arrangement.

For 2020/21 Fareham's spending power has reduced by 8.6% over the last 5 years and remains on of the lowest in the country, due to a combination of lower than average New Homes Bonus per head and a lower Council Tax income, as discussed further below.

The graph also shows how significant the Government sees Council Tax as a funding source for the Council.



SFA (Settlement Funding Assessment)

The SFA consists of the Revenue Support Grant (RSG) and the local share of Business Rates. At a national level this is the total RSG and Estimated Business Rate Aggregate for the year.

In 2013/14 the Government introduced a [Baseline Funding Level \(BFL\)](#) for each council based on the previous 2 years net rates collections. This takes into consideration factors such as the level of deprivation, sparsity and density. This is then used to allocate the total SFA across each Council in the form of Revenue Support Grant (60%) and retained business rates (40%).

As of 2018/19, Fareham's SFA (perceived need) is below its baseline funding level which means the Council is perceived to receive too much money to run its services. This therefore affects how much Revenue Support Grant the Council will get and how much business rates it can retain.

Revenue Support Grant (RSG)

The Revenue Support Grant is the element of government funding that councils receive directly to provide their services. Since 2017/18 Fareham has not received any RSG from central government. Currently Fareham is in a position where its spending assessment is lower than its allocation in the funding formula meaning the Council should be paying money to the government (negative subsidy).

The negative subsidy was a small amount in 2018/19 of just over **£30,000** and was written off by the government so no payment was required. In 2019/20 this amount increased to approximately **£400,000**, but again the government confirmed that this payment was not required but was absorbed centrally from foregone business rates. This position is likely to continue into 2021/22 with a nil impact for Fareham.

It is then anticipated that under the Fair Funding Review negative subsidy will be removed as part of the funding reset.

BUSINESS RATES

From April 2013, some business rates started to be retained locally by the billing authority. The amount depends on the difference between the council's assessed funding level (Baseline Funding Level) and the amount of rates that are collectable in the area (Business Rates Baseline).

Fareham currently collects around **£41 million** of business rates. Of this 50% (£20.5m) is paid to Central Government with 9% (£3.7m) and 1% (£0.41m) paid to the County Council and the Fire Authority respectively. The remaining 40% (£16.3m) is Fareham's initial share of the rates collected.

However, in order that authorities don't benefit from keeping too much of the rates collected there is then a series of tariffs and top-ups that are returned to the central pot for further redistribution, with a safety net threshold to prevent the tariff being too severe. Fareham is currently calculated as having the 3rd lowest needs of the 325 authorities and so has to pay a tariff to reflect its Baseline Funding Level. Once the tariff is paid to the central pot, Fareham retains around **£1.9 million (5%)** of the rates collected. The council's income is increased by Section 31 Grants. These grants are received to make up for loss of income due to Government decisions over business rates such as rate reliefs for small business that would mean local authorities are worse off through no fault of their own. These grants are expected to be approximately **£0.7 million** for 2021/22.

NEW HOMES BONUS

The New Homes Bonus (NHB) was introduced in April 2011 with local authorities being rewarded for increased housing development in their area as it was seen that house building was not sufficient to meet demand. It is a non-ring-fenced grant.

The scheme commenced with council's receiving the equivalent Band D Council Tax for each additional property plus an extra £350 per affordable property. The total amount for each area for each year is split between district council (80%) and county council 20%. This amount would be received for 6 years.

In 2017 the scheme changed with a cap being introduced where the government would only pay for increased development above the cap of 0.4% of total dwellings. It is assumed that this baseline will continue for 2020/21. There was also a reduction in the term for payments being received, from 6 years down to 4 years (for payments from 2014/15 onwards) with a transition of 5 years for payments already in the system for financial years 2012/13 and 2013/14.

Fareham initially used this extra money to fund capital schemes in line with the policy that was introduced. In 2017/18 the whole of the NHB received in year (£1.5m) was used to support council revenue services.

The Government's position on NHB is not clear but it is anticipated that changes will be introduced that result in a much reduced payment to the Council. This will become clearer when the delayed funding review is announced.

The current payments are £1,671.45 per property with an affordable homes premium of £350 per unit. For 2019/20 Fareham received money from 59 units above baseline and 41 affordable units generating **£821,000** of NHB, which is its lowest payment for 9 years, due to two high years dropping out of the calculation.

This will continue to drop over the course of the Strategy period if the scheme continues in the current format. The table below shows how NHB has been made up and changed since 2011.

Table 2 – New Homes Bonus Calculations to Date

Year of Payment	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
2011/12	Payments for Year 1	£226,565	£226,565	£226,565	£226,565	£226,565						
2012/13	Payments for Year 2		£431,134	£431,134	£431,134	£431,134						
2013/14	Payments for Year 3			£435,038	£435,038	£435,038	£435,038					
2014/15	Payments for Year 4				£323,200	£323,200	£323,200					
2015/16	Payments for Year 5					£232,066	£232,066	£232,066				
2016/17	Payments for Year 6						£415,783	£415,783	£415,783			
2017/18	Payments for Year 7							£168,090	£168,090	£168,090		
2018/19	Payments for Year 8								£146,094	£146,094	£146,094	
2019/20	Payments for Year 9									£90,892	£90,892	£90,892
2020/21	Payments for Year 10										£297,010	
		£226,565	£657,699	£1,092,737	£1,415,937	£1,648,002	£2,063,785	£1,574,177	£962,033	£820,860	£702,087	£236,986
												£90,892

COUNCIL TAX

In 2017/18 the government allowed councils to increase Council Tax whereas during the previous few years it had been encouraging councils to freeze Council Tax in order to help tax payers during the recession.

Fareham has the 5th lowest Band D Council Tax for a district council when parish precepts are taken into account and is currently 16% below the national average. Government policy now allows an increase of either 3% or £5, whichever is the greatest, each year. However, this can penalise Fareham for having a low Council Tax as the maximum increase that can be approved each year, outside of a referendum, is £5. In comparison, the largest Band D for a district council stands at £362 which would see an increase of £10.86 in their Council Tax using the policy, resulting in the gap between the average authority and Fareham continuing to grow

The Council Tax for Fareham forms around 75% of its spending power showing that there is a significant reliance on it to fund the net spend. Fareham's Council Tax has risen by £5 per year for the 4 years of the 4-year settlement and is proposed to increase similarly for 2020/21. The Council Tax for a Band D property currently stands at £165.22 which was approved by the Full Council in February 2020. Of the gross expenditure budget of **£44,180,400** (net budget £9,606,500) for council services in 2020/21, £7,196,868 (**16%**) was budgeted to be met by Council Tax payers.

This Medium Term Finance Strategy assumes that there will be an increase of **300** Band D equivalent properties per year which will generate some additional Council Tax even if no increase in the rate is approved each year.

FAIR FUNDING REVIEW (FFR)

During the early part of 2019/20 a Fair Funding Review (FFR) commenced to look at how the funding for councils is distributed, as the current system is considered to be outdated and unfair. However, due to a December 2019 general election and the subsequent COVID-19 Global Pandemic, the results of this review have been delayed and will now impact on the funding from 2022/23 onwards.

As well as the FFR coming in for 2022/23 there will also be a “reset” of the business rates system. This will allow tariffs and top-ups to be recalculated in order that new settlement figures can be issued to authorities in the provisional settlement in the latter part of 2020.

How Fareham BC will fair under the FFR is still unclear but the assumption being used is that this will not result in any significant increases in core funding.

AFFECT ON THE MEDIUM TERM FINANCE STRATEGY



Currently due to the delay in the Fair Funding Review future funding levels remain uncertain, however, we are predicting a reduction in new homes bonus of at least **£306,000** over the next 5 years. Generally, we are not expecting any increases in core funding, outside of Council Tax.

2.2 OTHER FUNDING SOURCES

Specific Government Grants

These amounts received from Central Government relate to specific services and will be paid to match expenditure or projects. Grants expected in the 2020/21 and 2021/22 financial years include; benefits, housing advice, disabled facilities grants, homelessness and Council Tax administration.

Financial Investments

This element of income comes from investments of surplus cash and through the Council's cash management opportunities. Interest rates have been below 1% since March 2009 which has meant that returns on investments have been low. Also, the amount the council has to invest has reduced due to increased capital spending in recent years.

Security of capital has remained the Council's main investment objective so the Council has sought to spread its risks, using highly rated commercial institutions or Government bodies and investing for short periods. Consequently, however, the rates of return are limited.

The Council has therefore further diversified into longer-term secure and higher yielding asset classes, moving part of the portfolio from bank and building society deposits into externally management strategic pooled diversified income funds and money market funds.

These funds are in line with the Council's investment strategy and offer potentially enhanced investment returns whilst diversifying opportunities and risks.

We are therefore predicting a slightly higher income from financial investments in the next few years.

Property Investments

In 2013 the Executive agreed a Corporate Property Investment Acquisition Strategy where the council would purchase commercial sites to bring in rental income that was at a higher rate than from financial investments. Since 2013 £39 million has been invested in various properties in and outside of the borough and this currently brings in over **£3.1 million** in rent which is at a far greater return than investing in the money markets.

However, income from property investments is sensitive to any downturns in the economy, and this risk is spread by using a spread of property types in the investments.

Partnership Contributions

Any surplus from Portchester Crematorium Joint Committee(PCJC) is distributed among the four councils who constitute the joint committee. It is anticipated that over the period of the Strategy this amount will remain at the current level of £165,000 per annum. The amount received from PCJC is a non-ring fenced contribution and is used to keep the overall Council Tax at an acceptable level.

Fees and Charges Income

The Council reviews the fees and charges for its services annually and the proposed fees and charges for each Committee and Executive portfolio are reviewed by the Executive and Licensing and Regulatory Committee and approved by Full Council.

The approach taken to reviewing fees and charges for 2021/22 is as follows:

- **New Fees and Charges** – There have been new charges proposed in respect of pre-planning advice and coastal parking charges.
- **Statutory Fees** - Some fees and charges are set by statute and therefore are not under the Council's control.
- **Discretionary Charges where no increase is proposed** - There are some charges where there are no increases proposed, that are at the discretion of the Council. Many of these, such as market pitch fees have not been increased as it is believed that higher charges would be detrimental to the service or its users.

Car parking has been budgeted for in line with the Fareham Town Centre Parking Strategy and the proposed charges have not been increased for 2021/22. The charges have been at the current level since they were set in October 2010.

- **Discretionary Charges increasing** – Some discretionary charges are proposed at a level to achieve an increase in income that is deemed to be realistic. In most cases, an increase of around **5%** is proposed.

2.3 GENERAL CHANGES IN EXPENDITURE

Service Budgets Added or Deleted

There have been no new service budgets included in this Strategy.

Pay Awards

The Pay Policy for 2021/22 was approved by the Executive in October 2020. The Pay Policy Statement for 2021/22 is attached at [Annex 2](#).

The rising cost of employment in future years reflects the cost of an assumed pay freeze from 1 April 2021 and other pay movements such as meeting the requirements of the National Living Wage.

Pension Provisions

During 2019, the triennial pension fund valuations will be taking place and, subject to confirmation, have concluded that the fixed contributions needed to close the past years' service gap will be reduced to zero (from over £1m per annum), while for Fareham the future service funding will increase from 16.1% of pay to 19.3%. This review showed that the funding gap of almost 20% in the 2016 valuation had closed to almost 1% in 2019.

The reduction in the fixed contribution has been partially offset by an increase in the variable contribution. The rest has been earmarked for use as an additional contribution towards capital expenditure.

The next valuation of the fund will be due in March 2022.

Depreciation / Capital Charges

Many services provided by the council will attract depreciation and capital charges that reflect the use of the assets over the period of their useful life. The depreciation charge is set against the service but an entry is made to adjust the charge so there is no overall impact on the Council Tax payers.

2.4 SERVICE OPPORTUNITIES AND PRESSURES

Financial Impact of COVID-19 Global Pandemic

The COVID-19 pandemic has had a significant effect of the Council's Finances during 2020/21 financial year and will continue to have an effect during the remainder of the strategy period.

The Executive approved an emergency budget in September 2020 which showed an impact of over £3.6m in the budgets which was offset to some extent by £2.5m of government support but still required use of reserves to make up the rest of the £1.1m shortfall.

The crisis has caused widespread disruption to those services which generate significant income streams, for example, car parks, trade waste, commercial property, etc. For example:-

- a. Parking charges were suspended for 3 months
- b. Demand for trade waste services ceased while businesses were closed
- c. Commercial property tenants offered concessionary terms for paying rent
- d. Reduced planning applications received
- e. Market pitch fees were suspended while the markets were unable to fully trade

- f. Treasury investment income was affected by adverse cash flows and reduced interest rates.

The impact of measures taken to support individuals and businesses were also evident in the Council's cash flow position, with relaxed payment terms, immediate payments to suppliers, suspended debt collection activities, etc all reducing the net cash available on a daily basis.

In some areas, however, there have been opportunities where costs have reduced, which go some way to mitigating the impact on the Council's budgets. Postponed or cancelled events, such as the local election, Fareham In Bloom, Access All Areas, together with reduced operating costs (e.g. waste tipping charges, cleaning public buildings, etc) have all contributed positively to the net budget.

