

# FAREHAM

BOROUGH COUNCIL

## AGENDA

### POLICY AND RESOURCES SCRUTINY PANEL

**Date:** Monday, 23 January 2023

**Time:** 6.00 pm

**Venue:** Collingwood Room - Civic Offices

**Members:**

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors F Birkett  
M R Daniells  
D J Hamilton  
Miss T G Harper  
Mrs K Mandry

**Deputies:** S Dugan  
Mrs K K Trott



**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 22 September 2022.

**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 and Capital Strategy 2023-24 (Pages 11 - 36)**

To consider a report by the Deputy Chief Executive Officer on the Capital Programme and Capital Strategy for 2023-24.

**7. Fees and Charges 2023-24 (Pages 37 - 94)**

To consider a report by the Deputy Chief Executive Officer on the Fees and Charges for 2023-24.

**8. Finance Strategy, Revenue Budget and Council Tax 2023-24 (Pages 95 - 146)**

To consider a report by the Deputy Chief Executive Officer on the Finance Strategy, Revenue Budget and Council Tax 2023-24.

**9. Housing Revenue Account 2023-24 (Pages 147 - 160)**

To consider a report by the Deputy Chief Executive Officer on the Housing Revenue Account 2023-24.

**10. Executive Business (Pages 161 - 162)**

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

**(1) Finance Monitoring 2022 - 23 (Pages 163 - 164)**

**(2) Treasury Management & Capital Monitoring 2022 - 23 (Pages 165 - 166)**

**(3) Updated Equalities Objectives 2022 - 26 (Pages 167 - 168)**

- (4) **Annual Review of the Corporate Strategy 2017-2023 & Local Service Agreements 2021-22** (Pages 169 - 170)
- (5) **Relocation of Corporate Cabin, Solent Airport** (Pages 171 - 172)
- (6) **Fees and Charges** (Pages 173 - 174)
- (7) **Finance Strategy, Revenue Budget & Council Tax 2023-24** (Pages 175 - 176)

## **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](http://www.fareham.gov.uk)  
13 January 2023

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# FAREHAM

## BOROUGH COUNCIL

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

**Date:** Thursday, 22 September 2022

**Venue:** Collingwood Room - Civic Offices

**PRESENT:**

**Councillor** Mrs S M Bayford (Chairman)

**Councillor** N J Walker (Vice-Chairman)

**Councillors:** F Birkett, M R Daniells, Miss T G Harper, Mrs K Mandry and  
D J Hamilton

**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 meeting held on 11 July 2022 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. CORPORATE STRATEGY ANNUAL REPORT AND LOCAL SERVICE AGREEMENTS 2021-2022**

The Panel considered a report by the Director of Leisure and Community which provided a review to the Council's Corporate Strategy and the Local Service Agreements 2021-22.

The Chairman requested an update on the progress of the redevelopment of Ferneham Hall. The Deputy Chief Executive Officer confirmed that work has now started to demolish parts of the building, and the project is currently on track, with the intention of the new venue opening by the Spring of 2024.

Members all confirmed that they were happy with the proposed changes set out in Appendix C of the report and had no further comments for consideration.

RESOLVED that the Policy and Resources Scrutiny Panel recommends to the Executive at its meeting on 7 November 2022 that: -

- (i) It endorses the revisions to the strategy as set out in Appendix C to this report;
- (ii) It recommends approval of the Annual Review of the Corporate Strategy, subject to any further amendments, to the Council; and
- (iii) Notes the Council's performance as set out in the Local Service Agreements 2021/2022, at Appendix D to this report.

## **7. COVID BUSINESS GRANT FINAL POSITION**

The Panel considered a report by the Deputy Chief Executive Officer which provides an update on the COVID Business Grant Final Position.

Councillor Daniells enquired about the funding for the 2 shopping centres identified in the report and what the money was spent on. The Procurement Manager informed the Panel that the purpose of the grant was to enable the shopping centres to encourage people to continue to shop local and support these centres. Both centres had to provide full plans to the Council on how they intended to spend the money, and these proposals had to be agreed by Officers.

Councillor Birkett expressed his thanks to the teams responsible for administering the grants and acknowledged that it was a huge undertaking by these teams to achieve the positive response to this work.

RESOLVED that the Panel commented upon and noted the content of the report.

## **8. GENERAL FUND AND HOUSING REVENUE ACCOUNT OUTTURN 2021-2022**

The Panel considered a report by the Deputy Chief Executive Officer on the General Fund and Housing Revenue Account Outturn for the financial period 2021-2022.

The Panel noted that the positive position of the Council's finances to allow funds to be transferred to reserves, rather than having to draw from them.

RESOLVED that the Policy and Resources Scrutiny Panel notes the content of the report and has no further comments to refer to the Executive at its meeting on 3 October 2022.

## **9. UPDATED EQUALITIES OBJECTIVES**

The Panel considered a report by the Director of Leisure and Community which provides an update on the Council's Equalities Objectives.

The Panel noted the positive work undertaken by the team in managing the equalities objectives and welcomed the increase in objectives in the policy.

Members were encouraged with the emphasis on the Council promoting the diverse cultures of all groups within the Borough and ensuring that all groups' needs are taken into consideration. The Senior Policy, Research and Engagement Officer addressed the Panel to confirm that the Council's aim is to be more inclusive and to ensure that access to all of the services within the borough is available to everyone.

RESOLVED that the Policy and Resources Scrutiny Panel recommends to the Executive at its meeting on 7 November, that it endorses the proposed Equalities Objectives for 2022-2026.

## **10. ARRANGEMENTS FOR LIVE STREAMING OF COUNCIL MEETINGS**

The Council considered a report by the Head of Democratic Services on the subject of live streaming Council and Committee meetings following a motion made to the Council in October 2021 by Councillor Forrest.

Councillor Birkett acknowledged that currently there is limited interest in the public in the live streaming of meetings but requested that the Council revisit this in 2/3 years. He acknowledged there is an increasing trend in the way that people access services and that live streaming meetings could assist the Council in its commitment to be transparent regarding its decision making.

Councillor Mrs Mandry and Councillor Daniells expressed concern over the growing hate crimes within social media and would like the Council to take this into consideration should this be reconsidered at a later date.

RESOLVED that the Policy and Resources Scrutiny Panel: -

- (i) Notes the content of the report; and
- (ii) Agrees that no further action be taken to live stream Council and Committee meetings at this time, but to keep this under review.

## **11. EXECUTIVE BUSINESS**

The Panel considered the Executive items of business which falls 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 11 July 2022.

### **(1) Budget for Work to Repair 166 Southampton Road**

Councillor Birkett asked a question on this item.

### **(2) Consideration of the Grant of an Extension to an Existing Long Lease on Land at Southampton Road, Titchfield**

There were no comments received.

### **(3) UK Shared Prosperity Fund**

There were no comments received.

### **(4) Capital & Treasury Management Outturn 2021-22**

There were no comments received.

### **(5) COVID Business Grants Final Position**

There were no comments received.

**(6) General Fund & Housing Revenue Account Outturn 2021-22**

There were no comments received.

**12. SCRUTINY PRIORITIES**

The Deputy Chief Executive Officer addressed the Panel on this item and reminded members of upcoming items for future meetings.

Members were given the opportunity to put forward suggestions for any additional item of business that they would like to scrutinise, no further comments were received.

(The meeting started at 6.00 pm  
and ended at 6.46 pm).



# FAREHAM

## BOROUGH COUNCIL

### Report to Policy and Resources Scrutiny Panel

**Date** 23 January 2023

**Report of:** Deputy Chief Executive Officer

**Subject:** CAPITAL PROGRAMME AND CAPITAL STRATEGY 2023-24

#### SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Capital Strategy 2023/24 and overall capital programme for the period 2022/23 to 2026/27. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 6 February 2023.

#### RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 6 February 2023.

#### Enquiries:

For further information on this report please contact Caroline Hancock 01329 824589.

#### APPENDICES:

**Appendix A:** Report to Executive meeting on 6 February 2023 – Capital Programme and Capital Strategy 2023/24





# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 February 2023

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Capital Programme and Capital Strategy 2023/24</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	A dynamic, prudent and progressive Council

**Purpose:**

This report considers the Capital Strategy for 2023/24, 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 2023/24 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 2023/24 is £24.5 million. The current estimate is that £3.1 million of this will be met by new borrowing.
- ii) A new prudential indicator for net income from commercial investments to net revenue stream has been added.
- iii) A new section about the Daedalus Finance Strategy has been added.
- iv) A high-level review of future funding requirements has identified a capital funding requirement of £229 million.
- v) The Council's investment property portfolio has an estimated value of £68.3 million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2023/24 will be presented at the February meeting of the Executive.

**Recommendation:**

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2023/24, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2022/23 to 2026/27, amounting to £62.9 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2023/24 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 2023/24 (including 5-year capital programme as Annex 1)

**B:**

**Background papers:** None

**Reference papers:**

CIPFA Prudential Code 2021

Arlingclose Capital Strategy 2023-24 Template

# FAREHAM

BOROUGH COUNCIL

## CAPITAL STRATEGY 2023/24



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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:

Capital Expenditure	<ul style="list-style-type: none"><li>• Estimates of Capital Expenditure</li><li>• Major Capital Schemes</li><li>• Prioritisation</li></ul>
Capital Financing	<ul style="list-style-type: none"><li>• External Sources</li><li>• Own Resources</li><li>• Debt and MRP</li></ul>
Asset Management	<ul style="list-style-type: none"><li>• Asset Management</li><li>• Asset Disposals</li></ul>
Treasury Management	<ul style="list-style-type: none"><li>• Borrowing Strategy</li><li>• Investment Strategy</li><li>• Commercial Activities</li></ul>

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



## PRUDENTIAL INDICATORS

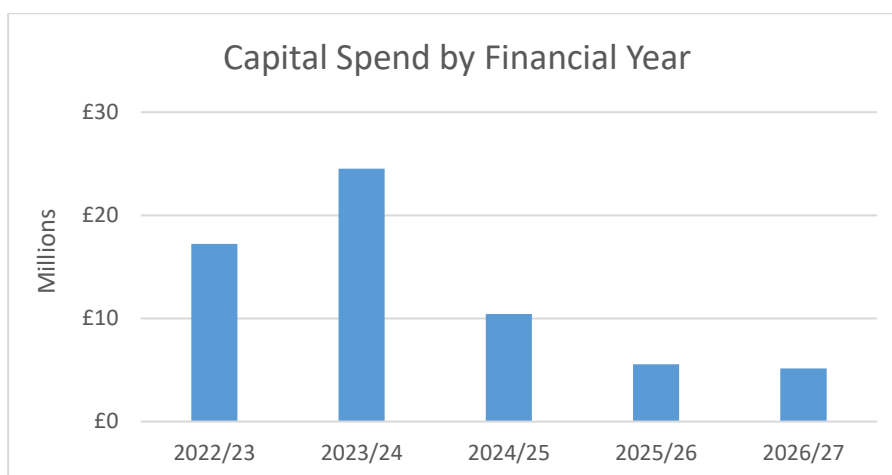
6. The objectives of the CIPFA Prudential Code aim to ensure that capital investment plans are **affordable, prudent and sustainable**, and that treasury decisions are taken in accordance with good professional practice.
7. To achieve these objectives, five prudential indicators are included in the capital 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 - Net income from commercial investments to net revenue stream
  - Prudential Indicator 6 - 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.

## ESTIMATES OF CAPITAL EXPENDITURE

9. 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.
10. The capital programme for the period 2022/23 to 2026/27 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.
11. Total capital expenditure is one of the risk indicators required by the Prudential Code. The Council is planning capital expenditure of £62.9 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	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	Total £'000
Health and Public Protection	9	0	0	0	0	9
Streetscene	37	50	50	50	189	376
Leisure and Community	5,473	9,953	1,817	329	200	17,772
Housing	1,889	500	500	500	573	3,962
Planning and Development	118	133	195	0	0	446
Policy and Resources	2,407	8,192	3,505	700	400	15,204
<b>Total General Fund</b>	<b>9,933</b>	<b>18,828</b>	<b>6,067</b>	<b>1,579</b>	<b>1,362</b>	<b>37,769</b>
<b>HRA</b>	<b>7,292</b>	<b>5,706</b>	<b>4,351</b>	<b>3,990</b>	<b>3,800</b>	<b>25,139</b>
<b>Total Expenditure</b>	<b>17,225</b>	<b>24,534</b>	<b>10,418</b>	<b>5,569</b>	<b>5,162</b>	<b>62,908</b>

## MAJOR CAPITAL SCHEMES

12. The major General Fund capital schemes include Fareham Live, schemes at Solent Airport at Daedalus and Osborn Road Multi-Storey Car Park.
13. 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.
14. Major schemes over £1 million are summarised in the table below:

<b>Major Schemes</b>	<b>£'000</b>
HRA Improvements to Existing Stock	15,515
Fareham Live	16,015
HRA New Builds	6,961
Solent Airport at Daedalus	5,323
Civic Offices Improvements	3,681
Disabled Facilities Grants	3,650
Asset Replacement Programme (ICT, Vehicles etc.)	3,227
HRA Stock Acquisitions	2,283
Osborn Road Multi-Storey Car Park	1,912
166 Southampton Road Repairs	1,194

## **GOVERNANCE AND PRIORITIES**

15. Capital programme expenditure is monitored through monthly officer monitoring reports and half-yearly and annual outturn reports to the Executive.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.



21. 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.
22. 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.
23. 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.

## **SOLENT AIRPORT AND DAEDALUS**

24. Solent Airport and the Daedalus site is a strategic asset for the Council, and as such will require significant capital investment over time. It also has the potential to generate revenue for the Council, create job opportunities for the borough and the aspiration is for the airport operations (airside and non-airside combined) to be financially self-sustaining.
25. The significance of Daedalus is such that it warrants its own financial operating framework, and the Daedalus Finance Strategy was presented to the Executive in March 2022. The strategy establishes a financial framework for the operation and investment at Solent Airport and the wider Daedalus site, including the approach to capital receipts and its use as a corporate capital resource.
26. Members have financial updates comparing figures against the strategy position at regular meetings of the Daedalus Scrutiny Panel. The Scrutiny Panel will also consider all activities and developments at the site.

## **ENVIRONMENTAL SUSTAINABILITY**

27. 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.

28. The annual review of the action plan, presented to the July 2022 Climate Change Scrutiny Panel, highlights areas 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
  - A potential energy generation site on Council land
29. 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.

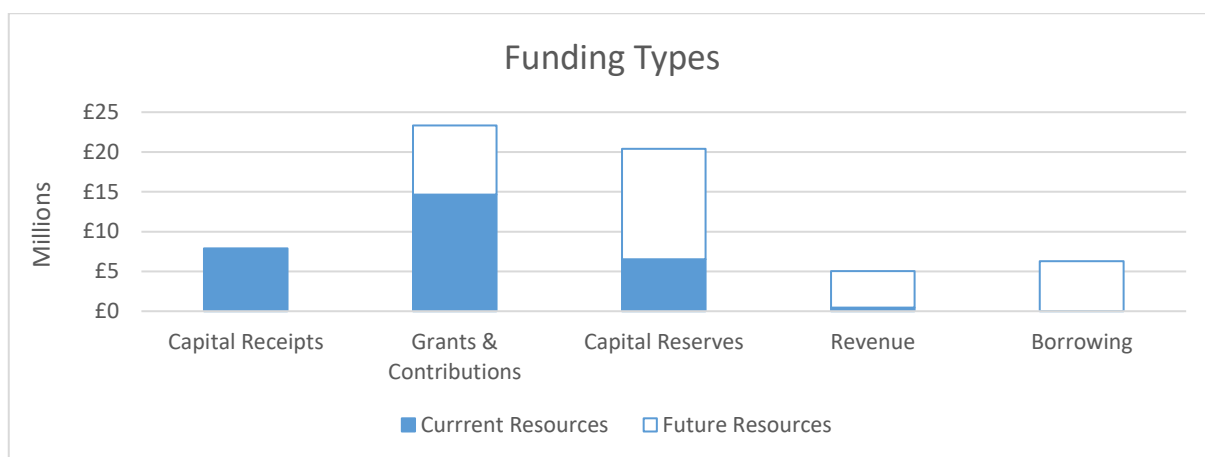
## CAPITAL FINANCING

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

### *Prudential Indicator 1 - Estimates of Financing*

Capital Financing	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	Total £'000
Capital Receipts	1,349	5,674	200	400	273	7,896
Grants & Contributions	8,543	10,770	2,240	879	889	23,321
Capital Reserves	4,024	3,890	6,122	3,150	3,200	20,386
Revenue	1,177	1,103	1,070	870	800	5,020
Borrowing	2,132	3,097	786	270	0	6,285
<b>Total Financing</b>	<b>17,225</b>	<b>24,534</b>	<b>10,418</b>	<b>5,569</b>	<b>5,162</b>	<b>62,908</b>

32. Total resources of **£67.7 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of approximately £4.8 million in 2026/27.
33. The chart below shows the different funding types split between current and future resources. Grants and contributions are the largest funding source financing 37% of the programme.



