

FAREHAM

BOROUGH COUNCIL

AGENDA

POLICY AND RESOURCES SCRUTINY PANEL

Date: Thursday, 20 January 2022

Time: 6.00 pm

Venue: Council Chamber - Civic Offices

Members:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors Miss J Bull
M R Daniells
Miss T G Harper
Mrs C L A Hockley
G Kelly

Deputies: Mrs L E Clubley
R H Price, JP



1. Apologies for Absence

2. Minutes (Pages 5 - 10)

To confirm as a correct record the minutes of the meeting of the Policy and Resources Scrutiny Panel meeting held on 06 October 2021

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Direction

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

5. Deputations

To receive any deputations of which notice has been lodged.

6. Capital Programme & Capital Strategy 2022-23 (Pages 11 - 34)

To consider a report by the Deputy Chief Executive Officer on the Capital Programme and Capital Strategy 2022-23.

7. Fees and Charges 2022-23 (Pages 35 - 72)

To consider a report by the Deputy Chief Executive Officer on the proposed fees and charges for 2022-23.

8. Finance Strategy, Revenue Budget and Council Tax 2022-23 (Pages 73 - 128)

To consider a report by the Deputy Chief Executive Officer on the Finance Strategy, Revenue Budget and Council Tax 2022-23.

9. Housing Revenue Account Budget and Capital Plans 2022-23 (Pages 129 - 142)

To consider a report by the Deputy Chief Executive Officer on the Housing Revenue Budget and Capital Plans 2022-23.

10. Executive Business (Pages 143 - 144)

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

(1) The Council's Approach to the Pandemic - A Review (Pages 145 - 148)

(2) Agency Staff Recruitment (Pages 149 - 150)

(3) Citizens of Honour Award - Special Group Achievement Category (Pages 151 - 152)

- (4) **Citizens of Honour Award Scheme - Special Achievement Category** (Pages 153 - 154)
- (5) **Covid Heroes Award Nominations** (Pages 155 - 156)
- (6) **Disposal of Trinity Street Public Conveniences** (Pages 157 - 158)
- (7) **Proposal for a New Way of Working** (Pages 159 - 160)
- (8) **Annual Review of the Corporate Strategy 2017-2023 and Local Service Agreements 2020-2021** (Pages 161 - 162)
- (9) **Medium Term Finance Strategy** (Pages 163 - 164)
- (10) **Irrecoverable Debts** (Pages 165 - 166)
- (11) **Finance Monitoring Report 2021-22** (Pages 167 - 168)
- (12) **Treasury Management and Capital Monitoring Report 2021-22** (Pages 169 - 170)
- (13) **Virtual Briefing Meetings** (Pages 171 - 172)
- (14) **Fees and Charges 2022-23** (Pages 173 - 174)
- (15) **Finance Strategy, Revenue Budget & Council Tax 2022-23** (Pages 175 - 176)
- (16) **Member IT Review** (Pages 177 - 178)
- (17) **Welborne Delivery - Disposal of Residential Property** (Pages 179 - 180)

11. Scrutiny Priorities

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



P GRIMWOOD
Chief Executive Officer
Civic Offices
www.fareham.gov.uk
12 January 2022

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FAREHAM

BOROUGH COUNCIL

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

Date: Wednesday, 6 October 2021

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors: Miss J Bull, M R Daniells, Miss T G Harper, Mrs C L A Hockley and G Kelly

**Also
Present:**



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES

RESOLVED that the minutes of the Policy and Resources Scrutiny Panel held on 28 June 2021 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTION

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. MEDIUM TERM FINANCE STRATEGY

The Council considered a report by the Deputy Chief Executive Officer on the medium term finance strategy.

The Finance Manager addressed the Panel to provide them with a verbal update to the published recommendation from "that any proposals or comments of the Panel be referred to the Executive at its meeting on 11 October 2021" to "that any proposals or comments of the Panel be referred to a future meeting of the Executive".

Members enquired as to how the Council is approaching the possible loss of income from its property portfolio going forward. The Finance Manager explained that the Council is working closely with its tenants to understand individual pressures and needs and has made changes to payment arrangements to help better suit these businesses whilst they recover from the impact of the Pandemic.

Members also questioned what would happen to current posts that have been created from government funding as a result of the Pandemic when the funding runs out. The Deputy Chief Executive Officer explained that while the posts are fixed term, Officers do submit funding bids when Government funding is made available, in order to try to secure these posts in the future.

RESOLVED that the Panel recommends that the Executive approves the Medium Term Finance Strategy when it is considered at a future meeting of the Executive.

7. ANNUAL REVIEW OF CORPORATE STRATEGY

The Panel considered a report by the Deputy Chief Executive Officer on the annual review of the Corporate Strategy and Local Service Agreements 2020-21.

Councillor Mrs Hockley commented on how well presented this document and easy to read and understand. She also enquired as to whether the Greening Campaign for Titchfield should be in this document. The Policy, Research and Engagement Manager confirmed that this is scheduled to be in the 2021-22 update.

RESOLVED that the Panel recommends that the Executive endorses the Annual Review of the Corporate Strategy 2017-2023 and Local Service Agreements 2020-2021 when it considers this report at its meeting on 1 November 2021.

8. THE COUNCIL'S APPROACH TO THE PANDEMIC

The Panel considered a report by the Chief Executive Officer on a review of the Council's approach to the Pandemic.

The Chief Executive Officer referred members to page 76 of the agenda pack and to recommendation C which is to be amended to read, "The proposal that future deputations can also be made in writing, or by a video or audio clip, be approved, subject to the separate deputation scheme for the Planning Committee being kept under review."

The Panel requested that their praise for the entire workforce for their continued commitment to work throughout the Pandemic over past 18 months, which has put significant pressure on all Council services, be passed on to all staff. The Panel recognises that the Council's success in continuing all services throughout the Pandemic was due to all employees rising to the challenges that were brought about as a result of the Pandemic.

The Chief Executive Officer confirmed that he would pass on the Panel's comments to the workforce and agreed with the Panel's comments. He also explained that part of the success for the Council to be able to adapt so quickly to the Pandemic was due to having a majority directly employed workforce, which allowed the Council to easily redeploy staff to other services areas where needed to deal with pressure demands on those more significantly impacted service areas.

RESOLVED that the Panel recommends to the Executive at its meeting on 11 October 2021:

- (i) That the proposed amendment to recommendation (c) of the report be approved; and
- (ii) The Panel's comments above are noted.

9. PROPOSAL FOR A NEW WAY OF WORKING

The Panel considered a report by the Deputy Chief Executive Officer on a proposal for a new way of working.

The Chairman asked why recruitment was becoming more difficult, and whether this was specific to the Council, or whether other authorities were also experiencing the same issues. The Deputy Chief Executive Officer confirmed that this was an issue for Local Authorities in general and difficulties were being experienced across a broader range of roles, partly due to ongoing competition from the private sector. This is one of the reasons why the Council was taking steps to ensure it was an attractive employer.

Councillor Walker expressed concern that employing staff from outside of the local area could lead to staff making decisions with limited knowledge of the Council and needs of the community. The Deputy Chief Executive Officer confirmed this would be unlikely, especially for posts where knowledge of the borough was a necessity to carry out a role effectively, as well as recognising the Council's expectation that all staff will continue to attend the civic offices for work regularly.

A question was asked of the Chief Executive Officer if this would require a change of contract for all current staff. He confirmed that this would not be necessary as it is a voluntary offer to staff, and they recognise that not all staff will want to adopt this new way of working. He also explained to the Panel that this would not apply to the entire workforce as there is a large proportion of staff whose job could not be undertaken from home, for example grounds maintenance staff and waste and recycling collection staff.

Councillor Bull enquired as to whether this is any thought to adopting a more flexible working hours to better suit the public needs with more staff being available at different times whilst working from home. The Deputy Chief Executive Officer confirmed this is something that there is an opportunity for, and that engagement with the public to understand their preferred way of dealing with the Council would need to be undertaken first.

Councillor Daniells expressed his support for the proposals and noted that many places of work are currently looking into the feasibility of being able to offer this to employees. He acknowledged that the Council has taken the welfare of its employee into consideration when working at home, but commented that employee's can also feel isolated when working in an empty office and that this needs to be considered as well. He also stressed the importance of maintaining a team focus and suggested that team days could be arranged to ensure that staff maintain the team ethos.

Councillor Kelly acknowledged that life is dynamic and ever evolving and that the Council is not immune to that. He enquired as to whether the Council Offices were still fit for purpose. The Deputy Chief Executive confirmed that the viability of the offices has been considered and it was determined that for now the building will remain the central hub for the Council's operations.. He explained that this was reflected in the feedback from the staff consultation exercise. He also stressed that it is important to retain a centre point for local

democracy, and recognised the role the Council has to play as a large employer in the town centre, for the local economy.

RESOLVED that the Panel recommends to the Executive at its meeting on 11 October 2021: -

- (i) That it notes the Panel's comments above; and
- (ii) Approves the recommendations as set out in the report.

10. EXECUTIVE BUSINESS

The Panel considered the Executive items of business which fall under the remit of the Policy and Resources Portfolio, including Executive Member decisions and Officer delegated decisions, that have taken place since the last meeting of the Panel on 28 June 2021.

The Panel considered the decisions at items 10(1) to 10(4) of the agenda.

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

(1) Capital & Treasury Management Outturn 2020/21

No comments were received.

(2) Complaints Policy and Unreasonable Complaint Behaviour Policy Updates

No comments were received.

(3) General Fund & Housing Revenue Account Outturn 2020/21

No comments were received.

(4) Welborne Garden Village Housing Infrastructure Grant

No comments were received.

11. SCRUTINY PRIORITIES

The Deputy Chief Executive Officer addressed the Panel on this item and reminded members of the items that they have already agreed upon for the next few meetings and provided them with an opportunity to put forward any further suggestions.

Councillor Mrs Hockley requested that an update be provided in a years' time on both the New Ways of Working report and the Review of the Council's approach to the Pandemic.

The Deputy Chief Executive Officer confirmed that these would be included on the plan.

(The meeting started at 6.00 pm
and ended at 7.37 pm).

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **20 January 2022**

Report of: **Deputy Chief Executive Officer**

Subject: **CAPITAL PROGRAMME AND CAPITAL STRATEGY 2022-23**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Capital Strategy 2022/23 and overall capital programme for the period 2021/22 to 2025/26. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 7 February 2022.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 7 February 2022.

Enquiries:

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

APPENDICES:

Appendix A: Report to Executive meeting on 7 February 2022 – Capital Programme and Capital Strategy 2022/2

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 February 2022

Portfolio:	Policy and Resources
Subject:	Capital Programme and Capital Strategy 2022/23
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report considers the Capital Strategy for 2022/23, 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 2022/23 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 2022/23 is £19.3 million. The current estimate is that £9.8 million of this will be met by new borrowing.
- ii) A new section about Environmental Sustainability has been added.
- iii) A high-level review of future funding requirements has identified a capital funding requirement of £229 million.
- iv) The Council's commercial property portfolio has an estimated value of £61.5 million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2022/23 is also presented at the February meeting of the Executive.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2022/23, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2021/22 to 2025/26, amounting to £73.8 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2022/23 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 2022/23 (including 5-year capital programme as Annex 1)

Background papers: None

Reference papers: Fareham Borough Council Climate Change Action Plan, 7 June 2021
Executive
CIPFA Prudential Code 2017
Arlingclose Capital Strategy 2022-23 Template

Enquiries:

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

FAREHAM

BOROUGH COUNCIL

CAPITAL STRATEGY 2022/23



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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

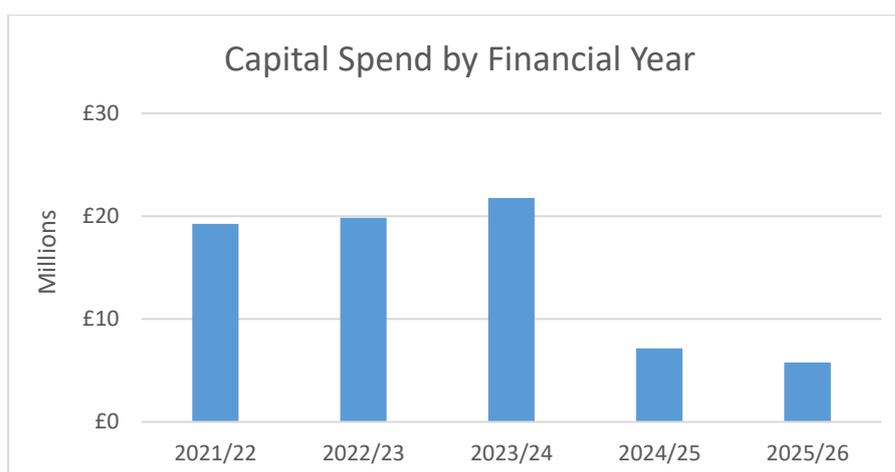
6. The objectives of the CIPFA Prudential Code aim to ensure that capital investment plans are **affordable, prudent and sustainable**, and that treasury decisions are taken in accordance with good professional practice.
7. To achieve these objectives, five prudential indicators are included in the capital 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. The capital programme for the period 2021/22 to 2025/26 has been updated to take account of re-phased schemes and newly approved schemes such as town centre property acquisitions for housing and the review of community buildings.
12. The £8 million budget for the town centre hotel scheme has also be removed from the capital programme as there are no prospects of this progressing at the current time.
13. Total capital expenditure is one of the risk indicators required by the Prudential Code. The Council is planning capital expenditure of £73.8 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	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	Total £'000
Health and Public Protection	40	0	0	0	0	40
Streetscene	94	55	0	0	288	437
Leisure and Community	4,647	2,558	9,260	1,819	229	18,513
Housing	1,708	500	500	500	566	3,774
Planning and Development	399	70	215	0	0	684
Policy and Resources	5,600	8,778	6,210	505	450	21,543
Total General Fund	12,488	11,961	16,185	2,824	1,533	44,991
HRA	6,762	7,898	5,587	4,320	4,250	28,817
Total Expenditure	19,250	19,859	21,772	7,144	5,783	73,808

MAJOR CAPITAL SCHEMES

14. The major General Fund capital schemes include Fareham Live, schemes at Solent Airport at Daedalus and Osborn Road Multi-Storey Car Park.
15. 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 16 new sheltered housing flats at Station Road and 11 houses for Shared Ownership properties at Stubbington Lane.
16. Major schemes over £3 million are summarised in the table below:

Major Schemes	£'000
HRA Improvements to Existing Stock	15,760
Fareham Live	12,675
HRA New Builds	9,020
Solent Airport at Daedalus	8,953
Osborn Road Multi-Storey Car Park	5,500
Leisure Centres Capital Investment	4,922
HRA Stock Acquisitions	3,997
Civic Offices Improvements	3,699
Asset Replacement Programme (ICT, Vehicles etc.)	3,561

GOVERNANCE AND PRIORITIES

17. Capital programme expenditure is monitored through monthly officer monitoring reports and half-yearly and annual outturn reports to the Executive.
18. 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.
19. 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.
20. 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.

