

FAREHAM

BOROUGH COUNCIL

AGENDA

POLICY AND RESOURCES SCRUTINY PANEL

Date: Monday, 22 January 2024

Time: 6.00 pm

Venue: Collingwood Room - Civic Offices

Members:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors M R Daniells

S Dugan

D J Hamilton

Miss T G Harper

Mrs K Mandry

Deputies: Mrs C L A Hockley

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 18 September 2023.

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. Housing Revenue Account Budget and Capital Plans 2024-25 (Pages 11 - 30)

To consider a report by the Assistant Chief Executive Officer on the proposals for the Housing Revenue Account revenue budget and capital programme for 2024-2025.

7. Fees and Charges (Pages 31 - 88)

To consider a report by the Assistant Chief Executive Officer on the proposals for the Fees and Charges for 2024-25.

8. Capital Programme and Capital Strategy 2024-25 (Pages 89 - 112)

To consider a report by the Assistant Chief Executive Officer on the Capital Strategy 2024-25 and the overall Capital Programme for the period 2023-24 to 2027-28.

9. Finance Strategy, Revenue Budget & Council Tax 2024-25 (Pages 113 - 166)

To consider a report by the Assistant Chief Executive Officer on the Finance Strategy, Revenue Budget and Council Tax for 2024-25.

10. Opportunities Plan 2023-24 Progress Update (Pages 167 - 180)

11. Executive Business (Pages 181 - 182)

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) Corporate Strategy 2023-2029 (Pages 183 - 184)

- (2) **Annual Review of Corporate Strategy 2017-2023 and Local Service Agreements 2022-23** (Pages 185 - 186)
- (3) **Capital Programme and Capital Strategy 2024-25** (Pages 187 - 188)
- (4) **Fees and Charges 2024-25** (Pages 189 - 190)
- (5) **Finance Monitoring 2023-24** (Pages 191 - 192)
- (6) **Finance Strategy, Revenue Budget & Council Tax 2024-25** (Pages 193 - 194)
- (7) **Irrecoverable Debts** (Pages 195 - 196)
- (8) **Irrecoverable Debts - Quarter 2** (Pages 197 - 198)
- (9) **Opportunities Plan** (Pages 199 - 200)
- (10) **Osborn Road Multi Storey Car Park** (Pages 201 - 202)
- (11) **Purchase of Strategic Land at Faraday Business Park (South)** (Pages 203 - 204)
- (12) **Sale of Development Land at Faraday Business Park (South)** (Pages 205 - 206)
- (13) **The Council Tax Support Fund** (Pages 207 - 208)
- (14) **Treasury Monitoring and Capital Monitoring 2023-24** (Pages 209 - 210)

12. Scrutiny Priorities

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



A WANNELL
Chief Executive Officer
Civic Offices
www.fareham.gov.uk
12 January 2024

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

FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 18 September 2023

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs S M Bayford (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors: M R Daniells, S Dugan, D J Hamilton, Miss T G Harper and Mrs K Mandry

Also Present: Councillor Mrs K K Trott (Item 8)



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 22 June 2023 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Sarah Robinson to the Panel and congratulated her on her new appointment of Assistant Chief Executive Officer.

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. COUNCIL TAX SUPPORT FUND POLICY

The Council considered a report by the Assistant Director (Finance & ICT) on the proposals for the Council Tax Support Scheme.

RESOLVED that the Panel recommends that the Executive endorses the recommendations in the report at its meeting on 9 October 2023.

7. CAPITAL AND TREASURY MANAGEMENT OUTTURN 2022-23

The Panel considered a report by the Head of Finance and Audit on the Capital and Treasury Management Outturn for 2022-23.

RESOLVED that the Panel notes the content of the report and has no comments to pass to the Executive at their meeting on 9 October 2023.

8. GENERAL FUND AND HOUSING REVENUE ACCOUNT OUTTURN 2022-23

The Panel considered a report by the Head of Finance and Audit on the general fund and housing revenue account outturn for 2022-23.

At the Invitation of the Chairman, Councillor Mrs Trott addressed the Committee on this item.

The Chairman enquired as to whether the war in Ukraine has had any impact on the Council's budgets. The Finance Manager confirmed that the war has had an impact on the homeless budget due to some families in need of

support. However, he also confirmed that the majority of the Ukrainian families have been housed via private arrangements.