In recognition of the potential scale of the impact, the financial management and governance arrangements have been strengthened, particularly in relation to

- Cashflow monitoring
- Service financial performance
- Covid-19 response expenditure
- Income collection and arrears performance
- Government funding opportunities

Weekly monitoring and reporting to the S.151 Officer was instigated, together with a regular reporting structure to the corporate Covid-19 response group, led by the Chief Executive. These measures ensured a high degree of awareness and enabled the corporate team to closely manage the financial risks.

The second nation lockdown placed further pressure on the budgets as more support is needed for business and individuals

Key Services

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 "major" or "demand led" services and account for almost £15 million of gross expenditure and £14 million of gross income.

Special arrangements are in place to track financial performance of these services and the other major services, and to take action where there is a significant deviation from plans.

Key services under pressure

- **Leisure Centres** - The impact on the leisure centres will total almost £1.2m in lost revenue and payments to the contractor in order to reopen the 2 centres and allow them to continue to operate at a reduced capacity. A report was approved by the Executive on 3 August giving details of how the changes will

operate and the financial implications.

- **Off-street Car Parking** – With multi-storey car parks being shut and other car parks not collecting income from the start of lockdown the impact on car parking has been significant. The anticipated income for the financial year has reduced by almost half with over £950,000 having been taken from the budget. There have also been some additional costs incurred in reopening the car parks and new measures being put in place to encourage social distancing by implementing one-way systems to and from the car park entrances.
- **Investment Properties** – The changes to the investment properties budget is mainly loss of income from the shopping centre and market quay. Alternative payment arrangements have been agreed for some other commercial property tenants to assist with cashflows but it is anticipated that full rental income will continue to be received.
- **Solent Airport and Daedalus** – Lower fuel sales, reduction in licence fees and reduced fees and charges due to flying being suspended have all contributed to this budget being reduced. Part of the reductions have been offset by lower purchases of fuel since lockdown.
- **Waste and Recycling services** – While these services have been running throughout lockdown, some additional costs have been incurred due to alternative operational arrangements being put in place to protect the welfare of the teams. The operating restrictions have required more agency staff to be used and additional vehicles being hired to provide the service. There has also been an impact on the income where the value of recycled goods has dropped by large percentages and a number of trade waste customers have temporarily reduced or stopped the service they receive while they have not been trading.
- **Planning Appeals** – Although not related to the COVID pandemic, the budget for planning appeals has increased for known appeals that will be taking place this financial year. The appeals in the pipeline include Newgate Lane North and South, Borderland Fencing, Tythe Barn and Newgate Lane/ Peel Common hearing.
- **Housing Benefits Payments** – The budgets have been amended to reflect changes to the level of payments and subsequent grant received but also they reflect anticipated levels of reduced income from increased benefit debts along with anticipated bad debts.
- **Homelessness** – At the end of March, the government wrote to every local authority in England asking them to accommodate all people sleeping rough or at risk of sleeping rough in order to prevent the spread of COVID-19. The budgets have been amended to reflect initial and ongoing changes to the level of payments arising as a result of this initiative.
- **Local Land Charges** - The impact of Covid has seen the income budget reduce by over £60,000 although this has been slightly offset by some

reduction in expenditure budgets where savings will be made.

- **Elections** – As a result of the local elections being postponed for a year the budget reduce by £94,000. The main changes are no costs to hire venues and no pay to staff to run the elections.
- **Other budgets** – This line covers all the non-service budgets and although there is a small change in the lines there are some large variances making up this figure. The interest on investments has reduced by £136,000 to reflect a drop in interest rates but also less money is available to invest due to a drop in income being received by the council. There will be an additional provision for bad debts of over £500,000 due to anticipated reductions in payments of council tax and business rates and also an allowance for reduced rental income from commercial premises. New Homes Bonus will see an increase of over £240,000 due to additional money being received from the government. Finally, there will be additional income from earmarked reserves that is matching additional expenditure in services of over £450,000.

3. CORPORATE PRIORITIES

3.1 Corporate Strategy 2017-2023

The latest Corporate Strategy was adopted by the Council in December 2017 and is updated each December. It currently contains 6 priorities linked to 31 project areas, as summarised in the table 3 below. New project areas added in 2019 were:

- Continue with our 'Give Plastic the Push' campaign, aiming to reduce the use of single use plastic in the Borough
- Develop an action plan to mitigate and adapt to impacts of climate change in Fareham and reduce our carbon footprint.

Table 3 – Priorities and Projects in the Corporate Strategy

Priority 1	Providing Housing Choices	NEW GARDEN VILLAGE
		LOCAL PLAN
		AFFORDABLE HOUSING STRATEGY
Priority 2	Protect and Enhance the Environment	DAEDALUS FIELDS & VERGES
		ABBEY MEADOWS
		COLDEAST WOODLAND
		COASTAL DEFENCE
		RECYCLING & WASTE REDUCTION
		REDUCTION OF SINGLE USE PLASTIC (NEW)
		CLIMATE CHANGE (NEW)
Priority 3	Strong, Safe, Inclusive and Healthy Communities	WELBORNE COMMUNITY
		HOLLY HILL CEMETERY
		COMMUNITY SAFETY
		AIR QUALITY
Priority 4	Maintain and Extend Prosperity	TOWN CENTRE
		DAEDALUS INNOVATION CENTRE
		PORTCHESTER DISTRICT CENTRE
		DAEDALUS SWORDFISH BUSINESS PARK
		STUBBINGTON BYPASS
		A LEVEL COURSES
Priority 5	Leisure Opportunities for Health and Fun	WESTBURY MANOR MUSEUM
		FERNEHAM HALL
		COLDEAST SPORTS & PLAY
		STUBBINGTON ALLOTMENT
		CAMS ALDER RECREATION GROUND
Priority 6	A dynamic, prudent and progressive Council	BALANCED BUDGET
		SYSTEMS THINKING
		CIVIC OFFICES TENANTS
		COUNCIL OWNED LAND & BUILDINGS
		PROPERTY INVESTMENTS

PARTNERSHIPS & JOINT WORKING

The financial resources needed to deliver the projects are contained within the General Fund Revenue and Capital budgets, and the Housing Revenue Account Revenue and Capital budgets. We are currently developing a costing and financing plan to make the finances earmarked to deliver the Strategy more visible.

3.2 Welborne Garden Village

The Welborne Garden Village is a key project to achieving priorities in the Corporate Strategy.

The Council's Welborne Delivery Strategy was approved by the Executive in July 2016 to secure comprehensive development of the area by implementing strategies for land assembly and procuring a development partner. This Strategy was successful and land ownership issues were resolved and the comprehensive development of the site is progressing. The development partner procurement process was terminated by the Council in October 2017.

The resources needed to implement the Delivery Strategy were funded from existing budgets plus the following:

- **£228,570** of Capacity Funding awarded by Homes England in 2016/17.
- Revenue reserves (General Fund Reserve and the Working Balances Reserve) totalling **£730,000** between 2015/16 and 2018/19. Other earmarked reserves of £680,000 have now been released for other use leaving a balance of £90,000 for Welborne use.
- Internal borrowing totalling **£1,890,000** used to purchase and repair 3 cottages in the development area. They have been added to the Council's estate investment portfolio and have been generating income since May 2017.

Since October 2017, the Council has been working closely with the Master Developer to bring forward the new community with exemplar placemaking as well as new housing delivery as key objectives. This is being funded from existing budgets and by drawing down on additional grant funding from Homes England; to date this has been **£275,000** Capacity Funding in August 2017 and **£220,000 and £300,000** Garden Towns and Villages Funding in March 2018 and March 2019. A further bid for Gardens Towns and Villages Funding of £500,000 for 2019/20 is anticipated.

3.3 Solent Airport and Daedalus

Solent Airport and development of the Daedalus site is another key project to achieving priorities in the Corporate Strategy.

Since the purchase of Daedalus from the Homes and Community Agency and the adoption of the Council's Vision for Daedalus in 2015, the site has become the largest employment site in the area. It is now arguably the premier centre of excellence for aviation, aerospace, marine and advanced engineering businesses in the south.

The number of businesses located at the site continues to grow and this is mainly due to investment by Fareham Borough Council. To date the Council has invested over **£28 million** in the site including building an innovation centre which was extended due to demand for space, new hangars and general infrastructure works to improve access to and from the site. There is another **£9 million** planned spend during the life of the Medium Term Finance Strategy.

As well as creating business and employment opportunities there will be a large community space known as Daedalus Common that will provide many benefits for the local community to enjoy.

The business opportunities are creating rental income for the council of over **£2 million** per annum although there are also operating costs required to run the site of just under **£2 million** that includes repayment of the borrowing used to fund the projects.

By 2021/22 it is anticipated that a surplus would be available to make a contribution of **£200,000** to the General Fund.

4. CAPITAL POSITION

4.1 CAPITAL STRATEGY

The Capital Strategy is now a separate document to the Medium Term Finance Strategy and 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.

The Council agrees a rolling five-year programme each year consistent with the Medium Term Finance Strategy and the resources available along with any impact on the revenue budgets.

The capital programme for the duration of the Strategy has been amended to take into account carry forwards from 2019/20 and now totals **£53.9 million** of General Fund expenditure.

4.2 CAPITAL RESOURCES

Resources of **£61.4 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of resources of approximately **£7.5 million** in 2024/25.

Capital Financing Costs

The proposed budget for 2020/21 provides for a revenue contribution to capital of **£1.5 million**, which includes a contribution of £500,000 towards future capital commitments. The remaining amount provides for ICT, vehicle purchases, CCTV renewals and car park improvements.

4.3 MINIMUM REVENUE PROVISION

Where the Council finances capital expenditure from borrowing (debt), it must put aside resources to repay the borrowing in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP).

Borrowing costs (MRP and interest charges) for schemes funded by debt will be covered by revenue generating assets.

The budget provision reflects the capital costs relating to commercial property purchases and construction works at Daedalus including the Innovation Centre Phase 2 and new general aviation and business hangars.

5. PROPOSED BUDGET 2021/22

5.1 THE BUDGET SETTING PRINCIPLES

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.

It is proposed therefore that the following budget guidelines be adopted:

- No provision for the effects of inflation to be provided in revenue budgets except to cover price increases that are unavoidable or predictable, or the Council is legally obliged to accept.
- The revenue resources available to the Council will determine the spending plans for the year, taking account of any measures to reduce the net cost in the year.
- 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.

5.2 BASE BUDGET 2021/22

The proposed base budget for 2020/21 has been built up using the principles and assumptions laid out in this Medium Term Finance Strategy. A summary of the budget, compared to the base budget 2019/20 is summarised in the table below. It should, however, be noted that the revised net budget needs for 2019/20 are estimated to be £9,606,500.

Table 5 – Proposed Revenue Budget for 2021/22

	Budget 2020/21 £	Budget 2021/22 £	Variation Base to base £
<u>Committees</u>			
Licensing and Regulatory Affairs Committee	520,500	552,700	32,200
Planning Committee	472,600	482,000	9,400
Executive - Portfolio Budgets			
- Leisure and Community	453,800	1,641,400	1,187,600
- Housing	1,468,500	1,856,500	388,000
- Planning and Development	1,584,800	1,659,500	74,700
- Policy and Resources	-1,008,000	-705,100	282,300
- Health and Public Protection	221,100	557,100	336,000
- Streetscene	5,101,900	5,399,300	297,400
Accounting Adjustments not included above	2,767,300	3,249,300	496,600
SERVICE BUDGETS	11,582,500	14,692,700	3,104,200
Capital Charges	-2,927,700	-3,466,100	-538,400
Direct Revenue Funding	1,510,000	1,475,000	-35,000
Minimum Revenue Provision	1,134,300	1,315,300	181,000
Interest on Balances	-695,700	-695,700	0
Portchester Crematorium	-165,000	-165,000	0
New Homes Bonus	-459,900	-306,500	153,400
Contribution to(+)/from (-) Reserves	-372,000	-2,280,500	0
OTHER BUDGETS	-1,976,000	-3,823,500	-1,841,500
NET BUDGET before COVID funding	9,606,500	10,869,200	1,262,700
COVID Funding	0	-751,000	-751,000

NET BUDGET	9,606,500	10,118,200	511,700
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5.3 CONTRIBUTIONS TO AND FROM RESERVES

These represent:

- one-off items in the budget that are funded from reserve accounts that the Council holds;
- decisions made to increase the value of specific ear-marked reserves; or
- areas where there are excess funds and a transfer is made into reserves.

The cost of these activities will be included in the service, and accounting regulations require the funding of the activities to be shown separately from the service cost. The table below specific contributions to and from reserves.

Table 6 – Budgeted Transfers from and to Reserve in 2021/22

	'000s
Transfer From General Fund Reserves	-1,902
Funding from Reserves	
S106 Money to fund grounds maintenance work	- 51
Whiteley Fund	- 71
Homelessness Grant Funding	- 104
Welborne Grant Funding	- 153
Total Due from Reserves	- 2,281

In addition, as [discussed above](#), the proposed budget for 2021/22 provides for a revenue contribution to capital (**RCCO**) of **£1.5 million**.

The value of the **Spending Reserve** as at 31/03/20 was predicted to be over the £2,426,000 which is the threshold of 5% of gross expenditure for 2020/21 (£48.5 million). Proposals on the use of the additional surplus arising will be developed for consideration in February, alongside the consolidated draft budget for 2021/22.