21. 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.
22. 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.
23. 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.
24. 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.
25. 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.

ENVIRONMENTAL SUSTAINABILITY

26. At the June 2021 Executive, members adopted the Council's Climate Change Action Plan detailing the actions the Council is taking to reach carbon neutrality, under the categories, Eliminate, Reduce and Offset.
27. The action plan highlights area that will require future capital funding for projects such as:
 - Energy efficiency improvements to Council properties and housing stock
 - Electric vehicle charging points at the Depot
 - Replacement vans and smaller vehicles that have exceeded their working lifespan with electric versions
 - Replacement of petrol-powered tools e.g., lawnmowers that have exceeded their natural lifespans with electric versions

28. External sources of funding will be sought where possible to contribute towards priority environmentally sustainable projects and will be an area of spending pressure in the future.

CAPITAL FINANCING

29. 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).

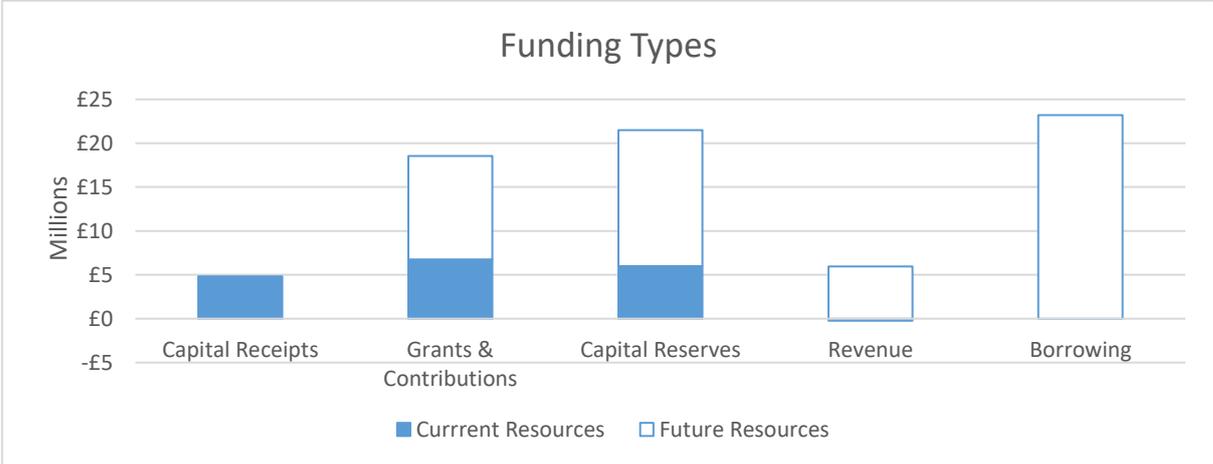
30. The planned financing of the above expenditure is as follows:

Prudential Indicator 1 - Estimates of Financing

Capital Financing	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	Total £'000
Capital Receipts	2,500	915	469	570	366	4,820
Grants & Contributions	1,644	4,276	9,565	2,053	1,017	18,555
Capital Reserves	3,832	4,563	6,262	3,322	3,500	21,479
Revenue	1,459	1,312	1,125	955	900	5,751
Borrowing	9,815	8,793	4,351	244	0	23,203
Total Financing	19,250	19,859	21,772	7,144	5,783	73,808

31. Total resources of **£79.8 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of approximately £6 million in 2025/26.

32. The chart below shows the different funding types split between current and future resources. Borrowing is the largest funding source financing 31% of the programme.



- 33. 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 £33 million.
- 34. 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.
- 35. 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.
- 36. 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

- 37. 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.
- 38. Planned MRP and use of capital receipts are as follows:

	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Minimum Revenue Provision	1,132	1,491	1,947	2,004	2,100
Future Capital Receipts	1,676	1,919	0	0	0

- 39. Borrowing costs (MRP and interest charges) for schemes funded by debt will be covered by revenue generating assets.
- 40. 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.

MRP Policy Statement

41. The Council is required to set an annual policy on the way it calculates the prudent provision for the repayment of General Fund borrowing. The main policy adopted is that MRP will be determined by charging the expenditure over the **expected useful life** of the relevant assets on an **annuity basis** starting in the year after the asset becomes operational. This calculation will be reviewed on a case-by-case basis depending on the circumstances and with a view to minimising the impact on the council tax payer.
42. Where expenditure is on an asset which will be held on a short-term basis (up to 5 years), no MRP will be charged. However, the capital receipt generated by the sale of the asset will be used to repay the debt instead.
43. No MRP will be charged in respect of assets held within the HRA, in accordance with MHCLG Guidance. Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24.
44. The Council's full MRP statement is available in the Council's Treasury Management Strategy.

Capital Financing Requirement

45. 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.
46. 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.
47. The CFR is expected to increase by £7.3 million during 2022/23 mainly due to capital expenditure at Solent Airport at Daedalus, Osborn Road Multi-Storey Car Park and housing developments at Station Road and Stubbington Lane funded by debt. The Council's estimated CFR is as follows:

Prudential Indicator 2 - The Council's borrowing need

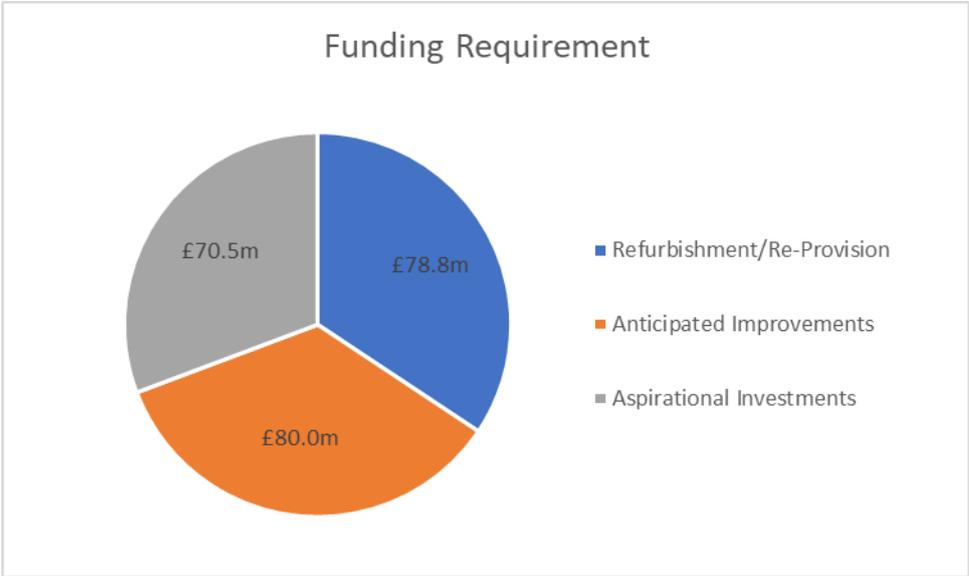
£'000	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
General Fund	59,700	65,102	66,180	64,420	62,564
HRA	53,109	55,009	56,335	56,335	56,335
Total CFR	112,809	120,111	122,515	120,755	118,899

ASSET MANAGEMENT

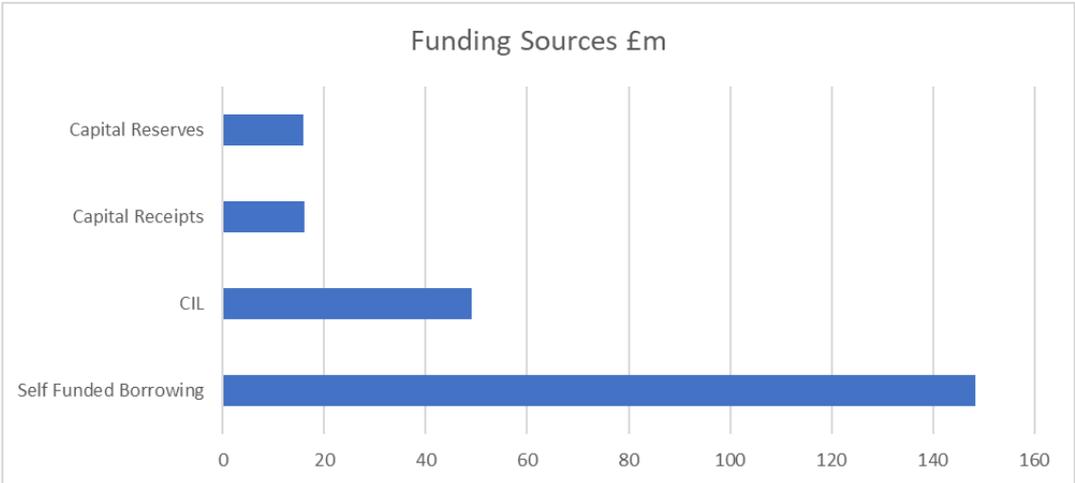
48. One of the Council’s corporate priorities is ‘a dynamic, prudent and progressive Council’ and aims to ‘undertake a major review of all Council owned land and buildings to ensure that we are making the best use of our assets’.

FUTURE FUNDING REQUIREMENTS

49. 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 **£229 million** for refurbishing/re-provisioning existing assets, improving existing assets and aspirational investments as shown in the chart below:



50. 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:



- 51. The high-level review has identified a substantial capital funding requirement and the following assets are currently under review:
 - Civic Offices
 - Depot
 - Osborn Road Multi-Storey Car Park
 - Community Centres and Halls
 - Units 1 & 2 Southampton Road

- 52. 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

- 53. 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.

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

	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Right to Buy Houses	700	900	900	900	900
Other Housing Receipts	34	16	16	16	16
General Fund Property	348	4,669	0	0	0
Total	1,082	5,585	916	916	916

General Fund Property relates to property sold in West Street (2021/22) and IFA2 and Welborne Cottages (2022/23). The table doesn't take into account commercial property or Daedalus sales for reinvestment.

TREASURY MANAGEMENT

- 55. 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.

- 56. 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.

57. At 31 March 2021, the Council had £56 million borrowing and £18.6 million treasury investments.
58. The Treasury Management Strategy and Investment Strategy for 2021/22 will be presented separately at the February meeting of the Executive.

BORROWING STRATEGY

59. 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 1.65 to 2.37).
60. 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

	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Debt at 1 April	62,967	77,700	78,700	76,700	74,700
Capital Financing Requirement (CFR)	112,809	120,111	122,515	120,755	118,899

61. 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

62. 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.
63. 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.
64. 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

	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Operational Boundary	128,000	139,000	148,000	136,000	133,000
Authorised Limit	136,000	147,000	156,000	144,000	141,000

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

TREASURY INVESTMENT STRATEGY

66. 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).
67. The Council does not currently have service investments.

Treasury Investment Policy

68. 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.
69. 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.
70. 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.
71. Further details on treasury investments are set out in the Council's Treasury Management Strategy.

Treasury Investment Risk Management

72. 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

- 73. 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.
- 74. 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

75. 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 **£32.3 million** and expected to generate rental income of £2.7 million during 2022/23.

Property Type	Current Value £'000
Retail	19,545
Commercial	10,665
Other	2,130
Total	32,340

76. The Council’s total investment portfolio, shown below, is valued at **£61.5 million** and includes Fareham Shopping Centre, Faretec and industrial sites at Palmerston Business Park and Newgate Lane.

Property Type	Current Value £'000
Retail	30,672
Commercial	19,675
Other	4,645
Office	4,000
Leisure	2,533
Total	61,525

77. 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.
78. 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.
79. 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 Council's investment as far as possible such as checks on planning conditions, land contamination issues and planning policy issues.
80. 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

81. The Executive approved a Commercial Property Investment Acquisition Strategy on 7th January 2013.
82. 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.
83. Decisions on commercial investments are made by the Executive in line with the criteria outlined in the Commercial Property Investment Acquisition Strategy.
84. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

LIABILITIES

85. In addition to debt detailed above, the Council is committed to making future payments to cover its **pension fund deficit** (valued at £71.1 million as at 31 March 2021). It has also set aside provisions of £2.4 million mainly to cover **business rate appeals**.
86. 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.
87. Further details on liabilities are given in the 2019/20 Statement of Accounts.