34. 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.
35. 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.
36. It must also be borne in mind that the implications of some of the Council's priority actions, such as town centre regeneration, and emerging capital spending pressures have not yet been quantified. Costs associated with approved schemes also remain provisional until tenders have been received.
37. For example, since the Airport Investment Plan was approved by the Executive last March, consultants have been appointed to progress the Aeronautical Ground Lighting (AGL) installation, with the planning application about to be submitted, and RCA Ltd have been appointed to deliver the Performance Based Navigation system (PBN).
38. However, with changes to the AGL scheme required by the Civil Aviation Authority, the approved capital budget is unlikely to be sufficient. In addition, safety improvements are required to the airport control tower and two replacement vehicles are required. As such, the Airport Investment Plan is under review and revised proposals will be brought forward to the Executive in April.
39. Spending pressures including repair and refurbishment, or replacement works to Council assets (for example, community and leisure facilities, public conveniences, car parks) have also yet to be added to the capital programme.
40. The following asset management reviews are currently taking place and will be presented to the Executive in the coming months:

- Five-year asset management plan for Streetscene public buildings and infrastructure
- Civic Offices asset management plan
- Vehicle replacement programme

## DEBT AND MRP

41. 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.
42. Planned MRP and use of capital receipts are as follows:

	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Minimum Revenue Provision	1,498	1,538	1,618	1,700	1,745
Future Capital Receipts	3,587	0	1,919	0	0

43. Borrowing costs (MRP and interest charges) for schemes funded by debt will be covered by revenue generating assets.
44. 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

45. 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.
46. 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.
47. No MRP will be charged in respect of assets held within the HRA, in accordance with MHCLG Guidance. Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25.

48. The Council's full MRP statement is available in the Council's Treasury Management Strategy.

### Capital Financing Requirement

49. 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.
50. 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.
51. The CFR is expected to increase by £1.7 million during 2023/24 mainly due to debt funded capital expenditure at Osborn Road Multi-Storey Car Park and housing developments at Station Road, Stubbington Lane and Coldeast Scout Hut, offset partly by MRP. The Council's estimated CFR is as follows:

#### *Prudential Indicator 2 - The Council's borrowing need*

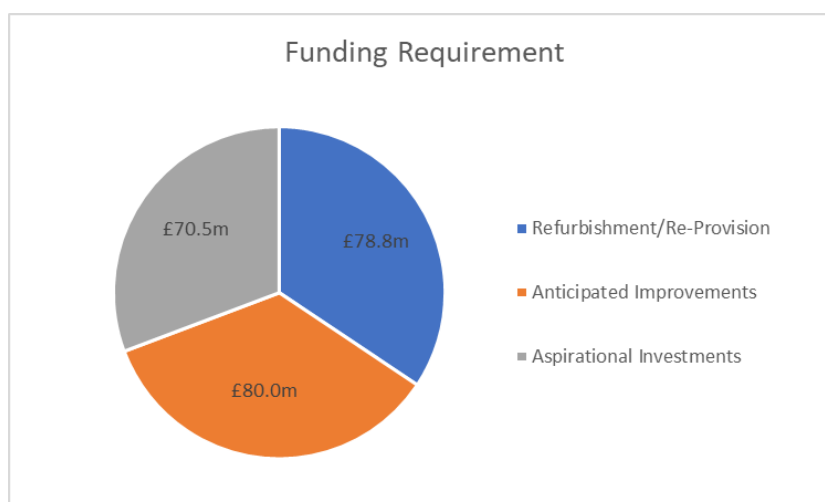
£'000	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
General Fund	55,513	56,192	54,716	53,016	51,271
HRA	52,733	53,713	54,357	54,627	54,627
<b>Total CFR</b>	<b>108,246</b>	<b>109,905</b>	<b>109,073</b>	<b>107,643</b>	<b>105,898</b>

## ASSET MANAGEMENT

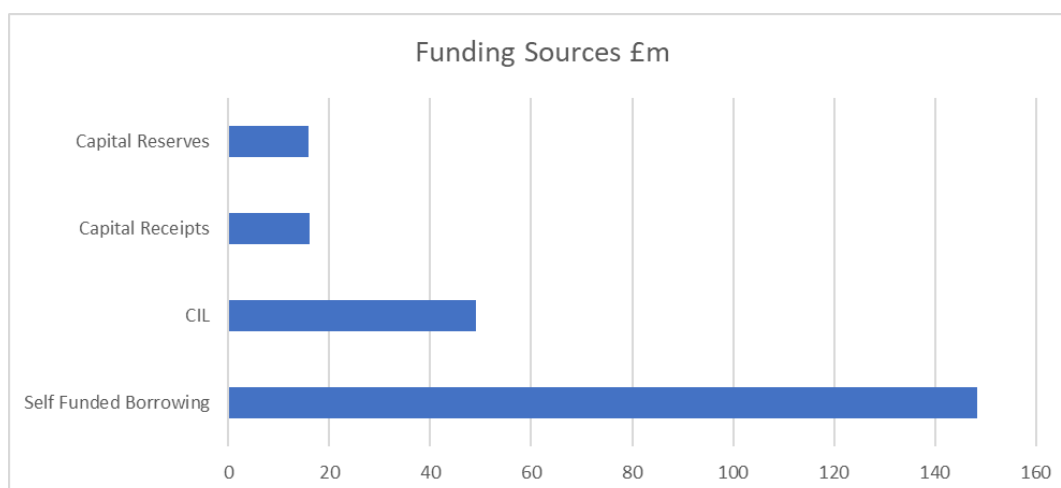
52. One of the Council's corporate priorities is 'a dynamic, prudent and progressive Council' and aims to 'undertake a major review of all Council owned land and buildings to ensure that we are making the best use of our assets'.

### FUTURE FUNDING REQUIREMENTS

53. 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:



54. 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:



55. 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

56. 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.
57. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive capital receipts as follows:

	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
Right to Buy Houses	1,000	1,000	1,000	1,000	1,000
Other Housing Receipts	515	16	16	16	16
General Fund Property	10,365	0	0	0	1,919
<b>Total</b>	<b>11,880</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>	<b>2,935</b>

*General Fund Property of £9.5m relates to property and land at Daedalus (2022/23) and Welborne Cottages (2026/27).*

## TREASURY MANAGEMENT

58. 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.
59. 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.
60. At 31 March 2022, the Council had £53.2 million borrowing and £22.2 million treasury investments.
61. The Treasury Management Strategy and Investment Strategy for 2023/24 will be presented separately at the February meeting of the Executive.

## BORROWING STRATEGY

62. 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 and long-term fixed rate loans where the future cost is known but higher.
63. 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*

	<b>2022/23 Revised £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
Debt at 1 April	53,200	50,200	52,200	51,200	50,200
Capital Financing Requirement (CFR)	108,246	109,905	109,073	107,643	105,898

64. 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**

65. 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.
66. 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.
67. 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*

	<b>2022/23 Revised £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>
Operational Boundary	135,000	159,000	170,000	175,000	175,000
Authorised Limit	143,000	167,000	178,000	183,000	183,000

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

### **TREASURY INVESTMENT STRATEGY**

69. 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).

70. The Council does not currently have service investments.

### **Treasury Investment Policy**

71. 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.
72. 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.
73. 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.
74. Further details on treasury investments are set out in the Council's Treasury Management Strategy.

### **Treasury Investment Risk Management**

75. 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**

76. 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.
77. 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 reports on adherence to this Policy.

## COMMERCIAL ACTIVITIES

### Commercial Investments Policy

78. With central government financial support for local public services declining, the Council invests in commercial property to secure a financial gain. Total commercial investments that have been purchased in accordance with the Council's Commercial Property Investment Acquisition Strategy are summarised below and are currently valued at **£35.7 million** and expected to generate rental income of £2.3 million during 2023/24.

Property Type	Current Value £'000
Retail	21,745
Commercial (Industrial)	11,730
Other (Healthcare)	2,210
<b>Total</b>	<b>35,685</b>

79. The Council's total investment portfolio, shown below, is valued at **£68.3 million** and includes Fareham Shopping Centre, Faretec and industrial sites at Palmerston Business Park and Newgate Lane.

Property Type	Current Value £'000
Retail	34,045
Commercial	23,682
Other	4,388
Office	4,740
Leisure	1,481
<b>Total</b>	<b>68,336</b>

### Commercial Investments Risk Management

80. 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.
81. 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.

82. 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.

83. 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**

84. The Executive approved a Commercial Property Investment Acquisition Strategy on 7<sup>th</sup> January 2013.

85. 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.

86. Decisions on commercial investments are made by the Executive in line with the criteria outlined in the Commercial Property Investment Acquisition Strategy.

87. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

*Prudential Indicator 5 – Net income from commercial investments to net revenue stream*

	2022/23 Revised	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Total net income from commercial investments £'000	1,940	2,328	2,731	2,731	2,731
General Fund Proportion of net revenue stream	18%	19%	22%	22%	22%

## LIABILITIES

88. In addition to debt detailed above, the Council is committed to making future payments to cover its **pension fund deficit** (valued at £54.4 million as at 31 March 2022). It has also set aside provisions of £3.4 million mainly to cover **business rate appeals**.
89. 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.
90. Further details on liabilities are given in the 2021/22 Statement of Accounts.

## REVENUE BUDGET IMPLICATIONS

91. 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.
92. 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, general government grants and housing rents.

*Prudential Indicator 6 - Proportion of financing costs to net revenue stream*

	2022/23 Revised	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
General Fund Financing costs £'000	556	825	999	1,081	1,126
General Fund Proportion of net revenue stream	5%	7%	8%	9%	9%
HRA Financing costs £'000	1,696	1,763	1,801	1,825	1,836
HRA Proportion of net revenue stream	13%	12%	13%	13%	13%

93. 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**

94. 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.
95. 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 2022/23 to 2026/27

	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Total £
<b>HEALTH AND PUBLIC PROTECTION</b>						
CCTV Cameras	9,400					9,400
<b>HEALTH AND PUBLIC PROTECTION TOTAL</b>	<b>9,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,400</b>
<b>STREETSCENE</b>						
Bus Shelters	20,000				89,000	109,000
Play Area Safety Equipment and Surface Replacement	17,100	50,000	50,000	50,000	100,000	267,100
<b>STREETSCENE TOTAL</b>	<b>37,100</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>189,000</b>	<b>376,100</b>
<b>LEISURE AND COMMUNITY</b>						
<b>Buildings</b>						
Fareham Live	5,310,200	8,922,600	1,552,800	229,400		16,015,000
Leisure Centres Capital Investment		305,000	141,700			446,700
Community Buildings Review	80,000	319,600	22,400			422,000
Whiteley Community Centre Refurbishment		40,000				40,000
	5,390,200	9,587,200	1,716,900	229,400	0	16,923,700
<b>Play Schemes</b>						
Play Area Improvement Programme	82,300	100,000	100,000	100,000	200,000	582,300
Skate Park Upgrade - Wicor Recreation Ground		100,000				100,000
Skate Park Upgrade - Stubbington Recreation Ground		100,000				100,000
Fareham College Play Area		50,000				50,000
	82,300	350,000	100,000	100,000	200,000	832,300
<b>Other Community Schemes</b>						
Allotment Improvements		16,300				16,300
	0	16,300	0	0	0	16,300
<b>LEISURE AND COMMUNITY TOTAL</b>	<b>5,472,500</b>	<b>9,953,500</b>	<b>1,816,900</b>	<b>329,400</b>	<b>200,000</b>	<b>17,772,300</b>
<b>HOUSING</b>						
<b>Home Improvements</b>						
Disabled Facilities Grants	1,650,000	500,000	500,000	500,000	500,000	3,650,000
Empty Homes Strategy					72,600	72,600
	1,650,000	500,000	500,000	500,000	572,600	3,722,600
<b>Enabling</b>						
92 Gordon Road Improvements	163,400					163,400
Sea Lane, Stubbington - Self Builds	75,900					75,900
	239,300	0	0	0	0	239,300
<b>HOUSING TOTAL</b>	<b>1,889,300</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>572,600</b>	<b>3,961,900</b>

	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Total £
<b>PLANNING AND DEVELOPMENT</b>						
<b>Car Parks</b>						
Car Parks - Surfacing	20,000	132,500	195,000			347,500
	20,000	132,500	195,000	0	0	347,500
<b>Coastal Protection</b>						
Salterns Recreation Ground Seawall Repairs	98,000					98,000
	98,000	0	0	0	0	98,000
<b>PLANNING AND DEVELOPMENT TOTAL</b>	<b>118,000</b>	<b>132,500</b>	<b>195,000</b>	<b>0</b>	<b>0</b>	<b>445,500</b>
<b>POLICY AND RESOURCES</b>						
<b>Replacement Programmes</b>						
Vehicles and Plant Replacement Programme	494,700	400,000	400,000	400,000	400,000	2,094,700
ICT Development Programme	399,700	171,000	105,000	100,000	0	775,700
	894,400	571,000	505,000	500,000	400,000	2,870,400
<b>Operational Buildings</b>						
Civic Offices Improvement Programme	200,000	480,500	3,000,000			3,680,500
Depot Asset Management Works	224,500					224,500
	424,500	480,500	3,000,000	0	0	3,905,000
<b>Property Developments</b>						
Osborn Road Multi-Storey Car Park	100,000	1,812,100				1,912,100
166 Southampton Road Repairs	100,000	1,093,500				1,193,500
	200,000	2,905,600	0	0	0	3,105,600
<b>Solent Airport at Daedalus</b>						
Daedalus Site Wide	279,900					279,900
Daedalus Faraday Business Park	352,700					352,700
Managed Hangarage	105,000					105,000
Taxiway Maintenance		2,700,000				2,700,000
Aircraft Parking		200,000		200,000		400,000
Aeronautical Ground Lighting and Precision Based Navigation System	150,000	1,150,000				1,300,000
Self-Fuelling Facility		25,000				25,000
Grounds Maintenance Facility		160,000				160,000
	887,600	4,235,000	0	200,000	0	5,322,600
<b>POLICY AND RESOURCES TOTAL</b>	<b>2,406,500</b>	<b>8,192,100</b>	<b>3,505,000</b>	<b>700,000</b>	<b>400,000</b>	<b>15,203,600</b>
<b>GENERAL FUND TOTAL</b>	<b>9,932,800</b>	<b>18,828,100</b>	<b>6,066,900</b>	<b>1,579,400</b>	<b>1,361,600</b>	<b>37,768,800</b>

**HOUSING REVENUE ACCOUNT**

Improvements to Existing Stock	3,015,000	3,050,000	3,100,000	3,150,000	3,200,000	15,515,000
Vehicles	40,000	100,000	70,000	70,000	100,000	380,000
Acquisitions	283,000	500,000	500,000	500,000	500,000	2,283,000
New Builds	3,953,500	2,056,000	681,000	270,000	0	6,960,500

**HOUSING REVENUE ACCOUNT**

<b>TOTAL</b>	<b>7,291,500</b>	<b>5,706,000</b>	<b>4,351,000</b>	<b>3,990,000</b>	<b>3,800,000</b>	<b>25,138,500</b>
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**TOTAL CAPITAL PROGRAMME**

<b>17,224,300</b>	<b>24,534,100</b>	<b>10,417,900</b>	<b>5,569,400</b>	<b>5,161,600</b>	<b>62,907,300</b>
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# FAREHAM

## BOROUGH COUNCIL

### Report to Policy and Resources Scrutiny Panel

**Date** 23 January 2023

**Report of:** Deputy Chief Executive Officer

**Subject:** FEES AND CHARGES 2023-24

#### **SUMMARY**

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Fees and Charges for 2023/24. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 6 February 2023.

#### **RECOMMENDATION**

That any proposals or comments of the Panel be referred to the Executive at its meeting on 6 February 2023.

## INTRODUCTION

1. On 9 January 2023, the Executive will have reviewed the Council's Fees and Charges for 2023/24. A copy of this report is attached as Appendices A, B and C 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 2023/24 as set out at Appendix A to this report;
  - (b) notes the fees and charges that will be reviewed by the Licencing and Regulatory Affairs and Planning Committees;
  - (c) notes the Solent Airport Daedalus charges at Appendix B to this report;
  - (d) approves the increase for the Trade Waste fees and charges as set out at the confidential Appendix C to this report;
  - (e) gives delegated authority to the Head of Streetscene to agree concessions to the Trade Waste charges at Appendix C to win business that will be of benefit to the Council; and
  - (f) notes the other fees and charges at Appendix C.
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 £10 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 2023-24" considered on 9th January 2023](#)

**Appendix B:** [Executive Report "Appendix B – Solent Airport Daedalus Fees and Charges" considered on 9th January 2023](#)

**Appendix C:** [Executive Report "Appendix C Fees and Charges 2023-24 Confidential Appendix" considered on 9th January 2023](#)

**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 09 January 2023

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Fees and Charges 2023/24</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	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 2023/24.

**Executive summary:**

This report gives the Executive the opportunity to consider the Council's fees and charges for 2023/24 including approving increases in existing charges and consider new charges where applicable.

**Recommendation/Recommended Option:**

It is recommended that the Executive:

- (a) approves the fees and charges for 2023/24 as set out at Appendix A to this report;
- (b) notes the fees and charges that will be reviewed by the Licencing and Regulatory Affairs and Planning Committees;
- (c) notes the Solent Airport Daedalus charges at Appendix B to this report;
- (d) approves the increase for the Trade Waste fees and charges as set out at the confidential Appendix C to this report;
- (e) gives delegated authority to the Head of Streetscene to agree concessions to the Trade Waste charges at Appendix C to win business that will be of benefit to the Council; and
- (f) notes the other fees and charges at Appendix C.

**Reason:**

The proposed fees and charges will continue to support delivery of the Council's services and contribute to the budgets setting process for 2023/24.

**Cost of proposals:**

There are no costs to the proposals.