Members asked a variety of questions regarding parking charges and income, and whether the increase in revenue from the car parks has reached pre-Covid levels. The Finance Manager confirmed that growth on the car parks has been slow to rebuild and that the Council does not anticipate that the figures will match pre-Covid figures.

Members enquired as to whether the Council predicts that the car parking revenue will increase as the town centre develops, with the new entertainment's venue Fareham Live opening in 2024. The Finance Manager confirmed that the parking charges will be reviewed once Fareham Live is in operation.

RESOLVED that the Panel notes the content of the report and has no comments to pass to the executive at its meeting on 9 October 2023.

9. ANNUAL REVIEW OF THE CORPORATE STRATEGY 2017-2023 AND LOCAL SERVICE AGREEMENTS 2022-23

The Panel considered a report by the Assistant Director (Democracy) on the Annual Review of Corporate Strategy 2017-2023 and the Local Service Agreements 2022-2023.

RESOLVED that the Panel: -

- (i) Note the content of the report; and
- (ii) Recommends that the Executive endorses the recommendations set out in the report to the Executive at its meeting on 9 October 2023.

10. CORPORATE STRATEGY 2023-2029

The Council considered a report by the Assistant Director (Democracy) on the Corporate Strategy for 2023-2029.

Members commented on the disappointing level of response from the public, and asked officers for suggestions on how this could be improved going forward. The Senior Policy, Research and Engagement Office addressed the Panel and informed them that the Engagement team have already started to address this. She advised them of a new Facebook page "Lets Talk Fareham" which has proved to be popular and has received positive responses to. They have also started to introduce Pop Up Consultation Events which again have been positively received. She stressed that the importance of public engagement is to ensure that that it is meaningful engagement.

RESOLVED that the Panel: -

- (i) Note the content of the report; and
- (ii) Recommends that the Executive endorses the corporate Strategy 2023-2029 at its meeting on 9 October 2023.

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 22 June 2023.

(1) Capital & Treasury Management Outturn 2022-23

There were no comments received.

(2) Solent Airport Investment Programme

There were no comments received.

(3) Osborn Road Multi-Storey Car Park

There were no comments received.

(4) Lease of Open Space, Warsash Recreational Ground

There were no comments received.

(5) General Fund & Housing Revenue Outturn 2022-23

There were no comments received.

(6) CONFIDENTIAL - Consideration of Commercial Opportunities Related to Wider Regeneration of Fareham Town Centre

There were no comments received.

(7) Amendments to the Areas of Executive Portfolio Responsibilities

There were no comments received.

12. SCRUTINY PRIORITIES

The Assistant Chief Executive Officer addressed the Panel on this item and gave members the opportunity to put forward any suggestions of items that they would like to scrutinise. There were no suggestions put forward.

(The meeting started at 6.30 pm
and ended at 7.10 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date 22 January 2024

Report of: Assistant Chief Executive Officer

Subject: HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS
2024-25

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 2024-2025. The Assistant Chief Executive Officer will refer any proposals and comments of the Panel to the Executive meeting on 5 February 2024.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 5 February 2024.

Enquiries:

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

APPENDICES

Appendix A: Report to Executive meeting on 5 February 2024 – Housing Revenue Account Budget and Capital Plans 2024-2025

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 05 February 2024

Portfolio:	Policy and Resources
Subject:	Housing Revenue Account 2024/25
Report of:	Assistant Chief Executive Officer
Corporate Priorities:	Providing Housing Choices

Purpose:

This report seeks Executive approval for the revised budget for the Housing Revenue Account for 2023/24, the base budgets and rent increases for 2024/25.

Executive summary:

The Executive recommended, and the Council approved, in February 2023, the base budget and rent increase for 2023/24, for Housing Revenue Account (HRA) services.

This report sets out some revisions to the Housing Revenue Account revised budget for 2023/24 and base budget for 2024/25 along with the capital programme and financing for the years 2023/24 to 2027/28. The report examines the issues affecting the Housing Revenue Account including rent changes with effect from 1 April 2024. In particular it highlights the increased expenditure needed to maintain the Council's housing stock in the next 2 years, and meet the LAHF commitments to deliver three homes for Afghan families and one home for temporary accommodation to be held in the Housing Revenue Account. This will mean that we will not be able to fully continue with our debt repayment put aside in these years. However, any surpluses that do arise will be considered for this purpose.

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. Actions continue to be taken by officers to reduce expenditure where possible. There will also be increased budget monitoring introduced for this period.