REVENUE BUDGET IMPLICATIONS

88. 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.
89. 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

	2021/22 Revised	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
General Fund Financing costs £	444,000	803,000	1,259,000	1,316,000	1,412,000
General Fund Proportion of net revenue stream	4%	7%	12%	13%	14%
HRA Financing costs £	1,697,000	1,981,000	2,200,000	2,199,000	2,197,000
HRA Proportion of net revenue stream	14%	15%	17%	16%	16%

90. 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

91. 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.
92. 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 2021/22 to 2025/26

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
HEALTH AND PUBLIC PROTECTION						
CCTV Cameras	40,000					40,000
HEALTH AND PUBLIC PROTECTION TOTAL	40,000	0	0	0	0	40,000
STREETSCENE						
Bus Shelters	6,000	15,000			288,300	309,300
Play Area Safety Equipment and Surface Replacement	88,000	40,000				128,000
STREETSCENE TOTAL	94,000	55,000	0	0	288,300	437,300
LEISURE AND COMMUNITY						
Buildings						
Fareham Live	50,000	1,920,600	8,922,600	1,552,800	229,400	12,675,400
Leisure Centres Capital Investment	4,291,900	110,800	275,000	243,800		4,921,500
Community Buildings Review		337,300	62,300	22,400		422,000
Whiteley Community Centre Refurbishment		40,000				40,000
	4,341,900	2,408,700	9,259,900	1,819,000	229,400	18,058,900
Play Schemes						
Play Area Improvement Programme	205,000	82,600				287,600
Fareham College Play Area		50,000				50,000
Abbey Meadows Play Area	100,000					100,000
	305,000	132,600	0	0	0	437,600
Other Community Schemes						
Allotment Improvements		16,300				16,300
	0	16,300	0	0	0	16,300
LEISURE AND COMMUNITY TOTAL	4,646,900	2,557,600	9,259,900	1,819,000	229,400	18,512,800
HOUSING						
Home Improvements						
Disabled Facilities Grants	700,000	500,000	500,000	500,000	500,000	2,700,000
Empty Homes Strategy					65,900	65,900
	700,000	500,000	500,000	500,000	565,900	2,765,900
Enabling						
Gordon Road Acquisition	920,000					920,000
Sea Lane, Stubbington - Self Builds	88,200					88,200
	1,008,200	0	0	0	0	1,008,200
HOUSING TOTAL	1,708,200	500,000	500,000	500,000	565,900	3,774,100

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
PLANNING AND DEVELOPMENT						
Car Parks						
Car Parks: Surfacing	105,000	70,000	215,000			390,000
Car Parks: New Machines and Control Room Upgrade	273,900					273,900
	378,900	70,000	215,000	0	0	663,900
Coastal Protection						
Salterns Recreation Ground Seawall Repairs	20,000					20,000
	20,000	0	0	0	0	20,000
PLANNING AND DEVELOPMENT TOTAL						
	398,900	70,000	215,000	0	0	683,900
POLICY AND RESOURCES						
Replacement Programmes						
Vehicles and Plant Replacement Programme	505,800	400,000	400,000	400,000	400,000	2,105,800
ICT Development Programme	387,700	402,300	60,000	105,000	50,000	1,005,000
	893,500	802,300	460,000	505,000	450,000	3,110,800
Operational Buildings						
Civic Offices Improvement Programme	50,000	648,800	3,000,000			3,698,800
	50,000	648,800	3,000,000	0	0	3,698,800
Property Developments						
Osborn Road Multi-Storey Car Park		2,750,000	2,750,000			5,500,000
Solent Airport at Daedalus Schemes	4,376,100	4,577,100				8,953,200
	4,376,100	7,327,100	2,750,000	0	0	14,453,200
Land Acquisitions						
Purchase of Land at Mill Lane	280,000					280,000
	280,000	0	0	0	0	280,000
POLICY AND RESOURCES TOTAL						
	5,599,600	8,778,200	6,210,000	505,000	450,000	21,542,800
GENERAL FUND TOTAL						
	12,487,600	11,960,800	16,184,900	2,824,000	1,533,600	44,990,900
HOUSING REVENUE ACCOUNT						
Improvements to Existing Stock	2,760,000	3,000,000	3,200,000	3,300,000	3,500,000	15,760,000
Vehicles		40,000				40,000
Acquisitions	1,247,000	500,000	750,000	750,000	750,000	3,997,000
New Builds	2,755,000	4,358,000	1,637,000	270,000		9,020,000
HOUSING REVENUE ACCOUNT TOTAL						
	6,762,000	7,898,000	5,587,000	4,320,000	4,250,000	28,817,000
TOTAL CAPITAL PROGRAMME						
	19,249,600	19,858,800	21,771,900	7,144,000	5,783,600	73,807,900

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **20 January 2022**

Report of: **Deputy Chief Executive Officer**

Subject: **FEES AND CHARGES 2022-23**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Fees and Charges for 2022/23. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 7 February 2022.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 7 February 2022.

INTRODUCTION

1. On 10 January 2022, the Executive will have reviewed the Council's Fees and Charges for 2022/23. A copy of this reports is attached as Appendices A for information.
2. Members were asked to consider the Fees and charges decision:-
 - (a) It is recommended that the Executive approves the fees and charges for 2022/23 as set out at Appendix A to this report.
3. Any comments or proposals that the Scrutiny Panel may wish to submit will be considered by the Executive on 7 February 2022.

RISK ASSESSMENT

4. The fees and charges form part of the council's spending plans and contribute around £6 million to the council's income in the General Fund.
5. The council should continue to explore opportunities to increase income sources for the Council as well as review efficiency plans in order that balanced budgets can be made in future years.

CONCLUSION

6. The Panel is asked to review the Fee and Charges and consider whether it wishes to submit comments for consideration by the Executive.

Appendix A: [Executive Report "Fees and Charges 2022-23" considered on 10th January 2022](#)

Background Papers:

Reference Papers:

Enquiries:

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

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 10 January 2022

Portfolio:	Policy and Resources
Subject:	Fees and Charges 2022/23
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 2022/23.

Executive summary:

This report gives the Executive the opportunity to consider the Council's fees and charges for 2022/23 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 2022/23 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 2022/23.

Cost of proposals:

There are no costs to the proposals

Appendices: **A: Fees and Charges 2022/23**

Background papers: None

**Reference papers: Report to Executive 4 January 2021 – Fees and Charges
2021/22**

**Report to Executive 12 October 2020 – Review of the
Garden Waste Collection Service**

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	10 January 2022
Subject:	Fees and Charges 2022/23
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. A detailed review of fees and charges was carried out by the Opportunities Team working with services in 2020/1 to analyse what other authorities in Hampshire are charging and looking at areas where these authorities charge and Fareham doesn't currently charge.

CHANGES PROPOSED FOR 2022/23

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 2022/23 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 2020.
11. The Fees and Charge Book now incorporates the new charges for the **Garden Waste** Collection service approved by members in October 2020.
12. 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.
13. Charges relating to Solent Airport and Daedalus site are currently being reviewed by the Daedalus Scrutiny Panel and will be presented at the next meeting of the Executive.
14. In most other cases, an increase is proposed in line with the policy.

Fees that Fall under the Responsibility of Other Committees

15. 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.
16. Charges for some Housing Services are also shown in the appendix for information as these are approved through the Housing Revenue Account report.

FINANCIAL IMPLICATIONS

17. 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)

Draft Fees and Charges 2022/23

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 2022.
3. VAT where charged will be at the prevailing rate, which is currently 20%, unless there are specific VAT rates stipulated by the Government for that income type.
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 2021/22 £	Fee 2022/23 £	% Increase
Ground Rents				
Residents	Inclusive of VAT	558.60	586.53	5.00
Non-Residents	Inclusive of VAT	1,117.20	1,173.06	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 2021/22 £	Fee 2022/23 £	% Increase
ASHES (CREMATED REMAINS) AREA				
Interment for each deceased person				
a) Burial of ashes into a cremation plot	Note 1	220.00	230.00	4.5
Memorials				
b) Purchase of 30 year lease (area selected by Council)	Note 1	236.00	248.00	5.1
c) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	350.00	370.00	5.7
d) Application to place a flat memorial tablet	Note 2	56.00	59.00	5.4
e) Application to add a further inscription onto an existing tablet	Note 2	39.00	41.00	5.1

BURIAL AREA				
Interment for each deceased person				
f) Burial of a person into a new grave	Note 1	910.00	955.00	4.9
g) Re-open an existing grave for second burial	Note 1	695.00	730.00	5.0
h) Application to scatter ashes	Note 1	73.00	77.00	5.5
i) Burial of ashes into grave at cremation depth	Note 1	220.00	230.00	4.5
j) Burial of ashes into grave at burial depth	Note 1	405.00	425.00	4.9
k) Burial of a young person (who has not reached 18 years at time of death)	Note 3	No charge	No charge	
Exclusive right of burial (30 year lease)				
l) Purchase of 30 year lease (area selected by Council)	Note 1	700.00	735.00	5.0
m) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	970.00	1020.00	5.2
n) Purchase of 30 year lease (Person who has not reached 18 years at time of death)	Note 2	320.00	335.00	4.7
Memorials				
o) Application to place a headstone for ten years	Note 2	190.00	200.00	5.3
p) Renewal of the application to place a headstone	Note 2	27.00	28.00	3.7
q) Application for additional inscription on headstone and re-erection	Note 2	138.00	145.00	5.1
r) Application to place a fixed memorial vase or plaque or similar item on a memorial base	Note 2	56.00	59.00	5.4
s) Application to add a further inscription onto an existing fixed memorial vase	Note 2	39.00	41.00	5.1

MISCELLANEOUS				
t) Hire of Chapel at Wickham Road Cemetery	Note 2	130.00	137.00	5.4
u) Transferring of the ownership of the lease known as the Exclusive Right of Burial	Note 2	70.00	73.00	4.3
v) Administration fee for making arrangements directly with Council (ashes only)	Note 2	73.00	77.00	5.5
w) To undertake the arrangements for funerals under the Public Health Act	Note 2	500.00	525.00	5.0
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	1,635.00	1,715.00	4.9
<p>Notes</p> <ol style="list-style-type: none"> 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 person under 18 years old will be free to customers at the point of need. The charges, which are the same as for other burials other than there is no difference for residents and non-residents, are reimbursed by the Children's Funeral Fund. 				



CLEAN AND TIDY BOROUGH

The charges shown are currently not subject to VAT.

	Notes	Fee 2021/22 £	Fee 2022/23 £	% 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		105.00	110.00	4.8

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)		29.00	30.00	3.5
Disposal		76.00	80.00	5.3



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 2021/22 £	Fee 2022/23 £	% 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	10.40	4.0
Per couple per night	Inclusive of VAT	15.00	15.60	4.0
Collingwood Court per room	Inclusive of VAT	25.00	26.00	4.0
Sylvan Court per room	Inclusive of VAT	25.00	26.00	4.0
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.20	5.40	4.0
Keys – Fob		8.35	8.70	4.2
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.65	0.70	7.7
Dry		0.55	0.60	9.1
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	78.00	82.00	5.1
Care Line Service - Telephone link for assistance (private sector)	Tariff available on application to Sheltered Housing Manager			



LAND CHARGES

	Notes	Fee 2021/22 £	Fee 2022/23 £	% 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	36.00	38.00	5.6
First parcel of land – electronic search	Fee per occurrence	36.00	38.00	5.6
Each additional parcel	Fee per occurrence	11.50	12.00	4.6
Other Local Land Charges Fees (not subject to VAT)				
Registration of a light obstruction notice	Fee per occurrence	78.00	82.00	5.1
Filing Lands Tribunal certificate	Fee per occurrence	2.80	3.00	7.1
Filing light obstruction judgement etc.	Fee per occurrence	7.80	8.10	3.8
Inspection of rule 10 documents	Fee per occurrence	2.80	3.00	7.1
Office copy register entry	Fee per occurrence	1.70	1.80	5.9
Office copy plan or document	Discretionary			
CON29R Official Enquiries – Part I				
First parcel of land	Fee per occurrence Inclusive of VAT	174.00	183.00	5.2
Each additional parcel	Fee per occurrence Inclusive of VAT	40.20	42.00	5.0
CON290 Official Enquiries – Part II				
First parcel of land	Fee per occurrence Inclusive of VAT	30.30	31.80	5.0
Each additional parcel	Fee per occurrence CON290 element inclusive of VAT £42.00 LLC1 element not subject to VAT £12.00	51.70	54.00	4.4
Common Registration Searches	Fee per occurrence Inclusive of VAT	30.30	31.80	5.0



LICENSING AND FEES

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

	Notes	Fee 2021/22 £	Fee 2022/23 £	% 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

Premises Licences /Club Applications

The Fees for premises and personal licences are set by the Government (published in April 2012) and are detailed below:

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 2022/23 £
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 2021/22 £	Fee 2022/23 £	% 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 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 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 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 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 2021/22 £	Fee 2022/23 £	% 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	45.00	NIL
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

Other	
Disclosure and Barring Service Fee	Actual Cost
Medical Consultation	Actual Cost
<p>Notes</p> <ol style="list-style-type: none"> 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 2021/22 £	Fee 2022/23 £	% Increase
Fareham Market Inclusive of VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.10	2.10	NIL
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.60	2.60	NIL
Additional Markets	Per foot, minimum of 15ft, maximum of 50ft	1.10	1.10	NIL
Portchester Market Not currently subject to VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.10	1.10	NIL
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.60	1.60	NIL
Fareham Town Centre Charges Inclusive of VAT				
Flower Basket	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

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

Coastal Parking	Current 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	£80.00

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 2022/23 £
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 2022/23 £
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 	<ul style="list-style-type: none"> £200 £250 £500 £700 £POA

Planning Advice – Other	Fee payable 2022/23 £
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 	<ul style="list-style-type: none"> 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 2022/23 £
Pre-application planning advice charges for listed buildings and heritage advice	£150 per initial enquiry plus VAT



PUBLIC PROTECTION

	Notes	Fee 2021/22£	Fee 2022/23 £	% 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

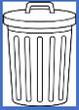
	Notes	Fee 2021/22 £	Fee 2022/23 £	% Increase
Food Safety				
Export Health Certificates		90.00	90.00	NIL
Issue of Certificate for Unsound Food	Certificate required in support of insurance claims even though the food, due to its condition, would not be marketable or usable.	220.00	220.00	NIL
Transportation 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			
Training				
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	85.00	NIL
Rodents and insects	each additional 15 minutes or part thereof	20.00	20.00	NIL

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 2021/22 £	Fee 2022/23 £	% Increase
Domestic Bulky Waste				
The charges shown are currently not subject to VAT				
Single Item		42.00	44.00	4.8
Two Small Items		63.00	66.00	4.8
Half Load		95.00	100.00	5.3
Full Load		168.00	176.00	4.8
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 - Residents (not subject to VAT)				
240 litre (standard bin for individual houses)	Introduced in 2021/22	36.00	36.00	NIL
240 litre 12 months subscription	Introduced in 2021/22	60.00	60.00	NIL
140 litre (smaller bin for individual houses)	Introduced in 2021/22	34.00	34.00	NIL
140 litre 12 months subscription	Introduced in 2021/22	50.00	50.00	NIL
Change of bin size (up or down) Admin Fee		New	12.00	
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		48.00	50.00	4.2
340 litre (communal bin only permitted for flats) Refuse / Recycling		74.00	78.00	5.4
1100 litre (large communal bin only permitted for flats) Refuse		452.00	475.00	5.1
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		36.00	36.00	NIL
Change of bin size (up or down) Admin Fee		New	12.00	