5.4 COUNCIL TAX 2021/22

The net revenue budget proposed for 2021/22 of £10,118,200 can mostly be funded from the collection fund as summarised below. However, there is currently a projected shortfall which may need to be met by a Council Tax increase in 2021/22.

Table 7 – Projected Funding of the 2020/21 Net Revenue Budget

	£'000
Net Budget Requirement	£10,118
Retained Business Rates	-£2,577
Council Tax at current level	-£7,197
Collection Fund Surplus	-£85
Additional Council Tax for new properties	-£40
Total Available from the Collection Fund	-£9,899

Projected Shortfall	£219
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6. FIVE YEAR FORECAST

6.1 OVERALL REVENUE POSITION

Table 8 – Financial Projections 2019/20 to 2022/23

	2020/21 R	2021/22	2022/23	2023/24	2024/25
	000s	000s	000s	000s	000s
Gross Expenditure on Services					
Base Budget	£44,181	£42,699	£44,461	£44,741	£45,021
Changes for Spend Pressures and Opportunities	-£32	£460	£1,640	£1,862	£1,815
Changes for COVID Spend Pressures	£2,204	£2,122	£150	£0	£0
Revised Budget	£46,353	£45,281	£46,251	£46,603	£46,836
Gross Income from Services					
Base Budget	-£28,630	-£26,452	-£28,680	-£28,730	-£28,780
Changes for Income Pressures and Opportunities	£2,143	-£524	-£1,609	-£1,883	-£1,985
Revised Budget	-£26,487	-£26,976	-£30,289	-£30,613	-£30,765
NET COST OF SERVICES	£19,866	£18,305	£15,962	£15,990	£16,071
Contribution to capital spend - RCCO	£1,510	£1,475	£1,510	£1,510	£1,510
Provision to repay borrowing (MRP)	£1,101	£1,315	£1,512	£1,555	£1,610
Accounting Adjustments	-£3,466	-£3,166	-£2,928	-£2,928	-£2,928
TOTAL NON SERVICE BUDGETS	-£885	-£376	£94	£137	£192
NET BUDGET REQUIREMENT	£19,011	£17,929	£16,056	£16,127	£16,263
SOURCES OF FUNDING					
Revenue Support Grant	£0	£0	£0	£0	£0
Business Rates & Collection Fund Balance	-£2,410	-£2,661	-£2,457	-£2,457	-£2,457
New Homes Bonus	-£702	-£307	-£91	£0	£0
TOTAL CORE FUNDING	-£3,112	-£2,968	-£2,548	-£2,457	-£2,457
Income from Financial Investments	-£560	-£696	-£560	-£560	-£560
Income from Property Investments	-£3,961	-£3,612	-£3,961	-£3,961	-£3,961
Contributions from Partnerships / other orgs	-£165	-£165	-£165	-£165	-£165
Contributions from Government for COVID19	-£2,993	-£751	£0	£0	£0
TOTAL OTHER FUNDING SOURCES	-£7,679	-£5,224	-£4,686	-£4,686	-£4,686
Use of Ear Marked Reserves	-£853	-£2,281	-£378	-£378	-£378
COUNCIL TAX REQUIREMENT	£7,197	£7,456	£8,444	£8,606	£8,742
Projection of Retained Council Tax at current level	£7,197	£7,197	£7,237	£7,287	£7,337
Additional Council Tax for new properties	£0	£40	£50	£50	£50
Council Tax available at no increase	£7,197	£7,237	£7,287	£7,337	£7,386
Projected shortfall with no increase		-£219	-£1,157	-£1,269	-£1,356

Council Tax available with £5 increase per year		£7,456	£7,738	£8,012	£8,290
Projected shortfall with £5 increase per year		£0	-£706	-£594	-£452

The Five-Year Forecast indicates that there continues to be a number of spending pressures facing the Council over the coming years as core funding sources are expected to fall whilst unavoidable costs increase. Although the Council has been successful in making significant savings for a number of years now, the projections indicate that further reductions will be necessary to produce a balanced budget for the period from 2022/23 onwards.

The highest funding gap now showing across the 5 years is **£706,000**, even with the proposed increases in council tax. There are also a number of pressures, risks and uncertainties, including delivery of some of the Corporate Priorities, for which no provision has been made in the budgets.

6.2 SENSITIVITY ANALYSIS



It should be noted that the way that the financial information is shown in the Five Year Forecast table above differs from the Net Budget figures used for the budget setting tables. This is because the sources of funding have been moved together to make their impact clearer. In the budget figures some of these appear in the Service income and Other budget income lines.

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 **14%**.

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 7.2%. The following table highlights the gearing effect that additional expenditure has on the Council Tax.

Table 9 – Gearing Effect of Additional Spend on Council Tax

	£M	% Increase
Current Spending	49.0	
Significance of an extra £500,000 in spending		+1.0%
Council Tax Payers	6.9	
Significance of spending an extra £500,000		+7.2%

For each pressure, 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 change. As more information becomes available about the individual

pressures, the projections can be updated and made more certain.

6.3 RISKS AND UNCERTAINTIES

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 funding, expenditure or income would have a significant impact on the Council's revenue budget position.



This is why one of the fundamental principles contained in the MTFS is to maintain a minimum spending reserve equivalent to 5% of gross revenue expenditure.

In considering the budget forecasts, there are also a number of other issues that need to be borne in mind, as set out below:

- The full impact of the Fair Funding Review on the Council's core funding sources is not known.
- The funding needs of the Council's corporate priorities have not been fully costed and built into the budgets.
- There is a level of uncertainty surrounding the current economic climate with even more uncertainty as to the length of time the economy will take to recover after the COVID19 Pandemic.
- Demand for Council services remains volatile in some services, and this may be heightened due to economic changes.
- While the Council's capital resources are expected to exceed planned capital expenditure at the end of the programme period, future spending requirements could give rise to a shortfall. It is therefore imperative that capital reserves are replenished whenever possible in order to meet the future spending needs.
- Hampshire County Council is also having funding pressures, and some of the decision they may need to take may impact on Fareham Borough Council's finances.

There are also significant pressures that have not yet been built into the forecasts. These include:

- **Land Charges Income** – 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 loss of income for the Council of approximately **£100,000**.
- **Universal Credit** – The long-term ambition for the government is for the housing benefits system to be replaced by Universal Credit administered centrally. This was introduced in Fareham in November 2018 and will be implemented gradually over time. The migration of benefit claimants to Universal Credit will have a

financial impact to the Council particularly in relation to the service team and overhead costs.

- **Population Increases** – There are a number of significant planning applications in the borough which could lead to a significant increase in the population (up to 12%) and households (up to 13%). No provision has currently been built into the budgets for the impact this will have on the services the Council provides (e.g. council tax administration)

Conversely any housing growth in the borough above 300 new properties a year will bring in additional income through Council Tax.

6.4 THE OPPORTUNITIES PLAN

The Council aims to develop its efficiency plans well in advance of need 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.

Work was undertaken during 2018 by all Senior Managers and Heads of Services to generate ideas to close the predicted funding gap in 2020/21, and build in capacity to cover future pressures and areas of spending growth.

Over 132 ideas were generated; they were then reviewed further and prioritised for delivery between 2018/19 and 2021/22 as part of the new Opportunities Plan. The Plan is being expanded as other opportunities to generate savings are identified.

This Strategy therefore includes an 'Invest to Save' approach to achieving the Opportunities Plan, in which reserves are invested into establishing a small project team for a two-year fixed term to lead on or assist Heads of Service in the delivery of their projects. The project team has been in place since May 2019. The cost of this, coupled with other costs such as employing additional surveyor resources, using external consultants and legal advisors, is still estimated to be **£600,000** for the two years.

The table below summarises the latest position on the Opportunities Plan in terms of potential savings being explored and how many have been realised.

Opportunities Plan Update Document					
Financial Summary of Plan					
Project group	Latest Projected Savings (£)	Actual Savings Realised (£)	Budget Adjust. 19/20 (£)	Budget Adjust. 20/21 (£)	Budget Adjust. 21/22 (£)
1. Service changes already in progress	300,700	300,700	300,700		
2. Projects needing resources led by Project Team	1,445,300	-653,035	93,500		£938,320
3. Projects needing resources to be led by HOS	652,000	376,662	-12,500	302,900	
4. Projects led by HOS achievable within current resources	391,200	20,000			
5. Good Practice Projects	None expected				
6. The 'B List' of projects to do as resources allow	Not Costed				
7. Other projects (additional to Plan)	£20,000	7,913			
8. Completed Projects	£120,700	£90,387		£5,000	
			381,700	£307,900	£938,320
Totals	2,929,900	142,627	£1,627,920		
Things outside of the Plan - savings		37,700			
Things outside of the Plan – costs	-400,000				

Current predictions are that the Opportunities Plan would address the projected funding gap for the next 5 years, with some spare capacity for pressures not yet built in.

7. CONCLUSION

The Council has a long history of prudent financial management, of achieving efficiency savings while providing a wide range of excellent services.

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. This is predicting a funding gap by 2022/23 even if Council Tax is increased by £5 each year. There are also a number of budget pressures and uncertainties, both revenue and capital, which do not currently feature in the forecasts.

By having the Opportunities Plan in place, if adequately resourced, the Council would be able to meet its budget position for the next five years. The position from 2022/23 onwards will also become clearer when future government spending plans are released.

In the meantime, there will be a continued need to focus on the need 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, and delivering the priorities set for the Borough.

ANNEX 1

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 South and Solent Local Enterprise Partnership)	Continual
2	Member approval of corporate objectives and priority action plan	November
3	Member review of Medium Term Finance Strategy Member consideration of revised revenue budget for current year, base budget for next year, the capital programme and fees and charges.	January
4	Member consideration of new capital schemes and revenue growth items Member review of Capital Strategy (new) Member confirmation of capital programme Member confirmation of overall revenue budget for next year Member setting of the Council Tax	February
5	Outturn position for the General Fund and Housing Revenue Account revenue and capital budgets for the <u>previous year</u> . Member approval of carry forward of any revenue and capital expenditure programmes into current year. Member approval of financing arrangements for any capital programme overspends.	July
6	Six monthly monitoring against current year budgets	November

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 Medium Term 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 Medium Term 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 fees and charges along with 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.

FAREHAM BOROUGH COUNCIL PAY POLICY STATEMENT

FINANCIAL YEAR 2021 - 22

1. Purpose

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 2021-22, 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:

Pay	includes base salary, charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.
Chief Officers	refers to the following roles within the Council: Statutory Chief Officers: <ul style="list-style-type: none"> • Chief Executive Officer, as Head of Paid Service • Director of Support Services, as Monitoring Officer • Deputy Chief Executive Officer, as Section 151 Officer Non Statutory Chief Officers: <ul style="list-style-type: none"> • Director of Planning and Regulation • Director of Leisure and Community
Deputy Chief Officers	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.
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.
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 or similar mechanism will be approved by the Director of Support Services 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. The pay structure from 1 April 2020 consists of a pay spine of 44 points, comprising 11 grades containing 5 spinal column points with the exception of grade 1. Grade 1 is the lowest grade and 11 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.

The National Minimum Wage applies to those under 25 but Fareham's pay scales are not aged biased.

Details of the Council's pay structures are published on the Council's website and a copy as at 1st April 2020 is appended to this Statement (at [Annex A](#)).

3.4 Pay Awards and National Pay Awards

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. The pay award with effect from April 2020 allowed for a 2.75% increase across all grades.

If there is an occasion where the Council believes that the National Pay Settlement would distort the local pay structures alternative proposals will be developed, discussed with the trade unions and brought to Elected Members for formal approval.

4. Remuneration – level and element

4.1 Salaries of Chief Officers and Deputy Chief Officers

“Chief Officers” are identified at 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 £117,773 to £136,312.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £83,567 to £95,981.

“Deputy Chief Officers” who are Heads of Service are all paid within the Council's pay structures and will be paid a salary within grade ranges £55,344 to £83,567.

Typically 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 Grade 1 mindful of the need to meet the 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 (Member of Chief Executive's Management Team).

4.4 Other pay elements – Statutory Officers

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 Chief Officer, in connection with their role or the pattern of hours they work in accordance with National or Local collective agreements.

Expenses: 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.

Elections: The Chief Executive Officer has been appointed as the Council's Returning Officer for elections and he has appointed the Deputy Chief Executive Officer, Director of Leisure and Community and Head of Democratic 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.

Professional Subscriptions: 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

Benefits in kind are benefits which employees receive from their employer during their employment which are not included as part of their salary. Fareham has a technology scheme and car leasing scheme that employees have a choice to sign up for in lieu of salary. These benefits are reportable to HMRC and taxed accordingly.

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. 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.

Redundancy payments are calculated using the statutory weekly pay calculator which gives the following entitlements:

0.5 week's pay for each full year worked when you are under 22

1.0 week's pay for each full year worked when you are between 22 and 41

1.5 week's pay for each full year worked when you are 41 or older

The council will apply weekly pay to the number of entitled weeks and has a local multiplier of 2.2 which is applied to the overall calculation.

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.

The government has commenced the process to enforce a cap on exit payments of £95,000 with the likely implementation date to be during 2021 following consultation.