Recommendation/Recommended Option:

It is recommended that the Executive approves and recommends to the meeting of the Council to be held on 23 February 2024 that:

- (a) rents be approved for Council Dwellings as set out in paragraph 27 with effect from 1 April 2024;
- (b) rents for Council garages be increased by 7.7% with effect from 1 April 2024;
- (c) the revised budget for 2023/24 be approved;
- (d) the base budget for 2024/25 be approved;
- (e) the Fees and Service Charges at Appendix E be approved.

Reason:

To allow the Council to approve the Housing Revenue Account budgets for 2024/25.

Cost of proposals:

As detailed in the report.

Appendices:

- A: Capital Programme and Financing**
- B: Detailed Revenue Budgets**
- C: Examples of Rent**
- D: Published Housing Fees and Charges**
- E: Confidential Fees and Charges 2024/25****

** Fees and Charges 2024/25 Appendix E (Confidential) – By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person and category 7A (information which is subject to an obligation of confidentiality) of Schedule 12A Local Government Act 1972 and the Council's Access to Information Procedure Rules. It is not in the public interest to publish this information as it would harm the Council's ability to achieve best value by way of negotiations where there may also be an obligation of confidence in relation to the financial and technical content for any procurement exercise. Disclosure could adversely affect competitive bids and remove the necessary element of market competition that drives best value principles.

Background papers: None

Reference papers:

- (a) Executive 6 February 2023 – Housing Revenue Account 2023/24
- (b) Executive 3 July 2023 – General Fund and Housing Revenue Account Outturn 2022/23
- (c) Executive 8 January 2024 – 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) Executive 9 October 2023 – Town Centre property acquisition
- (g) Executive 9 October 2023 – Facilitating the use of the Local Authority Housing Fund
- (h) [The Direction on the Rent Standard 2023](#), Department for Levelling Up, Housing & Communities
- (i) [Policy Statement on rents for social housing](#), Department for Levelling Up, Housing & Communities

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	05 February 2024
Subject:	Housing Revenue Account 2024/25
Briefing by:	Assistant Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the revenue and capital spending plans for the Housing Revenue Account for 2023/24 and 2024/25 for the Executive to consider. On 8 January 2024 the Executive approved the Council's Finance Strategy for 2024/25 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 Government's Direction on the Rent Standard 2023 and their Policy Statement on rents for social housing from 1 April 2020.
2. Together these have informed revisions to the 2024/25 revenue and capital budgets and those for future financial years as part of Business Planning for the HRA.

HOUSING CAPITAL PROGRAMME

3. The five-year Housing capital programme has been updated and is summarised in the following table.

Year	£'000
2023/24	7,800
2024/25	6,107
2025/26	4,870
2026/27	4,740
2027/28	4,840
Total	28,357

4. More details of the capital schemes and their financing can be found in Appendix A, with the highlights given below. The Housing capital programme was included in the Council's Capital Strategy presented for approval at the 8 January 2024 Executive.

Affordable Housing Delivery

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 Sir Randal Cremer House,

Portchester; and 11 houses for Shared Ownership at Capella Close, Stubbington; have been completed.

6. Work commenced on site for 9 new affordable shared ownership flats at Ophelia Court, the Executive having approved a report updating the funding arrangements to deliver the scheme in January 2023.
7. Work is anticipated to start in March 2024 for a new social rent house at Bellfield. A tender process has been completed with prices for design and build coming in within the original budget of £350,000 for the scheme. However, if final on costs such as consultancy and utility matters are as high as 15%, these would exceed that budget approval. These costs will be monitored and if necessary, a further report will be presented to the Executive if the budget is likely to be significantly exceeded.
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 60 sheltered housing apartments. Technical work has continued on this scheme, with a full planning application approved on 14 December 2022, containing detailed technical designs produced by the Architect/Engineers and demolition of the existing building. A tender process is currently underway for design and build of the scheme which will then further inform the budget setting needed within the Capital Programme.
9. The Affordable Housing Delivery Team have secured Homes England grant funding for the Ophelia Court development and are also working closely with Homes England on securing significant grant funding for the Assheton Court development, both as part of the Affordable Homes Programme 2021-26. To secure the funds development needs to be completed by March 2026.
10. There are currently further development / acquisition 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. Future capital projects and regeneration opportunities are likely to include council owned sites allocated within the Local Plan.