SPORTS AND LEISURE

Outdoor Sport and Recreation

	Notes	Fee 2021/22 £	Fee 2022/23 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Football, Rugby and Hockey, casual games per match - (Notes 1 and 2)				
Senior	Per match	92.00	96.00	4.3
Junior	Under 18	36.00	37.00	2.8
Mini Soccer	Per match	24.00	25.00	4.0
Mini Soccer	Per half day pitch	49.00	51.00	4.1
Training Sessions – 2 hours	Juniors half charge	52.00	54.00	3.8
Football Tournament (Note 1)				
Football Tournament	Per tournament	362.00	380.00	5.0
Cricket, casual games per match - (Notes 1 and 2)				
Senior	Per match	96.00	98.00	2.1
Junior	Under 18	36.00	37.00	2.8
Evening games	Senior	78.00	82.00	5.1
Evening games	Junior	31.00	32.00	3.2
Tennis Courts – per court, per hour – (Notes 1 and 3)				
Senior		11.40	12.00	5.3
Junior	Under 18	5.00	5.20	4.0
Notes				
<ol style="list-style-type: none"> 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 2021/22 £	Fee 2022/23 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Bowls – Seasonal Charges - (Note 1)				
Fareham Bowling Club	6 rinks & clubhouse	7,385.00	7,755.00	5.0
Crofton Community Association	6 rinks & clubhouse	7,385.00	7,755.00	5.0
Bowls – Fees - (Note 2)				
Green Fees		5.80	6.00	3.4
Hire of Woods		2.20	2.30	4.5
Hire of shoes	Not applicable at Portchester or Priors Park	2.20	2.30	4.5
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	102.00	107.00	4.9
Use of changing facilities	Note 1	52.00	55.00	5.8
Rounders	Note 1	89.00	93.00	4.5
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 2021/22 £	Fee 2022/23 £	% Increase
Letting of Council Chamber and Committee Rooms				
Collingwood Room	Per hour	80.00	85.00	6.3
Pulheim Room	Per hour	32.50	35.00	7.7
Vannes Room	Per hour	32.50	35.00	7.7
Council Chamber	Per Hour	130.00	140.00	7.7
Conference Room A and B (Floor 8)	Per Hour	24.00	26.00	8.3
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	90.00	95.00	5.6
Responding to other detailed enquiries	At the discretion of the Direction of Planning and Regeneration			
Copies of Statutory Register		90.00	95.00	5.6
Attendance at court as a witness	Charge based on the cost to the Council			
CCTV				
Access to CCTV footage	Inclusive of VAT	90.00	95.00	5.6
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 Policy and Resources Scrutiny Panel

Date **20 January 2022**

Report of: **Deputy Chief Executive Officer**

Subject: **FINANCE STRATEGY, REVENUE BUDGET AND COUNCIL TAX
2022-23**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the overall revenue budget for 2022/23. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 7 February 2022.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 7 February 2021.

INTRODUCTION

1. On 10 January 2022, the Executive will have reviewed the Council's finance strategy and considered the revenue items to be included in the revised budgets for 2021/22, the budget for 2022/23 and beyond. A copy of this reports is attached as Appendices A and B, for information.
2. Members will consider a number of options, which could allow a balanced budget to be achieved, and will be asked to make the following decisions:-

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2021/22 to 2025/26, as set out at Appendix C to the report;

Revenue Budgets

- (b) approves the revised 2021/22 general fund revenue budget, amounting to £10,494,800, as set out in Appendix A and B to the report;
- (c) approves the base 2022/23 general fund revenue budget amounting to £10,744,400, as set out in Appendix A and B to the report;
3. A report will be submitted to the Executive on 7 February 2022. This report seeks final confirmation for the spending plans, together with recommendations for Full Council to consider on 25 February 2022.
4. Officers will provide a verbal update on this report to members of the Policy and Resources Scrutiny Panel on 20 January 2022.
5. Any comments or proposals that the Scrutiny Panel may wish to submit will be considered by the Executive on 7 February 2022.

RISK ASSESSMENT

6. While all spending plans can be met from within existing resources, growing financial pressures increase the risk that spending plans exceed desirable levels.
7. Also, the budget reflects the implications of the changing funding position from central Government as well as other more local budget pressures. These changes will continue to affect the Council's finances and it remains an important part of the overall Medium Term Finance Strategy to retain sufficient balances to cater for the unexpected in these uncertain times.
8. The council should continue to explore opportunities to increase income sources for the Council as well as review efficiency plans in order that balanced budgets can be made in future years.

CONCLUSION

9. The Panel is asked to review the proposals and consider whether it wishes to

submit comments for consideration by the Executive.

Appendix A: [Executive Report "Finance Strategy and Revenue Budget 2022/23" considered on 10th January 2022](#)

Appendix B: [Appendix C to the Executive Report "Finance Strategy and Revenue Budget 2022/23" considered on 10th January 2022](#)

Background Papers:

Reference Papers:

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 10 January 2022

Portfolio:	Policy and Resources
Subject:	Finance Strategy, Revenue Budget and Council Tax 2022/23
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 2021/22 and 2022/23.

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 2021/22 and proposed service budgets for 2022/23.

Revised General Fund Revenue Budget 2021/22

The revised general fund revenue budget for 2021/22 amounts to £14,135,100 for service budgets with other budgets totalling -£2,057,100 and COVID funding of £1,583,200 (including a use of general reserves of £690,200), giving an overall position of £10,494,800 which is an increase of £222,900 from the base budget for 2021/22.

General Fund Revenue Budget 2022/23

The proposed general fund budget for 2022/23 totals £13,467,400 for service budgets along with -£2,723,000 for other budgets (including a use of general reserves of £1,902,500) giving an overall position of £10,744,400 which is an increase of £472,500 against the original budget for 2021/22.

5-Year Financial Forecasts

The 5-year financial forecasts for 2021/22 to 2025/26 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 2021/22 to 2025/26, as set out at Appendix C to the report;
- (b) agrees to submit the updated Pay Policy, annexed to the Medium-Term Finance Strategy at Annex C, to Full Council for approval;

Revenue Budgets

- (c) approves the revised 2021/22 general fund revenue budget, amounting to £10,494,800, as set out in Appendix A and B to the report; and
- (d) approves the base 2022/23 general fund revenue budget amounting to £10,744,400, 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 2021/22 and 2022/23
B: Detailed Draft Revenue Budgets by Service Portfolio 2021/22 and 2022/23
C: Medium Term Finance Strategy 2021/22 to 2025/26

Background papers: None

Reference papers:

DRAFT

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	10 January 2022
Subject:	Finance Strategy, Revenue Budget and Council Tax 22/23
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 are not excessive. 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 2025/26, 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 2025/26 would indicate a funding gap of £2.2 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

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

GENERAL FUND REVENUE BUDGETS

Revenue Budget 2021/22

8. The base net revenue budget set for 2021/22 set was £10,271,900, an increase of £665,400 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.
9. The overall revised budget has increased from the base budget to £10,494,800. The budget reflects known changes that have continued to affect spending during the current financial year as a result of the ongoing COVID-19 pandemic.
10. Additional budget provision totalling £51,900 was carried forward for incomplete projects from 2020/21; this was fully financed from underspending in 2020/21.
11. Some of this increase has been offset by Central Government funding of just under £1.2m, leaving a balance of £0.4m to be met from general fund reserves.
12. Further information of how this is spread across portfolios is provided in Appendices A and B.

Revenue Budget 2022/23

13. The revenue budget for 2022/23 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 2022/23 totals £13,467,400 for service budgets along with -£2,723,000 for other budgets giving an overall position of £10,744,400 which is an increase of £472,500 against the original budget for 2021/22. This is detailed in Appendices A and B.
14. In preparing the 2022/23 budget there have been many changes as a result of the continuing COVID19 Global Pandemic. While some areas continue to see a reduction in income such as town centre car parking there has been more positive news from the Leisure Centres where the majority of the emergency funding was not required and we have now entered into a new contract where an income contribution is paid to the council by the operator.
15. The budget will also see a full year of operation of the 2 new income streams from coastal parking and garden waste collection. In particular, the garden waste project has reported a much higher level of take up in the service and this is reflected in the budget.
16. The budget for Investment Properties sees a reduction as a result of a vacant period for a commercial property that will also see a requirement to pay business rates by the council during the void period where this is usually the responsibility of the tenant.
17. 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.

18. 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

19. The detailed General Fund capital programme for the period 2021/22 to 2025/26 is part of the Capital Strategy and this report will be presented to the Executive at the February meeting.

RISK ASSESSMENT

20. 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.
21. 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.
22. Other General Fund reserves will need to be used in order to balance the budget in 2021/22 and in 2022/23 and this position will be monitored to reduce the impact on the overall level of reserves and protect the council's financial position.
23. 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.
24. 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 2022/23.

Enquiries:

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

APPENDIX A

GENERAL FUND REVENUE BUDGETS SUMMARY 2021/22 AND 2022/23

a) Revised Budget 2021/22

	Budget 2021/22 £	Revised 2021/22 £	Variation Base to Rev £
Committees			
Licensing and Regulatory Affairs Committee	552,700	479,800	-72,900
Planning Committee	482,000	854,800	372,800
Executive - Portfolio Budgets			
- Leisure and Community	1,641,400	851,000	-790,400
- Housing	1,856,500	1,800,100	-56,400
- Planning and Development	1,659,500	1,588,900	-70,600
- Policy and Resources	-705,100	-1,007,900	-302,800
- Health and Public Protection	557,100	818,000	260,900
- Streetscene	5,399,300	5,603,200	203,900
Accounting Adjustments not included above	3,249,300	3,147,200	-102,100
SERVICE BUDGETS	14,692,700	14,135,100	-557,600
Capital Charges	-3,466,100	-3,385,900	80,200
Direct Revenue Funding	1,475,000	1,475,000	0
Minimum Revenue Provision	1,315,300	1,132,300	-183,000
Bad Debt Provision	300,000	300,000	0
Interest on Balances	-695,700	-695,700	0
Portchester Crematorium	-165,000	-170,000	-5,000
New Homes Bonus	-239,800	-239,800	0
Contribution from Reserves	-378,000	-473,000	-95,000
OTHER BUDGETS	-1,854,300	-2,057,100	-202,800
NET BUDGET before COVID Funding	12,838,400	12,078,000	-760,400
Contribution from Reserves for COVID	-1,815,500	-404,200	1,411,300
Fees and Charges Reduction Funding	-300,000	-300,000	0
Government COVID Funding	-451,000	-879,000	-428,000
	-2,566,500	-1,583,200	983,300
NET BUDGET	10,271,900	10,494,800	222,900

b) Base Budget 2022/23

	Budget 2021/22 £	Budget 2022/23 £	Variation Base to base £
Committees			
Licensing and Regulatory Affairs Committee	552,700	574,400	21,700
Planning Committee	482,000	439,500	-42,500
Executive - Portfolio Budgets			
- Leisure and Community	1,641,400	-17,500	-1,658,900
- Housing	1,856,500	2,083,000	226,500
- Planning and Development	1,659,500	1,636,600	-22,900
- Policy and Resources	-705,100	44,400	749,500
- Health and Public Protection	557,100	662,400	105,300
- Streetscene	5,399,300	4,897,400	-501,900
Accounting Adjustments not included above	3,249,300	3,147,200	-102,100
SERVICE BUDGETS	14,692,700	13,467,400	-1,225,300
Capital Charges	-3,466,100	-3,385,900	80,200
Direct Revenue Funding	1,475,000	1,475,000	0
Minimum Revenue Provision	1,315,300	1,490,900	175,600
Bad Debt Provision	300,000	150,000	-150,000
Interest on Balances	-695,700	-534,700	161,000
Portchester Crematorium	-165,000	-170,000	-5,000
New Homes Bonus	-239,800	-90,900	148,900
Contribution to(+)/from(-) Reserves	-378,000	-1,657,400	-1,279,400
OTHER BUDGETS	-1,854,300	-2,723,000	-868,700
NET BUDGET before COVID Funding	12,838,400	10,744,400	-2,094,000
Contribution from Reserves for COVID	-1,815,500	0	1,815,500
Fees and Charges Reduction Funding	-300,000	0	300,000
Government COVID Funding	-451,000	0	451,000
	-2,566,500	0	2,566,500
NET BUDGET	10,271,900	10,744,400	472,500

DETAILED DRAFT REVENUE BUDGETS BY SERVICE 2021/22 AND 2022/23

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Committees			
Licensing and Regulatory Affairs Committee	552,700	479,800	574,400
Planning Committee	482,000	854,800	439,500
Executive - Portfolios			
Leisure and Community	1,641,400	851,000	-17,500
Housing	1,856,500	1,800,100	2,083,000
Planning and Development	1,659,500	1,588,900	1,636,600
Policy and Resources	-705,100	-1,007,900	44,400
Health and Public Protection	557,100	818,000	662,400
Streetscene	5,399,300	5,603,200	4,897,400
Accounting Adjustments	3,249,300	3,147,200	3,147,200
NET EXPENDITURE	14,692,700	14,135,100	13,467,400

SUBJECTIVE ANALYSIS

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Employees	10,253,100	10,537,100	10,874,500
Premises-Related Expenditure	3,049,300	2,975,900	3,145,800
Transport-Related Expenditure	1,500,600	1,608,300	1,621,500
Supplies and Services	6,021,000	7,340,800	5,495,000
Third Party Payments	1,465,400	1,350,700	1,503,600
Transfer Payments	15,683,300	13,941,900	13,941,900
Support Services	3,308,800	3,272,900	3,392,700
Capital Charges	3,999,300	3,847,200	3,647,200
GROSS EXPENDITURE	45,280,800	44,874,800	43,622,200
Government Grants	-15,872,200	-15,437,600	-14,174,400
Other Grants & Reimbursements	-1,772,000	-1,953,900	-2,329,200
Sales, Fees and Charges	-6,600,400	-6,844,400	-7,716,100
Rents	-6,189,900	-6,340,200	-5,771,500
Recharges to other Accounts	-153,600	-163,600	-163,600
GROSS INCOME	-30,588,100	-30,739,700	-30,154,800

NET EXPENDITURE	14,692,700	14,135,100	13,467,400
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ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2022/23

LICENSING AND REGULATORY AFFAIRS COMMITTEE

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Hackney Carriage and Private Hire Vehicles	9,400	-11,400	12,000
Licensing	-6,700	-10,100	3,700
Health and Safety	144,200	128,100	140,200
Election Services	405,800	373,200	418,500
	552,700	479,800	574,400

PLANNING COMMITTEE

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Planning Applications	55,400	109,600	17,300
Planning Advice	198,500	178,600	190,200
Planning Enforcement	130,800	129,400	137,100
Planning Appeals	97,300	437,200	94,900
	482,000	854,800	439,500