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 HR 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 median earnings across the whole workforce as a pay multiple. By definition, the Council's highest paid employee is the Chief Executive Officer. The median average pay has been calculated on all taxable earnings for the financial year 2020-21, including base salary, allowances, etc.

Highest paid employee	£136,312
Median earnings for remainder of workforce	£24,982
Ratio	5.46

ANNEX A (to the Pay Policy Statement)**Fareham Borough Council - Pay Scales as at 01/04/2020**

Chief Executive Grades & Salary		Directors Grades & Salary	
Spinal Column Point	Annual Salary	Spinal Column Point	Annual Salary
1	£117,773	1	£83,567
2	£122,409	2	£86,250
3	£127,043	3	£89,379
4	£131,679	4	£92,620
5	£136,312	5	£95,981

Senior Management Grades & Salary scales								
Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary
	1	£73,597		1	£63,822		1	£55,344
	2	£76,174		2	£66,136		2	£57,352
1	3	£78,838	2	3	£68,535	3	3	£59,432
	4	£81,197		4	£71,021		4	£61,588
	5	£83,567		5	£73,597		5	£63,822

Local Pay Scales					
GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2020)	GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2020)
1	3	£17,842			
	4	£18,198			
	5	£18,562			
2	5	£18,562	7	26	£32,747
	6	£18,933		27	£33,732
	7	£19,312		28	£34,750
	8	£19,698		29	£35,796
	9	£20,092		30	£36,863
3	9	£20,092	8	30	£36,863
	10	£20,493		31	£37,972
	11	£20,903		32	£39,105
	12	£21,322		33	£40,282
	13	£21,748		34	£41,390
4	13	£21,748	9	34	£41,390
	14	£22,627		35	£42,533
	15	£23,541		36	£43,694
	16	£24,491		37	£44,898
	17	£24,982		38	£46,003
5	18	£25,991	10	38	£46,003
	19	£26,511		39	£47,171
	20	£27,364		40	£48,352
	21	£28,258		41	£49,555
	22	£29,102		42	£50,167
6	22	£29,102	11	42	£50,167
	23	£29,977		43	£51,303
	24	£30,876		44	£52,454
	25	£31,803		45	£53,632
	26	£32,747		46	£54,843

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 January 2021

Portfolio: Policy and Resources
Subject: Fees and Charges 2021/22
Report of: Deputy Chief Executive Officer
Corporate Priorities: A dynamic, prudent and progressive Council

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

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

Recommendation/Recommended Option:
It is recommended that the Executive approves the fees and charges for 2021/22 as set out at Appendix A to this report.

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

Cost of proposals:
There are no costs to the proposals

Appendices: A: Fees and Charges 2021/22
B:

Background papers:

Reference papers:

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	04 January 2021
Subject:	Fees and Charges 2021/22
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. The Council levies Fees and Charges for a number of services it provides. This is an important source of funding for Council services and therefore contributes to the budget setting process. As Government funding continues to reduce, Councils are expected to adopt a more commercial approach to their fees and charges income streams.
2. This report therefore provides an update following the latest annual review of the Council's fee and charges and makes proposals for increasing current charges and also implementing new charges where opportunities have been identified.

BUDGET SETTING PRINCIPLES

3. The budget setting principles are detailed in the Council's Medium-Term Finance Strategy and the one proposed relating to fees and charges is shown below:
 - 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.
4. During the previous financial year the Opportunities Team have been working with services to review fees and charges after analysing what other authorities in Hampshire are charging and looking at areas where these authorities charge and Fareham doesn't currently charge.

CHANGES PROPOSED FOR 2021/22

5. There have been a number of changes to fees and charges which are detailed in the following paragraphs. The full booklet of fees and charges is attached as Appendix A.

Statutory Fees

6. Many of the charges that are used by the council will be statutory charges and as

such the council has no control over the setting of these charges.

Discretionary Charges where No increase is Proposed

7. There are some charges where there is no increase proposed that are at the discretion of the council. Many of these, such as Fareham Town Centre Charges have not been increased as it is believed that higher charges would be detrimental to the service or its users.
8. Car parking charges have not been increased since October 2010 and there is no proposal to increase them for 2021/22 as it is again likely to impact on service users when there is already reduced use of car parking facilities in the town centre.

New or Increasing Charges

9. The proposed changes to **Beach Hut charges** would be an increase of 5% over the current charge and reflect the decision made by the Executive in January 2020.
10. In the **Parking Charges** area there are the new charges for parking in coastal areas as agreed by the Executive in September. The season ticket proposals are subject to a separate report on this agenda and will be incorporated in the charges book once the decision has been made.
11. There is a change to the charges for the **Market Pitches** which is reflective of the current arrangements in relation to charges in that area.
12. In most other cases, an increase is proposed in line with the policy.

Fees that Fall under the Responsibility of Other Committees

13. Charges for the Licensing and Regulatory Committee and Planning Committee are shown in the appendix just for information as those charges will be agreed by the relevant committees before being approved by Full Council.
14. Charges for some Housing Services are also shown in the appendix for information as these are approved through the Housing Revenue Account report.

Additional Reviews in Progress

15. There are a number of services where additional analysis is being done to determine the level of charges for future years and where other opportunities may exist. These include cemeteries, garden waste service, car parks, trade waste and sports pitches.

FINANCIAL IMPLICATIONS

16. Fees and charges generate just under £4 million of income for the council so it is important that the charges are reviewed regularly and provide value for money for users of the services.

Enquiries:

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



Fees and Charges 2021/22

FAREHAM
BOROUGH COUNCIL

General Notes

1. Fees and Charges are normally reviewed by the Council on an annual basis to apply for the whole of the Financial Year (1 April to 31 March), but it sometimes proves necessary to amend charges at other times during the year.
2. The charges shown in this book are those which apply from 1 April 2021.
3. VAT where charged will be at the prevailing rate, which is currently 20%.
4. **VALUE ADDED TAX – LETTING OF SPORTS FACILITIES - EXEMPTION**

VAT exemption is available for the provision of a series of lets to Schools, Clubs, Associations or Organisations representing affiliated clubs or constituent associations (such as local league) subject to the following guidelines:

- a. The series consists of 10 or more sessions.
- b. Each session is for the same sport or activity.
- c. Each session is at the same place.
- d. The interval between each session is at least a day and not more than 14 days. Letting for every other Saturday afternoon fulfils this condition but there is no exception for intervals longer than 14 days which arise through closure e.g. for public holidays.
- e. The series must be paid for as a whole, and there is written evidence to that effect.
- f. The person to whom the facilities are let has exclusive use of them during the sessions.
- g. The hirer has no right to amend or cancel a booking

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BEACH HUTS

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Residents	Inclusive of VAT	532.00	558.60	5.00
Non-Residents	Inclusive of VAT	1,064.00	1,117.20	5.00



BUILDING CONTROL PARTNERSHIP

Building Control Partnership fees are available on application to the Head of Building Control. Fees will not be published due to commercial sensitivity.



CEMETERIES AND BURIAL GROUNDS

The charges below are either currently exempt, or not subject to VAT.

Resident Fees

Resident fees are charged when the person to be interred lived in the Borough of Fareham prior to their death.

Persons residing in Care and Nursing homes outside the Borough are also classed as residents if they lived in the Borough of Fareham prior to moving to Care and Nursing Homes.

Non-Resident Fees

Non-resident fees are charged when the person to be interred did not live in the Borough prior to their death. Fees in relation to the purchase of the 30 year lease will also apply.

Non-residents fees are charged when a person wishes to reserve a grave and lives outside the Borough at the time of their application to purchase the 30 year lease.

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
ASHES (CREMATED REMAINS) AREA				
Interment				
a) Burial of ashes into a cremation plot	Note 1	210.00	220.00	4.8
Memorials				
d) Application to place a flat memorial tablet	Note 2	53.00	56.00	5.7
e) Application to add a further inscription onto an existing tablet	Note 2	37.00	39.00	5.4

BURIAL AREA				
Interment				
f) Burial of a body into a new grave	Note 1	865.00	910.00	5.2
g) Re-open an existing grave for second burial	Note 1	660.00	695.00	5.3
h) Application to scatter ashes	Note 1	70.00	73.00	4.3
i) Burial of ashes into grave at cremation depth	Note 1	210.00	220.00	4.8
j) Burial of ashes into grave at burial depth	Note 1	385.00	405.00	5.2
k) Burial of a body (Child under 18 years)	Note 1,3	865.00	910.00	5.2
Exclusive right of burial (30 year lease)				
l) Purchase of 30 year lease (area selected by Council)	Note 1	670.00	700.00	4.5
m) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	925.00	970.00	4.9
n) Purchase of 30 year lease (Child's grave)	Note 2	305.00	320.00	4.9
Memorials				
o) Application to place a headstone for ten years	Note 2	180.00	190.00	5.6
p) Renewal of the application to place a headstone	Note 2	26.00	27.00	3.8
q) Application for additional inscription on headstone and re-erection	Note 2	132.00	138.00	4.5
r) Application to place a fixed memorial vase	Note 2	53.00	56.00	5.7
s) Application to add a further inscription onto an existing fixed memorial vase	Note 2	37.00	39.00	5.4

MISCELLANEOUS				
t) Hire of Chapel at Wickham Road Cemetery	Note 2	125.00	130.00	4.0
u) Transferring of the ownership of the lease known as the Exclusive Right of Burial	Note 2	66.00	70.00	6.1
v) Administration fee for making arrangements directly with Council (ashes only)	Note 2	70.00	73.00	4.3
w) To undertake the arrangements for funerals under the Public Health Act	Note 2	475.00	500.00	5.3
x) Burial out of hours	Note 2	At Cost	At Cost	
y) Exhumation	Note 2	At Cost	At Cost	
z) Purchase of commemorative bench and plaque	Note 2	1,560.00	1,635.00	4.8
Notes 1. The charge shown is for residents. Non-residents will be charged double the residents rate. 2. The charge shown is for both residents and non-residents. 3. Charges for children under 18 years old will be free at the point of need. The charges are shown to enable the council to be reimbursed by the Children's Funeral Fund.				



CLEAN AND TIDY BOROUGH

The charges shown are currently not subject to VAT.

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Litter and Fouling				
Dropped litter – Fixed Penalty Notice	Enforcement Policy	150.00	150.00	Nil
Public Space Protection Order – Fixed Penalty Notice	Enforcement Policy	100.00	100.00	Nil
Highways – Damage to Street Furniture				
Offender charged at cost plus a 10% administration charge				
Shopping Trolley Collection				
Shopping Trolley Collection		100.00	105.00	5.0



ELECTIONS

The charges shown are currently not subject to VAT.

Returning Officer's fees and disbursements: as determined by Hampshire Election Fees Working Party; available on request to Head of Democratic Services.

Registration of Electors (Statutory)

Item	Data	Printed
Sale of Edited Register	£20 plus £1.50 per thousand entries (or part)	£10 plus £5.00 per thousand entries (or part)
Sale of Full Register*	£20 plus £1.50 per thousand entries (or part)	£10 plus £5.00 per thousand entries (or part)
Sale of monthly update notices*	£20 plus £1.50 per thousand entries (or part)	£10 plus £5.00 per thousand entries (or part)
Sale of list of Overseas Electors	£20 plus £1.50 per hundred entries (or part)	£10 plus £5.00 per hundred entries (or part)
Sale of Marked Register*	Where available £10 plus £1.00 per thousand entries (or part)	£10 plus £2.00 per thousand entries (or part)
*Notes 1. Supply of the Full Register, monthly update notices and the marked register is restricted by the Representation of the People Regulations. 2. Packing and carriage costs will also apply where relevant. 3. A request for the same part of the register in both printed and data form will be treated as two separate requests.		



HOUSING

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Sales of Council Houses				
Maximum legal and administration fees in connection with granting a service charge loan	Statutory Charge	100.00	100.00	NIL
Recharge of Officer time in agreeing any consent to freeholders	Fee per occurrence	100.00	100.00	NIL
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	50.00	50.00	NIL
Rechargeable works	These will be assessed individually at the time the work is carried out.			
Sheltered Accommodation for the Elderly – Guest Room Charges				
Single occupancy per night	Inclusive of VAT	10.00	10.00	NIL
Per couple per night	Inclusive of VAT	15.00	15.00	NIL
Collingwood Court per room	Inclusive of VAT	25.00	25.00	NIL
Sylvan Court per room	Inclusive of VAT	25.00	25.00	NIL
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.10	5.20	2.0
Keys – Fob		8.20	8.35	1.8
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.60	0.65	8.3
Dry		0.50	0.55	10.0
Homelessness				
Bed & Breakfast charges	100% cost recovery from the homeless of Hotel/Bed & Breakfast charges ineligible for Housing Benefit made straight to the Council.			
Storage of furniture	Homeless households qualifying for financial assistance towards the cost of removal and storage of their possessions must agree to pay a contribution towards these costs based on all their sources of income.			
Other				
Second mortgage enquiry forms	Inclusive of VAT	75.00	78.00	4.0
Care Line Service - Telephone link for assistance (private sector)	Tariff available on application to Sheltered Housing Manager			



LAND CHARGES

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Local Land Charges 1 Search Fees (not subject to VAT) Official Certificate of Search in the whole or any part of the register				
First parcel of land – paper search	Fee per occurrence	34.00	36.00	5.8
First parcel of land – electronic search	Fee per occurrence	34.00	36.00	5.8
Each additional parcel	Fee per occurrence	11.00	11.50	4.6
Other Local Land Charges Fees (not subject to VAT)				
Registration of a light obstruction notice	Fee per occurrence	74.00	78.00	5.4
Filing Lands Tribunal certificate	Fee per occurrence	2.60	2.80	7.7
Filing light obstruction judgement etc.	Fee per occurrence	7.50	7.80	4.0
Inspection of rule 10 documents	Fee per occurrence	2.60	2.80	7.7
Office copy register entry	Fee per occurrence	1.60	1.70	6.3
Office copy plan or document	Discretionary			
CON29R Official Enquiries – Part I				
First parcel of land	Fee per occurrence Inclusive of VAT	165.60	174.00	5.1
Each additional parcel	Fee per occurrence Inclusive of VAT	38.40	40.20	4.7
CON29O Official Enquiries – Part II				
First parcel of land	Fee per occurrence Inclusive of VAT	28.80	30.30	5.2
Each additional parcel	Fee per occurrence CON29O element inclusive of VAT £39 LLC1 element not subject to VAT £11.50	49.40	51.90	5.1
Common Registration Searches	Fee per occurrence	28.80	30.30	5.2



LICENSING AND FEES

The charges shown are currently not subject to VAT, except where indicated.