**Appendices:**

**A: Published Fees and Charges 2023/24**

**B: Solent Airport Daedalus Charges from April 2022 for information**

**C: Confidential Fees and Charges 2023/24**

**Background papers: None**

**Reference papers: Report to Executive 10 January 2022 – Fees and Charges 2022/23**

**Report to Executive 6 December 2022 – Review of parking charges at coastal locations**

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	09 January 2023
<b>Subject:</b>	Fees and Charges 2023/24
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio</b>	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. The table below sets out the full extent of the Council's fees and charges and highlights which are covered by this report:

<b>FBC Published Fees and Charges</b>	Appendix A	<b>Covered by this report</b> with the following exceptions: <ul style="list-style-type: none"> <li>• Licensing Fees reviewed by the Licensing and Regulatory Affairs Committee in January</li> <li>• Planning Fees reviewed by the Planning Committee in January</li> </ul>
<b>Solent Airport Fees and Charges</b>	Appendix B	The charges will be reviewed in March 2023 for implementation in April 2023 by the airport operator after consultation with the Head of Strategic Sites and the Executive Leader.
<b>Confidential Fees and Charges (commercially sensitive)</b>	Appendix C	
A. Trade Waste		<b>Covered by this report</b>
B. Housing Rent and Service Charges (HRA)		An update of these for 2023/24 will be as an Appendix to the Housing Revenue Account report to the Executive in February
C. Housing Careline Charges (General Fund)		An update of these for 2023/24 will be as an Appendix to the Housing Revenue Account report to the Executive in February
D. Building Control		The Building Control hourly rate is reviewed by the Building Control Partnership Panel. Next review due in March 2023.

## 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 cover any increase in costs and achieve a realistic increase in income wherever possible. Every effort should be made to identify new sources of income to help fund the provision of council services. 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 has been carried out in light of the current cost of living crisis. The current rate of inflation as at November 2022 is 10.7% and many of the charges have been increased to reflect this and also the increased cost to running the council services.

## CHANGES PROPOSED FOR 2023/24

5. There have been a number of changes to fees and charges which are detailed in the following paragraphs.

### 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. Car parking charges have not been increased since October 2010 and there is no proposal to increase them for 2023/24 as it is again likely to impact on service users when there is already reduced use of car parking facilities in the town centre.
8. It has been agreed that there will be a review of town centre parking charges when Fareham Live opens in 2024.

### 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 charges for parking in coastal areas as agreed by the Executive in December 2022. Coastal parking charges were introduced in August 2021.
11. The Fees and Charge Book now incorporates the new charges for the **Garden Waste** Collection service approved by members in October 2020. The charges have been reviewed and the new rates are shown in Appendix A.
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. **Trade Waste** charges along with a proposed increase are shown in the appendix C.



There is also a recommendation to delegate authority to the Head of Streetscene to agree concessions to the charges in order to win business for the council in this area.

14. In most other cases, an increase is proposed in line with the policy and reflect the current high level of inflation.

### **FINANCIAL IMPLICATIONS**

15. Fees and charges generate just under £10 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)

## APPENDIX A



## Fees and Charges 2023/24



## 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 2023.
3. VAT where charged will be at the prevailing rate, which is currently 20%.
4. **VALUE ADDED TAX – LETTING OF SPORTS FACILITIES - EXEMPTION**

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

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

<b>Fees and Charges for Services</b>	<b>Page</b>
<b>Beach Huts</b>	<b><u>3</u></b>
<b>Building Control Partnership</b>	<b><u>3</u></b>
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## BEACH HUTS

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Ground Rents</b>				
Residents	Inclusive of VAT	586.53	615.86	5.00
Non-Residents	Inclusive of VAT	1,173.06	1,231.72	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 2022/23 £	Fee 2023/24 £	% Increase
<b>ASHES (CREMATED REMAINS) AREA</b>				
<b>Interment for each deceased person</b>				
a) Burial of ashes into a cremation plot	Note 1	230.00	255.00	10.9
b) Purchase of 30 year lease (area selected by Council)	Note 1	248.00	275.00	10.9
c) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	370.00	410.00	10.8
<b>Memorials</b>				
d) Application to place a flat memorial tablet	Note 2	59.00	65.00	10.2
e) Application to add a further inscription onto an existing tablet	Note 2	41.00	45.00	9.8

<b>BURIAL AREA</b>				
<b>Interment for each deceased person</b>				
f) Burial of a person into a new grave	Note 1	955.00	1050.00	9.9
g) Re-open an existing grave for second burial	Note 1	730.00	800.00	9.6
h) Application to scatter ashes	Note 1	77.00	85.00	10.4
i) Burial of ashes into grave at cremation depth	Note 1	230.00	255.00	10.9
j) Burial of ashes into grave at burial depth	Note 1	425.00	470.00	10.6
k) Burial of a young person (who has not reached 18 years at time of death)	Note 3	No Charge	No Charge	NIL
<b>Exclusive right of burial (30 year lease)</b>				
l) Purchase of 30 year lease (area selected by Council)	Note 1	735.00	810.00	10.2
m) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	1020.00	1125.00	10.3
n) Purchase of 30 year lease (person who has not reached 18 years at time of death)	Note 2	335.00	370.00	10.4
<b>Memorials</b>				
o) Application to place a headstone for ten years	Note 2	200.00	220.00	10.0
p) Renewal of the application to place a headstone	Note 2	28.00	31.00	10.7
q) Application for additional inscription on headstone and re-erection	Note 2	145.00	160.00	10.3
r) Application to place a fixed memorial vase or plaque or similar item on a memorial base	Note 2	59.00	65.00	10.2
s) Application to add a further inscription onto an existing fixed memorial vase	Note 2	41.00	45.00	9.8

MISCELLANEOUS				
t) Hire of Chapel at Wickham Road Cemetery	Note 2	137.00	150.00	9.5
u) Transferring of the ownership of the lease known as the Exclusive Right of Burial	Note 2	73.00	80.00	9.6
v) Administration fee for making arrangements directly with Council (ashes only)	Note 2	77.00	85.00	10.4
w) To undertake the arrangements for funerals under the Public Health Act	Note 2	525.00	580.00	10.5
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	1,715.00	1,890.00	10.2
aa) Adoption of existing commemorative bench	Note 2	450.00	500.00	11.1
<p>Notes</p> <ol style="list-style-type: none"> <li>1. The charge shown is for residents. Non-residents will be charged double the residents rate.</li> <li>2. The charge shown is for both residents and non-residents.</li> <li>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.</li> </ol>				





# CLEAN AND TIDY BOROUGH

The charges shown are currently not subject to VAT.

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Litter and Fouling</b>				
Fly Tipping – Fixed Penalty Notice	Enforcement Policy	150.00	150.00	Nil
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
<b>Highways – Damage to Street Furniture</b>				
Offender charged at cost plus a 10% administration charge				
<b>Shopping Trolley Collection</b>				
Shopping Trolley Collection		110.00	122.00	10.9

<b>Abandoned Vehicles Refuse Disposal (Amenity) Act 1978</b>				
The charges shown are currently not subject to VAT				
Storage (per 24 hours or part for maximum of 10 days)	Statutory Charge	21.00	21.00	NIL



## 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)
<b>*Notes</b> 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 2022/23 £	Fee 2023/24 £	% 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	110.00	10.0
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	50.00	55.00	10.0
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	10.40	15.00	44.2
Per couple per night	Inclusive of VAT	15.60	20.00	28.2
Collingwood Court per room	Inclusive of VAT	26.00	30.00	15.3
Sylvan Court per room	Inclusive of VAT	26.00	30.00	15.3
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.40	5.90	9.3
Keys – Fob		8.70	9.50	9.2
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.70	0.80	14.2
Dry		0.60	0.70	16.6
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	82.00	90.00	9.7
Care Line Service - Telephone link for assistance (private sector)	Tariff available on application to Sheltered Housing Manager			



# LAND CHARGES

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Local Land Charges 1 Search Fees</b> (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	38.00	42.00	10.5
First parcel of land – electronic search	Fee per occurrence	38.00	42.00	10.5
Each additional parcel	Fee per occurrence	12.00	13.00	8.3
<b>Other Local Land Charges Fees</b> (not subject to VAT)				
Registration of a light obstruction notice	Fee per occurrence	82.00	90.00	9.8
Filing Lands Tribunal certificate	Fee per occurrence	3.00	3.30	10.0
Filing light obstruction judgement etc.	Fee per occurrence	8.10	9.00	11.1
Inspection of rule 10 documents	Fee per occurrence	3.00	3.30	10.0
Office copy register entry	Fee per occurrence	1.80	2.00	11.1
Office copy plan or document	Discretionary			
<b>CON29R Official Enquiries – Part I</b>				
First parcel of land	Fee per occurrence Inclusive of VAT	183.00	200	9.3
Each additional parcel	Fee per occurrence Inclusive of VAT	42.00	46.00	9.5
First parcel of land	Fee per occurrence Inclusive of VAT	31.80	34.00	10.1
Each additional parcel	Fee per occurrence CON29O element inclusive of VAT £46.00 LLC1 element not subject to VAT £13.00	54.00	59.00	9.3
Common Registration Searches	Fee per occurrence Inclusive of VAT	31.80	34.00	10.1



## LICENSING FEES

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

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Lotteries</b>				
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 2023/24 £
<b>Statutory – Additional Fees are as follows :</b>	
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 2022/23 £	Fee 2023/24 £	% Increase
<b>Discretionary – Other Licences and Fees</b>				
Skin Piercers	Premises	95.00	105.00	10.5
Skin Piercers	Persons	80.00	88.00	10.0
Street Trading Consent	12 months	1,900.00	2,090.00	10.0
Street Trading Consent	6 months	1,050.00	1,155.00	10.0
Street Trading Consent	3 months	560.00	616.00	10.0
Street Trading - Tables and Chairs	New	300.00	330.00	10.0
Street Trading - Tables and Chairs	Renewal	185.00	204.00	10.3
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	165.00	10.0
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	48.00	9.0
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	187.00	10.0
Home (Domestic) Animal Boarding Establishment Licences		130.00	143.00	10.0
Home Boarding Fee Franchise (including Day Care for Dogs)	Dog Boarding Franchise	160.00	176.00	10.0
	Additional Dog Boarding Franchise property applied for	53.00	58.00	9.4
Pet Shop Licences	All initial applications and renewals where appropriate will also include vets' fees in addition to the charges listed	130.00	143.00	10.0
Dog Breeders Licence	All initial applications and renewals where appropriate will also include vets' fees in addition to the charges listed	190.00	209.00	10.0
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	2,200.00	10.0
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	2,200.00	10.0
Sex Shops/Establishments	Initial Fee	2,000.00	2,200.00	10.0
Sex Shop/Establishment	Renewal Fee	2,000.00	2,200.00	10.0
Scrap Metal Dealer	New Application	260.00	286.00	10.0
Scrap Metal Dealer	Application Renewal	145.00	160.00	10.3
Mobile Collector	New Application	145.00	160.00	10.3
Mobile Collector	Application Renewal	105.00	116.00	10.5
Variation of Licence		138.00	152.00	10.1
Replacement Licence		23.00	25.00	8.6



Advice to commercial premises	Charge per hour or part thereof	47.00	52.00	10.6
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	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Discretionary – Hackney Carriage and Private Hire Licences</b>				
<b>Vehicle Licence</b>				
Hackney Carriage		185.00	215.00	13.5
Private Hire		185.00	215.00	13.5
Transfer of Licence	(Note 1)	185.00	215.00	13.5
Temporary Transfer	(Note 2,3)	185.00	215.00	13.5
<b>Operator's Licence</b>				
Private Hire Operators Licence	1 year	185.00	215.00	13.5
Private Hire Operators Licence	3 years	455.00	520.00	14.3
Private Hire Operators Licence	5 years	825.00	945.00	14.5
<b>Driver's Licence</b>				
Hackney Carriage Drivers Licence	1 Year	60.00	70.00	16.6
Hackney Carriage Drivers Licence	3 Years	155.00	175.00	12.9
Private Hire Drivers Licence	1 Year	60.00	70.00	16.6
Private Hire Drivers Licence	3 Years	155.00	175.00	12.9
Dual Drivers Licence	1 Year	85.00	95.00	11.7
Dual Drivers Licence	3 Years	200.00	230.00	15.0
Dual Upgrade		45.00	50.00	11.1
DVLA Drivers' Licence check	Free on-line			
Failure to attend appointment		34.00	40.00	17.6
Replacement Licence		10.50	12.00	14.3
Transfer of Ownership	(Note 1)	25.00	30.00	20.0
<b>Knowledge Test</b>				
Per Test		60.00	70.00	16.6
<b>Driver's Badge</b>				
Issue and Replacement	Inclusive of VAT	18.00	18.00	NIL
<b>Vehicles</b>				
Replacement plates and fixings	Inclusive of VAT	22.00	25.00	13.6
Replacement brackets		15.00	17.00	13.3
Interior windscreen plate		23.00	26.00	13.0

Other	
Disclosure and Barring Service Fee	Actual Cost to the council
Drug Testing	Actual Cost to the council
Medical Consultation	Actual Cost to the council
<b>Notes</b> 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. 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 2022/23 £	Fee 2023/24 £	% Increase
<b>Fareham Market</b> Inclusive of VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.10	2.30	9.5
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.60	2.85	9.6
Additional Markets	Per foot, minimum of 15ft, maximum of 50ft	1.10	1.20	9.0
<b>Portchester Market</b> Not currently subject to VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.10	1.20	9.0
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.60	1.76	10.0
<b>Fareham Town Centre Charges</b> Inclusive of VAT				
Flower Basket	Per Basket, supply, install and maintenance	36.00	39.50	9.7
Pitch Hire Standard Pitch	up to 10ft or 3.05 m	35.00	38.50	10.0
Pitch Hire Larger Pitch & Podium	up to 20ft or 6.1m	70.00	77.00	10.0
Pitch Hire	Direct booking non-profit organisation	0.00	0.00	NIL
Commercial Exhibitions Saturdays	Up to 40ft or 12.19m	210.00	231.00	10.0
Commercial Exhibitions All other dates	Up to 40ft or 12.19m	150.00	165.00	10.0



# PARKING CHARGES

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

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

Market Quay(inclusive of VAT)	Current Fee
<b>Monday – Saturday</b> Standard hourly rates apply between 8am and 6pm	£1.50 per hour to a maximum of 10 hours
<b>Sunday &amp; Bank Holiday</b> Standard hourly rates apply between 10.30am and 4pm	£1.50 per hour to a maximum of 6 hours

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

Flexible Season Tickets for use in any outer shopping centre car park(inclusive of VAT)	1 Day £	2 Days £	3 Days £	4 Days £	Weekly £
<b>Full Day</b>					
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

Refunds of season tickets will incur a £10 administration fee but permits issued for a change of vehicle registration will be free of charge, upon return of existing permit.		
Coastal Parking	Current Fee	Proposed Fee
Hove To; Meon Shore; Monks Hill; Passage Lane; Portchester Castle; Salterns; Shore road; Swanwick Shore Lane;		
<b>Monday – Sunday</b> Standard hourly rates apply between 10am and 6pm	£1.00 per hour to a maximum of 6 hours	£1.10 per hour with no maximum
<b>Season ticket option</b>	£80.00	£145.00 with a concession rate of £95.00 for residents of Fareham
Lost or damaged coastal parking season permits will incur a £10 administration fee but permits issued for a change of vehicle registration will be free of charge, upon return of existing permit.		