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2022/23

LEISURE AND COMMUNITY PORTFOLIO

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Community Grants	280,300	321,900	280,900
Community Development	208,800	238,200	246,400
Ferneham Hall	120,800	124,200	125,700
Fareham Leisure Centre	471,000	53,000	-365,600
Holly Hill Leisure Centre	401,200	-51,300	-473,300
Community Centres	159,300	165,000	168,400
Total Before Accounting Adjustments	1,641,400	851,000	-17,500
Accounting Adjustments for Portfolio	1,419,100	1,554,600	1,554,600
	<u>3,060,500</u>	<u>2,405,600</u>	<u>1,537,100</u>

HOUSING PORTFOLIO

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Housing Grants and Home Improvements	30,400	34,800	36,300
Housing Options	28,300	19,900	29,300
Housing Benefit Payments	50,300	66,700	66,700
Housing Benefit Administration	496,400	490,700	543,300
Homelessness	591,300	528,100	574,900
Housing Advice	474,200	472,200	628,500
Housing Strategy	164,600	191,200	197,900
Local Land Charges	21,000	-3,500	6,100
Total Before Accounting Adjustments	1,856,500	1,800,100	2,083,000
Accounting Adjustments for Portfolio	29,100	30,300	30,300
	<u>1,885,600</u>	<u>1,830,400</u>	<u>2,113,300</u>

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2022/23

PLANNING AND DEVELOPMENT PORTFOLIO

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Flooding and Coastal Management	86,600	16,200	77,700
Transport Liaison	36,400	34,400	34,400
Tree Management	319,400	386,900	389,700
Conservation & Listed Building Policy	34,500	15,800	16,300
Local Plan	1,182,600	1,135,600	1,118,500
Total Before Accounting Adjustments	1,659,500	1,588,900	1,636,600
Accounting Adjustments for Portfolio	88,300	88,300	88,300
	<u>1,747,800</u>	<u>1,677,200</u>	<u>1,724,900</u>

POLICY AND RESOURCES PORTFOLIO

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Democratic Representation and Management	1,181,500	1,197,100	1,261,200
Commercial Estates	-553,900	-856,600	-834,100
Investment Properties	-3,438,700	-3,250,200	-2,606,000
Solent Airport and Daedalus	-482,900	-486,500	-349,100
Public Relations, Comms and Consultation	485,300	497,700	507,700
Unapportionable Central Overheads	175,600	148,600	148,600
Corporate Management	770,000	654,400	824,300
Economic Development	157,600	185,800	152,300
Local Tax Collection	1,000,400	901,800	939,500
Total Before Accounting Adjustments	-705,100	-1,007,900	44,400
Accounting Adjustments for Portfolio	685,400	590,700	590,700
	<u>-19,700</u>	<u>-417,200</u>	<u>635,100</u>

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2022/23

HEALTH & PUBLIC PROTECTION PORTFOLIO

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Pest Control	43,300	55,800	70,800
Dog Control	25,300	0	0
Food Safety	136,100	116,700	142,600
Air Quality and Pollution	168,000	150,300	179,600
Community Safety	284,600	295,400	247,100
Emergency Planning	78,300	58,400	60,100
Clean Borough Enforcement	211,100	180,100	231,600
Off-Street Parking	-589,000	-154,100	-435,100
Building Control	199,400	115,400	165,700
Total Before Accounting Adjustments	557,100	818,000	662,400
Accounting Adjustments for Portfolio	17,900	36,800	36,800
	<u>575,000</u>	<u>854,800</u>	<u>699,200</u>

STREETSCENE PORTFOLIO

	Base Budget 2021/22 £	Revised Budget 2021/22 £	Base Budget 2022/23 £
Cemeteries & Crematorium	-54,300	-48,500	-46,700
Parks, Open Spaces & Grounds Maintenance	1,836,800	1,854,200	1,891,400
Countryside Rangers	174,200	172,200	176,500
Street Cleaning	946,900	953,400	973,400
Public Conveniences	233,600	234,400	236,000
Waste Collection	927,600	1,048,000	1,061,100
Trade Refuse	-82,400	-123,500	-115,000
Recycling	929,400	1,020,500	1,109,000
Green Waste	424,300	431,700	-449,100
Street Furniture	63,200	60,800	60,800
Total Before Accounting Adjustments	5,399,300	5,603,200	4,897,400
Accounting Adjustments for Portfolio	1,009,500	846,500	846,500
	<u>6,408,800</u>	<u>6,449,700</u>	<u>5,743,900</u>

OVERALL BUDGET TOTAL

14,692,700 14,135,100 13,467,400

DRAFT

FAREHAM

BOROUGH COUNCIL



Medium Term Finance Strategy 2021/22 to 2025/26

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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. 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 second 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 2022/23. 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 for the 2021/22 financial year.

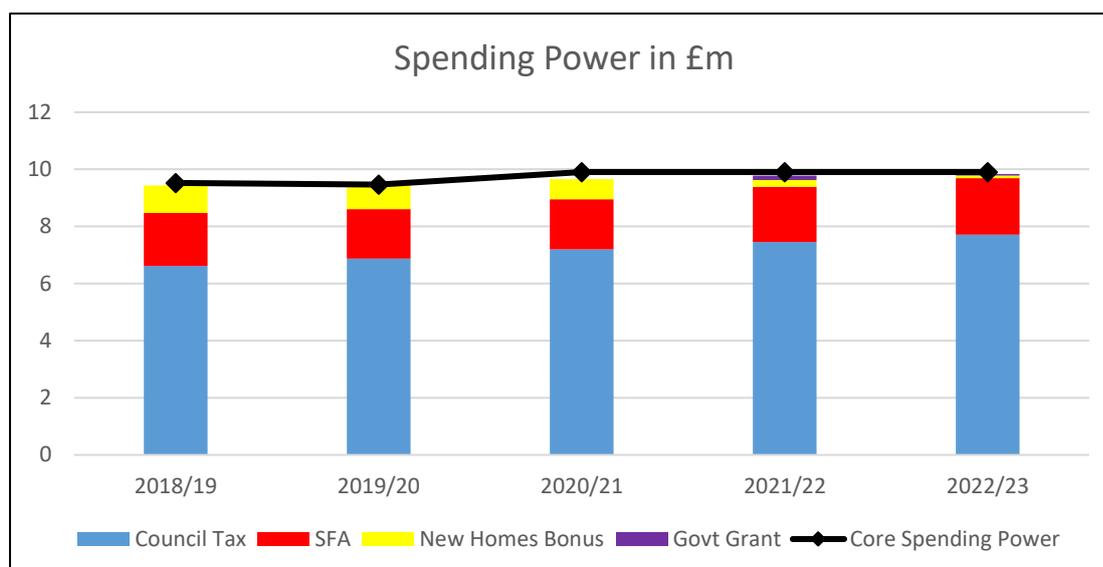
The allocation of resources is determined by the Government's assessment of the funding needs of the borough, as discussed below.

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 one 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).

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 **£41.4 million** of business rates. Of this 50% (£20.7m) is paid to Central Government with 9% (£3.7m) and 1% (£0.4m) paid to the County Council and the Fire Authority respectively. The remaining 40% (£16.6m) 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 **£0.5 million** for 2022/23.

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. 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 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	£226,565					
2012/13	Payments for Year 2		£431,134	£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 42% below the national average. Government policy now allows an increase of either 2% 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 £377 which would see an increase of £7.54 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 last 6 years and it is proposed to increase similarly for 2022/23. The Council Tax for a Band D property currently stands at £170.22 which was approved by the Full Council in February 2021. Of the gross expenditure budget of **£46,824,700** (net budget £10,271,900) for council services in 2021/22, £7,456,402 (**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 removal of the income from new homes bonus by 2023/24. 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 on projects. Grants expected in the 2021/22 and 2022/23 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 managed 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 reduced income from financial investments in the next few years due to capital spend.

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 **£2.8 million** per annum 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 £170,000 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 2022/23 is as follows:

- **New Fees and Charges** – There are no new charges proposed.
- **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.
- 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.
- Car parking charges for coastal parking were introduced from 1 August 2021.
- **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 2022/23 is attached at [Annex 2](#).

The rising cost of employment in future years reflects the cost of an assumed pay awards of 2% from 1 April 2022 and other pay movements such as meeting the

requirements of the National Living Wage.

Pension Provisions

During 2022, the triennial pension fund valuations will be taking place. The last valuation was in 2019 and concluded that the fixed contributions needed to close the past years' service gap were 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 around 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.

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 and 2021/22 financial years 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. This use of reserves was ultimately not required but use of reserves will likely be required in 2021/22.

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 subsequent national lockdowns 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.

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.

Table 3 – Priorities and Projects in the Corporate Strategy

Priority 1	Providing Housing Choices	NEW GARDEN VILLAGE AT WELBORNE
		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
		CLIMATE CHANGE
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
		FAREHAM LIVE
		COLDEAST SPORTS & PLAY
		STUBBINGTON ALLOTMENT
		CAMS ALDER RECREATION GROUND
Priority 6	A dynamic, prudent and progressive Council	BALANCED BUDGET
		SYSTEMS THINKING
		CIVIC OFFICE TENANTS
		COUNCIL OWNED LAND & BUILDINGS
		PROPERTY INVESTMENTS
		PARTNERSHIPS & JOINT WORKING
		OPPORTUNITIES PLAN

The financial resources needed to deliver the projects are contained with 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 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.

It is a strategic asset for the Council, and as such will require significant capital investment over time

It has the potential to generate revenue for the Council, and create job opportunities for the borough

The aspiration is for the airport operations to be financially self-sustaining

There will be a requirement to make use of revenue support and capital receipts from the business parks to deliver investment across the whole site

The significance of Daedalus is such that it warrants its own financial operating framework, which will be presented to Members in due course

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 2020/21 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 2021/22 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 2022/23

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 2022/23

The proposed base budget for 2022/23 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 2021/22 is summarised in the table below. It should, however, be noted that the revised net budget needs for 2021/22 are estimated to be £10,271,900.

Table 5 – Proposed Revenue Budget for 2022/23

	Budget 2021/22	Budget 2022/23	Variation Base to base
	£	£	£
Licensing and Regulatory Affairs Committee	552,700	574,400	21,700
Planning Committee	482,000	439,500	-42,500
Executive - Portfolio Budgets			
- Leisure and Community	1,641,400	-17,500	-1,658,900
- Housing	1,856,500	2,083,000	226,500
- Planning and Development	1,659,500	1,636,600	-22,900
- Policy and Resources	-705,100	44,400	749,500
- Health and Public Protection	557,100	662,400	105,300
- Streetscene	5,399,300	4,897,400	-501,900
Accounting Adjustments not included above	3,249,300	3,147,200	-102,100
SERVICE BUDGETS	14,692,700	13,467,400	-1,225,300
Capital Charges	-3,466,100	-3,385,900	80,200
Direct Revenue Funding	1,475,000	1,475,000	0
Minimum Revenue Provision	1,315,300	1,490,900	175,600
Bad Debt Provision	300,000	150,000	-150,000
Interest on Balances	-695,700	-534,700	161,000
Portchester Crematorium	-165,000	-170,000	-5,000
New Homes Bonus	-306,500	-90,900	148,900
Contribution to(+)/from (-) Reserves	-378,000	-1,657,400	-1,279,400
OTHER BUDGETS	-1,854,300	-3,823,500	-868,700
NET BUDGET before COVID funding	12,838,400	10,744,400	-2,094,000
COVID Funding	-2,256,500	0	-2,256,500
NET BUDGET	10,271,900	10,744,400	472,500

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	-1,309
Funding from Reserves	
S106 Money to fund grounds maintenance work	- 51
Whiteley Fund	- 71
Opportunities Project Funding	- 125
Welborne/Daedalus Grant Funding	- 102
Total Due from Reserves	- 1,658

In addition, as [discussed above](#), the proposed budget for 2022/23 provides for a revenue contribution to capital (**RCCO**) of **£1.5 million**.

The value of the **Spending Reserve** as at 31/03/21 was predicted to be over the £2,426,000 which is the threshold of 5% of gross expenditure for 2021/22 (£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 2022/23.

5.4 COUNCIL TAX 2022/23

The net revenue budget proposed for 2022/23 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 2021/22 Net Revenue Budget

	£'000
Net Budget Requirement	£10,774
Retained Business Rates	-£2,950
Council Tax at current level	-£7,456
Collection Fund Surplus	-£85
Additional Council Tax for new properties	-£34
Total Available from the Collection Fund	-£10,524
Projected Shortfall	£250

6. FIVE YEAR FORECAST

6.1 OVERALL REVENUE POSITION

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

	2021/22 R	2022/23	2023/24	2024/25	2025/26
	000s	000s	000s	000s	000s
SERVICE EXPENDITURE					
Gross Expenditure on Services					
Base Budget	£45,270	£45,270	£45,550	£45,830	£46,110
Changes for Pay and Pensions	£175	£280	£280	£280	£280
Changes for Spend Pressures and Opportunities	£175	£360	£758	£1,087	£932
Changes for COVID Spend Pressures	£0	-£712	£0	£0	£0
Revised Budget	£45,620	£45,198	£46,588	£47,197	£47,322
Gross Income for Services					
Base Budget	-£27,138	-£27,198	-£28,680	-£28,730	-£28,780
Changes for Income Pressures and Opportunities	-£17	-£1,609	-£2,422	-£2,569	-£2,595
Revised Budget	-£27,155	-£28,807	-£31,102	-£31,299	-£31,375
Net Cost of Services					
	£18,465	£16,391	£15,486	£15,898	£15,947
NON SERVICE SPECIFIC BUDGETS					
Contribution to capital spend - RCCO	£1,475	£1,475	£1,475	£1,475	£1,475
Provision to repay borrowing (MRP)	£1,132	£1,399	£1,853	£1,907	£1,976
Increase In Bad Debt Provision	£300	£150	£0	£0	£0
Accounting Adjustments	-£3,466	-£3,466	-£3,466	-£3,466	-£3,466
Total Non Service Budgets	-£559	-£442	-£138	-£84	-£15
NET BUDGET REQUIREMENT					
	£17,906	£15,949	£15,348	£15,814	£15,932
SOURCES OF FUNDING					
Core Funding					
Revenue Support Grant	-£154	£0	£0	£0	£0
Retained Business Rates	-£2,661	-£2,577	-£2,577	-£2,577	-£2,577
New Homes Bonus	-£240	-£91	£0	£0	£0
Total Core Funding	-£3,055	-£2,668	-£2,577	-£2,577	-£2,577
Other Funding Sources					
Income from Financial Investments	-£696	-£535	-£490	-£485	-£485
Income from Property Investments	-£3,439	-£3,439	-£3,439	-£3,439	-£3,439
Contributions from Partnerships	-£165	-£165	-£165	-£165	-£165
Contributions from Govt For COVID	-£751	£0	£0	£0	£0

Total Other Funding	-£5,051	-£4,139	-£4,094	-£4,089	-£4,089
Use of Reserves					
Ear marked for specific use	-£2,344	-£378	-£378	-£378	-£378
COUNCIL TAX REQUIREMENT	£7,456	£8,764	£8,299	£8,770	£8,888
Council Tax					
Projection of Retained Council Tax at current level	£7,456	£0	£43	£94	£145
Additional Council Tax for new properties	£0	£43	£51	£51	£51
Council Tax available at no increase	£7,456	£43	£94	£145	£196
Projected shortfall with no increase	£0	-£8,721	-£8,205	-£8,625	-£8,692
Council Tax available with £5 increase per year	£7,456	£7,718	£7,993	£8,270	£8,550
Projected shortfall with £5 increase per year	£0	-£1,046	-£306	-£500	-£337

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 2023/24 onwards.