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Lotteries				
Registration	Statutory Charge	40.00	40.00	NIL
Renewal	Statutory Charge	20.00	20.00	NIL

Gambling Act 2005

Charges available on application to Head of Environmental Health.

Licensing Act 2003

The service is provided to ensure public safety through the licensing of regulated activities and to ensure that they are undertaken in accordance with the relevant licence conditions.

In addition the Council are the Licensing Authority under the Licensing Act 2003. The Act replaced existing licensing regimes concerning the sale of alcohol, public entertainment, theatres, cinemas and late night refreshment with a unified system of regulation. From February 2005 the Council has dealt with applications for premises and personal licences which took effect in November 2005. From this date the Council took over all the licensing functions some of which such as liquor licensing were previously undertaken by the Magistrates Court.

The Act requires that the Council carries out its various licensing functions so as to promote the following four licensing objectives:-

- The prevention of crime and disorder
- Public Safety
- The prevention of public nuisance
- The protection of children from harm

The Fees have been set by the Government and are detailed below:

Premises/Club Applications/Conversions

The Fees are based on rateable values of properties:

Rateable Value	Band	Initial License Fee £	Annual Fee £
£0 - £4,300	A	100.00	70.00
£4,301 - £33,000	B	190.00	180.00
£33,001 - £87,000	C	315.00	295.00
£87,001 - £125,000	D	450.00	320.00
£125,001 and over	E	635.00	350.00

A multiplier applied to premises in Bands D and E where they are exclusively or primarily in the business of selling alcohol (mainly large town and city centre pubs) as follows:

Rateable Value	Band	City/Town Centre Pub Application Fee £	City/Town Centre Pub Annual Charge £
£87,001 - £125,000	D	900.00	640.00
£125,001 and over	E	1,905.00	1,050.00

If in addition to the conversion application the conditions in respect of alcohol are to be varied then an additional fee to those set out above becomes payable as follows:

Rateable Value	Band	Variation Fee £
£0 - £4,300	A	20.00
£4,301 - £33,000	B	60.00
£33,001 - £87,000	C	80.00
£87,001 - £125,000	D	100.00
£125,001 and over	E	120.00

Exceptionally Large Events

A fee structure also exists for exceptionally large events starting at a capacity of 5,000 people. Please contact the Licensing Authority for details of these.

Personal Licences, Temporary Events and Other Fees

	Fee 2021/22 £
Statutory – Additional Fees are as follows :	
Occasion on which Fee payable	
Personal Licence	37.00
Minor Variations	89.00
Temporary Event Notice	21.00
Application for copy of Licence or summary on theft, loss etc. of Premises Licence or summary	10.50
Notification of change of name or address	10.50
Applications to vary – to specify Individuals as premises supervisor	23.00
Application to transfer Premises Licence	23.00
The removal of conditions for community premises	23.00
Interim Authority Notice	23.00
Application for making a Provisional Statement	195.00
Application for copy of certificate or summary on theft, loss etc. of certificate or summary	10.50
Notification of change of name or alteration of club rules	10.50
Change of relevant registered address of club	10.50
Application for copy of licence on theft, loss etc. of temporary event notices	10.50
Application for copy of licence on theft, loss etc. of personal licence	10.50
Right of freeholder etc. to be notified of licensing matters	21.00

Exemptions

Applications for premises licences or club certificates which relate to the provision of regulated entertainment only and the application is from the following then NO FEES are payable, but applications must still be made:

An educational institution which is a school or college and the entertainment is carried on by the educational institution for and on behalf of the purposes of the educational institution.

OR

That the application is in respect of premises that are or form part of a church hall, chapel hall, or similar building or village hall, parish hall or community hall or other similar building.

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Discretionary – Other Licences and Fees				
Skin Piercers	Premises	95.00	95.00	NIL
Skin Piercers	Persons	80.00	80.00	NIL
Street Trading Consent	12 months	1,900.00	1,900.00	NIL
Street Trading Consent	6 months	1,050.00	1,050.00	NIL
Street Trading Consent	3 months	560.00	560.00	NIL
Street Trading - Tables and Chairs	New	300.00	300.00	NIL
Street Trading - Tables and Chairs	Renewal	185.00	185.00	NIL
Dangerous Wild Animal Licences	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	150.00	150.00	NIL
Riding Establishment Licences Initial registration/ renewal/variation –per horse	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	44.00	44.00	NIL
Animal Boarding Establishment Licences	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	170.00	170.00	NIL
Home (Domestic) Animal Boarding Establishment Licences		130.00	130.00	NIL
Home Boarding Fee Franchise (including Day Care for Dogs)	Dog Boarding Franchise	160.00	160.00	NIL
	Additional Dog Boarding Franchise property applied for	53.00	53.00	NIL
Pet Shop Licences	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	130.00	130.00	NIL
Dog Breeders Licence	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	190.00	190.00	NIL
Zoo: Initial Application (valid for 4 years)	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	2,000.00	2,000.00	NIL
Zoo: Renewal (valid for 6 years)	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	2,000.00	2,000.00	NIL
Sex Shops/Establishments	Initial Fee	2,000.00	2,000.00	NIL
Sex Shop/Establishment	Renewal Fee	2,000.00	2,000.00	NIL
Scrap Metal Dealer	New Application	260.00	260.00	NIL
Scrap Metal Dealer	Application Renewal	145.00	145.00	NIL
Mobile Collector	New Application	145.00	145.00	NIL
Mobile Collector	Application Renewal	105.00	105.00	NIL

Variation of Licence		138.00	138.00	NIL
Replacement Licence		23.00	23.00	NIL
Advice to commercial premises	Charge per hour or part thereof	47.00	47.00	NIL

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Discretionary – Hackney Carriage and Private Hire Licences				
Vehicle Licence				
Hackney Carriage		185.00	185.00	NIL
Private Hire		185.00	185.00	NIL
Transfer of Licence	(Note 1)	185.00	185.00	NIL
Temporary Transfer	(Note 2,3)	185.00	185.00	NIL
Operator's Licence				
Private Hire Operators Licence	1 year	185.00	185.00	NIL
Private Hire Operators Licence	3 years	455.00	455.00	NIL
Private Hire Operators Licence	5 years	825.00	825.00	NIL
Driver's Licence				
Hackney Carriage Drivers Licence	1 Year	60.00	60.00	NIL
Hackney Carriage Drivers Licence	3 Years	155.00	155.00	NIL
Private Hire Drivers Licence	1 Year	60.00	60.00	NIL
Private Hire Drivers Licence	3 Years	155.00	155.00	NIL
Dual Drivers Licence	1 Year	85.00	85.00	NIL
Dual Drivers Licence	3 Years	200.00	200.00	NIL
Dual Upgrade			45.00	N/A
DVLA Drivers' Licence check	Free on-line			
Failure to attend appointment		34.00	34.00	NIL
Replacement Licence		10.50	10.50	NIL
Transfer of Ownership	(Note 1)	25.00	25.00	NIL
Knowledge Test				
Per Test		60.00	60.00	NIL
Driver's Badge				
Issue and Replacement	Inclusive of VAT	18.00	18.00	NIL
Vehicles				
Replacement plates and fixings	Inclusive of VAT	22.00	22.00	NIL
Replacement brackets		15.00	15.00	NIL

Interior windscreen plate		23.00	23.00	NIL
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Other	
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Disclosure and Barring Service Fee	Actual Cost
Medical Consultation	Actual Cost

Notes

1. This charge has been set at a level to cover the cost of administering transfers. Transfers will only be permitted in March and April in exceptional circumstances. Transfers, in months other than March and April, will be charged at 50%.
2. This charge covers the cost of temporary transfers due to the use of loan cars for insurance purposes.
3. This charge has been set at a level to cover the cost of administering transfers.



MARKETS AND TOWN CENTRE

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Fareham Market Inclusive of VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.00	2.10	5.00
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.50	2.60	4.00
Additional Markets	Per foot, minimum of 15ft, maximum of 50ft	1.00	1.10	10.00
Portchester Market Not currently subject to VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.00	1.10	10.00
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.50	1.60	6.67
Fareham Town Centre Charges Inclusive of VAT				
Flower Basket(subject to availability)	Per Basket, supply, install and maintenance	36.00	36.00	NIL
Pitch Hire Standard Pitch	up to 10ft or 3.05 m	35.00	35.00	NIL
Pitch Hire Larger Pitch & Podium	up to 20ft or 6.1m	70.00	70.00	NIL
Pitch Hire	Direct booking non-profit organisation	0.00	0.00	NIL
Commercial Exhibitions Saturdays	Up to 40ft or 12.19m	210.00	210.00	NIL
Commercial Exhibitions All other dates	Up to 40ft or 12.19m	150.00	150.00	NIL



PARKING CHARGES

The charges shown are inclusive of VAT

Shopping Centre Multi-Storey Car Parks	Current Fee
Fareham Shopping Centre and Osborn Road	
Monday – Saturday Standard hourly rates apply between 8am and 6pm	£1.00 per hour to a maximum of 10 hours
Sunday & Bank Holiday Standard hourly rates apply between 10.30am and 4pm	£1.00 per hour to a maximum of 6 hours

Inner Shopping Centre Car Parks	Current Fee
Ferneham Hall; Civic Way North & South; Palmerston Avenue; Civic Offices (Sat/Sun Only)	
Monday – Saturday Standard hourly rates apply between 8am and 6pm	£1.00 per hour to a maximum of 10 hours
Sunday & Bank Holiday Standard hourly rates apply between 10.30am and 4pm	£1.00 per hour to a maximum of 6 hours

Market Quay	Current Fee
Monday – Saturday Standard hourly rates apply between 8am and 6pm	£1.50 per hour to a maximum of 10 hours
Sunday & Bank Holiday Standard hourly rates apply between 10.30am and 4pm	£1.50 per hour to a maximum of 6 hours

Coastal Parking	New Fee
Hove To; Meon Shore; Monks Hill; Passage Lane; Portchester Castle; Salterns; Shore road; Swanwick Shore Lane;	
Monday – Sunday Standard hourly rates apply between 10am and 6pm	£1.00 per hour to a maximum of 6 hours
Season ticket option is due to be addressed at the Executive in January	To be confirmed

Outer Shopping Centre Car Parks	Current Fee
Bath Lane; Holy Trinity Church; Lysses; Malthouse Lane; Osborn Road West; Trinity Street; Youth Centre	
Monday – Saturday Standard hourly rates apply between 8am and 6pm	£0.70 per hour with a maximum charge of £3.50 per day
Sunday & Bank Holiday	No Charge

Flexible Season Tickets for use in any outer shopping centre car park	1 Day £	2 Days £	3 Days £	4 Days £	Weekly £
Full Day					

One Month	13.00	30.00	50.00	60.00	70.00
Quarterly	35.00	80.00	110.00	150.00	170.00
Half Yearly	65.00	140.00	200.00	270.00	300.00
Annual	110.00	230.00	340.00	470.00	520.00

Half Day (up to 5 hours)					
One Month	10.00	20.00	30.00	40.00	45.00
Quarterly	20.00	50.00	70.00	90.00	100.00
Half Yearly	40.00	80.00	120.00	160.00	180.00
Annual	70.00	140.00	200.00	280.00	310.00

Penalty Charge Notices(not subject to VAT)	Current Fee
Higher Level Charge – (Note 1 and 3)	£70.00
Lower Level Charge – (Note 2 and 3)	£50.00

Notes

1. Higher level charge relates to those contraventions which prohibit e.g. parking on double yellow lines or single lines during a prohibited period, or parked in a marked disabled bay without displaying a blue badge.
2. Lower level charges relate to those contraventions which occur, for example, short overstay of the prescribed period on street or parking in an off street location without displaying a valid pay and display ticket/permit.
3. The charges are reduced by 50% provided payment is made within 14 days of issue. A surcharge of 50% will be added if paid more than 28 days from issue of Notice to Owner.



PLANNING FEES

The majority of Planning Fees are set by central government and are updated from time to time. The current fees apply from 17 January 2018 and can be found on planningportal.co.uk or the fee will calculate when you fill in your application online.