Site
Town centre acquisition (Fareham East)
Wynton Way (Fareham North West)
Menin House regeneration (Fareham North West)

Improvements to Existing Housing Stock

11. The budget for component planned maintenance and improvements to existing properties has been increased for the current and future financial years covered by the capital programme. The Capital Strategy has been increased to reflect this revised figure of £4million (previously £3million). This is due to this being an area of significant cost pressures that have not been at this level for many years. Contributory factors include continually increasing costs of materials and labour, an ageing stock profile and a need to make the stock greener, along with increased regulation whilst maintaining service standards. A Stock Condition Survey is currently underway to inform future years required budget and spending pressures, with full stock coverage over a 5 year

period (20% of stock per year).

Financing Options

12. The financing of the Housing capital programme is from the Major Repairs Reserve, Housing Capital Receipts, HRA Revenue Contributions to Capital Outlay (RCCO and 1-4-1 capital receipts from Right to Buy sales and borrowing. The HRA must be a ring-fenced account, this means that it must, in general, balance on a year-to-year basis, so that the costs of running the service, which include debt charges, administration costs and maintenance expenditure must be met from HRA income. The ringfencing of the HRA ensures that all the income and expenditure in relation to managing the council housing stock is separate to the General Fund and there is no cross subsidy between either fund (tenants and the taxpayer and vice versa).
13. In addition to these internal and borrowed resources, grant bids will be sought wherever possible.
14. New build Fareham Housing homes could be funded from a combination of the following: -
 - a) Right to Buy initial receipts and Right to Buy 1-4-1 receipts;
 - b) Other Housing Capital receipts (not combined with Right to Buy 1-4-1 receipts)
 - c) Section 106 monies for the purpose of affordable housing provision; (not combined with Right to Buy 1-4-1 receipts)
 - d) Homes England grant funding (not combined with Right to Buy 1-4-1 receipts); and/or
 - e) Additional borrowing on the Housing Revenue Account.
15. Additional borrowing for large schemes would come from the Public Works Loan Board (PWLB). A new discounted PWLB rate is currently available until the end of June 2025 for authorities borrowing for the HRA.
16. 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.
17. The most appropriate form of borrowing will be established by the Council's Finance Team in consultation with the Chief Executive Officer in order to fund the development schemes at Ophelia and Assheton Court and similar schemes.
18. Future reports are being developed which will detail estimated cost and funding arrangements along with the progress toward the appointment of an appropriate contractor.

REVENUE BUDGETS

19. The following table summarises the Housing Revenue Account base and revised budgets for 2023/24, and the base budget for 2024/25. A more detailed breakdown is provided in Appendix B.

	Base Budget 2023/24 £'000	Revised Budget 2023/24 £'000	Base Budget 2024/25 £'000
HOUSING REVENUE ACCOUNT			
Income	-14,228	-14,391	-15,316
Tenancy Management & Running Costs	4,730	4,740	4,972
Net Interest	1,679	1,650	1,650
Transfer to Debt Repayment Fund	1,025	0	542
	-6,794	-8,001	-8,152
Revenue Repairs Expenditure	3,444	3,636	3,747
Depreciation set aside into the Major Repairs Reserve	3,050	3,130	3,205
Revenue Contribution to Capital Programme	300	1,235	1,200
Transfer to(-)/from HRA Reserve	0	0	0

20. The income budget has been uplifted to reflect proposed increases in rent and service charges. Changes in circumstances and financial stability for some tenants continue to impact on rent being paid, and with the impact of the cost of living crisis still being experienced, 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.
21. The provision made for bad debts was increased significantly in the 2022/23 financial year. Assessing current debt levels, the provision will not need such a high increase for 2023/24 and 2024/25 and so this budget has been revised downwards.
22. Within Tenancy Management and Running Costs increases have been made for employee costs, impacting General Administration, Sheltered Housing, Grounds Maintenance and Communal Cleaning areas. An increase has been allowed for Council Tax incurred against void properties. The budgets for Communal Heating and Lighting have been reduced, recognising the reduction in gas costs being charged from October 2023 to October 2024.
23. A budget increase for the property repairs and maintenance and materials area is proposed to reflect the employment costs of the building maintenance team as well as higher costs that suppliers face and that are inevitably passed on to the Council. Leaseholder Service Charge actuals have been completed for 2022/23, income was higher than originally anticipated with repairs arising from the external decoration programme, this is also reflected in the income budget.
24. The Revenue Contribution to Capital programme budget has been increased significantly to fund the higher value of Capital Improvements work and former council homes being bought back in the current financial year to deliver the LAHF programme commitments. This is a government initiative that supports the government's humanitarian obligations to provide safe and suitable housing to those fleeing Afghanistan, alongside helping to deliver DLUHC's commitment to help those who are homeless to secure accommodation. The Council has secured matched funding to provide three 2 – 4 bed properties for the resettlement of Afghan families and one temporary accommodation home. In order to meet the criteria of the funding, the properties must be in the ownership of the Council by 29 March 2024.