The highest funding gap now showing across the 5 years is **£1,046,000, 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 **16%**.

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	46.8	
Significance of an extra £500,000 in spending		+1.0%
Council Tax Payers	7.4	
Significance of spending an extra £500,000		+6.7%

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 but they will also impact on the cost of providing those services.

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 from 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 but their role has changed and they have moved to the Corporate Services Team. 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**.

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 2022 - 23

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 2022-23, 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 2021 is currently under negotiation with an offer of 1.75% having been rejected by the Unions. The outcomes of ballots on industrial action are not yet known so there will be a delay in implementing

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

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date 20 January 2022

Report of: Deputy Chief Executive Officer

Subject: HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS
2022-2023

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Housing Revenue Account revenue budget and capital programme for 2022-2023. The Deputy Chief Executive Officer will refer any proposals and comments of the Panel to the Executive meeting on 7 February 2022.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 7 February 2022.

Enquiries:

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

APPENDICES

Appendix A: Report to Executive meeting on 7 February 2022 – Housing Revenue Account Budget and Capital Plans 2022-2023

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 February 2022

Portfolio:	Policy and Resources
Subject:	Housing Revenue Account 2022/23
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	Providing Housing Choices

Purpose:

This report seeks Executive approval for the revised budget for the Housing Revenue Account for 2021/22, the base budgets and rent increases for 2022/23.

Executive summary:

The Executive recommended, and the Council approved, in February 2021, the base budget and rent increase for 2021/22, for Housing Revenue Account (HRA) services.

This report sets out some revisions to the Housing Revenue Account revised budget for 2021/22 and base budget for 2022/23 along with the capital programme and financing for the years 2021/22 to 2025/26. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 1 April 2022.

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

Recommendation/Recommended Option:

It is recommended that the Executive approves and recommends to the meeting of the Council to be held on 25 February 2022 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 23 with effect from 1 April 2022;

- (b) rents for Council garages be increased by 3.8% with effect from 1 April 2022;
- (c) the revised budget for 2021/22 be approved; and
- (d) the base budget for 2022/23 be approved.

Reason:

To allow the Council to approve the Housing Revenue Account budgets for 2022/23.

Cost of proposals:

As detailed in the report.

Appendices:

- A: Capital Programme and Financing**
- B: Examples of Rent**
- C: Fees and Charges**
- D: Detailed Revenue Budgets**

Background papers: None

Reference papers:

- (a) Executive 1 February 2021 – Housing Revenue Account 2021/22
- (b) Executive 7 June 2021 – Town Centre Property Acquisition
- (c) Executive 5 July 2021 – General Fund and Housing Revenue Account Outturn 2020/21
- (d) Executive 7 December 2021 – Local Authority Delivery phase 2 (LAD2) Funding Scheme for energy efficiency measures to Council Homes – Update
- (e) Executive 7 December 2021 – Fareham Housing Disposal at 12 Hartlands Road and development of land adjacent to 51 Bellfield
- (f) Executive 10 January 2022 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax – Appendix A Medium Term Finance Strategy
- (g) MHCLG - Guidance on Rents for Social Housing February 2019

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	07 February 2022
Subject:	Housing Revenue Account 2022/23
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

1. This report brings together the revenue and capital spending plans for the Housing Revenue Account for 2021/22 and 2022/23 for the Executive to consider. On 10 January 2022, the Executive approved the Council's Finance Strategy for 2022/23 and later years. The budget guidelines contained within the Strategy have been used as a basis for the Housing Revenue Account (HRA) spending plans along with Rent Standard 2019 and the Policy Statement on Rents for Social Housing from 1 April 2020 onwards.
2. Work to configure the Civica housing system is well underway with testing currently being undertaken for system rollout over the coming financial year.
3. Together these have informed revisions to the 2022/23 revenue and capital budgets and those for future financial years as part of Business Planning for the HRA.

CAPITAL PROGRAMME

4. The five-year capital programme has been updated and is summarised in the following table. More details of the capital schemes and its financing can be found in Appendix A.

Year	£'000
2021/22	6,762
2022/23	7,898
2023/24	5,587
2024/25	4,320
2025/26	4,250
Total	28,817

5. The capital programme was included in the Capital Strategy that was approved at the 10 January 2022 Executive.
6. During the current financial year, the major scheme of 18 new flats at Highlands Road was completed in July 2021. A tender process has been completed for 16 new sheltered housing flats at Station Road; and for 11 houses for Shared Ownership at

Stubbington Lane. Although start of construction works on site has been delayed due to delays arising from the Highway S278 Agreement completion by Hampshire County Council works commenced at Station Road in December 2021. It is anticipated that work at Stubbington Lane will be underway by February 2022.

7. Tender preparation / feasibility work is being undertaken for two new houses at Queens Road and a new house at both Crossfell Walk and Bellfield, along with nine new affordable home ownership flats on the former Coldeast Scout Hut site on Montefiore Drive.
8. There are currently three further development sites as set out in the table below. These have been reported to the Executive and approved in principle for further feasibility and preliminary actions to be undertaken before final schemes and the appropriate funding sources are presented for approval. Consultation with residents is well underway at Assheton Court and will inform further work on this development.

Site
Assheton Court redevelopment (Portchester) Sheltered housing scheme to provide 60 – 70 sheltered flats
Wynton Way (Fareham North West)
Menin House regeneration (Fareham North West)

9. In addition to the capital programme approved in January, town centre property acquisitions for housing were approved at the 7 June 2021 Executive. These have been included in the HRA and General Fund Capital programmes and will be financed by existing Housing Capital Receipts and a small contribution from the Capital Development Fund.
10. The financing of the capital programme is from the Major Repairs Reserve, Housing Capital Receipts, Revenue Contributions to Capital Outlay, the Capital Housing Development Fund and 1-4-1 capital receipts from Right to Buy sales and borrowing. The most appropriate form of borrowing will be established by the Council's Finance Team in consultation with the Deputy Chief Executive Officer in order to fund the development schemes at Stubbington Lane, Station Road and the former Scout Hut site, Montefiore Drive, Park Gate.
11. In addition to these internal resources, grant bids of £484,000 have been approved by Homes England in respect of the Stubbington Lane development (£44,000 per shared ownership property) and £172,000 (£86,000 per social rent property) in respect of the Queens Road development. A grant bid for the 9 flats for Shared Ownership flats at the former Coldeast Scout Hut site on Montefiore Drive is in the process of being prepared and will be submitted at the earliest opportunity.
12. Future developed design reports will detail estimated cost and funding arrangements along with the process toward the appointment of an appropriate contractor. New build Fareham Housing homes could be funded from a combination of the following: -
 - a) Capital Development Fund
 - b) Right to Buy initial receipts and Right to Buy 1-4-1 receipts;
 - c) Other Housing Capital receipts (not combined with Right to Buy 1-4-1 receipts)
 - d) Section 106 monies for the purpose of affordable housing provision; (not combined with Right to Buy 1-4-1 receipts)
 - e) Homes England grant funding (not combined with Right to Buy 1-4-1 receipts); and/or

f) Additional borrowing on the Housing Revenue Account.

13. Although the opportunity for borrowing to enable future development is positive there needs to be caution highlighted. Any additional debt will need to be serviced without undermining the financial stability of the Council's HRA. Careful consideration of the borrowing implications along with flexibility in how the various funding sources are used will be required.
14. At its meetings of the 11 October and 7 December 2021, the Executive discussed the LAD2 funding opportunity to improve Council owned homes. LAD2 is the second phase of the Government Local Authority Delivery scheme. The intention of LAD is to improve the household energy efficiency for those on low incomes. The funding and contract mechanisms were also approved at this meeting to enable the Council to improve the energy efficiency in more of its housing stock.
15. The LAD2 scheme stipulates that the Council will be required to contribute towards improvement costs. This contribution will typically be up to £5,000 or 1/3 of the works, per property. The Executive has approved a total budget of £500,000 to contribute towards the costs of the scheme, over the next 2-3 financial years to ensure this funding opportunity can be utilised. This also allows for a small contingency / flexibility to best use the grant opportunity available. This cost to the HRA will utilise existing budgets for improvements to Council stock rather than any new budgetary provision. In many instances it will allow us to access grant funding toward work that would have already fallen within our planned maintenance programme.

REVENUE BUDGETS

16. The following table summarises the Housing Revenue Account base and revised budgets for 2021/22, and the base budget for 2022/23. A more detailed breakdown is provided in Appendix D.

	Base Budget 2021/22	Revised Budget 2021/22	Base Budget 2022/23
HOUSING REVENUE ACCOUNT	£'000	£'000	£'000
Income	-12,353	-12,510	-12,983
Tenancy Management & Running Costs	3,515	3,724	3,825
Net Interest	1,697	1,697	1,697
Transfer to Debt Repayment Fund	1,140	1,140	1,140
	-6,001	-5,949	-6,321
Revenue Repairs Expenditure	2,600	2,784	2,818
Depreciation set aside into the Major Repairs Reserve	2,706	2,765	3,103
Revenue Contribution to Capital Programme	695	400	400
Transfer to(-)/from HRA Reserve	0	0	0

17. The income budget has been increased to reflect proposed increases in rent and service charges. Changes in circumstances and financial stability for some of our tenants continue to impact on rent being paid, however, the Housing Rents Arrears Officer works closely with customers and in the year to date the level of arrears has largely remained constant. Service Charge actuals have been completed for 2020/21 and were slightly higher than budgeted, this additional income has been included in the revised budget for 2021/22 as these are realised.

18. Within Tenancy Management and Running Costs increases have been made for employee costs and for communal heating and lighting costs. A budget provision has also been made to reflect the overlap of housing systems as we move to full reliance on a new system.
19. The property repairs and maintenance area has seen a return to operations at full capacity and efforts have been made to address backlogs where they have arisen. A budget increase for this area is proposed to reflect the employment costs of our building maintenance team as well as higher costs that our suppliers face and that are inevitably passed on to us.
20. The Revenue Contribution to Capital programme budget has been reduced as we do not anticipate such a high number of former council homes being bought back in the current financial year.
21. The proposed budgets also include a clear set aside of reserves to repay the £49 million housing debt taken on in 2012 when the government changed the national subsidy scheme to a self-financing scheme. These loans become repayable in 30 to 39 years.
22. A summary of all the reserves projected to the end of 2021/22 is set out below:

Reserve	Purpose of Reserve	2020/21 Closing Balance £'000	2021/22 Transfers In £'000	2021/22 Transfers Out £'000	2021/22 Closing Balance £'000
HRA Revenue Reserve	To fund unexpected operating costs	579	0	0	579
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	0	0	1,500
Debt Repayment Fund	To repay debt	4,560	1,140	0	5,700
Leaseholder Reserve	To fund major repairs on blocks containing leasehold properties	361	0	0	361
Total Revenue Reserves		7,000	1,140	0	8,140
Major Repairs Reserve	To fund capital expenditure on HRA assets	2,318	2,765	2,760	2,323
Housing Capital Development Fund	To fund new developments	1,285	0	748	537
1:4:1 Receipts	To fund 40% of costs of new acquisitions and Station Road development	1,539	0	600	939
Total Reserves		12,142	3,905	4,108	11,939

RENTS

23. In February 2019, after a consultation exercise, the Government issued a Direction to the Rent Standard 2019 along with a Policy Statement on Rents for Social Housing from 1 April 2020 onwards. This permits annual rent increases on both general needs and sheltered housing properties at social and affordable rent of up to CPI (at September of

the previous year) + 1 percentage point from April 2020 for a period of at least five years. This rent charge increase will also continue to apply to shared-ownership properties. This means the Council is now able to increase rents, with CPI being at 3.1% in September 2021 and an increase of 4.1% to be achieved from April 2022

24. Rents for Council garages are not covered by the Government's Direction applying to dwellings, but a similar principle is applied. It is proposed that garage rents for 2022/23 increase by 50p per week (3.8%) slightly below that of rent increases.
25. Examples of proposed rents can be seen in Appendix B and the effect on the total rents collected can be seen in Appendix D.

FEES AND CHARGES

26. The current fees and charges for the HRA and the charges for 2022/23, approved at the 10 January 2022 Executive, are set out in Appendix C.
27. The statutory charge is subject to the control and advice of Government. The current level of charge has been set at the maximum allowed.

RISK ASSESSMENT

28. The following list of potential risks indicates that it is essential to preserve the account balance held for the Housing Revenue Account. Reserves are held so the Council can:
 - Continue to manage and maintain homes
 - Improve and redevelop estates
 - Cover any unexpected expenditure
 - Take advantage of new opportunities to meet housing needs
 - Repay the debt
 - Meet the challenges of any change in Government policy
29. Key risks include changes to the rent policy, an increase in arrears, and other increases in void properties and in the cost of repairs. In particular, if the Government amend their current rent policy so that rents will reduce post 2022, this will put further pressure on the HRA finances.