Alternatively the current fees are available on application to the Head of Development Management.

The following fees are discretionary

Planning Advice - Residential	Fee payable 2021/22 £
Extensions or other alterations to an existing dwelling including ancillary development within its curtilage	Free
1 – 9 dwellings*	£250 for first dwelling + £50 for every additional dwelling thereafter
10 – 49 dwellings*	£750 for first ten dwellings + £10 for every additional dwelling thereafter
50+ dwellings*	£POA
New dwellings but where numbers not known	£POA
Elderly persons accommodation, retirement living developments, sheltered apartments, residential care homes falling within Use Class C2, - 1-9 bedspaces - 10 – 50 bedspaces - More than 50 bedspaces	£250 £500 £750
Other residential uses (including hotels, residential institutions, houses in multiple occupation, etc)	£POA
* = including change of use of existing floorspace	

Planning Advice – Non-residential	Fee payable 2021/22 £
Provision of floorspace (gross internal area), change of use of existing floorspace (gross internal area) or change of use of land (gross area): <ul style="list-style-type: none"> - Up to 100 m2 - 101 – 499 m2 - 500 – 999 m2 - More than 1,000 m2 where it relates to proposed uses with Classes B1, B2, B8, or a mix of these uses - More than 1,000 m2 where it relates to any uses outside of Classes B1, B2 or B8 	£200 £250 £500 £700 £POA

Planning Advice – Other	Fee payable 2021/22 £
Small scale development not falling into any of the above categories <i>(for example: engineering works, new shop fronts, moorings, means of enclosure, renewable energy plant on existing business premises)</i>	£200
Installation or replacement of telecommunications mast	£200 per site
Minor amendments to an extant planning permission	£100
Advertisements / signage: <ul style="list-style-type: none"> - For the purposes of a community use which is non-profit making (not including education providers) - On business premises less than 100 m2 gross internal floor area - All other adverts 	Free Free £150

Any development or works being carried out by a community use which is non-profit making (not including education providers)	Free
Follow up advice	50% of the original pre-application planning advice fee/ £POA
Notes:	
1. £POA (Price on Application) indicates that a fee will be calculated on a case by case basis, based on a schedule of rates published by the Council and updated annually.	
2. Where advice is sought in relation to mixed use proposals, the fee for each element of the scheme should be calculated using the table above and then added together.	
3. Where advice is required from external consultants or consultees to whom a payment must be made, the applicant will be expected to meet these costs and they will be in addition to the pre-application advice fee set out above.	

Pre Application Advice – Listed Buildings and heritage Advice	Fee payable 2021/22 £
Pre-application planning advice charges for listed buildings and heritage advice	£150 per initial enquiry plus VAT



PUBLIC PROTECTION

	Notes	Fee 2020/21£	Fee 2021/22 £	% Increase
Dog Control				
Collection of Strays (An additional £25 will be added to this fee where the same dog is found straying, leading to seizure, more than once in any 3 month period)	Statutory Charge Not subject to VAT	25.00	25.00	NIL
Dog Kennelling fees	Per dog up to 7 days Not subject to VAT	115.00	115.00	NIL
Private home check visit	Inclusive of VAT	34.00	34.00	NIL
Housing Act Enforcement charges are not currently subject to VAT				
Private Sector Housing - Housing Act 2004 Enforcement Notices	Charge to be actual cost to the Council up to and including service of Notice			
Inspection and/or sampling of private water supplies/distribution networks	Charge to be actual cost to the Council			
Out of Hours Service	Charge to be actual cost to the Council			
Immigration Service Assessment of Premises Condition	Inclusive of VAT	115.00	115.00	NIL
Licensing of Houses in Multiple Occupancy				
5 people	Not subject to VAT	840.00	840.00	NIL
6 – 10 people	Not subject to VAT	1,050.00	1,050.00	NIL
11 – 15 people	Not subject to VAT	1,260.00	1,260.00	NIL
16 – 20 people	Not subject to VAT	1,470.00	1,470.00	NIL
More than 20 people	Not subject to VAT	1,680.00	1,680.00	NIL

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Food Safety				
Export Health Certificates		90.00	90.00	NIL
Issue of Certificate for Unsound Food	Certificate required in support of insurance claims even though the food, due to its condition, would not be marketable or usable.	220.00	220.00	NIL
Transportation of Unsound Food (Charges are inclusive of VAT)				
First hour (min 1 hour)	Plus disposal of unsound food.	155.00	155.00	NIL
Subsequent whole hours	Plus disposal of unsound food.	80.00	80.00	NIL
Transport and disposal	Charged at cost to the Council			
Charges for training courses available on application to the Head of Environmental Health				
Pest Control				
Domestic Premises charges include materials and are also inclusive of VAT				
For Persons in Receipt of one or more of the following benefits the treatment is offered at a concession charge:-				
<ul style="list-style-type: none"> • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • Income Support • Pension Credit (Guarantee) • Universal Credit (maximum award) 				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	12.00	12.00	NIL
All other insects (including wasps)		20.00	20.00	NIL
Rodents		25.00	25.00	NIL
Pest Control				
Domestic Premises charges include materials and are also inclusive of VAT				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	36.00	36.00	NIL
All other insects (including wasps)		60.00	60.00	NIL
Rodents		70.00	70.00	NIL
Pest Control				
Commercial Premises charges include materials and are also inclusive of VAT				
Rodents and insects	first 15 minutes	85.00	90.00	5.88
Rodents and insects	each additional 15 minutes or part thereof	20.00	21.00	5.00
CCTV				

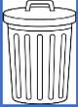
Access to CCTV footage	Inclusive of VAT	84.00	90.00	7.1
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Pollution Reduction – Environmental Protection Act 1990				
Charges available on application to the Head of Environmental Health				
Out of hours service charges based on actual cost to the Council				
Local Authority Environmental Permit – Part B				
LAPPC Charges for 2014/15 onwards not subject to VAT				
Type of charge	Type of process	2014/15 Fee		
Application Fee	Standard process (includes solvent emission activities)	£1,579		
	Additional fee for operating without a permit	£1137		
	PVRI, SWOBs and Dry Cleaners	£148		
	PVR I & II combined	£246		
	VRs and other Reduced Fee Activities	£346		
	Reduced fee activities: Additional fee for operating without a permit	£68		
	Mobile plant**	£1,579		
	for the third to seventh applications	£943		
	for the eighth and subsequent applications	£477		
	Where an application for any of the above is for a combined Part B and waste application, add an extra £297 to the above amounts			
Annual Subsistence Charge	Standard process Low	£739 (+£99)*		
	Standard process Medium	£1,111(+£149)*		
	Standard process High	£1672 (+£198)*		
	PVRI, SWOBs and Dry Cleaners L/M/H	£76	£151	£227
	PVR I & II combined L/M/H	£108	£216	£326
	VRs and other Reduced Fees L/M/H	£218	£349	£524
	Mobile plant, for first and second permits L/M/H**	£618	£989	£1,484
	for the third to seventh permits L/M/H	£368	£590	£884
	eighth and subsequent permits L/M/H	£189	£302	£453
	Late payment Fee	£50		
	* The additional amounts in brackets must be charges where a permit is for a combined Part B and waste installation			
	Where a Part B installation is subject to reporting under the E-PRTR Regulation add an extra £99 to the above amounts.			

Pollution Reduction – Environmental Protection Act 1990		
Charges available on application to the Head of Environmental Health Out of hours service charges based on actual cost to the Council		
Local Authority Environmental Permit – Part B		
LAPPC Charges for 2014/15 onwards not subject to VAT		
Type of charge	Type of process	2014/15 Fee
Transfer and Surrender	Standard process transfer	£162
	Standard process partial transfer	£476
	New operator at low risk reduced fee activity (extra one-off subsistence charge - see Art 15(2) of charging scheme)	£75
	Surrender: all Part B activities	£0
	Reduced fee activities: transfer	£0
	Reduced fee activities: partial transfer	£45
Temporary transfer for mobiles	First transfer	£51
	Repeat following enforcement or warning	£51
Substantial change	Standard process	£1,005
	Standard process where the substantial change results in a new PPC activity	£1,579
	Reduced fee activities	£98

** Not using simplified permits

Local Authority Environmental Permit – Part B				
LAPPC mobile plant charges for 2014/15 onwards (not using simplified permits) not subject to VAT				
Number of permits	Application fee 2014/15	Subsistence fee 2014/15		
		Low	Med	High
1	£1579	£618	£989	£1,484
2	£1579	£618	£989	£1,484
3	£943	£368	£590	£884
4	£943	£368	£590	£884
5	£943	£368	£590	£884
6	£943	£368	£590	£884
7	£943	£368	£590	£884
8 and over	£477	£189	£302	£453



WASTE COLLECTION AND DISPOSAL

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Abandoned Vehicles Refuse Disposal (Amenity) Act 1978				
The charges shown are currently not subject to VAT				
Removal of vehicle from motorway	Statutory Charge	150.00	150.00	Nil
Removal of vehicle from elsewhere	Statutory Charge	150.00	150.00	Nil
Storage (per 24 hours or part)		28.00	29.00	3.6
Disposal		72.00	76.00	5.6
Domestic Bulky Waste				
The charges shown are currently not subject to VAT				
Single Item		40.00	42.00	5.0
Two Small Items		60.00	63.00	5.0
Half Load		90.00	95.00	5.6
Full Load		160.00	168.00	5.0
Trade Waste				
Trade waste charges for both residual and recycling are available on application to the Trade Waste team. Charges made for waste collected outside the borough of Fareham will be subject to standard rated VAT.				
Domestic Garden Waste Collection				
The charges shown are currently not subject to VAT				
First Sack	Free of charge - £5.00 Delivery Fee			
Roll of 25 single use sacks	Subsequent sacks	40.00	45.00	12.5
Roll of 5 single use sacks	Subsequent sacks	10.00	12.00	20.0
Domestic Waste and Recycling - Developers (inclusive of VAT)				
The charges shown are for new and replacement bins				
240 litre (standard bin for individual houses) Refuse / Recycling		45.00	50.00	11.1
340 litre (communal bin only permitted for flats) Refuse / Recycling		70.00	75.00	7.1
1100 litre (large communal bin, only permitted for flats) Refuse		430.00	455.00	5.8
Domestic Waste and Recycling - Residents (not subject to VAT)				
The charges shown are for new and replacement bins				
240 litre (standard bin for individual houses) Refuse / Recycling		34.00	36.00	5.8



SPORTS AND LEISURE

Outdoor Sport and Recreation

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Football, Rugby and Hockey, casual games per match - (Notes 1 and 2)				
Senior	Per match	88.00	92.00	4.5
Junior	Under 18	34.50	36.00	4.3
Mini Soccer	Per match	23.00	24.00	4.3
Mini Soccer	Per half day pitch	47.00	49.00	4.3
Training Sessions – 2 hours	Juniors half charge	50.00	52.00	4.0
Football Tournament (Note 1)				
Football Tournament	Per tournament	346.00	362.00	4.6
Cricket, casual games per match - (Notes 1 and 2)				
Senior	Per match	92.00	96.00	4.3
Junior	Under 18	34.00	36.00	5.9
Evening games	Senior	75.00	78.00	4.0
Evening games	Junior	30.00	31.00	3.3
Tennis Courts – per court, per hour – (Notes 1 and 3)				
Senior		10.80	11.40	5.6
Junior	Under 18	4.80	5.00	4.2
Notes				
1. Fees inclusive of VAT unless exemption conditions as set out in the General Notes on page 1 are met.				
2. Clubs not resident in Borough pay double casual rate.				
3. Tennis Clubs are required to make suitable arrangements for public use of courts outside the times required by clubs				

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Bowls – Seasonal Charges - (Note 1)				
Fareham Bowling Club	6 rinks & clubhouse	7,035.00	7,385.00	5.0
Crofton Community Association	6 rinks & clubhouse	7,035.00	7,385.00	5.0
Bowls – Fees - (Note 2)				
Green Fees		5.50	5.80	5.5
Hire of Woods		2.10	2.20	4.8
Hire of shoes	Not applicable at Portchester or Priory Park	2.10	2.20	4.8
Notes				
1. Public to have use of at least one rink at each green				
2. Retained by clubs. Max charge per player per hour				
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Miscellaneous Charges				
Hire of council land for events	Note 2			
Charitable hiring	Note 3	97.00	102.00	5.2
Use of changing facilities	Note 1	49.00	52.00	6.1
Rounders	Note 1	85.00	89.00	4.7
Notes				
1. Fees inclusive of VAT unless exemption conditions as set out in the General Notes on page 1 are met.				
2. At a rate to be determined by the Head of Streetscene on an individual basis proportionate to the estimated income derived from the event. This could include damage deposit.				
3. Charge can be waived at the discretion of the Head of Streetscene.				