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
<b>Notes</b> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	



## 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](http://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 £	Fee payable 2023/24 £	% Increase
Extensions or other alterations to an existing dwelling including ancillary development within its curtilage	Free	Free	NIL
1 – 9 dwellings*	£260 for first dwelling + £50 for every additional dwelling thereafter	£285 for first dwelling + £55 for every additional dwelling thereafter	9.6 10.0
10 – 49 dwellings*	£785 for first ten dwellings + £10 for every additional dwelling thereafter	£865 for first ten dwellings + £12 for every additional dwelling thereafter	10.2 20.0
50+ dwellings*	£POA	£POA	NIL
New dwellings but where numbers not known	£POA	£POA	NIL
Elderly persons accommodation, retirement living developments, sheltered apartments, residential care homes falling within Use Class C2,			
- 1-9 bedspaces	£260	£285	9.6
- 10 – 50 bedspaces	£525	£575	9.5
- More than 50 bedspaces	£785	£865	10.2

Other residential uses (including hotels, residential institutions, houses in multiple occupation, etc)	£POA	£POA	NIL
* = including change of use of existing floorspace			

Planning Advice – Non-residential	Fee payable 2022/23 £	Fee payable 2023/24 £	% Increase
Provision of floorspace (gross internal area), change of use of existing floorspace (gross internal area) or change of use of land (gross area):			
- Up to 100 m2	£210	£230	9.5
- 101 – 499 m2	£260	£285	9.6
- 500 – 999 m2	£525	£575	9.5
- More than 1,000 m2 where it relates to proposed uses with Classes B1, B2, B8, or a mix of these uses	£735	£805	9.5
- More than 1,000 m2 where it relates to any uses outside of Classes B1, B2 or B8	£POA	£POA	NIL

Planning Advice – Other	Fee payable 2022/23 £	Fee payable 2023/24 £	% Increase
Small scale development not falling into any of the above categories (for example: engineering works, new shop fronts, moorings, means of enclosure, renewable energy plant on existing business premises)	£210	£230	9.5
Installation or replacement of telecommunications mast	£210 per site	£230 per site	9.5
Minor amendments to an extant planning permission	£105	£115	9.5

Advertisements / signage:			
- For the purposes of a community use which is non-profit making (not including education providers)	Free	Free	NIL
- On business premises less than 100 m2 gross internal floor area	Free	Free	NIL
- All other adverts	£155	£170	9.68
Any development or works being carried out by a community use which is non-profit making (not including education providers)	Free	Free	NIL
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 £	Fee payable 2023/24 £	% Increase
Pre-application planning advice charges for listed buildings and heritage advice	£155 per initial enquiry plus VAT	£170 per initial enquiry plus VAT	9.68





# PUBLIC PROTECTION

	Notes	Fee 2022/23£	Fee 2023/24 £	% Increase
<b>Dog Control</b>				
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	126.50	10.0
Private home check visit	Inclusive of VAT	34.00	37.50	10.0
<b>Housing Act Enforcement charges are not currently subject to VAT</b>				
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	126.50	10.0
<b>Licensing of Houses in Multiple Occupancy</b>				
5 people	Not subject to VAT	840.00	924.00	10.0
6 – 10 people	Not subject to VAT	1,050.00	1,155.00	10.0
11 – 15 people	Not subject to VAT	1,260.00	1,386.00	10.0
16 – 20 people	Not subject to VAT	1,470.00	1,617.00	10.0
More than 20 people	Not subject to VAT	1,680.00	1,848.00	10.0

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Food Safety</b>				
Export Health Certificates		90.00	99.00	10.0
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	242.00	10.0
<b>Transportation of Unsound Food (Charges are inclusive of VAT)</b>				
First hour (min 1 hour)	Plus disposal of unsound food.	155.00	170.50	10.0
Subsequent whole hours	Plus disposal of unsound food.	80.00	88.00	10.0
Transport and disposal	Charged at cost to the Council			
<b>Training</b>				
Charges for training courses available on application to the Head of Environmental Health				
<b>Pest Control</b>				
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"> <li>Income-based Jobseeker's Allowance</li> <li>Income-related Employment and Support Allowance</li> <li>Income Support</li> <li>Pension Credit (Guarantee)</li> <li>Universal Credit (maximum award)</li> </ul>				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	12.00	13.00	8.3
All other insects (including wasps)		20.00	22.00	10.0
Rodents		25.00	27.50	10.0
<b>Pest Control</b>				
Domestic Premises charges include materials and are also inclusive of VAT				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	36.00	39.50	9.7
All other insects (including wasps)		60.00	66.00	10.0
Rodents		70.00	77.00	10.0
<b>Pest Control</b>				
Commercial Premises charges include materials and are also inclusive of VAT				
Rodents and insects	first 15 minutes	85.00	93.50	10.0
Rodents and insects	each additional 15 minutes or part thereof	20.00	22.00	10.0
<b>CCTV</b>				

Access to CCTV footage	Inclusive of VAT	95.00	104.50	10.0
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Pollution Reduction – Environmental Protection Act 1990				
Charges available on application to the Head of Environmental Health				
Out of hours service charges based on actual cost to the Council				
Local Authority Environmental Permit – Part B				
LAPPC Charges for 2021/22 onwards not subject to VAT				
Type of charge	Type of process	2021/22 Fee		
Application Fee	Standard process (includes solvent emission activities)	£1,650		
	Additional fee for operating without a permit	£1,188		
	PVRI, SWOBs and Dry Cleaners	£155		
	PVR I & II combined	£257		
	VRs and other Reduced Fee Activities	£362		
	Reduced fee activities: Additional fee for operating without a permit	£71		
	Mobile plant**	£1,650		
	for the third to seventh applications	£985		
	for the eighth and subsequent applications	£498		
	Where an application for any of the above is for a combined Part B and waste application, add an extra £310 to the above amounts			
Annual Subsistence Charge	Standard process Low	£778 (+£104)*		
	Standard process Medium	£1,161(+£156)*		
	Standard process High	£1,747 (+£207)*		
	PVRI, SWOBs and Dry Cleaners L/M/H	£79	£158	£237
	PVR I & II combined L/M/H	£113	£226	£341
	VRs and other Reduced Fees L/M/H	£228	£365	£548
	Mobile plant, for first and second permits L/M/H**	£626	£1,034	£1,551
	for the third to seventh permits L/M/H	£385	£617	£924
	eighth and subsequent permits L/M/H	£198	£316	£473
	Late payment Fee	£52		
	* 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 £104 to the above amounts.			

<b>Pollution Reduction – Environmental Protection Act 1990</b> Charges available on application to the Head of Environmental Health Out of hours service charges based on actual cost to the Council		
<b>Local Authority Environmental Permit – Part B</b> <b>LAPPC Charges for 2021/22 onwards not subject to VAT</b>		
Type of charge	Type of process	2021/22 Fee
<b>Transfer and Surrender</b>	Standard process transfer	£169
	Standard process partial transfer	£497
	New operator at low risk reduced fee activity (extra one-off subsistence charge - see Art 15(2) of charging scheme)	£78
	Surrender: all Part B activities	£0
	Reduced fee activities: transfer	£0
	Reduced fee activities: partial transfer	£47
<b>Temporary transfer for mobiles</b>	First transfer	£53
	Repeat following enforcement or warning	£53
<b>Substantial change</b>	Standard process	£1,050
	Standard process where the substantial change results in a new PPC activity	£1,650
	Reduced fee activities	£102

\*\* Not using simplified permits

<b>Local Authority Environmental Permit – Part B</b> <b>LAPPC mobile plant charges for 2021/22 onwards (not using simplified permits)</b> <b>not subject to VAT</b>				
Number of permits	Application fee 2021/22	Subsistence fee 2021/22		
		Low	Med	High
1	£1,650	£646	£1,034	£1,506
2	£1,650	£646	£1,034	£1,506
3	£985	£385	£617	£924
4	£985	£385	£617	£924
5	£985	£385	£617	£924
6	£985	£385	£617	£924
7	£985	£385	£617	£924
8 and over	£498	£198	£316	£473



# WASTE COLLECTION AND DISPOSAL

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Domestic Bulky Waste</b>				
The charges shown are currently not subject to VAT				
Single Item		44.00	48.00	9.1
Two Small Items		66.00	72.00	9.1
Half Load		100.00	110.00	10.0
Full Load		176.00	195.00	10.8
<b>Trade Waste</b>				
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.				
<b>Domestic Garden Waste Collection - Residents (not subject to VAT)</b>				
240 litre (standard bin for individual houses)		36.00	39.00	8.3
240 litre 12 months subscription		60.00	65.00	8.3
140 litre (smaller bin for individual houses)		34.00	37.00	8.8
140 litre 12 months subscription		50.00	55.00	10.0
Change of bin size (up or down) Admin Fee		12.00	15.00	25.0
<b>Domestic Waste and Recycling - Developers (inclusive of VAT)</b>				
The charges shown are for new and replacement bins				
240 litre (standard bin for individual houses) Refuse / Recycling		50.00	55.00	10.0
340 litre (communal bin only permitted for flats) Refuse / Recycling		78.00	86.00	10.2
1100 litre (large communal bin only permitted for flats) Refuse		475.00	525.00	10.5
<b>Domestic Waste and Recycling - Residents (not subject to VAT)</b>				
The charges shown are for new and replacement bins				
240 litre (standard bin for individual houses) Refuse / Recycling		36.00	39.00	8.3

Change of bin size (up or down) Admin Fee		12.00	15.00	25.0
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## SPORTS AND LEISURE

### Outdoor Sport and Recreation

	Notes	Fee 2022/23 £	Fee 2023/24 £	% Increase
<b>Sports Pitches, Facilities, Recreation Grounds and Open Spaces</b>				
<b>Football, Rugby and Hockey, casual games per match - (Notes 1 and 2)</b>				
Senior	Per match	96.00	106.00	10.4
Junior	Under 18	37.00	41.00	10.8
Mini Soccer	Per match	25.00	28.00	12.0
Mini Soccer	Per half day pitch	51.00	56.00	9.8
Training Sessions – 2 hours	Juniors half charge	54.00	60.00	11.1
<b>Football Tournament (Note 1)</b>				
Football Tournament	Per tournament	380.00	420.00	10.5
<b>Cricket, casual games per match - (Notes 1 and 2)</b>				
Senior	Per match	98.00	108.00	10.2
Junior	Under 18	37.00	41.00	10.8
Evening games	Senior	82.00	90.00	9.8
Evening games	Junior	32.00	35.00	9.4
<b>Tennis Courts – per court, per hour – (Notes 1 and 3)</b>				
Senior		12.00	13.25	10.4
Junior	Under 18	5.20	5.75	10.6
<b>Notes</b>				
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 2022/23 £	Fee 2023/24 £	% Increase
<b>Sports Pitches, Facilities, Recreation Grounds and Open Spaces</b>				
<b>Bowls – Seasonal Charges - (Note 1)</b>				
Fareham Bowling Club	6 rinks & clubhouse	7,755.00	8,600.00	10.9
Crofton Community Association	6 rinks & clubhouse	7,755.00	8,600.00	10.9
<b>Bowls – Fees - (Note 2)</b>				
Green Fees		6.00	6.50	8.3
Hire of Woods		2.30	2.50	8.7
Hire of shoes	Not applicable at Portchester or Priory Park	2.30	2.50	8.7
<b>Notes</b>				
1. Public to have use of at least one rink at each green				
2. Retained by clubs. Max charge per player per hour				
<b>Sports Pitches, Facilities, Recreation Grounds and Open Spaces</b>				
<b>Miscellaneous Charges</b>				
Hire of council land for events	Note 2			
Charitable hiring	Note 3	107.00	118.00	10.3
Use of changing facilities	Note 1	55.00	60.00	9.1
Rounders	Note 1	93.00	102.00	9.7
<b>Notes</b>				
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 2022/23 £	Fee 2023/24 £	% Increase
Letting of Council Chamber and Committee Rooms				
Collingwood Room	Per hour	85.00	95.00	11.8
Pulheim Room	Per hour	35.00	40.00	14.3
Vannes Room	Per hour	35.00	40.00	14.3
Council Chamber	Per Hour	140.00	150.00	7.1
Conference Room A and B (Floor 8)	Per Hour	26.00	28.00	11.8
<b>Notes</b> 1. Commercial Organisations only. 2. The hourly charges for room hire below apply when the building is already in use for Council business and are currently exempt from VAT. 3. 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. 4. 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.				
<b>Printing and Copying</b> Charges are available on application to the Director of Support Services.				
<b>General Charges</b>				
Responding to solicitors/consultants enquiries	Inclusive of VAT - Per Question	95.00	105.00	10.5
Responding to other detailed enquiries	At the discretion of the Direction of Planning and Regeneration			
Copies of Statutory Register		95.00	105.00	10.5
Attendance at court as a witness	Charge based on the cost to the Council			
<b>Sponsorship of Roundabouts – subject to VAT</b> Agreeing form of works and supervision as agreed with the sponsor, subject to no additional cost to the Council.				
<b>Non-Electronic Communications</b> The council reserves the right to levy an administration charge for communications by postal distribution rather than by email. The charge will be determined by the Head of Service for that service and will cover the additional time and costs incurred in communicating in that way.				



**Appendix B**

**Solent Airport Daedalus**

**Operated by Regional & City Airports Ltd on behalf of**

**Fareham Borough Council**

**Fees & Charges from 1<sup>st</sup> April 2022**

**Issue 2.0**



**FAREHAM**  
BOROUGH COUNCIL

**Solent Airport Daedalus**

**Control Tower**

**Daedalus drive**

**Lee on the Solent**

**Hampshire, PO13 9FZ**

**Tel: 01329 824748**

**Ops Email: [ops@solentairport.co.uk](mailto:ops@solentairport.co.uk)**

**Admin/Finance: [finance@solentairport.co.uk](mailto:finance@solentairport.co.uk)**

**Website: [www.solentairport.co.uk](http://www.solentairport.co.uk)**

## 1. Landing Fees & Cards

All payments are to be made in advance of a movement/activity or prior to departure unless a recognised credit agreement has been authorised with the Airport Operator.

Weight (Kg)	Touch and Go	Landing		GA Landing Card	
		Based <sup>1</sup>	Non-Based	Fixed-Wing	Rotary
≤ 750	£5.75	£11.50		£87.00	-
751-1000	£10.50	£21.00		£157.00	£165
1001-1650	£12.50	£25.00		£218.50	
1651-2000	£20.50	£41.00		£363.00	
2001-2750	50%	£41.00	£66.00	-	-
2751-4999 (Per ton/part thereof)	50%	£16.00	£23.00		
≥ 5000Kg (Per ton/part thereof)	50%	£20.00	£25.00		
≥ 9000Kg (Per ton/part thereof)	50%	£22.50	£27.50		

→ <sup>1</sup>Home-Based operators must hold a valid long-term parking or hangarage agreement.

→ Prices and discounts for volume users are available on application to the Airport Manager.

**Failure of payment prior to departure, in lieu of an agreement with the Airport Authority, will incur an admin fee of £20.00.**

### 1.1. Circuits

→ Circuits are charged at 50% of the published landing fee for each weight category.

## 2. Handling

For all aircraft 2000kg and above handling includes:

- ➔ Transfer of passengers to/from aircraft (excluding ramp transfer).
- ➔ Use of Passenger & Crew Lounge and facilities. (Lounge, TV, Meeting Room, Shower).
- ➔ Tea, Coffee, Refreshments. (1ltr Coffee and 1ltr Hot Water on departing flights with passengers – additional quantities will be charged per the rates shown in section 5).
- ➔ Printing, Copying, Fax.

<b>Passenger Handling Fee (per passenger)</b>	<b>£6.60</b>
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➔ Handling is included for all aircraft 2000kg and above. Aircraft under 2,000kg may request the use of Handling Services & the Passenger Lounges for a charge of £40.00 inc. VAT.

➔ Commercial Air Transport (CAT) Flights are limited to max 19 passenger seats and MTOW of 10000kg/10t due to screening and security restrictions.

## 3. Parking Charges

### Short Term Parking\*

Weight (Kg)	Grass Parking	Hard parking
< 750	£9.00	£11.50
751-1000	£17.00	£21.00
1001-1650	£20.00	£25.00
1651-2000	£33.00	£41.00
2000-2750	£53.00	£66.00
> 2750 (Per ton/part thereof)	£16.00	£20.00

\*Charges per night.

**Long Term Parking & Hangarage\***

Weight (Kg)	Grass Parking	Premium Parking	Hangarage	
			Nightly	Monthly <sup>1</sup>
< 750	£100.00	£170.00	£27.50	£218.00
751-1000	£105.00	£175.00	£48.00	£225.00
≤1000 (Wingspan >10m)	-	-	£52.00	£328.00
1001-1650	£110.00	£182.00	£57.75	£437.00
1651-2750	£172.00	£240.00	£73.00	£545.00
≥2751	£200.00	£260.00	-	-
2750-3500			On application	£645.00
> 3500			On application	

\*Charges per calendar month.

- ➔ <sup>1</sup>Prices for long-term hangarage apply to based aircraft.
- ➔ Long term hangarage subject to availability, please contact the airport manager for enquiries at [airportmanager@solentairport.co.uk](mailto:airportmanager@solentairport.co.uk).

#### 4. Airport Extensions

Fire Cover	Price Per Hour (or part thereof)
RFFS CAT 1	£144.50
RFFS CAT 2	£202.00

- ➔ The opening hours for Solent Airport are between 09:00-18:00 local time during British Summer Time (April-October), and from 09:00-Sunset during winter months (November-March).
- ➔ Extensions are available upon prior request (minimum 24 hours' notice) and are subject to the availability of staff.
- ➔ Operations outside of these hours are limited to between: Sunrise -30 mins until Opening and Closing until Sunset +30 mins due to the absence of Aerodrome lighting.

## 5. Airport Services and Facilities

Service	Hourly	Half Day	All-Day
Conference Room Hire	£33.00	£82.50	£110.00
Meeting Room Hire	£20.00	£55.00	£88.00
Pilots’ Lounge Hire	Included for handled flights <sup>1</sup>		
Airside Escort	Initial Hour: £55.00 – Subsequent Hours: £30.00		
Filming/Photography	£660 Minimum charge		
Airport Car Park	£5.00 per day <sup>2</sup>		
Taxi Booking	£1.00		
Chauffer Driven Vehicle Booking	£12.50 <sup>3</sup>		
Safeguarding Assessment - Surface Penetrations / Obstacles	On Application		
Safeguarding Assessment - Planning / Project Viability Assessment	On application		
Detailed Technical Assessment	On application		

→ <sup>1</sup>Please contact [airportmanager@solentairport.co.uk](mailto:airportmanager@solentairport.co.uk) for enquiries relating to external hire of the Pilots' lounge.

→ <sup>2</sup>Visiting pilots paying a landing fee will receive the first 24 hours of car parking free, with subsequent days charged at the usual rate.

→ <sup>3</sup>Using preferred supplier - additional cost for other suppliers applies.

## 6. Additional Services

Service	Charge
Hot Water (per litre)	£6.50
Coffee (per litre)	£8.50
Decaffeinated Coffee (per litre)	£9.00
Wet Ice (per bag)	£12.00
Dry Ice (special order on request only - price on application)	POA
Laundry (special request only - price on application)	POA
Washing Up Service	£45.00
Refrigeration of Catering from Aircraft (per 24hrs or part thereof)	£45.00
Magazine & Newspaper collection (excludes price of papers/mags)	£2.75
EU Waste Disposal (per bag)	£20.00
Non-EU (ICW) Waste Disposal (per bag)	£45.00
Ramp Transfer (per vehicle)	£20.00
Aircraft Cleaning Booking Fee (booked in advance)	£40.00
Firearms Clearances with Special Branch (submission only - no guarantee of SB clearance offered)	£50.00
Hotac Fee	10%
Transport Fee	10%
Catering Fee (ramp transfer fees apply for delivery of catering direct to the aircraft by catering supplier)	10%
Additional Services Fee	10%



## 7. Crane Operator Permits

Notice Period	Price
30+ days in advance	£55.00
48 hours – 30 days	£88.00
Less than 48 hours	£165.00
Non-Compliance Fee*	£275.00

Under Aerodrome Safeguarding criteria the use of cranes on or in the immediate vicinity of an aerodrome can present a risk to flight safety. Under BS7121-1:2006, crane operators require approval if cranes higher than 10m are used within 6km of an aerodrome.