Examples of Potential and Actual Changes	Effect on Expenditure in Year £'000	Effect on Income in Year £'000
Change in rent policy to decrease rents by 1% beyond 2023		122
Loss of income if void rate rises to 5% from 4%		122
Increase of 10% on supplies and service costs	46	

Increase of 10% in the depreciation charge	270	
Increase on rent arrears by 10%		60
Increase of 20% in cost of responsive repairs	520	

Enquiries:

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

CAPITAL PROGRAMME AND FINANCING

Housing Capital Programme	2021/22	2022/23	2023/24	2024/25	2025/26
Improvements to Existing Stock	£	£	£	£	£
Improvements	1,842,000	2,000,000	2,193,200	2,210,000	2,400,000
Voids	643,000	719,000	720,200	798,000	800,000
Modifications	275,000	281,000	286,600	292,000	300,000
Vehicles		40,000			
Acquisitions and New Builds					
Acquisitions	1,247,000	500,000	750,000	750,000	750,000
New Build – Highlands Road	540,000	537,000			
New Build – Station Road	1,000,000	1,149,000	423,000		
New Build – Assheton Court	100,000	100,000			
New Build – Stubbington Lane	1,000,000	1,072,000	378,000		
New Build – Queens Road	50,000	514,000	105,000		
New Build – Crossfell Walk	15,000	255,000			
New Build – Coldeast Scout Hut	50,000	731,000	731,000	270,000	
TOTAL CAPITAL EXPENDITURE	6,762,000	7,898,000	5,587,000	4,320,000	4,250,000
Funded by:					
Improvements to Existing Stock					
Major Repairs Reserve	-2,760,000	-3,000,000	-3,200,000	-3,300,000	-3,500,000
Vehicles – RCCO		-40,000			
Acquisitions and New Builds					
RCCO	-400,000	-400,000	-450,000	-450,000	-450,000
1-4-1 Capital Receipts	-600,000	-660,000	-469,000	-300,000	-300,000
Capital Receipts	-612,000	-255,000			
Capital Development Fund	-748,000	-537,000			
Homes England Grants	-306,000	-764,000	-37,000		
Other Grants and Contributions	-50,000	-342,000	-105,000	-270,000	
Borrowing – Station Road	-600,000	-689,000	-254,000		
Borrowing – Stubbington Lane	-686,000	-830,000	-378,000		
Borrowing – Coldeast Scout Hut		-381,000	-694,000		
TOTAL FUNDING	-6,762,000	-7,898,000	-5,587,000	-4,320,000	-4,250,000

HRA EXAMPLES OF RENT

	Property Type	2021/22 Actual Rent £	2022/23 Proposed Rent £	Change per week £	Change per week %
Rose Court	1 Bed Flat	84.85	88.33	3.48	4.1
Grebe Close	2 Bed Bungalow	110.21	114.73	4.52	4.1
Collingwood Court	1 Bed Flat	103.57	107.82	4.25	4.1
Foxbury Grove	2 Bed Flat	92.43	96.22	3.79	4.1
Garden Court	1 Bed Maisonette	82.8	86.19	3.39	4.1
Sicily House	2 Bed Maisonette	89.67	93.35	3.68	4.1
Fairfield Avenue	3 Bed House	107.41	111.81	4.40	4.1
Churchill Close	3 Bed House (shared owner)	93.63	97.47	3.84	4.1
Jubilee Court	4 Bed House	122.74	127.77	5.03	4.1
Average for total stock		93.43	97.26	3.83	4.1
Garages		13.20	13.70	0.50	3.8%

FEES AND CHARGES

	Notes	Fee 2021/22 £	Fee 2022/23 £	% 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	10.40	4.0
Per couple per night	Inclusive of VAT	15.00	15.60	4.0
Collingwood Court per room	Inclusive of VAT	25.00	26.00	4.0
Sylvan Court per room	Inclusive of VAT	25.00	26.00	4.0
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.20	5.40	4.0
Keys – Fob		8.35	8.70	4.2
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.65	0.70	7.7
Dry		0.55	0.60	9.1

DETAILED REVENUE BUDGET

	Base 2021/22 £'000	Revised 2021/22 £'000	Base 2022/23 £'000
Income			
Rents – Dwellings	-10,766	-10,918	-11,332
Rents – Garages	-331	-335	-348
Rents – Other	-20	-20	-20
Service Charges (Wardens, Extra Assistance, Heating)	-643	-628	-632
Cleaning	-185	-172	-185
Grounds Maintenance	-114	-120	-126
Other Fees and Charges	-61	-41	-61
Leaseholder Service Charges and Insurance	-233	-276	-279
	-12,353	-12,510	-12,983
Expenditure			
Tenancy Management & Running Costs			
General Administrative Expenses	1,853	1,982	2,047
Corporate and Democratic Core	69	74	76
Corporate Management	83	78	88
Corporate Management	20	20	20
Communal Heating Services	115	130	145
Communal Lighting	35	45	55
Rents, Rates and Other Taxes	186	206	186
Communal Cleaning	240	240	242
Grounds Maintenance	235	267	267
Sheltered Housing Service	544	547	564
Bad Debts Provision	50	50	50
Bad Debts Written off	50	50	50
Debt Management Expenses	35	35	35
	3,515	3,724	3,825
Long Term Debt Management			
Interest Payable	1,795	1,817	1,817
Interest Earned on Internal Balances	-98	-120	-120
Transfer to Debt Repayment Fund	1,140	1,140	1,140
Property Repairs and Maintenance			
Revenue Repairs Expenditure	2,600	2,784	2,818
Depreciation	2,706	2,765	2,826
Revenue Contribution to Capital Programme	1,278	1,148	937
Contribution from Capital Development Fund	-583	-748	-537
Surplus(-)/Deficit for Year	0	0	-277

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **20 January 2022**

Report of: **Deputy Chief Executive Officer**

Subject: **EXECUTIVE BUSINESS**

SUMMARY

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

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

The relevant notices for decisions taken are attached for consideration.

RECOMMENDATION

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

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2310

Record of Decision by Executive

Monday, 11 October 2021

Portfolio	Policy & Resources
Subject:	The Council's Approach to the Pandemic - A Review
Report of:	Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To review the performance of the Council as it responded to the challenges presented by the pandemic and to highlight any lessons learnt which might help to shape our organisation in the future.

The Council provides a wide range of public services and, when a crisis hits, there is an expectation from local businesses and residents that those services will continue to be delivered. Therefore, managers faced the double challenge of continuing with the “day job” in the face of a pandemic whilst also dealing with additional workload caused by the crisis.

Enquiries for advice and assistance increased dramatically across all service areas, putting additional pressure on staffing resources. Volumes of household waste continued to grow as people stayed in their homes, and littering became a major problem in public areas where residents were taking their daily exercise. A serious public health crisis inevitably increased the workload of the environmental health team.

In addition to these challenges, the Government also asked all Councils to take on new burdens such as issuing grants to local businesses, providing Covid Marshals to patrol the Borough, setting up testing centres, delivering food parcels to vulnerable people in the local community and securing emergency accommodation for all rough sleepers in the borough.

In simple terms, workload increased dramatically for all Council employees and the high volume of demand continued for a sustained period.

The pandemic caused a major shock to the Council’s finances and there was a need for a significant call on reserves to ensure that services could be provided during the crisis. The financial impact will be evident in the Council’s budgets for the next few years.

A structure was put in place to manage the Council during the crisis and individual recovery plans were formulated covering the following areas:

- Workforce Recovery
- Democratic Recovery
- Services Recovery
- Public Spaces Recovery
- Community Recovery
- Economic Recovery
- Financial Recovery

The coronavirus pandemic had a significant impact on the effective operation of the Council over a sustained period and many lessons were learnt from dealing with the crisis. Those lessons are being captured as part of the review of our emergency planning procedures but will also be evident in proposals for new ways of working in the future.

There is no doubt that the success of the Council's response over the last 18 months has been down to the commitment and hard work of a dedicated workforce who were determined to continue to provide critical services in the face of adversity.

Effective partnerships also played a crucial role in the Council's response including such bodies as the Local Resilience Forum, the Police, the voluntary sector, SLM, Fareham Shopping Centre owners, the County Council and neighbouring District Councils.

Options Considered:

The Executive Leader brought this item forward on the agenda to be considered before item 10(2).

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

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

As recommendation.

Decision:

RESOLVED that the Executive agrees that:

(a) the following reviews are undertaken and presented to the Executive for decision:

- future ICT provision for elected Members;
- establishing clear protocols on virtual briefing meetings;
- new ways of working for office-based employees including more flexible home working arrangements and the future requirements of office accommodation and ICT;
- the future of the cash office
- the Council's approach to seasonal planting in the light of the lessons learned from the pandemic period

- future parking need in Fareham Town Centre; and
- service level agreements with One Community and Fareham CAB to reflect the lessons learnt from responding to the pandemic.

(b) an Economic Development Strategy for the Borough be produced;

(c) the proposal that future deputations can also be made in writing, or by a video or audio clip, be approved, subject to the separate deputation scheme for the Planning Committee being kept under review; and

(d) thanks be given for the exemplary work and support shown to Fareham's residents by all officers during the pandemic.

Reason:

To act on the lessons learnt from responding to the pandemic, to ensure resilience and preparedness for dealing with a similar emergency situation in the future.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 11 October 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2308

Record of Decision by Executive

Monday, 11 October 2021

Portfolio	Policy & Resources
Subject:	Agency Staff Recruitment
Report of:	Director of Support Services
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report considers the tenders received for the provision of Agency Workers for Fareham Borough Council. The report recommends an award of contract for the Council's Preferred Supplier list for agency services.

A list of Preferred Suppliers of Agency Workers was last awarded in 2016.

This report provides the Executive with information regarding the tenders received and seeks an award of a new Preferred Supplier contract for a 4-year long term agreement for the provision of agency workers.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive agrees to award the contract for the Council's Preferred Supplier List for agency services on our agreed terms to the Agency Worker Suppliers set out in the confidential Appendix A to the report as the Agency Worker Suppliers are deemed to be the most suitable to cover the breadth of skills and role requirements within the Council.

Reason:

To establish a range of specialist temporary worker providers to match the range of skills required from time to time to support the Council's operation.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 11 October 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2299

Record of Decision by Executive

Tuesday, 21 September 2021

Portfolio	Policy & Resources
Subject:	Citizen of Honour Award - Special Group Achievement Category
Report of:	Director of Leisure and Community
Corporate Priority:	Strong, safe, inclusive and healthy communities

Purpose:

To consider the proposal of presenting a Special Group Achievement Award under the Citizen of Honour scheme, to Acts of Kindness (Solent) for its outstanding contribution and support to the residents of the Borough.

The Executive has previously agreed arrangements for a Special Group Achievement Category under the Citizen of Honour Award Scheme for outstanding contribution in support of the local community and voluntary groups and organisations in the Borough.

It is proposed that a Special Group Achievement award be presented to Acts of Kindness (Solent) to recognise its outstanding contribution to improving the lives of residents of the Borough.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive agrees to present Acts of Kindness (Solent) with a Citizen of Honour Special Group Achievement Award in recognition of its outstanding contribution and support of the local community and the residents of the Borough of Fareham.

Reason:

To recognise the contribution made to the lives of Fareham residents by Acts of Kindness (Solent).

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 21 September 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2300

Record of Decision by Executive

Tuesday, 21 September 2021

Portfolio	Policy & Resources
Subject:	Citizen of Honour Award Scheme - Special Achievement Category
Report of:	Director of Leisure and Community
Corporate Priority:	Strong, safe, inclusive and healthy communities

Purpose:

To consider the proposal of presenting a Special Achievement Award under the Citizen of Honour scheme, to Declan Brooks in recognition of winning a bronze medal at the Tokyo 202 Summer Olympic Games in the men's BMX Freestyle Cycling.

The Executive has previously agreed arrangements for a Special Achievement Category, under the Citizen of Honour Award Scheme, to recognise and celebrate special achievements of residents within the Borough.

Declan Brooks is a Fareham resident and recently competed for Great Britain in the Tokyo 2020 Summer Olympics. Declan succeeded in winning a bronze medal in the men's BMX Freestyle Cycling. It is proposed that a Special Achievement award be presented to Declan in recognition of his sporting achievement.

Options Considered:

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

As recommendation.

Decision:

RESOLVED that the Executive agrees to present Declan Brooks with a Citizen of Honour Special Achievement Award in recognition of winning a bronze medal in the men's BMX Freestyle Cycling at the Tokyo 2020 Summer Olympic Games.

Reason:

To recognise the special achievement made by winning a bronze medal at the Tokyo 2020 Summer Olympic Games.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 21 September 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2301

Record of Decision by Executive

Tuesday, 21 September 2021

Portfolio	Policy & Resources
Subject:	Covid Heroes Award Nominations
Report of:	Director of Leisure and Community
Corporate Priority:	Strong, safe, inclusive and healthy communities

Purpose:

This report presents nominations for consideration under the Council's special COVID Heroes Award scheme 2021.

It was agreed at the Executive meeting on 01 March 2021 that the annual Citizen of Honour Awards were rested for one year and replaced with a new, one-year, initiative – the COVID Heroes Awards.

The Council launched the COVID Heroes Awards scheme in April 2021, to recognise those in need during the COVID-19 pandemic. The COVID Heroes Awards take the place of the Council's annual 'Citizen and Young Citizen of Honour Awards' for one year only. There are three categories:

- Adults (over 18). In recognition of outstanding service to the community or contribution to helping the lives of others during the COVID-19 pandemic.
- Young People (under 18). In recognition of outstanding personal achievements or becoming a role model to family, friends or the community.
- Organisations. In recognition of outstanding community service during the COVID-19 pandemic and going above and beyond to help the Fareham community.

The Council received 85 nominations overall. There are 53 nominations for the Adults category, eight nominations for the Young People category and 24 nominations in the organisations category. All those nominated will receive a Certificate of Appreciation, signed by the Mayor and the Executive Leader.

There will be up to five selected winners for each category, chosen by the Executive. All winners would receive a medal and entry into the Council's roll of honour.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executives agrees that the following nominees are selected as winners of their categories and will be recognised with an award as COVID Heroes for 2021:

From the nominations detailed in the confidential Appendix 1 to the report at

Page 71 – nominees 6, 8 and 9

Page 72/73 – nominees 1 and 11

Page 75 – nominees 1 and 5

Page 76 – nominees 1, 7 and 8

Reason:

Due to the pandemic many vulnerable residents have needed, and received, help on an unprecedented scale, and many residents and organisations have responded wholeheartedly to meet this need. The COVID Heroes Awards were created to allow the Council to recognise the people and organisations who have stepped up. The scheme replaces Citizen of Honour awards for one year only.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 21 September 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2298

Record of Decision by Executive

Tuesday, 21 September 2021

Portfolio	Policy & Resources
Subject:	Disposal of Trinity Street Public Conveniences
Report of:	Director of Planning and Regeneration
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To consider the proposed disposal of the Trinity Street public conveniences.