MISCELLANEOUS CHARGES

	Notes	Fee 2020/21 £	Fee 2021/22 £	% Increase
Letting of Council Chamber and Committee Rooms				
Collingwood Room	Per hour	75.00	80.00	6.67
Pulheim Room	Per hour	30.00	32.50	8.33
Vannes Room	Per hour	30.00	32.50	8.33
Council Chamber	Per Hour	120.00	130.00	8.33
Conference Room A and B (Floor 8)	Per Hour	23.00	24.00	4.34
Notes				
<ol style="list-style-type: none"> Commercial Organisations only. The hourly charges for room hire below apply when the building is already in use for Council business and are currently exempt from VAT. Additional charges may be levied to recover the cost of preparing rooms, moving furniture, the use of equipment, etc. These charges would be subject to VAT. The following additional charges, to be added when the building is not being used for Council business, after 6.30 pm - per hour £70.00 plus VAT. 				
Printing and Copying				
Charges are available on application to the Director of Support Services.				
General Charges				
Responding to solicitors/consultants enquiries	Inclusive of VAT - Per Question	85.00	90.00	5.88
Responding to other detailed enquiries	At the discretion of the Direction of Planning and Regeneration			
Copies of Statutory Register		85.00	90.00	5.88
Attendance at court as a witness	Charge based on the cost to the Council			
Sponsorship of Roundabouts – subject to VAT				
Agreeing form of works and supervision as agreed with the sponsor, subject to no additional cost to the Council.				

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 January 2021

Portfolio:	Policy and Resources
Subject:	Capital Programme and Capital Strategy 2021/22
Report of:	The Deputy Chief Executive Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

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

Executive summary:

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

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

The main highlights in the Capital Strategy are:

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

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

Recommendation:

It is recommended that the Executive:

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

Reason:

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

Cost of proposals:

As detailed in the report.

Appendices: **A:** Capital Strategy 2021/22 (including 5-year capital programme as Annex 1)

Background papers: None

Reference papers: CIPFA Prudential Code 2017
 Arlingclose Capital Strategy 2021-22 Template

Enquiries:

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

FAREHAM

BOROUGH COUNCIL

CAPITAL STRATEGY 2021/22



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INTRODUCTION

WHAT IS THE CAPITAL STRATEGY?

- 1. The Capital Strategy has been developed to meet the requirements of the CIPFA Prudential Code.
- 2. It gives a high-level overview of how **capital expenditure, capital financing, asset management and treasury management** activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 3. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future.

4. The Capital Strategy covers:



5. The capital strategy compliments other Council strategies, including those in the diagram below:



PRUDENTIAL INDICATORS

6. The objectives of the CIPFA Prudential Code aim to ensure that capital investment plans are **affordable, prudent and sustainable**, and that treasury decisions are taken in accordance with good professional practice.
7. To achieve these objectives, five prudential indicators are included in the capital strategy:
 - Prudential Indicator 1 - Estimates of capital expenditure and financing
 - Prudential Indicator 2 - The Council's borrowing need
 - Prudential Indicator 3 - Gross debt and the capital financing requirement
 - Prudential Indicator 4 - Limits to borrowing activity
 - Prudential Indicator 5 - Proportion of financing costs to net revenue stream

CAPITAL EXPENDITURE

8. Capital expenditure is where the Council spends money on assets, such as property or vehicles, which will be used for more than one year. In local government this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
9. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to the revenue account in year.

ESTIMATES OF CAPITAL EXPENDITURE

- 10. The Council agrees a rolling five-year capital programme each year consistent with the Medium-Term Finance Strategy and the resources available, along with any impact on the revenue budgets.
- 11. As the economy has changed significantly since the COVID-19 pandemic, capital investment plans have been revisited to determine if the original business cases remained sound. The capital programme for the period 2020/21 to 2024/25 has been updated to take account of these changes and newly approved schemes such as the refurbishment of Osborn Road Multi-Storey Car Park and the new housing development at the former Scout Hut site in Park Gate have been added.
- 12. The programme also includes £58,000 for alterations and improvements to 123 Bridge Road to create 5 self-contained bedsits that will be used as emergency accommodation. As part of our COVID-19 response an application was submitted for Next Steps Accommodation Programme funding for this works and a capital grant award of £45,000 has been allocated in support of this project, with the balance met by Housing Capital Receipts. This will be a new addition to the existing emergency accommodation provision and on-site specialist support for residents will be provided by Two Saints.
- 13. In addition, £66,000 has been added to the programme for timber groyne repairs at Salterns and Monks Hill beaches. These coastal assets are coming to the end of their 40-50-year life and as a result of recent winter storms, there has been damage to 32 of the 60 groynes, leading to health and safety concerns and reduced effectiveness. This scheme will be funded from existing capital reserves.
- 14. Total capital expenditure is one of the risk indicators required by the Prudential Code. The Council is planning capital expenditure of £86.2 million in the 5-year capital programme as summarised below (detailed schemes are in **Annex 1**):



Prudential Indicator 1 - Estimates of Capital Expenditure

Capital Expenditure	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	Total £'000
Public Protection	0	40	0	0	0	40
Streetscene	30	0	0	0	438	468
Leisure and Community	2,687	6,219	8,133	1,828	473	19,340
Housing	568	610	500	500	554	2,732
Planning and Development	444	2,835	2,820	215	0	6,314
Policy and Resources	2,878	12,768	8,562	400	400	25,008
Total General Fund	6,607	22,472	20,015	2,943	1,865	53,902
HRA	6,972	9,735	6,531	4,257	4,807	32,302
Total Expenditure	13,579	32,207	26,546	7,200	6,672	86,204

MAJOR CAPITAL SCHEMES

15. The major General Fund capital schemes include the new Fareham Arts and Entertainment Venue, Leisure Centres Capital Investment and schemes at Solent Airport at Daedalus.
16. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes new housing developments with 18 new flats at Highlands Road, 16 new sheltered housing flats at Station Road and 11 houses for Shared Ownership properties at Stubbington Lane.
17. Major schemes over £3 million are summarised in the table below:

Major Schemes	£'000
HRA Improvements	15,026
New Fareham Arts and Entertainment Venue	11,923
HRA New Builds	10,616
Solent Airport at Daedalus	9,947
Town Centre Hotel	8,035
Leisure Centres Capital Investment	6,810
HRA Stock Acquisitions	6,500
Osborn Road Multi-Storey Car Park Refurbishment	5,500
Civic Offices Improvements	3,741
Asset Replacement Programme (ICT, Vehicles etc.)	3,227

GOVERNANCE AND PRIORITIES

18. Capital programme expenditure is monitored through monthly officer monitoring reports and half-yearly and annual outturn reports to the Executive.
19. All new potential capital schemes will only be considered if they make a clear contribution to the Council's objectives and priority actions or support the Council's Asset Management Plan.
20. The following factors need to be considered before a decision is made to include a new scheme in the capital programme:
 - On-going operational costs associated with the scheme;
 - Whole life costing implications of the scheme;
 - Cost of servicing the debt if the scheme is financed by borrowing;
 - Loss of investment interest if internal resources are used.
21. 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 and the on-going revenue costs.
22. Efforts 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.
23. Capital schemes will normally be financed by use of capital reserves or external contributions. Borrowing will only be considered where there is a sound economic business case (e.g. for spend to save schemes) whereby borrowing costs are wholly offset by long term net revenue income or savings.
24. 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.
25. To ensure the Council is able to meet the financial challenges ahead, priority is given to the following:
 - Corporate priorities;
 - Providing for future liabilities;
 - Maintaining and protecting public assets;
 - Investing in the future by ensuring assets are sustainable, encourage economic growth and regeneration, and meet the needs of the community.
26. This is achieved by:
 - Building up finances for the future, such as the allocation of windfall income to the Capital Fund Account;

- Maximising external funding opportunities to reduce the reliance on internal resources;
- Effective project planning and management to ensure schemes are completed on time and within budget.

CAPITAL FINANCING

27. All capital expenditure must be financed, either from **external sources** (government grants and other contributions), the Council's **own resources** (revenue, reserves and capital receipts) or **debt** (borrowing and leases).

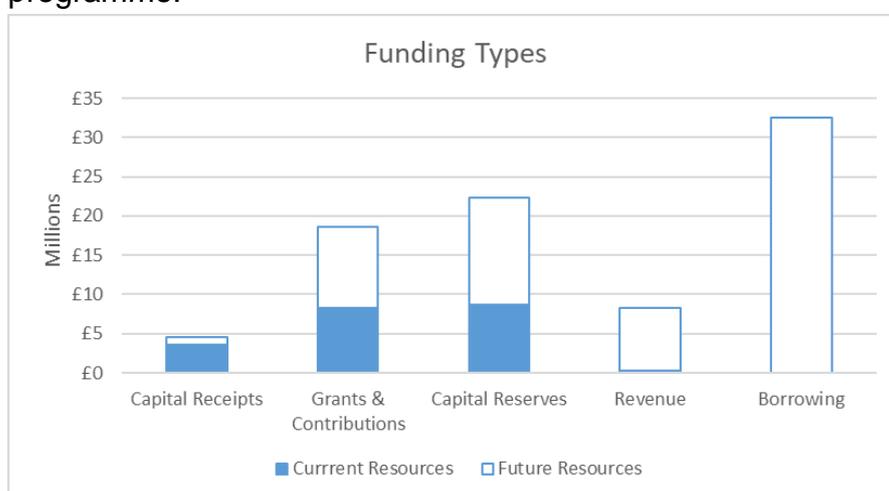
28. The planned financing of the above expenditure is as follows:

Prudential Indicator 1 - Estimates of Financing

Capital Financing	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	Total £'000
Capital Receipts	668	2,536	445	330	504	4,483
Grants & Contributions	1,995	4,369	9,051	2,053	1,168	18,636
Capital Reserves	5,642	6,936	3,251	3,157	3,306	22,292
Revenue	2,163	1,917	1,366	1,385	1,450	8,281
Borrowing	3,111	16,449	12,433	275	244	32,512
Total Financing	13,579	32,207	26,546	7,200	6,672	86,204

29. Total resources of **£93.7 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of approximately £7.5 million in 2024/25.

30. The chart below shows the different funding types split between current and future resources. Borrowing is the largest funding source financing 38% of the programme.



- 31. The forecast surplus of resources is limited and relies partly on resources that have not yet been secured (such as future capital receipts and grants as well as continued revenue contributions towards capital investment), totalling £32 million.
- 32. 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.
- 33. 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.
- 34. Spending pressures in this respect include repair and refurbishment or replacement works to Council assets (for example, community and leisure facilities, public conveniences, car parks etc.) that have yet to be added to the capital programme.

DEBT AND MRP

- 35. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually by putting aside revenue resources to repay debt which is known as **Minimum Revenue Provision (MRP)**. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Minimum Revenue Provision	1,101	1,315	1,512	1,851	1,915
Future Capital Receipts	916	916	916	916	916

- 36. Borrowing costs (MRP and interest charges) for schemes funded by debt will be covered by revenue generating assets.
- 37. The MRP budget provision reflects the capital costs relating to commercial property purchases, and construction works at Solent Airport at Daedalus including the Innovation Centre extension and new hangars.
- 38. The Council’s full MRP statement is available in the Council’s Treasury Management Strategy.

39. The Council's cumulative outstanding amount of debt finance is referred to as the **Capital Financing Requirement (CFR)** and is another prudential indicator. The CFR increases with new debt-financed capital expenditure and reduces when MRP and capital receipts are used to replace debt.
40. The CFR indicator is a measure of the Council's underlying need to borrow for a capital purpose taken from the balance sheet. This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits.
41. The CFR is expected to increase by £15.1 million during 2021/22 mainly due to capital expenditure at Solent Airport at Daedalus, Osborn Road Multi-Storey Car Park, housing development at Stubbington Lane and improvement works at the Council's leisure centres funded by debt. The Council's estimated CFR is as follows:

Prudential Indicator 2 - The Council's borrowing need

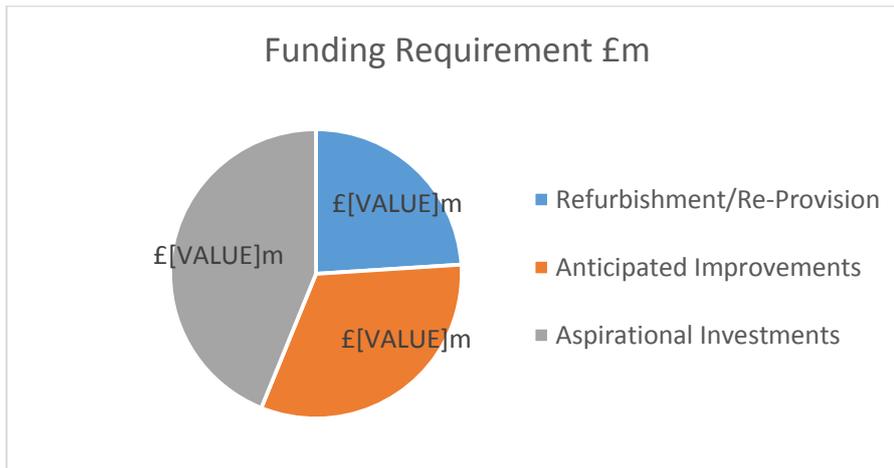
£'000	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
General Fund	54,659	67,898	77,352	75,776	74,105
HRA	51,141	53,036	54,503	54,503	54,503
Total CFR	105,800	120,934	131,855	130,279	128,608

ASSET MANAGEMENT

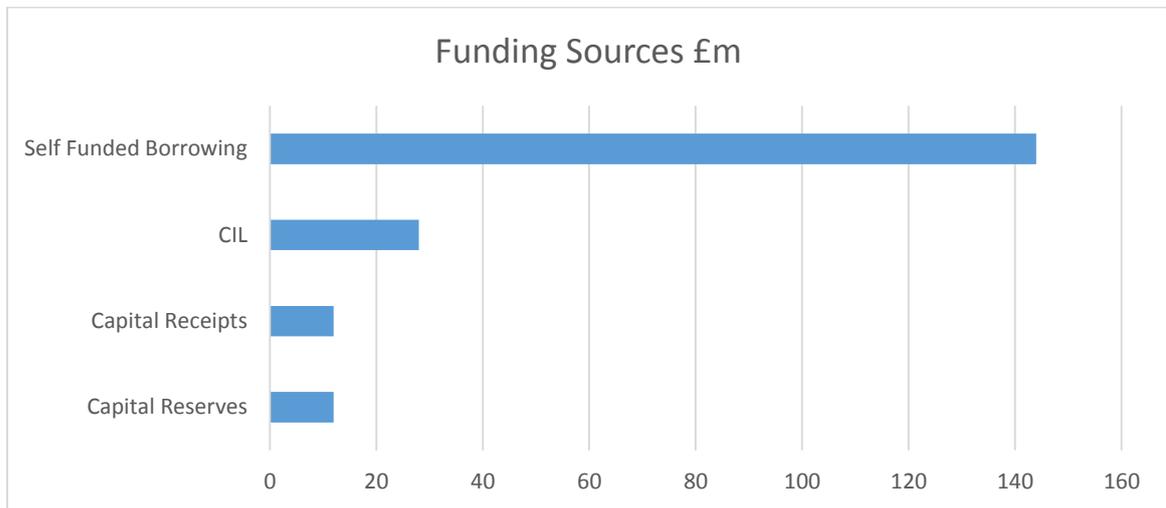
42. One of the Council's corporate priorities is 'a dynamic, prudent and progressive Council' and aims to 'undertake a major review of all Council owned land and buildings to ensure that we are making the best use of our assets'.