- ➔ Includes other high reach mechanical equipment within/adjacent to the airport boundary.
- ➔ Further information can be found at: <https://www.solentairport.co.uk/safeguarding-the-aerodrome/>.
- ➔ If there are any questions regarding the operation of cranes or high reach equipment at, or in the vicinity of Solent Airport, please contact us via email at [controltower@solentairport.co.uk](mailto:controltower@solentairport.co.uk).
- ➔ **\*No cranes will be permitted to operate without authorisation from the Airport Management. Any operators found to be operating without authority will be subject to a fee for failing to comply with airport regulations and will be required to cease all operations until a written permit has been obtained.**

## 8. Unmanned Aerial Vehicles (UAV/RPAS/Model Flying)

<b>UAV Ad-hoc Restricted Grass Area Rate<sup>1</sup></b>	£63.50
<b>Model Aircraft Club Flying (Annual Fee)</b>	£1,908.00
<b>UAV Based Business Restricted Grass Area (Annual Operator License)</b>	£3,186.00
<b>UAV Based Business Runway Use Per Hour<sup>2</sup></b>	£577.50
<b>UAV Based Business Runway Use Full Day Rate<sup>3</sup></b>	£5,775.00
<b>UAVs above 0.5m wingspan/2.5kg MTOW</b>	<i>On Application</i>
<b>UAV FRZ Operating Permit Admin Fee</b>	From £30.00

→ <sup>1</sup>Rate per day or part thereof.

→ <sup>2</sup>Up to a maximum of three hours. Exclusive use of the runway requiring full airport closure.

→ <sup>3</sup>Per length of published operational day. Exclusive use of the runway requiring full airport closure.

For additional information please see our Fees and Charges terms of use document, which can be found on our website at: <https://www.solentairport.co.uk/fees-and-charges/>.

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

Document is Restricted



# FAREHAM

## BOROUGH COUNCIL

### Report to Policy and Resources Scrutiny Panel

**Date** 23 January 2023

**Report of:** Deputy Chief Executive Officer

**Subject:** FINANCE STRATEGY, REVENUE BUDGET AND COUNCIL TAX  
2023-24

#### SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the overall revenue budget for 2023/24. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 6 February 2023.

#### RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 6 February 2023.

## **INTRODUCTION**

1. On 9 January 2023, the Executive will have reviewed the Council's finance strategy and considered the revenue items to be included in the revised budgets for 2022/23, the budget for 2023/24 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 2022/23 to 2026/27, as set out at Appendix C to the report;
- (b) agrees to submit the updated Pay Policy, annexed to the Medium-term Finance Strategy in Appendix C at Annex 2, to Full Council for approval;

### **Revenue Budgets**

- (c) approves the revised 2022/23 general fund revenue budget, amounting to £10,987,300, as set out in Appendix A and B to the report;
- (d) approves the base 2023/24 general fund revenue budget amounting to £11,897,100, as set out in Appendix A and B to the report;
3. A report will be submitted to the Executive on 6 February 2023. This report seeks final confirmation for the spending plans, together with recommendations for Full Council to consider on 24 February 2023.
4. Officers will provide a verbal update on this report to members of the Policy and Resources Scrutiny Panel on 23 January 2023.
5. Any comments or proposals that the Scrutiny Panel may wish to submit will be considered by the Executive on 6 February 2023.

## **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 2023/24" considered on 9th January 2023](#)

**Appendix B:** [Appendix C to the Executive Report "Finance Strategy and Revenue Budget 2023/24" considered on 9th January 2023](#)

**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 09 January 2023

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Finance Strategy, Revenue Budget &amp; Council Tax 2023/24</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	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 2022/23 and 2023/24.

#### **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 2022/23 and proposed service budgets for 2023/24.

#### Revised General Fund Revenue Budget 2022/23

The revised general fund revenue budget for 2022/23 amounts to £15,660,700 for service budgets and with other budgets totalling -£4,673,400 (including a use of general reserves of £1,259,500), giving an overall position of £10,987,300 which is an increase of £199,300 from the base budget for 2022/23.

#### General Fund Revenue Budget 2023/24

The proposed general fund budget for 2023/24 totals £15,714,700 for service budgets along with -£3,817,600 for other budgets (including a use of general reserves of £420,900) giving an overall position of £11,897,100 which is an increase of £1,109,100 against the original budget for 2022/23.

#### 5-Year Financial Forecasts

The 5-year financial forecasts for 2022/23 to 2026/27 is predicting a funding shortfall by 2025/26. The fixed funding for the Opportunities plan work came to an end in 2022/23, but given the predicted funding gap in the coming years, it is evident that a further use of council reserves will be required to continue this important work to identify further opportunities to manage the Council's financial pressures and remain resilient.

**Recommendation/Recommended Option:**

It is recommended that the Executive:

**Financial Forecasts (MTFS)**

- (a) approves the Medium-Term Finance Strategy for the period 2022/23 to 2026/27, as set out at Appendix C to the report;
- (b) agrees to submit the updated Pay Policy, annexed to the Medium-Term Finance Strategy in Appendix C at Annex 2, to Full Council for approval;

**Revenue Budgets**

- (c) approves the revised 2022/23 general fund revenue budget, amounting to £10,987,300, as set out in Appendix A and B to the report; and
- (d) approves the base 2023/24 general fund revenue budget amounting to £11,897,100, 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 2024/25. A further Opportunities Plan needs to be 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 2022/23 and 2023/24  
**B:** Detailed Draft Revenue Budgets by Service Portfolio 2022/23 and 2023/24  
**C:** Medium Term Finance Strategy 2022/23 to 2026/27

**Background papers:** **None**

**Reference papers:** Report to the Executive - November 2022 Finance Monitoring 2022-23

Report to the Executive – January 2022 Finance Strategy, Revenue Budget and Council Tax 2022-23

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	09 January 2023
<b>Subject:</b>	Finance Strategy, Revenue Budget and Council Tax 2023/24
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	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 2026/27, 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 2026/27 would indicate a funding gap of £2.4 million even if Council Tax is increased by 3% 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 6.5%.

## **GENERAL FUND REVENUE BUDGETS**

### **Revenue Budget 2022/23**

8. The base net revenue budget set for 2022/23 set was £10,788,000, an increase of £516,100 on the previous year. This was part funded by a council tax increase of £5 which is the maximum allowable by the Government before a local referendum is needed.
9. The overall revised budget has increased from the base budget to £10,987,300. The budget reflects known changes that have affected spending during the current financial year as a result of the current cost of living crisis and includes an increase to the projected funding from reserves.
10. Additional budget provision totalling £53,200 was carried forward for incomplete projects from 2021/22; this was fully financed from underspending in 2021/22.
11. Further information of how this is spread across portfolios is provided in Appendices A and B.

### **Revenue Budget 2023/24**

12. The revenue budget for 2023/24 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 £15,714,700 for service budgets along with - £3,817,600 for other budgets giving an overall position of £11,897,100 which is an increase of £1,109,100 against the original budget for 2022/23. This is detailed in Appendices A and B.
13. In preparing the 2023/24 budget there have been many changes as a result of the continuing cost of living crisis and some impact from the COVID pandemic. Some areas continue to see a reduction in income such as town centre car parking which remains below pre-pandemic levels.
14. Some areas are seeing large increases in costs due to higher-than-average inflation figures. These include costs of fuel and energy prices as well as increases to pay for employees and contractors.
15. The budget will also see a full year of operation of the 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. There are proposals to increase the charges for these two services from April 2023 elsewhere on this agenda.
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. It is likely that this property will be let during the next financial year.
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 2022/23 to 2026/27 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. Instead given the increased level of cost and income volatility there currently it is considered prudent to now increase this as an additional safeguard. The budgets proposed, therefore, will allow the Spending Reserve to be increased to 7.5% of gross revenue expenditure.
22. Other General Fund reserves will need to be used in order to balance the budget in 2022/23 and in 2023/24. However this position will not be sustainable going forward and it will be monitored to reduce the impact on the overall level of reserves and protect the council's financial position. It is also proposed that funding is continued to be used for a further 2 years to support a new Opportunities Plan of work to find solutions to bridge the future funding gap.
23. The Government's expectation and associated funding levels indicate that they believe that Fareham will raise council tax by up to 3% next year with a spending review detailing future proposals commencing in 2025/26.

### **Enquiries:**

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

## **APPENDIX A**

### **GENERAL FUND REVENUE BUDGETS SUMMARY 2022/23 AND 2023/24**

**a) Revised Budget 2022/23**

	<b>Budget 2022/23 £</b>	<b>Revised 2022/23 £</b>	<b>Variation Base to Rev £</b>
Committees			
Licensing and Regulatory Affairs Committee	574,400	639,200	64,800
Planning Committee	439,500	729,400	289,900
Executive - Portfolio Budgets			
- Leisure and Community	-17,500	43,600	61,100
- Housing	2,083,000	2,370,900	287,900
- Planning and Development	1,636,600	1,853,500	216,900
- Policy and Resources	44,400	286,000	241,600
- Health and Public Protection	662,400	907,900	245,500
- Streetscene	4,897,400	4,728,300	-169,100
Accounting Adjustments(depreciation) not included above	3,147,200	4,101,900	954,700
<b>SERVICE BUDGETS</b>	<b>13,467,400</b>	<b>15,660,700</b>	<b>2,193,300</b>
Capital Charges	-3,385,900	-4,320,000	-934,100
Direct Revenue Funding	1,475,000	1,475,000	0
Minimum Revenue Provision	1,490,900	1,497,900	7,000
Bad Debt Provision	150,000	150,000	0
Interest on Balances	-678,800	-828,000	-149,200
Portchester Crematorium	-170,000	-170,000	0
New Homes Bonus	-108,800	-108,800	0
Contribution from Reserves	-1,451,800	-2,369,500	-917,700
<b>OTHER BUDGETS</b>	<b>-2,679,400</b>	<b>-4,673,400</b>	<b>-1,994,000</b>
<b>NET BUDGET</b>	<b>10,788,000</b>	<b>10,987,300</b>	<b>199,300</b>

**b) Base Budget 2023/24**

<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Variation Base to base</b>
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	£	£	£
Committees			
Licensing and Regulatory Affairs Committee	574,400	540,400	-34,000
Planning Committee	439,500	694,300	254,800
Executive - Portfolio Budgets			
- Leisure and Community	-17,500	-41,200	-23,700
- Housing	2,083,000	2,270,800	187,800
- Planning and Development	1,636,600	1,999,600	363,000
- Policy and Resources	44,400	222,500	178,100
- Health and Public Protection	662,400	877,600	215,200
- Streetscene	4,897,400	5,048,800	151,400
Accounting Adjustments(depreciation) not included above	3,147,200	4,101,900	954,700
<b>SERVICE BUDGETS</b>	<b>13,467,400</b>	<b>15,714,700</b>	<b>2,247,300</b>
Capital Charges	-3,385,900	-4,320,000	-934,100
Direct Revenue Funding	1,475,000	1,125,000	-350,000
Minimum Revenue Provision	1,490,900	1,490,900	0
Bad Debt Provision	150,000	0	-150,000
Interest on Balances	-678,800	-612,000	66,800
Portchester Crematorium	-170,000	-80,000	90,000
New Homes Bonus	-108,800	-17,900	90,900
Contribution to(+)/from(-) Reserves	-1,451,800	-1,403,600	48,200
<b>OTHER BUDGETS</b>	<b>-2,679,400</b>	<b>-3,817,600</b>	<b>-1,138,200</b>
<b>NET BUDGET</b>	<b>10,788,000</b>	<b>11,897,100</b>	<b>1,109,100</b>

## APPENDIX B

### DETAILED DRAFT REVENUE BUDGETS BY SERVICE 2022/23 AND 2023/24

Base Budget	Revised Budget	Base Budget
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	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Committees			
Licensing and Regulatory Affairs Committee	574,400	639,200	540,400
Planning Committee	439,500	729,400	694,300
Executive - Portfolios			
Leisure and Community	-17,500	43,600	-41,200
Housing	2,083,000	2,370,900	2,270,800
Planning and Development	1,636,600	1,853,500	1,999,600
Policy and Resources	44,400	286,000	222,500
Health and Public Protection	662,400	907,900	877,600
Streetscene	4,897,400	4,728,300	5,048,800
Accounting Adjustments(depreciation)	3,147,200	4,101,900	4,101,900
<b>NET EXPENDITURE</b>	<b>13,467,400</b>	<b>15,660,700</b>	<b>15,714,700</b>

### **SUBJECTIVE ANALYSIS**

	<b>Base</b>	<b>Revised</b>	<b>Base</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Employees	10,874,500	11,567,900	12,076,600
Premises-Related Expenditure	3,145,800	3,426,900	3,319,600
Transport-Related Expenditure	1,621,500	1,971,600	2,009,100
Supplies and Services	5,495,000	7,693,200	7,118,600
Third Party Payments	1,503,600	1,687,800	1,793,700
Transfer Payments	13,941,900	12,653,900	12,653,900
Support Services	3,392,700	3,599,400	3,664,800
Capital Charges	3,647,200	5,751,900	4,960,700
<b>GROSS EXPENDITURE</b>	<b>43,622,200</b>	<b>48,352,600</b>	<b>47,597,000</b>
Government Grants	-14,174,400	-14,261,800	-13,964,400
Other Grants & Reimbursements	-2,329,200	-4,071,900	-3,297,400
Sales, Fees and Charges	-7,716,100	-8,369,500	-8,591,200
Rents	-5,771,500	-5,813,200	-5,844,000
Recharges to other Accounts	-163,600	-175,500	-185,300
<b>GROSS INCOME</b>	<b>-30,154,800</b>	<b>-32,691,900</b>	<b>-31,882,300</b>
<b>NET EXPENDITURE</b>	<b>13,467,400</b>	<b>15,660,700</b>	<b>15,714,700</b>

### **ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2023/24**

#### **LICENSING AND REGULATORY AFFAIRS COMMITTEE**

<b>Base</b>	<b>Revised</b>	<b>Base</b>
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	<b>Budget 2022/23 £</b>	<b>Budget 2022/23 £</b>	<b>Budget 2023/24 £</b>
Hackney Carriage and Private Hire Vehicles	12,000	900	5,500
Licensing	3,700	4,900	9,400
Health and Safety	140,200	151,900	159,000
Election Services	418,500	481,500	366,500
	<b>574,400</b>	<b>639,200</b>	<b>540,400</b>

### **PLANNING COMMITTEE**

	<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
Planning Applications	17,300	235,800	243,700
Planning Advice	190,200	212,900	219,500
Planning Enforcement	137,100	126,000	131,400
Planning Appeals	94,900	154,700	99,700
	<b>439,500</b>	<b>729,400</b>	<b>694,300</b>

## **ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2023/24**

### **LEISURE AND COMMUNITY PORTFOLIO**

	<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
Community Grants	280,900	300,900	271,200

Community Development	246,400	267,500	282,700
Ferneham Hall	125,700	208,000	200,200
Fareham Leisure Centre	-838,900	-891,200	-964,100
Community Centres	168,400	158,400	168,800
Total Before Accounting Adjustments	-17,500	43,600	-41,200
Accounting Adjustments(depreciation) for Portfolio	1,554,600	1,952,700	1,952,700
	1,537,100	1,996,300	1,911,500

### **HOUSING PORTFOLIO**

	<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
Housing Grants and Home Improvements	36,300	37,900	38,100
Housing Options	29,300	30,400	33,600
Housing Benefit Payments	66,700	44,800	44,800
Housing Benefit Administration	543,300	463,200	483,100
Homelessness	574,900	902,100	725,600
Housing Advice	628,500	712,300	747,500
Housing Strategy	197,900	198,700	205,400
Local Land Charges	6,100	-18,500	-7,300
Total Before Accounting Adjustments	2,083,000	2,370,900	2,270,800
Accounting Adjustments(depreciation) for Portfolio	30,300	46,500	46,500
	2,113,300	2,417,400	2,317,300

## **ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2023/24**

### **PLANNING AND DEVELOPMENT PORTFOLIO**

<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
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Flooding and Coastal Management	77,700	116,000	81,100
Transportation Liaison	34,400	35,900	32,600
Tree Management	389,700	402,000	431,600
Conservation & Listed Building Policy	16,300	66,900	70,200
Sustainability & Climate Change	16,200	18,000	9,100
Local Plan	1,102,300	1,214,700	1,375,000
Total Before Accounting Adjustments	1,636,600	1,853,500	1,999,600
Accounting Adjustments(depreciation) for Portfolio	88,300	88,300	88,300
	1,724,900	1,941,800	2,087,900

### **POLICY AND RESOURCES PORTFOLIO**

	<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
Democratic Representation and Management	1,261,200	1,312,600	1,345,600
Commercial Estates	-834,100	-789,000	-810,000
Investment Properties	-2,606,000	-2,494,900	-2,696,900
Solent Airport and Daedalus	-349,100	-460,800	-391,000
Public Relations, Comms and Consultation	507,700	635,600	663,700
Unapportionable Central Overheads	148,600	148,600	148,600
Corporate Management	824,300	739,500	753,700
Economic Development	152,300	175,500	152,300
Local Tax Collection	939,500	1,018,900	1,056,500
Total Before Accounting Adjustments	44,400	286,000	222,500
Accounting Adjustments(depreciation) for Portfolio	590,700	889,400	889,400
	635,100	1,175,400	1,111,900