The Trinity Street Public Conveniences are considered to be surplus to requirement and Churchill Retirement Living wish to purchase the site in conjunction with their purchase of the adjacent former magistrates' court site. Terms have been provisionally agreed.

Options Considered:

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

As recommendation.

Decision:

RESOLVED that the Executive approves the disposal of the Trinity Street Public Conveniences on the terms and conditions as detailed in the Confidential Appendix A attached to the report.

Reason:

To dispose of surplus land and to receive a capital receipt.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 21 September 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2309

Record of Decision by Executive

Monday, 11 October 2021

Portfolio	Policy & Resources
Subject:	Proposal for a new way of working
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report seeks approval for a new approach to the way we work.

Before the COVID-19 pandemic, most of our staff worked in the Council's offices at other Council facilities (such as sheltered housing schemes) or worked across the borough maintaining our parks, collecting household waste, visiting people and homes, all with one thing in common; to provide high quality customer services across Fareham borough.

Although we had already started the move to mobile and cloud-based ICT solutions, the pandemic led us to a rapid step-change in our use of mobile technology and working remotely. What we learnt from this experience, is that many of our services can be provided very effectively through remote working, and this led to a review being undertaken to consider how we might build on this approach in the future.

A vision for the way we work in the future has been developed, as set out in Appendix A to this report, and the Executive is asked to approve the new approach.

Options Considered:

At the invitation of the Executive Leader, Councillors J S Forrest and R H Price, JP addressed the Executive on this item.

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

As recommendation.

Decision:

RESOLVED that the Executive agrees the vision for the new way of working.

Reason:

To enable the new approach to flexible working to be implemented.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 11 October 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2315

Record of Decision by Executive

Monday, 1 November 2021

Portfolio	Policy & Resources
Subject:	Annual Review of the Corporate Strategy 2017-2023 and Local Service Agreements 2020-2021
Report of:	Director of Leisure and Community
Corporate Priority:	(All Corporate Priorities)

Purpose:

The Council's performance management framework requires the Executive to undertake an annual review of the corporate vision and priorities. The purpose is to confirm future priorities, update the wording where necessary and to provide an overview of the Council's performance for the 2020/21 financial year. The outcome of the Corporate Strategy review will influence budgets and local service agreements for the next financial year.

The Corporate Strategy provides a clear focus on the most important issues that need to be addressed for the 2017-2023 period. This annual review is an opportunity to consider progress made in delivering corporate priorities and to assess the impact of any other influences on the Council's services and initiatives.

The Council's strategic framework includes Local Service Agreements to provide details of actions delivered by individual services. Local Service Agreements provide an overview of how the Council is performing alongside the Corporate Strategy. This annual review is an opportunity to consider how well the Council is, as a whole, performing, as well as in key service areas.

Options Considered:

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) agrees the amendments to the strategy document, as set out in paragraph 17 of the report;
- (b) recommends the Annual Review of the Corporate Strategy to Council for approval, subject to any further amendments; and
- (c) notes the Council's performance for the 2020/21 financial year.

Reason:

To meet the requirements of the Council's performance management framework and provide details of Fareham Borough Council's performance for the 2020/21 financial year.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 1 November 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2316

Record of Decision by Executive

Monday, 1 November 2021

Portfolio	Policy & Resources
Subject:	Medium Term Finance Strategy
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report provides an update on the Council's 5-year financial forecasts following the global pandemic and gives the Executive the opportunity to consider the Council's 5-year financial forecasts as set out in the Medium-Term Finance Strategy (MTFS) following the setting of the budget 2021/22 at the January Executive.

The impacts of COVID-19 have affected many areas of the Council's finances during 2020/21 and these have continued through to the current financial year. In light of the changes a new table of figures highlighting the effects of the pandemic and other operational changes has been compiled and the effects of this going forward over the strategy period is shown in the table below:

£s	2021/22 Revised	2022/23	2023/24	2024/25	2025/26
Approved MTFS Deficit Position	0	706,000	594,000	452,000	n/a
General Draw Down from reserves	1,966,000	0	0	0	0
Revised MTFS Forecast deficit Position	0	1,046,000	306,000	500,000	337,000

The detailed report highlights the main spending pressures affecting the budgets and also opportunities taken to close the budget gap.

5-Year Financial Forecasts

The 5-Year financial forecasts for 2021/22 to 2025/26 are predicting a funding shortfall for all years with reserves being used to ensure a balanced budget in 2021/22. The Opportunities Plan approved last year is still predicted to address some of the shortfall and build in some capacity for future pressures and uncertainties.

Options Considered:

The comments of the Policy and Resources Scrutiny Panel were taken into account in considering this item.

As recommendation.

Decision:

RESOLVED that the Executive approves the Medium-Term Finance Strategy for the period 2021/22 to 2025/6, as set out at Appendix A to the report.

Reason:

The Medium-Term Finance Strategy forecasts a funding shortfall in all years through to 2025/26. The Opportunities Plan has been developed to address some of this and build in capacity for future pressures and uncertainties.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 1 November 2021

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2325

Record of Decision by Executive

Tuesday, 7 December 2021

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

Purpose:

This report provides comparative information on the Council's revenue expenditure for the period for the first half of the financial year. Members are invited to consider the financial performance and any corrective action that may be deemed appropriate.

The report provides summary information on the overall spending position against the emergency revenue budgets in the current year, as set out in the following tables:

General Fund	Budget 2021/22	Budget to 30 Sep 21	Actual to 30 Sep 21	Variation
	£000s	£000s	£000s	£000s
Service Budgets	14,693	1,261	1,002	-259
Non-Service Budgets	-1,854	-287	-293	-6
COVID Funding	-2,567	-451	-451	0
Net Budgets	10,272	523	258	-265

Housing Revenue Account	Budget 2021/22	Budget to 30 Sep 21	Actual to 30 Sep 21	Variation
	£000s	£000s	£000s	£000s
Income Budgets	-12,353	-6,176	-6,397	-221
Management Costs	3,515	1,067	973	-94
Finance Costs	2,837	700	700	0
Property Costs	6,001	1,100	1,155	55
Net Budgets	0	-3,309	-3,569	-260

Revenue spending plans are currently showing a net underspend for the first half of the financial year. Any underspending achieved by the end of the year will reduce the need to call on the Council's reserves for 2021/22. However, there are a number of areas where spend is in excess of the budget and some areas are likely to continue to be overspent through to the end of the financial year. It therefore

remains appropriate to continue to monitor financial performance closely over the remainder of the financial year to ensure that any slippage does not adversely affect the services provided to residents and customers. Commentary on the most significant variations is set out in the briefing paper accompanying the report.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive notes the Finance Monitoring Report.

Reason:

To provide members of the Executive with a summary of the Council's budgetary performance for the first half of the financial year.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 7 December 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2326

Record of Decision by Executive

Tuesday, 7 December 2021

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

Purpose:

This report summarises the Council's investment activity and capital expenditure up to 30 September 2021 and provides details of the Council's money market transactions. It also provides information on the performance against the Treasury and Prudential Indicators.

During the first half of the year the Council operated within the Treasury and Prudential Indicators.

The overall investment position is set out in the following table:

	31 March 2021 Actual £'000	30 Sept 2021 Actual £'000
Total borrowing	55,967	55,967
Total investments	(18,625)	(21,773)
Net borrowing	37,342	£34,194

The Council's net interest budget for 2021/22 is £695,700 (661,300 actual in 2020/21 and is currently on target to achieve this by the year end.

A summary of the capital programme expenditure against budgets in the current year, is set out in the following table:

Capital Programme	Revised Budget 2021/22 £	Budget to 30 Sep 21 £	Actual to 30 Sep 21 £	Variation £
General Fund	24,203,300	7,200,000	6,232,320	-967,680
HRA	11,900,800	3,695,000	2,745,636	-949,364
Total	36,104,100	10,895,000	8,977,956	-1,917,044

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive notes the Treasury Management and Capital Monitoring Report for 2021/22.

Reason:

To inform the Executive of the Council's investment, borrowing and capital programme activity up to 30 September 2021.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 7 December 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2327

Record of Decision by Executive

Tuesday, 7 December 2021

Portfolio	Policy & Resources
Subject:	Virtual Briefing Meetings
Report of:	Director of Support Services
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To seek approval for a new approach and protocol for the way in which briefings and non-formal meetings are held between Council Officers and Elected Members.

Prior to the COVID-19 pandemic, the majority of Fareham Borough Council staff worked in the Council's offices, at other Council facilities (such as sheltered housing schemes) or worked across the borough maintaining our parks, collecting household waste, visiting people and homes, all with one thing in common, to provide high quality customer services across Fareham borough.

Whilst this remains the primary objective, the ways in which Council Officers and Elected Members communicate and work together has had to change during the pandemic in order to remain compliant with Government guidelines and restrictions on movement. This significantly reduced the number and frequency of face-to-face meetings.

Although we had already started the move to mobile and cloud-based ICT solutions, the pandemic led us to a rapid step-change in our use of mobile technology and working remotely. What we learnt from this experience, is that many of our services can be provided very effectively through remote working, and this led to a review being undertaken to consider how we might build on this approach in the future.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive agrees that:

- (a) all future Officer/Member briefings and non-formal meetings should be delivered via Microsoft Teams where possible and practical to do so; and
- (b) the Virtual Meetings Protocol, as appended to this report be adopted.

Reason:

To act on the lessons learnt from responding to the pandemic and to maximise the use of technology to support communication with remote working.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Tuesday, 7 December 2021

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2337

Record of Decision by Executive

Monday, 10 January 2022

Portfolio	Policy & Resources
Subject:	Fees and Charges 2022/23
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report provides an update and proposals for the Council's fees and charges for the financial year 2022/23.

The report gives the Executive the opportunity to consider the Council's fees and charges for 2022/23 including approving increases in existing charges and considering new charges where applicable.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive approves the fees and charges for 2022/23 as set out at Appendix A to the report.

Reason:

The proposed fees and charges will continue to support delivery of the Council's services and contribute to the budgets setting process for 2022/23.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 10 January 2022

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2336

Record of Decision by Executive

Monday, 10 January 2022

Portfolio	Policy & Resources
Subject:	Finance Strategy, Revenue Budget & Council Tax 2022/23
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the revised revenue budget for 2021/22 and 2022/23.

The 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 2021/22 and proposed service budgets for 2022/23.

Revised General Fund Revenue Budget 2021/22

The revised general fund revenue budget for 2021/22 amounts to £14,135,100 for service budgets with other budgets totalling -£2,057,100 and COVID funding of £1,583,200 (including a use of general reserves of £690,200), giving an overall position of £10,494,800 which is an increase of £222,900 from the base budget for 2021/22.

General Fund Revenue Budget 2022/23

The proposed general fund budget for 2022/23 totals £13,467,400 for service budgets along with -£2,723,000 for other budgets (including a use of general reserves of £1,902,500) giving an overall position of £10,744,400 which is an increase of £472,500 against the original budget for 2021/22.

5-Year Financial Forecasts

The 5-year financial forecasts for 2021/22 to 2025/26 is predicting a funding shortfall by 2022/23. The Opportunities Plan approved last year is still predicted to address the shortfall and build in some capacity for future pressures and uncertainties.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2021/22 to 2025/26, as set out at Appendix C to the report;
- (b) agrees to submit the updated Pay Policy, annexed to the Medium-Term Finance Strategy at Annex C, to Full Council for approval;

Revenue Budgets

- (c) approves the revised 2021/22 general fund revenue budget, amounting to £10,494,800, as set out in Appendices A and B to the report; and
- (d) approves the base 2022/23 general fund revenue budget amounting to £10,744,400, as set out in Appendices A and B to the report.

Reason:

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

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

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 10 January 2022

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2339

Record of Decision by Executive

Monday, 10 January 2022

Portfolio	Policy & Resources
Subject:	Member IT Review
Report of:	Director of Leisure and Community
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To present the findings of the recent review of the provision and support of IT for Councillors and to then make proposals for a new approach that will meet the needs of members in a consistent, secure and cost-effective way.

There is a mix of both hardware devices used by Councillors e.g. laptop, pc or tablet some of which are personally owned whilst others are provided by a Council.

In order to ensure a consistent, secure and value for money approach to IT provision and support for Members a review began in early 2021.

The review was influenced by the developments such as the rapid move to more virtual ways of working brought by COVID-19 and the approval of the Council's Climate Change Action Plan in June 2021, which committed to find ways to reduce our paper use.

The findings of the review are presented in this report alongside proposals that will help ensure that the ongoing provision of IT devices and support to Members is done in a consistent and secure way which offers good value for money.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive approves:

- (a) the committee process becoming paperless in early 2022/23 following a programme of training and support for all Members; and
- (b) up to 31 new laptop devices be purchased at a cost of up to £30,225.

Reason:

To ensure that Members have access to the IT devices and support that enable them to carry out their Council work in a consistent, secure and cost-effective way.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 10 January 2022

FAREHAM

BOROUGH COUNCIL

2021/22
Decision No.
2338

Record of Decision by Executive

Monday, 10 January 2022

Portfolio	Planning and Development
Subject:	Welborne Delivery - Disposal of Residential Property
Report of:	Director of Planning and Regeneration
Corporate Priority:	Providing housing choices; Strong, safe, inclusive and healthy communities

Purpose:

This report seeks approval to delegate authority to the Director of Planning and Regeneration to enter into an Option Agreement with Welborne Land Limited for the disposal of residential property at Welborne Garden Village.

At the Executive Meeting of 22 February 2016, authority was given for the purchase of two residential owner-occupied properties affected by the Welborne development. On 06 February 2017, the Executive agreed the terms for the purchase of one further residential owner-occupied property affected by the Welborne development.

It was the Council's expressed intention to sell the properties to the master developer of Welborne Garden Village at the appropriate time, to maximise their control of the land and simplify the mechanics of bringing the development forward.

This report outlines the draft terms of the Option Agreement for their disposal to support the delivery of Welborne Garden Village, which are being negotiated with Welborne Land Limited, and seeks approval to delegate authority to enter into the Agreement to the Director of Planning and Regeneration. In making this delegated decision, expert advice will be provided by both the Asset Management Service and Fareham & Southampton Legal Services.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive agrees to delegate authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, to enter into an Option Agreement with Welborne Land Limited for the disposal of three residential properties at Welborne Garden Village.

Reason:

To support the delivery of Welborne Garden Village, as agreed by the Executive in February 2016 and February 2017.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 10 January 2022