FUTURE FUNDING REQUIREMENTS

43. To ensure that capital assets continue to be of long-term use, the Council has undertaken a high-level review of the future funding requirements for its land and buildings, excluding Council dwellings. This review covers a 30-year time frame and has identified a capital funding requirement of **£196 million** for refurbishing/re-provisioning existing assets, improving existing assets and aspirational investments as shown in the chart below:



44. The main funding source is self-funded borrowing supported by capital receipts, capital reserves and the community infrastructure levy, as illustrated in the following graph:



45. The high-level review has identified a substantial capital funding requirement. The Council will put in place a Council-wide plan which will set out the overall direction and framework for the management of its assets to help deliver the Council's priority actions and service delivery needs, now and in the future.

ASSET DISPOSALS

46. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.

47. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive capital receipts as follows:

	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Right to Buy Houses	900	900	900	900	900
Other Housing Property	16	16	16	16	16
Total	916	916	916	916	916

TREASURY MANAGEMENT

48. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.
49. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
50. At 31 March 2020, the Council had £57.7 million borrowing at an average interest rate of 2.67% and £14.8 million treasury investments at an average rate of 3.06%.
51. The Treasury Management Strategy and Investment Strategy for 2020/21 will be presented separately at the February meeting of the Executive.

BORROWING STRATEGY

52. The Council's main objective when borrowing is to achieve a low but sufficiently certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.25%) and long-term fixed rate loans where the future cost is known but higher (currently 0.7 to 1.6%).
53. Projected levels of the Council's total outstanding debt are shown below, compared with the capital financing requirement.

Prudential Indicator 3 - Gross debt and the capital financing requirement

	2020/21 Revised £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Debt at 1 April	59,700	72,700	81,700	79,700	77,700
Capital Financing Requirement (CFR)	105,800	120,934	131,855	130,279	128,608

54. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the table above, the Council expects to comply with this in the medium term.

AFFORDABLE BORROWING LIMIT

55. The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and a lower “operational boundary” set as a warning level should debt approach the limit.
56. The operational boundary is based on the Council's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. This is the limit beyond which external borrowing is not normally expected to exceed.
57. The authorised limit represents the maximum amount of debt that the Council can legally owe. The limit provides headroom over and above the operational boundary for unusual cash movements.

Prudential Indicator 4 - Limits to Borrowing Activity

£'000	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Operational Boundary	123,000	144,000	153,000	145,000	143,000
Authorised Limit	131,000	152,000	161,000	153,000	151,000

58. Further details on borrowing are in the Council's Treasury Management Strategy.

TREASURY INVESTMENT STRATEGY

59. The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and

- to earn investment income (known as **commercial investments** where this is the main purpose).

60. The Council does not currently have service investments.

Treasury Investment Policy

61. The Council's policy on treasury investments is to prioritise security and liquidity over yield, which is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.
62. Money that will be held for longer terms is invested more widely, currently in property but could also include bonds and shares, to balance the risk of loss against the risk of receiving returns below inflation.
63. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy, and the Council may request its money back at short notice.
64. Further details on treasury investments are set out in the Council's Treasury Management Strategy.

Treasury Investment Risk Management

65. The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses.

Treasury Investment Governance

66. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Deputy Chief Executive Officer and staff, who must act in line with the treasury management strategy approved by Full Council.
67. Half-yearly reports on treasury management activity are presented to the Executive. The Audit and Governance Committee is responsible for scrutinising treasury management decisions and therefore is presented with the annual Treasury Management Policy for comment, and a half yearly-report on adherence to this Policy.

COMMERCIAL ACTIVITIES

Commercial Investments Policy

68. With central government financial support for local public services declining, the Council invests in commercial property to secure a financial gain. Total commercial investments that have been purchased in accordance with the Council's Commercial Property Investment Acquisition Strategy are summarised below and are currently valued at **£35.3 million** providing a net return of **6.8%**.

Property Type	Current Value £'000
Retail	22,195
Commercial	11,078
Other	2,050
Total	35,323

69. The Council's total investment portfolio, shown below, is valued at **£64.3 million** and includes Fareham Shopping Centre, Faretec and industrial sites at Palmerston Business Park and Newgate Lane.

Property Type	Current Value £'000
Retail	36,077
Commercial	18,796
Other	4,403
Office	3,786
Leisure	1,202
Total	64,264

70. With financial return being a key objective, the Council accepts higher risk on commercial investment than with treasury investments. Investing in property is not risk-free, so it is important that any acquisitions reflect the Council's risk appetite in terms of maintaining the capital value of the asset in the long term, and extent to which rental income is guaranteed.
71. The principal risk exposures include vacancies and the resultant loss of income, added costs of holding a vacant property and cost of marketing and re-letting the property.
72. These risks are managed by ensuring:
- funds available for new purchases are disaggregated to limit the overall impact that any single investment would have on the Council's finances;
 - there is a mix of property types in the portfolio e.g. retail, industrial, etc.;

- new purchases are only considered with existing tenants of “high quality” and sufficiently long lease terms;
- appropriate checks are carried out to ascertain the tenant's reliability before the investment is made and periodically afterwards;
- other “due diligence” is undertaken to protect the Councils investment as far as possible such as checks on planning conditions, land contamination issues and planning policy issues.

73. The majority of investments will be held for a medium to long term in order to achieve the required return and to justify the cost of the acquisition. However, as part of the investment decision, consideration is also given to the potential ways in which the Council could “exit” from the investment, such as sale to another investor, sale for redevelopment, etc. An investment only proceeds where there is a clear exit strategy, should it be required.

Commercial Investments Governance

74. The Executive approved a Commercial Property Investment Acquisition Strategy on 7th January 2013.
75. The steps taken before a decision to purchase a property are clearly documented and tested via a challenge process involving the Head of Property Services, Deputy Chief Executive Officer and the Executive portfolio holder for Policy Strategy and Finance.
76. Decisions on commercial investments are made by the Executive in line with the criteria outlined in the Commercial Property Investment Acquisition Strategy.
77. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

LIABILITIES

78. In addition to debt detailed above, the Council is committed to making future payments to cover its **pension fund deficit** (valued at £62.3 million as at 31 March 2020). It has also set aside provisions of £3 million mainly to cover **business rate appeals**.
79. Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Deputy Chief Executive Officer. The risk of liabilities crystallising and requiring payment is monitored by Finance and reported as necessary.

80. Further details on liabilities are given in the 2019/20 Statement of Accounts.

REVENUE BUDGET IMPLICATIONS

- 81. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable.
- 82. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Prudential Indicator 5 - Proportion of financing costs to net revenue stream

	2020/21 Revised	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
General Fund Financing costs	540,000	754,000	951,000	1,290,000	1,354,000
General Fund Proportion of net revenue stream	6%	7%	9%	13%	13%
HRA Financing costs	1,681,000	1,681,000	1,965,000	2,185,000	2,185,000
HRA Proportion of net revenue stream	14%	13%	15%	16%	16%

83. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 30 years into the future. The Deputy Chief Executive Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.

KNOWLEDGE AND SKILLS

- 84. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council also supports junior staff to study towards relevant professional qualifications including CIPFA.
- 85. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs **Arlingclose Limited** as treasury management advisers and a number of property consultants. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

CAPITAL PROGRAMME 2020/21 to 2024/25

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
PUBLIC PROTECTION						
CCTV Cameras		40,000				40,000
PUBLIC PROTECTION TOTAL	0	40,000	0	0	0	40,000
STREETSCENE						
Bus Shelters					309,300	309,300
Holly Hill Cemetery Extension	30,100					30,100
Play Area Safety Equipment and Surface Replacement					128,800	128,800
STREETSCENE TOTAL	30,100	0	0	0	438,100	468,200
LEISURE AND COMMUNITY						
Buildings						
New Fareham Arts and Entertainment Venue	270,000	1,948,600	7,922,600	1,552,800	229,400	11,923,400
Leisure Centres Capital Investment	2,288,000	3,892,400	110,800	275,000	243,800	6,810,000
Community Buildings Review	13,000					13,000
Whiteley Community Centre Refurbishment		40,000				40,000
	2,571,000	5,881,000	8,033,400	1,827,800	473,200	18,786,400
Play Schemes						
Play Area Improvement Programme		187,600	100,000			287,600
Fareham College Play Area		50,000				50,000
Abbey Meadows Play Area		100,000				100,000
Daedalus Common Play Area	100,000					100,000
	100,000	337,600	100,000	0	0	537,600
Other Community Schemes						
Allotment Improvements	16,300					16,300
	16,300	0	0	0	0	16,300
LEISURE AND COMMUNITY TOTAL	2,687,300	6,218,600	8,133,400	1,827,800	473,200	19,340,300
HOUSING						
Home Improvements						
Disabled Facilities Grants	500,000	500,000	500,000	500,000	500,000	2,500,000
Empty Homes Strategy					54,100	54,100
	500,000	500,000	500,000	500,000	554,100	2,554,100
Enabling						
Sea Lane, Stubbington - Self Builds	10,000	110,000				120,000
123 Bridge Road Improvements	58,000					58,000
	68,000	110,000	0	0	0	178,000
HOUSING TOTAL	568,000	610,000	500,000	500,000	554,100	2,732,100

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Car Parks						
Car Parks: Surfacing	40,000	65,000	70,000	215,000		390,000
Car Parks: New Machines and Control Room Upgrade	358,000					358,000
Osborn Road Multi-Storey Car Park Refurbishment		2,750,000	2,750,000			5,500,000
	398,000	2,815,000	2,820,000	215,000	0	6,248,000
Coastal Protection						
Timber Groyne Repairs at Salterns and Monks Hill Beaches	46,000	20,000				66,000
	46,000	20,000	0	0	0	66,000
PLANNING AND DEVELOPMENT TOTAL	444,000	2,835,000	2,820,000	215,000	0	6,314,000
POLICY AND RESOURCES						
Replacement Programmes						
Vehicles and Plant Replacement Programme	838,000	400,000	400,000	400,000	400,000	2,438,000
ICT Development Programme	188,600	504,300	56,000			748,900
	1,026,600	904,300	456,000	400,000	400,000	3,186,900
Operational Buildings						
Civic Offices Improvement Programme	250,000	3,491,000				3,741,000
	250,000	3,491,000	0	0	0	3,741,000
Property Developments						
Faretec Air Conditioning	98,000					98,000
Solent Airport at Daedalus Schemes	1,502,800	8,373,200	70,600			9,946,600
Town Centre Hotel			8,035,000			8,035,000
	1,600,800	8,373,200	8,105,600	0	0	18,079,600
POLICY AND RESOURCES TOTAL	2,877,400	12,768,500	8,561,600	400,000	400,000	25,007,500
GENERAL FUND TOTAL	6,606,800	22,472,100	20,015,000	2,942,800	1,865,400	53,902,100
HOUSING REVENUE ACCOUNT						
Improvements to Existing Stock	2,532,300	3,015,000	3,015,000	3,157,300	3,306,600	15,026,200
Housing Management Systems	160,000					160,000
Acquisitions	1,500,000	1,200,000	1,200,000	1,100,000	1,500,000	6,500,000
New Builds	2,780,000	5,519,900	2,316,100			10,616,000
HOUSING REVENUE ACCOUNT TOTAL	6,972,300	9,734,900	6,531,100	4,257,300	4,806,600	32,302,200
TOTAL CAPITAL PROGRAMME	13,579,100	32,207,000	26,546,100	7,200,100	6,672,000	86,204,300