## **ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2023/24**

### **HEALTH & PUBLIC PROTECTION PORTFOLIO**

	<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
Pest Control	70,800	71,500	77,700
Food Safety	142,600	145,000	152,500
Air Quality and Pollution	179,600	183,800	193,300
Community Safety	247,100	250,100	269,900

Emergency Planning	60,100	60,700	61,300
Clean Borough Enforcement	231,600	246,000	258,400
Off-Street Parking	-435,100	-246,800	-333,600
Building Control	165,700	197,600	198,100
Total Before Accounting Adjustments	662,400	907,900	877,600
Accounting Adjustments(depreciation) for Portfolio	36,800	133,300	133,300
	699,200	1,041,200	1,010,900

### **STREETSCENE PORTFOLIO**

	<b>Base Budget 2022/23 £</b>	<b>Revised Budget 2022/23 £</b>	<b>Base Budget 2023/24 £</b>
Cemeteries & Crematorium	-46,700	-104,500	-111,800
Parks, Open Spaces and Grounds Maintenance	1,891,400	1,954,600	2,148,800
Countryside Rangers	176,500	184,900	189,400
Street Cleaning	973,400	1,045,000	1,070,100
Public Conveniences	236,000	230,600	262,400
Waste Collection	1,061,100	1,114,100	1,150,700
Trade Refuse	-115,000	-154,400	-154,500
Recycling	1,109,000	992,000	1,088,700
Green Waste	-449,100	-599,800	-660,800
Street Furniture	60,800	65,800	65,800
Total Before Accounting Adjustments	4,897,400	4,728,300	5,048,800
Accounting Adjustments(depreciation) for Portfolio	846,500	991,700	991,700
	5,743,900	5,720,000	6,040,500
OVERALL BUDGET TOTAL	13,467,400	15,660,700	15,714,700



# Medium Term Finance Strategy 2022/23 to 2026/27

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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 **7.5% 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 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

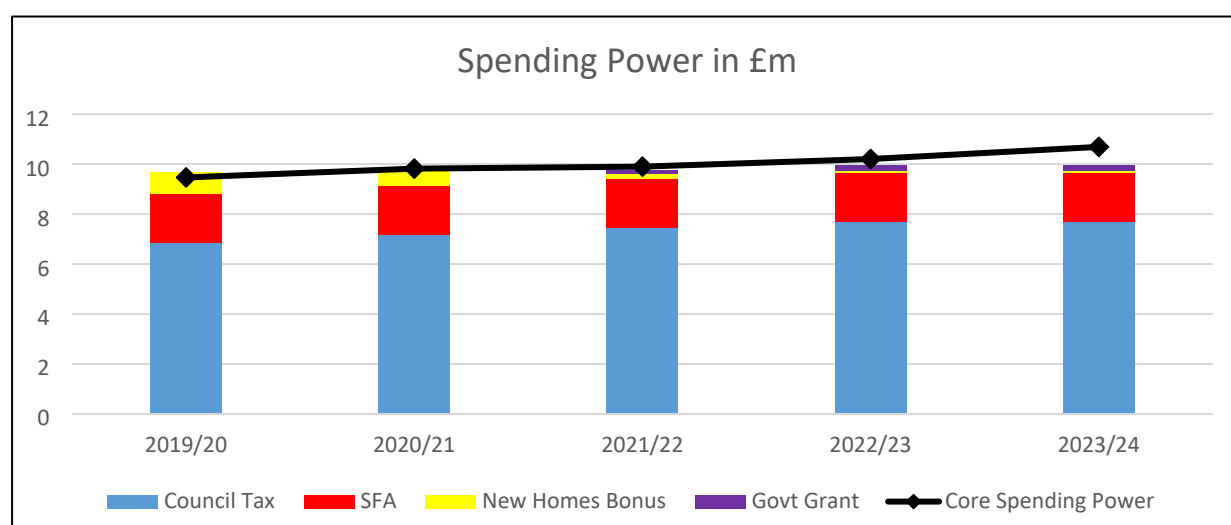
The Government is carrying out a [Fair Funding Review](#) for local government, which will inform the basis of distributing resources to councils. However, this review has been delayed for a number of years and is expected to now commence in time for the 2025/26 financial year.

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 changed over the last 5 years of the current settlement arrangement.

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. The latest population census data also indicates that the population in the Borough has not grown as much as other parts of the country. This is likely to result in the Council's share of the SFA falling from 2025/26.

## **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 and to date there has been no requirement to pay the negative subsidy.

## **Other General Grants**

The Lower Tier Service Grant (LTSG) is a different element of government funding that councils receive directly to provide their services. This commenced in 2021/22 to reflect changes to funding and to make sure no authority fell below minimum funding levels. Fareham received £154,000 in 2021/22 and will receive £88,000 in the 2022/23 financial year and £79,000 for the 2 years after that with a view that this funding will stop when the Fair Funding Review is implemented in 2025/26.

The Council is also expecting to receive additional small one-off Service Grants for another 2 years as part of the local government finance settlement "*in recognition of the vital services delivered at every level of local government*".

## **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 **£38.5 million** of business rates. Of this 50% (£19.2m) is paid to Central Government with 9% (£3.5m) and 1% (£0.4m) paid to the County Council and the Fire Authority respectively. The remaining 40% (£15.4m) 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 one the 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 businesses that would mean local authorities are worse off through no fault of their own. These grants are expected to be approximately **£0.7 million** for 2023/24.

## 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.

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 and this has been done every year since.

This income 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	2023/24
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	£431,134						
2013/14	Payments for Year 3			£435,038	£435,038	£435,038	£435,038	£435,038						
2014/15	Payments for Year 4				£323,200	£323,200	£323,200	£323,200						
2015/16	Payments for Year 5					£232,066	£232,066	£232,066	£232,066					
2016/17	Payments for Year 6						£415,783	£415,783	£415,783	£415,783				
2017/18	Payments for Year 7							£168,090	£168,090	£168,090	£168,090			
2018/19	Payments for Year 8								£146,094	£146,094	£146,094	£146,094		
2019/20	Payments for Year 9									£90,892	£90,892	£90,892	£90,892	
2020/21	Payments for Year 10										£54,877			
2021/22	Payments for Year 11											£2,800		
2022/23	Payments for Year 12												£17,920	£17,920
		£226,565	£657,699	£1,092,737	£1,415,937	£1,648,002	£2,063,785	£1,574,177	£962,033	£820,860	£459,954	£239,786	£108,812	£17,920

The Council will benefit from a small surplus from the national pool which is being distributed to councils from 2023/24 as returned NHB.

## COUNCIL TAX

Fareham has the 6<sup>th</sup> lowest Band D Council Tax for a district council, when parish precepts are taken into account, and is currently 30% below the national average. Recent changes in Government policy now allows Councils to increase Council Tax by 3% but there is now no monetary value alternative. 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 £5.24. In comparison, the largest Band D for a district council stands at £384 which would see an increase of £11.53 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 7 years and it is proposed to increase by 3% for 2023/24. The Council Tax for a Band D property currently stands at £175.22 which was approved by the Full Council in February 2022. Of the gross expenditure budget of **£46,738,100** (net budget £10,788,000) for council services in 2022/23, £7,710,136 (**16.5%**) was budgeted to be met by Council Tax payers.

This Medium Term Finance Strategy assumes that there will be an increase of **316(2024/25), 548(2025/26) and 486(2026/27)** Band D equivalent properties which will generate some additional Council Tax even if no increase in the rate is approved each year. These figures reflect the increase in housing projections in the Council's Local Plan.

## 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, the subsequent COVID-19 Global Pandemic and now the cost of living crisis, the results of this review have been delayed and will now impact on the funding from 2025/26 onwards.

As well as the FFR coming in for 2025/26 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 the strategy.

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 limited income from new homes bonus by in all years of the strategy. 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 2022/23 and 2023/24 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 had been below 1% since March 2009 but 8 rises in 2022 have seen the rate currently standing at 3.50% which has meant that returns on investments have been increasing but 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 an increase in income from investments in 2022/23 but there will be 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. There will also be a period of reduced income as leases mature and there is a change of tenant.



## 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 reduce from the current level of £170,000 per annum to £80,000 in 2024/25 and then there will be no contribution for the rest of the strategy period. Any 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 2023/24 is as follows:

- **New Fees and Charges** – There are no significant 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.
  - In particular, Car parking has been budgeted for in line with the Fareham Town Centre Parking Strategy and the proposed charges have not been increased for 2023/224 The charges have been at the current level since they were set in October 2010.
- **Discretionary Charges increasing** – Some discretionary charges are proposed at a level to achieve an increase in income that is deemed to be realistic, and also to cover the inflationary costs being experienced to provide the service.
  - In most cases, an increase of around **10%** is proposed.
  - Specific charges which have been reviewed and alternative increases proposed are:
    - Car parking charges for coastal parking
    - Garden Waste Collection service
    - Taxi Licences
    - Market Pitches
    - Trade Waste



## 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 2022/23 was approved by the Executive in January 2022. The Pay Policy Statement for 2023/24 is attached at [Annex 2](#).

The rising cost of employment in future years reflects the cost of an assumed pay awards of 3% from 1 April 2023 and 2% per year for the remainder of the strategy period 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 and the 2022 valuation has confirmed that this amount will not be required going forward. For Fareham the future service funding will reduce from 19.3% of pay to 18.9%. The 2022 review has shown that the funding gap of almost 1% in the 2019 valuation has changed to a surplus in the 2022 valuation.

The reduction in the fixed contribution has been use in the last 3 years to increase the revenue contribution to the capital fund but from 2023/24 onwards the amount of £350,000 per annum has been removed from the 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 Taxpayers.

## 2.4 SERVICE PRESSURES AND OPPORTUNITIES

### Cost of Living Crisis and the COVID-19 Pandemic

The current cost of living crisis has presented the council with a significant financial pressure. Inflation rates have been above 10% for the first time in 30 years and this had led to increases to spending in most areas of the council.

There have been significant inflationary pressures on staff pay, fuel and energy price increases as well as commodity price increases. As a result of this we are seeing increased demand from our customers especially in areas such as homelessness

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 impact on some services during the remainder of the strategy period. Some areas have not seen their levels return to pre-pandemic levels such as town centre parking whereas some businesses are reviewing rent levels or leaving the units completely.

There will be a need to continue to monitor services affected by these events going forward.

### **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 £21 million of gross expenditure and £15 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.

In particular increased costs and reduced income are expected for the Waste and Recycling services.

### **Other**

Other noticeable pressures that have been allowed for in the MTFS are:

- **Increase in External Fees** – We have been informed to expect an increase in external audit fees of 150% when the next contract starts for the 2023/24 audit. We are also expecting a similar hike in fees for the external audit of the housing subsidy claim.
- **Increase in Insurance Premiums** - We have been informed to expect an increase in the cost of insurance cover of around 15% for both Property and Public & Employers Liability.
- **Cleaning costs** – The Councils cleaning contract is due to be retendered during the Strategy period and soft market testing is indicating that there will be noticeable increase in the cost.

### 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**

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

A full review is currently being carried out to produce the next strategy for 2023-2029 which will be launched in 2023.

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

### 3.2 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 development site in the area, with a focus towards aviation, aerospace, marine and advanced engineering businesses.

It is a strategic asset for the Council, and as such will require significant capital investment over time. It also has the potential to generate revenue for the Council, create job opportunities for the borough and 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 and strategy that was presented to the Executive in March 2022. Members have financial updates comparing figures against the strategy position at regular meetings of the Daedalus Scrutiny Panel. The Scrutiny Panel will also consider all activities and developments at the site.

### 3.3 Climate Change

The Council has a Climate Change Action Plan that confirms the Council's commitment to become carbon neutral throughout all Council buildings and services by 2030.

In light of this and the significance impact that Climate Change will have on the Council and in the borough a Climate Change Scrutiny Panel was set up in May 2021 to inform Members of the progress towards the carbon neutral target.

Part of the plan highlights the Council's leadership role that will encourage broader changes across the borough working with both businesses and residents.

The Council has funded a small programme of carbon reduction measures in community centres and will continue to fund programmes where appropriate and where they demonstrate commitments to carbon reduction.

There may be additional costs arising at a corporate and service level as the priority work is delivered and we will continue to monitor these as part of the MTFS.

## 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 2021/22 and now totals **£44.9 million** of General Fund expenditure.

### 4.2 CAPITAL RESOURCES

Resources of **£50.9 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of resources of approximately **£6.0 million** in 2025/26. The surplus acts as a contingency for unexpected price rises or other increases during the life of the various capital projects.

#### Capital Financing Costs

The proposed budget for 2023/24 provides for a revenue contribution to capital of **£1.125 million**, which provides for ICT replacement, vehicle purchases, CCTV renewals and car park improvements, as well as other capital investment in the Council's assets.

### 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, construction works at Daedalus, and work undertaken at the two Leisure Centres in the borough.

## 5. PROPOSED BUDGET 2023/24

### 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:

- 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.
- No provision for the effects of inflation to be provided in revenue budgets except where the price increases are measurable and unavoidable, or the Council is legally obliged to accept.
- Fees and charges to be increased to cover any increase in costs and to achieve a realistic increase in income wherever possible. Every effort should be made to identify new sources of income to help fund the provision of council services. The proposed charges should be considered alongside those for similar services in neighbouring authorities and, where appropriate, the charges levied by private sector providers.
- The use of general reserves will be considered in the short-term where reserves are in excess of our minimum policy. They will only be used as a bridging approach whilst we identify plans to produce a longer-term solution.
- Use of other reserves will be reviewed in order to identify funds available to draw down on to reduce the impact on council taxpayers.
- 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 2023/24

The proposed base budget for 2023/24 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 2023/23 is summarised in the table below. The base budget requirement is estimated to be **£11,897,100** for 2023/24, with a revised net budget for 2022/23 estimated to be £10,987,300.

<b>Table 4 – Proposed Revenue Budget for 2023/24</b>	<b>Budget 2022/23 £</b>	<b>Budget 2023/24 £</b>	<b>Variation Base to base £</b>
Licensing and Regulatory Affairs Committee	574,400	540,400	-34,000
Planning Committee	439,500	694,300	254,800
Executive - Portfolio Budgets			
- Leisure and Community	-17,500	-41,200	-23,700
- Housing	2,083,000	2,270,800	187,800
- Planning and Development	1,636,600	1,999,600	363,000
- Policy and Resources	44,400	222,500	178,100
- Health and Public Protection	662,400	877,600	215,200
- Streetscene	4,897,400	5,048,800	151,400
Accounting Adjustments(depreciation) not included above	3,147,200	4,101,900	954,700
<b>SERVICE BUDGETS</b>	<b>13,467,400</b>	<b>15,714,700</b>	<b>2,247,300</b>
Capital Charges	-3,385,900	-4,320,000	-934,100
Direct Revenue Funding	1,475,000	1,125,000	-350,000
Minimum Revenue Provision	1,490,900	1,490,900	0
Bad Debt Provision	150,000	0	-150,000
Interest on Balances	-678,800	-612,000	66,800
Portchester Crematorium	-170,000	-80,000	90,000
New Homes Bonus	-108,800	-17,900	90,900
Contribution to(+)/from (-) Reserves	-1,451,800	-1,403,600	48,200
<b>OTHER BUDGETS</b>	<b>-2,679,400</b>	<b>-3,817,600</b>	<b>-1,138,200</b>
<b>NET BUDGET</b>	<b>10,788,000</b>	<b>11,897,100</b>	<b>1,109,100</b>

### 5.3 CONTRIBUTIONS TO AND FROM RESERVES

These represent:

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

#### Use of Earmarked Reserves

The table below lists the use of earmarked reserves that will be used to finance planned expenditure in the strategy.

**Table 5 – Use of Ear-Marked Reserves**

		'000s
<b>Use of Receipts in Advance</b>		
S106 Titchfield Country Park – Tree Planting	Annually for 5 years	-25
S106 Daedalus Open Space – Ranger Post		-20
S106 Grounds maintenance – Area 8 Posts		-59
Welborne Delivery Funding – Strategic Sites Posts / General Expenses		-168
Abbey Meadows Contributions		-39
<b>Use of Earmarked Reserves</b>		
Homelessness Fund	1 year funding only	-174
Portchester Town Centre Improvements		-73
New Forest Mitigation Contributions		-131
UKSPF staff allowances		-15
<b>Total Due from Earmarked Reserves</b>		<b>-704</b>

The cost of these activities will be included in service budgets, and accounting regulations require the funding of the activities to be shown separately from the service cost.

#### Use of General Reserves

The table below lists the use of general reserves that will be used for specific purposes in the strategy.

**Table 6 – Use of General Reserves**

	'000s
<b>Draw down for specific purposes</b>	
Transfer of £1.2m to the spending reserve to give additional protection from the increased volatility of income and expenditure (from 5% to 7.5% gross expenditure)	0
General Reserves set aside for Ash Die Back costs until 2026/27	-50
General Reserves set aside for Civic Quarter Regeneration	-249
<b>Total Due from General Reserves</b>	<b>-299</b>
<b>Total Due from Reserves</b>	<b>-1,003</b>

In addition, as [discussed above](#), a non-service specific revenue budget for 2023/24, provides for a revenue contribution to capital (**RCCO**) of **£1.125 million**.



The value of the **Spending Reserve** as at 31/03/22 was predicted to be over the £3,505,400 which is the threshold of 7.5% of gross expenditure for 2022/23 (£46.7 million). Proposals on the use of the additional surplus arising will be developed for consideration in February, alongside the consolidated draft budget for 2023/24.

## 5.4 COUNCIL TAX 2023/24

The net revenue budget proposed for 2023/24 incorporates a council tax increase of 3% which is in line with government proposals. The table below shows the funding from the collection fund which is made up from business rates, non-specific government grants and council tax payers.

**Table 7 – Projected Funding of the 2023/24 Net Revenue Budget**

	£'000
<b>Net Budget Requirement</b>	<b>£12,298</b>
Retained Business Rates	-£3,592
Central Government Grants & NHB	-340
Council Tax at current level	-£7,710
Additional Council Tax for new properties	-£20
Additional Council Tax with 3% increase	-£235
Collection Fund Surplus	£0
<b>Total Available from the Collection Fund</b>	<b>-£11,897</b>
Projected Shortfall to be met from Reserves	<b>£401</b>

## 5.5 BALANCING THE BUDGET 2023/24

The net revenue budget proposed for 2023/24 of £12,297,100 can mostly be funded from the collection fund as summarised above but this does leave a shortfall of £401,000 that needs to be met from general reserves. Using this funding as well as the higher-than-normal increases in fees and charges will ensure that the council has a balanced budget. The use of reserves will bring the net budget requirement down to £11,897,100 meaning it will match the available resources.

## 6. FIVE YEAR FORECAST

### 6.1 OVERALL REVENUE POSITION

Table 8 – Financial Projections 2022/23 to 2025/26

	2022/23 Revised	2023/24	2024/25	2025/26	2026/27
	000s	000s	000s	000s	000s
<b>SERVICE EXPENDITURE</b>					
<b>Gross Expenditure on Services</b>					
Base Budget	£43,622	£43,622	£45,482	£45,807	£46,132
Changes for Pay and Pensions	£500	£925	£325	£325	£325
Changes for Spend Pressures and Opportunities	£1,428	£1,612	£1,048	£943	£907
Changes for Cost of Living/COVID Spend Pressures	£365	£365	£465	£565	£665
Revised Budget	£45,915	£46,524	£47,320	£47,640	£48,029
<b>Gross Income for Services</b>					
Base Budget	-£27,481	-£27,481	-£26,945	-£26,945	-£26,945
Changes for Income Pressures and Opportunities	-£233	-£757	-£769	-£765	-£745
Revised Budget	-£27,714	-£28,238	-£27,714	-£27,710	-£27,690
<b>Net Cost of Services</b>	<b>£18,201</b>	<b>£18,286</b>	<b>£19,606</b>	<b>£19,930</b>	<b>£20,339</b>
<b>NON SERVICE SPECIFIC BUDGETS</b>					
Contribution to capital spend - RCCO	£1,475	£1,125	£1,125	£1,125	£1,125
Provision to repay borrowing (MRP)	£1,498	£1,537	£1,619	£1,707	£1,753
Increase In Bad Debt Provision	£150	£0	£0	£0	£0
Accounting Adjustments	-£4,321	-£4,321	-£4,321	-£4,321	-£4,321
<b>Total Non Service Budgets</b>	<b>-£1,198</b>	<b>-£1,659</b>	<b>-£1,577</b>	<b>-£1,489</b>	<b>-£1,443</b>
<b>NET BUDGET REQUIREMENT</b>	<b>£17,003</b>	<b>£16,627</b>	<b>£18,029</b>	<b>£18,441</b>	<b>£18,896</b>
<b>SOURCES OF FUNDING</b>					
<b>Core Funding</b>					
General Government Grants	-£221	-£341	-£221	£0	£0
New Homes Bonus & Returned NHB	-£109	-£73	-£90	-£99	-£99
Retained Business Rates	-£3,056	-£3,592	-£3,782	-£3,190	-£3,312
<b>Total Core Funding</b>	<b>-£3,386</b>	<b>-£4,006</b>	<b>-£4,093</b>	<b>-£3,289</b>	<b>-£3,411</b>

<b>Other Funding Sources</b>					
Income from Financial Investments	-£828	-£612	-£612	-£612	-£612
Income from Property Investments	-£2,674	-£2,674	-£3,210	-£3,210	-£3,210
Contributions from Partnerships	-£170	-£170	£0	£0	£0
<b>Total Other Funding</b>	<b>-£3,672</b>	<b>-£3,456</b>	<b>-£3,822</b>	<b>-£3,822</b>	<b>-£3,822</b>
<b>Use of Reserves</b>					
Use of Ear marked reserves for specific use	-£1,050	-£748	-£341	-£316	-£320
Use of general reserves	-£1,185	-£50	-£50	-£50	-£14
<b>COUNCIL TAX REQUIREMENT</b>					
	<b>£7,710</b>	<b>£8,367</b>	<b>£9,723</b>	<b>£10,964</b>	<b>£11,328</b>
<b>Council Tax</b>					
Projection of Retained Council Tax at current level	£7,710	£7,710	£7,730	£7,786	£7,882
Additional Council Tax for new properties	£0	£20	£55	£96	£85
<b>Council Tax available at no increase</b>	<b>£7,710</b>	<b>£7,730</b>	<b>£7,786</b>	<b>£7,882</b>	<b>£7,967</b>
<b>Projected shortfall with no increase</b>	<b>£0</b>	<b>-£636</b>	<b>-£1,937</b>	<b>-£3,082</b>	<b>-£3,361</b>
<b>Council Tax available with 3% increase per year</b>	<b>£7,710</b>	<b>£7,965</b>	<b>£8,262</b>	<b>£8,615</b>	<b>£8,968</b>
<b>Projected shortfall with 3% increase per year</b>	<b>£0</b>	<b>-£401</b>	<b>-£1,460</b>	<b>-£2,349</b>	<b>-£2,360</b>

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 **£2.405 million, 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 Taxpayers,

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 £1½m) would result in an increase in the amount to be met by Council Taxpayers of 6.5%. 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
<b>Current Spending</b>	<b>46.7</b>	
Significance of an extra £500,000 in spending		+1.0%
<b>Council Tax Payers</b>	<b>7.7</b>	
Significance of spending an extra £500,000		+6.5%

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 now maintain a minimum spending reserve equivalent to 7.5% 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, or additional costs arising from climate change actions, 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 and the cost of living crisis.
- Demand for Council services remains volatile in some services, and this may be heightened due to economic challenges.
- There has been no provision included for any outcomes for local pay reviews or job evaluation requests.

- 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**. It is likely that the service would move over in 2024/25 at the earliest but some work would still need to be done in-house.
- **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.
- **Waste Collection** – The government's environmental bill will see wholesale changes to the waste collection services that the council currently provides. These will include changes to recycling collections and will include regular food waste collections. The way these changes will be funded has not yet been announced.
- **Population Increases** – The recent Census has shown that the population of the borough has not grown to the same levels as other parts of the country, and this could affect funding that is population based in the short to medium term. However, 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 500 new properties a year will bring in additional income through Council Tax.

## 6.4 THE OPPORTUNITIES PLAN

The Council aims to develop its efficiency plans well in advance of need to ensure that they are sufficiently reliable before being included in budgets, and to allow the full consequences of such changes to be considered and consulted upon where appropriate. Work has been undertaken since 2018 to identify opportunities to close the predicted funding gap, and this has been kept under review.

Some projects in the plan are still in progress and the projections from others as below have been built into the projections:

- Increased garden waste income
- Increased coastal parking income
- Changes to Building Control Operating Partnership model

The fixed funding for the Opportunities plan work came to an end in 2022/23, but given the predicted funding gap in the coming years, it is evident that a further use of council reserves will be required to continue this important work to identify further opportunities to manage the Council's financial pressures and remain resilient.

## 7. CONCLUSION

The Council has a long history of prudent financial management, and 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 2023/24 even if Council Tax is increased by 3% each year. There are also a number of budget pressures and uncertainties, both revenue and capital, which do not currently feature in the forecasts.

The position from 2023/24 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 2023 - 24

## 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:

<b>Pay</b>	includes base salary, charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.
<b>Chief Officers</b>	<p>refers to the following roles within the Council:</p> <p>Statutory Chief Officers:</p> <ul style="list-style-type: none"> <li>• Chief Executive Officer, as Head of Paid Service</li> <li>• Director of Support Services, as Monitoring Officer</li> <li>• Deputy Chief Executive Officer, as Section 151 Officer</li> </ul> <p>Non Statutory Chief Officers:</p> <ul style="list-style-type: none"> <li>• Director of Planning and Regulation</li> <li>• Director of Leisure and Community</li> </ul>
<b>Deputy Chief Officers</b>	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.
<b>Lowest paid employees</b>	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.
<b>Employee who is not a Chief Officer</b>	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 2023 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 (with 4 additional point relating to responsibility for statutory posts).

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 2022 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 for April 2022 was settled in October 2022 with a cash sum of £1,925 applied to each scale point. This resulted in a pay award of between 3.45% and 10.50% on the mainstream grades. The pay award with effect from April 2023 is currently under negotiation between the employers and the Unions.

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 £121,465 to £140,282.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £86,746 to £99,346 (£102,879 to £114,253 for statutory posts).

**“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 £58,099 to £86,745.

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.

#### **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 2022-23, including base salary, allowances, etc.

Highest paid employee	£140,282
Median earnings for remainder of workforce	£27,344
Ratio	5.13

**ANNEX A (to the Pay Policy Statement)****Fareham Borough Council - Pay Scales as at 01/04/2022**

<b>Chief Executive Grades &amp; Salary</b>			<b>Directors Grades &amp; Salary</b>	
Spinal Column Point	Annual Salary		Spinal Column Point	Annual Salary
1	£121,465		1	£86,746
2	£126,170		2	£89,469
3	£130,874		3	£92,645
4	£135,579		4	£95,934
5	£140,282		5	£99,346

<b>Senior Management Grades &amp; Salary scales</b>								
Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary
	1	£76,626		1	£66,704		1	£58,099
	2	£79,241		2	£69,053		2	£60,137
1	3	£81,946	2	3	£71,488	3	3	£62,248
	4	£84,340		4	£74,011		4	£64,437
	5	£86,745		5	£76,626		5	£66,704

Local Pay Scales					
GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2022)	GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2022)
1	3	£20,258			
	4	£20,441			
	5	£20,812			
2	5	£20,812	7	26	£35,245
	6	£21,189		27	£36,247
	7	£21,575		28	£37,283
	8	£21,968		29	£38,347
	9	£22,369		30	£39,433
3	9	£22,369	8	30	£39,433
	10	£22,777		31	£40,562
	11	£23,194		32	£41,714
	12	£23,620		33	£42,912
	13	£24,054		34	£44,039
4	13	£24,054	9	34	£44,039
	14	£24,948		35	£45,202
	15	£25,878		36	£46,384
	16	£26,845		37	£47,609
	17	£27,344		38	£48,733
5	18	£28,371	10	38	£48,733
	19	£28,900		39	£49,921
	20	£29,768		40	£51,123
	21	£30,678		41	£52,347
	22	£31,536		42	£52,970
6	22	£31,536	11	42	£52,970
	23	£32,427		43	£54,126
	24	£33,341		44	£55,297
	25	£34,285		45	£56,496
	26	£35,245		46	£57,728



# FAREHAM

## BOROUGH COUNCIL

### Report to Policy and Resources Scrutiny Panel

**Date** 23 January 2023

**Report of:** Deputy Chief Executive Officer

**Subject:** HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS  
2023-24

#### 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 2023-2024. The Deputy Chief Executive Officer will refer any proposals and comments of the Panel to the Executive meeting on 6 February 2023.

#### RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 6 February 2023.

#### Enquiries:

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

#### APPENDICES

**Appendix A:** Report to Executive meeting on 6 February 2023 – Housing Revenue Account Budget and Capital Plans 2023-2024



# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 06 February 2023

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Housing Revenue Account 2023/24</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	Providing Housing Choices

**Purpose:**

This report seeks Executive approval for the revised budget for the Housing Revenue Account for 2022/23, the base budgets and rent increases for 2023/24.

**Executive summary:**

The Executive recommended, and the Council approved, in February 2022, the base budget and rent increase for 2022/23, for Housing Revenue Account (HRA) services.

This report sets out some revisions to the Housing Revenue Account revised budget for 2022/23 and base budget for 2023/24 along with the capital programme and financing for the years 2022/23 to 2026/27. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 1 April 2023.

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 24 February 2023 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 21 with effect from 1 April 2023;
- (b) rents for Council garages be increased by 7% with effect from 1 April 2023;

- (c) the revised budget for 2022/23 be approved; and
- (d) the base budget for 2023/24 be approved.

**Reason:**

To allow the Council to approve the Housing Revenue Account budgets for 2023/24.

**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:**

**Reference papers:**

- (a) Executive 7 February 2022 – Housing Revenue Account 2022/23
- (b) Executive 5 September 2022 – General Fund and Housing Revenue Account Outturn 2021/22
- (c) Executive 9 January 2023 – Finance Strategy, Capital Programme, Revenue Budget and Council Tax – Appendix A Medium Term Finance Strategy
- (d) Executive 7 March 2022 -Assheton Court redevelopment
- (e) Executive 9 January 2023 – Fareham Housing Development of Ophelia Court, Montefiore Drive, Park Gate
- (f) [The Direction on the Rent Standard 2023](#)
- (g) [Policy Statement on rents for social housing](#)

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	06 February 2023
<b>Subject:</b>	Housing Revenue Account 2023/24
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	Policy and Resources

#### INTRODUCTION

1. This report brings together the revenue and capital spending plans for the Housing Revenue Account for 2022/23 and 2023/24 for the Executive to consider. On 9 January 2023, the Executive approved the Council's Finance Strategy for 2023/24 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 the Direction on the Rent Standard 2023 and the Policy Statement on rents for social housing from 1 April 2023.
2. Together these have informed revisions to the 2023/24 revenue and capital budgets and those for future financial years as part of Business Planning for the HRA

#### CAPITAL PROGRAMME

3. 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.

<b>Year</b>	<b>£'000</b>
2022/23	7,292
2023/24	5,706
2024/25	4,351
2025/26	3,990
2026/27	3,800
<b>Total</b>	<b>25,139</b>

4. The capital programme was included in the Capital Strategy to be presented for approval at the 6 February 2023 Executive.
5. During the current financial year, the major schemes of 2 new social rent houses at Queens Road, Fareham; 16 new sheltered housing flats at Station Road, Portchester; and for 11 houses for Shared Ownership at Stubbington Lane, Stubbington; are underway with completion due in Spring 2023.

6. A tender exercise has been completed for nine new affordable shared ownership flats on the former Coldeast Scout Hut site on Montefiore Drive, with work anticipated to start on site in Spring 2023. On 9 January the Executive approved a report updating the funding arrangements to deliver the scheme and the process toward the appointment of contractors.
7. Technical work is at an advanced stage for a new house at both Crossfell Walk and Bellfield, with tender exercises anticipated for both schemes in early 2023.
8. On 7 March 2022 a report was presented to the Executive on the funding arrangements for the redevelopment of Assheton Court in Portchester, including the demolition of the existing building and a new building comprising of up to 60No. sheltered housing apartments. Technical work has continued on this scheme, with a full planning application being submitted and approved on 14 December 2022. Detailed technical designs will now be produced by the Architect/Engineers. An Employers Agent will be appointed, detailed requirements for the build identified and, when appropriate, the full contractor tender process undertaken. Depending on the availability of potential contractors and the tender process outcomes, construction could start in Summer 2023.
9. There are currently two 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.

Site
Wynton Way (Fareham North West)
Menin House regeneration (Fareham North West)

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, the former Scout Hut site, Montefiore Drive, Park Gate and Assheton Court.
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.

## REVENUE BUDGETS

14. The following table summarises the Housing Revenue Account base and revised budgets for 2022/23, and the base budget for 2023/24. A more detailed breakdown is provided in Appendix D.

	<b>Base Budget 2022/23 £'000</b>	<b>Revised Budget 2022/23 £'000</b>	<b>Base Budget 2023/24 £'000</b>
<b>HOUSING REVENUE ACCOUNT</b>			
Income	-12,983	-13,374	-14,228
Tenancy Management & Running Costs	3,825	4,472	4,730
Net Interest	1,697	1,630	1,679
Transfer to Debt Repayment Fund	1,140	1,025	1,025
	<b>-6,321</b>	<b>-6,247</b>	<b>-6,794</b>
Revenue Repairs Expenditure	2,818	3,296	3,444
Depreciation set aside into the Major Repairs Reserve	2,826	2,951	3,050
Revenue Contribution to Capital Programme	400	0	300
<b>Transfer to(-)/from HRA Reserve</b>	<b>277</b>	<b>0</b>	<b>0</b>

15. 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, and with the impact of the cost of living crisis arrears are increasing through the current financial year. The housing Rent Recovery Officer continues to work closely with customers and reports regularly from the housing management system which will inform an anticipated increase in the bad debt provision for the current financial year. Service Charge actuals have been completed for 2021/22.
16. Within Tenancy Management and Running Costs increases have been made for employee costs and for communal heating lighting and cleaning costs.
17. The property repairs and maintenance area has seen a further increase in cost and demand. 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.
18. The Revenue Contribution to Capital programme budget has been reduced as we do not anticipate former council homes being bought back in the current financial year.
19. 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.
20. A summary of all the reserves projected to the end of 2022/23 is set out below:

<b>Reserve</b>	<b>Purpose of Reserve</b>	<b>2021/22 Closing Balance £'000</b>	<b>2022/23 Transfers In £'000</b>	<b>2022/23 Transfers Out £'000</b>	<b>2022/23 Closing Balance £'000</b>
HRA Revenue Reserve	To fund unexpected operating costs	1,210	0	0	1,210
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	0	0	1,500
Debt Repayment Fund	To repay debt	5,700	1,025	0	6,725
Leaseholder Reserve	To fund major repairs on blocks containing leasehold properties	484	0	0	484
<b>Total Revenue Reserves</b>		<b>8,894</b>	<b>1,025</b>	<b>0</b>	<b>9,919</b>
Major Repairs Reserve	To fund capital expenditure on HRA assets	1,993	2,950	3,000	1,943
Housing Capital Development Fund	To fund new developments	545	0	519	26
1:4:1 Receipts	To fund 40% of costs of new acquisitions and Station Road development	1,879	450	612	1,717
<b>Total Reserves</b>		<b>13,311</b>	<b>3,906</b>	<b>3,612</b>	<b>16,305</b>

## RENTS

21. In November 2022 as part of the Government Autumn Statement it was announced that social housing rent increases would be capped at 7% for 2023/24. A new Direction on the rent standard 2023 has been issued along with an updated Policy statement on rents for social housing from April 2023. This is currently a temporary cap applying from the 1 April 2023 to 31 March 2024. This followed a consultation exercise on limiting rent increases in 2023/24 as the previous Policy Statement on Rents for Social Housing from 1 April 2020 onwards allowed increases of up to CPI + 1 % (using the September rate) amounting to 11.1%. The lower 7% cap balances affordability for tenants with rapidly rising cost and capacity pressures being experienced in the social housing sector and our own service areas.
22. 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 2023/24 increase by 95p per week in line with that of rent increases.
23. Examples of proposed rents, along with a comparison of what the levels would be at 11.1% (CPI+1) can be seen in Appendix B.

## FEES AND CHARGES

24. The current fees and charges for the HRA and the charges for 2023/24, approved at the 9 January 2023 Executive, are set out in Appendix C.
25. 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

26. 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

27. Key risks include future changes to the rent policy, an increase in arrears, other increases in void properties and in the cost of repairs, and in utility costs. In particular, if the Government amend their current rent policy so that rents will reduce post 2023/24, this will put further pressure on the HRA finances.

<b>Examples of Potential and Actual Changes</b>	<b>Effect on Expenditure in Year £'000</b>	<b>Effect on Income in Year £'000</b>
Change in rent policy to decrease rents by 1% beyond 2023		125
Loss of income if void rate rises to 5% from 4%		125
Increase of 10% on employees, and supplies and service costs	464	
Increase of 10% in the depreciation charge	300	
Increase on rent arrears by 10%		80
Increase of 20% in cost of responsive repairs	700	

**Enquiries:**

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

## CAPITAL PROGRAMME AND FINANCING

<b>Housing Capital Programme</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Improvements to Existing Stock</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Improvements	1,525,000	1,575,000	1,600,000	1,650,000	1,700,000
Voids	1,200,000	1,200,000	1,220,000	1,220,000	1,200,000
Modifications	275,000	275,000	280,000	280,000	300,000
 Civica – Asset Management	 15,000				
Vehicles	40,000	100,000	70,000	70,000	100,000
 <b>Acquisitions and New Builds</b>					
Acquisitions	283,000	500,000	500,000	500,000	500,000
New Build – Station Road	1,531,000	700,000			
New Build – Assheton Court	100,000				
New Build – Stubbington Lane	1,679,000	300,000			
New Build – Queens Road	569,000	75,000			
New Build – Crossfell Walk	5,000	250,000			
New Build - 51 Bellfield	20,000				
New Build – Coldeast Scout Hut	50,000	731,000	681,000	270,000	
 <b>TOTAL CAPITAL EXPENDITURE</b>	 <b>7,292,000</b>	<b>5,706,000</b>	<b>4,351,000</b>	<b>3,990,000</b>	<b>3,800,000</b>
 <b>Funded by:</b>					
<b>Improvements to Existing Stock</b>					
Major Repairs Reserve	-3,000,000	-3,050,000	-3,100,000	-3,150,000	-3,200,000
 <b>Other Assets</b>					
Civica Asset Management	-15,000				
Vehicles	-40,000				
 <b>Acquisitions and New Builds</b>					
RCCO	-100,000	-300,000	-300,000	-300,000	-300,000
1-4-1 Capital Receipts	-612,000	-480,000	-200,000	-200,000	-200,000
Capital Receipts	-248,000	-250,000			
Capital Development Fund	-519,000	0			
Homes England Grants	-239,000	-514,000	-37,000		
Other Grants and Contributions	-840,000	-32,000			
Borrowing	-1,679,000	-980,000	-644,000	-270,000	
 <b>TOTAL FUNDING</b>	 <b>-7,292,000</b>	<b>-5,706,000</b>	<b>-4,351,000</b>	<b>-3,990,000</b>	<b>-3,800,000</b>

## HRA EXAMPLES OF RENT

	Property Type	2022/23 Actual Rent £	2023/24 Proposed Rent £	Change per week £	Change per week %
Rose Court	1 Bed Flat	88.33	94.51	6.18	7
Grebe Close	2 Bed Bungalow	114.73	122.76	8.03	7
Collingwood Court	1 Bed Flat	107.82	115.36	7.55	7
Foxbury Grove	2 Bed Flat	96.22	102.96	6.74	7
Garden Court	1 Bed Maisonette	86.19	82.23	6.03	7
Sicily House	2 Bed Maisonette	93.35	99.88	6.53	7
Fairfield Avenue	3 Bed House	111.81	119.64	7.83	7
Churchill Close	3 Bed House (shared owner)	97.47	104.29	6.82	7
Jubilee Court	4 Bed House	127.77	136.71	8.94	7
Average for total stock		97.58	104.41	6.83	7
Garages		13.70	14.65	0.95	7

	Property Type	2022/23 Actual Rent £	2023/24 Proposed Rent £	Change per week £	Change per week %
Rose Court	1 Bed Flat	88.33	98.13	9.80	11.1
Grebe Close	2 Bed Bungalow	114.73	127.46	12.73	11.1
Collingwood Court	1 Bed Flat	107.82	119.78	11.97	11.1
Foxbury Grove	2 Bed Flat	96.22	106.90	10.68	11.1
Garden Court	1 Bed Maisonette	86.19	95.76	9.57	11.1
Sicily House	2 Bed Maisonette	93.35	103.71	10.36	11.1
Fairfield Avenue	3 Bed House	111.81	124.23	12.41	11.1
Churchill Close	3 Bed House (shared owner)	97.47	108.29	10.82	11.1
Jubilee Court	4 Bed House	127.77	141.96	14.18	11.1
Average for total stock		97.58	108.41	10.83	11.1
Garages		13.70	15.22	1.52	11.1



## HOUSING FEES & CHARGES

	Notes	Fee 2022/23 £	Fee 2023/24 £	% 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	110.00	10.0
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	50.00	55.00	10.0
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	10.40	15.00	44.2
Per couple per night	Inclusive of VAT	15.60	20.00	28.2
Collingwood Court per room	Inclusive of VAT	26.00	30.00	15.3
Sylvan Court per room	Inclusive of VAT	26.00	30.00	15.3
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.40	5.90	9.3
Keys – Fob		8.70	9.50	9.2
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.70	0.80	14.2
Dry		0.60	0.70	16.6

## DETAILED REVENUE BUDGET

	Base 2022/23 £'000s	Revised 2022/23 £'000s	Base 2023/24 £'000s
<b>Income</b>			
Rents - Dwellings	-11,332	-11,712	-12,475
Rents - Garages	-348	-362	-388
Rents - Other	-20	-20	-21
Service Charges (Wardens, extra assistance, heating)	-632	-650	-687
Cleaning	-185	-185	-198
Grounds Maintenance	-126	-128	-137
Other Fees and Charges	-61	-37	-37
Leaseholder Service Charges & Insurance	-279	-280	-285
	<b>-12,983</b>	<b>-13,374</b>	<b>-14,228</b>
<b>Expenditure</b>			
<b>Tenancy Management and Running Costs</b>			
General Administrative Expenses	2,047	2,492	2,581
Corporate & Democratic Core	76	82	90
Corporate Management	88	69	75
Unapportioned Overhead	20	0	0
Communal Heating Services	145	247	350
Communal Lighting	55	84	88
Rents, Rates & Other Taxes	186	186	200
Communal Cleaning	242	247	272
Grounds Maintenance	267	267	280
Sheltered Housing Service	564	583	604
Bad Debts Provision	50	150	125
Bad Debts Written off	50	35	35
Debt Management Expenses	35	30	30
Sub-total of management costs	<b>3,825</b>	<b>4,472</b>	<b>4,730</b>
<b>Long Term Debt Management</b>			
Interest Payable	1,817	1,830	1,879
Interest Earned on Internal Balances	-120	-200	-200
Transfer to Debt Repayment Fund	1,140	1,025	1,025
<b>Property Repairs and Maintenance</b>			
Revenue Repairs Expenditure	2,818	3,296	3,444
Depreciation	2,826	2,951	3,050
Revenue Contribution to Capital Programme	937	519	300
Contribution from Capital Development Fund	-537	-519	0
<b>Surplus(-)/Deficit for Year</b>	<b>-277</b>	<b>0</b>	<b>0</b>



# FAREHAM

## BOROUGH COUNCIL

### Report to Policy and Resources Scrutiny Panel

**Date**                    **23 January 2023**

**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 to and Senior Officers to Account in the delivery of the Service and the Improvement Actions identified in the Council's Corporate Priorities and Corporate Vision.

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

The relevant notices for decision 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

2022/23  
Decision No.  
2389

### Record of Decision by Executive

Monday, 7 November 2022

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Finance Monitoring 2022/23</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

#### Purpose:

The 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 revenue budgets in the current year, as set out in the following tables:

<b>General Fund</b>	<b>Budget 2022/23</b>	<b>Budget to 30 Sep 22</b>	<b>Actual to 30 Sept 22</b>	<b>Variation</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Service Budgets	13,467	491	407	-84
Non-Service Budgets	-2,679	-54	-54	0
<b>Net Budgets</b>	<b>10,788</b>	<b>437</b>	<b>353</b>	<b>-84</b>

<b>Housing Revenue Account</b>	<b>Budget 2022/23</b>	<b>Budget to 30 Sep 22</b>	<b>Actual to 30 Sept 22</b>	<b>Variation</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Income Budgets	-12,983	-6,631	-6,779	-148
Management Costs	3,825	1,155	1,143	-12
Finance Costs	2,837	700	700	0
Property Costs	6,321	1,409	1,511	102
<b>Net Budgets</b>	<b>0</b>	<b>-3,309</b>	<b>-3,569</b>	<b>-58</b>

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 2022/23.

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:**

A 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)

Monday, 7 November 2022

# FAREHAM

## BOROUGH COUNCIL

2022/23  
Decision No.  
2390

### Record of Decision by Executive

Monday, 7 November 2022

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Treasury Management &amp; Capital Monitoring 2022/23</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

#### Purpose:

The report summarises the Council's borrowing and investment activity and capital expenditure up to 30 September 2022 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 treasury position is set out in the following table:

	<b>31 March 2022 Actual £'000</b>	<b>30 Sept 2022 Actual £'000</b>
Total borrowing	53,199	53,336
Total investments	(22,189)	(27,379)
<b>Net borrowing</b>	<b>31,010</b>	<b>25,957</b>

The Council's net interest budget for 2022/23 is £678,800. With the Bank Rate expected to reach 5% by the end of the year, the budget is likely to be exceeded and will be revised during the revised budget setting period.

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

<b>Capital Programme</b>	<b>Revised Budget 2022/23 £</b>	<b>Budget to 30 Sept 22 £</b>	<b>Actual to 30 Sept 22 £</b>	<b>Variation £</b>
General Fund	16,213,400	1,563,200	1,299,029	-264,171
HRA	9,460,300	3,148,200	3,516,801	368,601
<b>Total</b>	<b>25,673,700</b>	<b>4,711,400</b>	<b>4,815,830</b>	<b>104,430</b>

**Options Considered:**

As recommendation.

**Decision:**

RESOLVED that the Executive notes the Treasury Management and Capital Monitoring report for 2022/23.

**Reason:**

To inform the Executive of the Council's borrowing, investment and capital programme activity up to 30 September 2022.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)

Monday, 7 November 2022

# FAREHAM

## BOROUGH COUNCIL

2022/23  
Decision No.  
2391

### Record of Decision by Executive

Monday, 7 November 2022

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Updated Equalities Objectives 2022/26</b>
<b>Report of:</b>	Director of Leisure and Community
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

**Purpose:**

To agree the Fareham Borough Council Equalities Objectives for 2022-2026.

The Equalities Act 2010 requires local authorities to publish at least one Equality Objective, and that these be renewed every four years. The current published objectives were implemented in 2017 to run until 2021. Proposals for updated objectives to run to 2026 are presented for approval.

**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 agrees the Fareham Borough Council Equalities Objectives for 2022/23, as detailed in the report.

**Reason:**

To ensure ongoing Council compliance with the Equalities Act 2010.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)

Monday, 7 November 2022



# FAREHAM

## BOROUGH COUNCIL

2022/23  
Decision No.  
2392

### Record of Decision by Executive

Monday, 7 November 2022

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Annual Review of the Corporate Strategy 2017-2023 &amp; Local Service Agreements 2021/2022</b>
<b>Report of:</b>	Director of Leisure and Community
<b>Corporate Priority:</b>	(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 2021/22 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. The annual review is an opportunity to consider progress made in delivering corporate priorities during 2021/22 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 performing, both as a whole and 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) notes the Council's performance for the 2021/22 financial year:
- (b) agrees the proposed revisions to the strategy document, as set out in Appendix B to the report; and
- (c) recommends the Annual Review of the Corporate Strategy to Council for approval, subject to any further amendments.

**Reason:**

To meet the requirements of the Council's performance management framework and to provide details of Fareham Borough Council's performance for the 2021/22 financial year.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)

Monday, 7 November 2022



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

## Agenda Item 10(5)

Document is Restricted



# FAREHAM

## BOROUGH COUNCIL

2022/23  
Decision No.  
2400

### Record of Decision by Executive

Monday, 9 January 2023

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Fees &amp; Charges 2023/24</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priority:</b>	Dynamic, prudent and progressive Council

#### Purpose:

The report provides an update and proposals for the Council's fees and charges for the financial year 2023/24.

The report gives the Executive the opportunity to consider the Council's fees and charges for 2023/24 including approving increases in existing charges and consider new charges where applicable.

#### Options Considered:

Councillor Miss J Burton, Executive Member for Health and Public Protection, declared a disclosable pecuniary interest as she is a community user of the facility at Daedalus. As this interest relates specifically to fees and charges for Daedalus, and recommendation (c) asks the Executive to only note the charges, Councillor Burton remained present for the rest of the item but left the room when recommendation (c) was considered and took no part in the discussion or decision for recommendation 9(2)(c).

A deputation was received from Mr Gareth Jones in respect of this item.

As recommendation.

#### Decision:

RESOLVED that the Executive

- (a) approves the fees and charges for 2023/24, as set out at Appendix A to the report;
- (b) notes the fees and charges that will be reviewed by the Licensing and Regulatory Affairs and the Planning Committee;

- (c) notes the Solent Airport Daedalus charges at Appendix B to the report;
- (d) approves the increase for the Trade Waste fees and charges as set out at the confidential Appendix C to the report;
- (e) gives delegated authority to the Head of Streetscene to agree concessions to the Trade Waste charges at Appendix C to win business that will be of benefit to the Council; and
- (f) notes the other fees and charges at Appendix C.

**Reason:**

The proposed fees and charges will continue to support delivery of the Council's services and contribute to the budgets setting process for 2023/24.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)

Monday, 9 January 2023

# FAREHAM

## BOROUGH COUNCIL

**2022/23**  
**Decision No.**  
**2402**

### Record of Decision by Executive

**Monday, 9 January 2023**

<b>Portfolio</b>	Policy & Resources
<b>Subject:</b>	<b>Finance Strategy, Revenue Budget &amp; Council Tax 2023/24</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priority:</b>	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 2022/23 and 2023/24.

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 2022/23 and proposed service budgets for 2023/24.

#### Revised General Fund Revenue Budget 2022/23

The revised general fund revenue budget for 2022/23 amounts to £15,660,700 for service budgets and with other budgets totalling -£4,673,400 (including a use of general reserves of £1,259,500), giving an overall position of £10,987,300 which is an increase of £199,300 from the base budget for 2022/23.

#### General Fund Revenue Budget 2023/24

The proposed general fund budget for 2023/24 totals £15,714,700 for service budgets along with -£3,817,600 for other budgets (including a use of general reserves of £420,900) giving an overall position of £11,897,100 which is an increase of £1,109,100 against the original budget for 2022/23.

#### 5-Year Financial Forecasts

The 5-year financial forecasts for 2022/23 to 2026/27 is predicting a funding shortfall by 2025/26. The fixed funding for the Opportunities Plan work came to an end in 2022/23, but given the predicted funding gap in the coming years, it is evident that a further use of council reserves will be required to continue this important work to identify further opportunities to manage the Council's financial pressures and remain resilient.

**Options Considered:**

A deputation was received in respect of this item from Mr Gareth Jones.

As recommendation.

**Decision:**

RESOLVED that the Executive:

**Financial Forecasts (MTFS)**

- (a) approves the Medium-Term Finance Strategy for the period 2022/23 to 2026/27, as set out at Appendix C to the report;
- (b) agrees to submit the updated Pay Policy, annexed to the Medium-Term Finance Strategy in Appendix C at Annex 2, to Full Council for approval;

**Revenue Budgets**

- (c) approves the revised 2022/23 general fund revenue budget, amounting to £10,987,300, as set out in Appendix A and B to the report; and
- (d) approves the base 2023/24 general fund revenue budget amounting to £11,897,100, 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 2024/25. A further Opportunities Plan needs to be developed to address this and build in capacity for future pressures and uncertainties.

**Confirmed as a true record:**

Councillor SDT Woodward (Executive Leader)

Monday, 9 January 2023