25. This increase has a direct impact on the set aside of reserves for repayment of debt, the budget provision of £1.025 million for this has therefore had to be removed for 2023/24. However, if any budget surplus does arise for the year this may be considered for this use. Increased budget monitoring will be introduced to try and achieve this position.
26. The proposed budgets do include a clear, albeit reduced, set aside of reserves in 2024/25 towards repayment of 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 28 to 37 years and to date there has been approximately £7 million put aside for this purpose.
27. A summary of all the reserves projected to the end of 2023/24 is set out below:

Reserve	Purpose of Reserve	2022/23 Closing Balance £'000	2023/24 Transfers In £'000	2023/24 Transfers Out £'000	2023/24 Closing Balance £'000
HRA Revenue Reserve	To fund unexpected operating costs	1,337	0	0	1,337
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	0	0	1,500
Debt Repayment Fund	To repay debt	6,840	0	0	6,840
Leaseholder Reserve	To fund major repairs on blocks containing leasehold properties	620	0	0	620
Total Revenue Reserves		10,297	0	0	10,297
Major Repairs Reserve	To fund capital expenditure on HRA assets	157	3,125	-3,230	52
1:4:1 Receipts	To fund 40% of costs of new acquisitions and Station Road development	1,703	250	-105	1,848
Total Reserves		12,157	3,375	-3,335	12,197

RENTS

28. 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 was issued along with an updated Policy statement on rents for social housing from April 2023. This was a temporary cap applying from the 1 April 2023 to 31 March 2024. For 2024/25, an increase of 7.7% is proposed, in line with allowed increases of up to CPI + 1% (using the September 2023 CPI rate of 6.7%).
29. A recent change in policy from the Department for Levelling Up, Housing & Communities (DLUHC) came into effect from 12 October 2023 changing the basis of the annual rent review for relevant Shared Ownership leases from a maximum of RPI + 0.5% to CPI + 1.0%, thereby aligning Shared Ownership rents with the maximum annual rent increase for Social and Affordable rented homes. For 2024/25, an

increase of 7.7% is proposed, in line with allowed increases of up to CPI + 1% (using the September 2023 CPI rate of 6.7%).

30. 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 2024/25 increase by 7.5% (£1.10 per week) in line with that of rent increases.
31. Examples of proposed rents can be seen in Appendix C.

FEES AND CHARGES

32. The current published fees and charges for housing and the charges for 2024/25, approved at the 8 January 2024 Executive, are set out in Appendix D. The statutory charge is subject to the control and advice of Government. The current level of charge has been set at the maximum allowed.
33. Service Charges for the HRA and Careline customers for 2024/25 are set out in confidential Appendix E for Executive approval. These are mainly set to recover the costs the Council incurs. In some cases, it has been possible to reduce the charges this year due to costs going down.

RISK ASSESSMENT

34. 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
35. 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 2024/25, this will put further pressure on the HRA finances. Costs from the Regulator of Social Housing are also likely to increase with expenses relating to Tenant Satisfaction Measures along with costs of carrying out the required surveys.
36. Stock maintenance, both revenue and capital areas of spend are also experiencing significant cost pressures that have not been at this level for many years. Contributory factors include continually increasing costs, an ageing stock profile and a need to make the stock greener along with increased regulation whilst maintaining service standards. A Stock Condition Survey is currently underway to inform future years required budget and spend prioritisation with full stock coverage over a 5 year period (20% of stock per year).

Examples of Potential and Actual Changes	Effect on Expenditure in Year £'000	Effect on Income in Year £'000
Change in rent policy to decrease rents by 1% beyond 2024		130
Loss of income if void rate rises by 1%		130
Increase of 10% on employees, and supplies and service costs	494	
Increase of 10% in the depreciation charge	320	
Increase on rent arrears by 10%		80
Increase of 20% in cost of responsive repairs	760	

37. Mitigating actions continue to be taken by the service to try to reduce costs where they can. Particular projects currently underway are reviewing the responsive repair framework of suppliers and also the voids process to reduce the periods that properties are vacant leading to reduced income and increased costs.
38. However, there remains considerable pressure on the Housing Revenue Account. Increased budget monitoring is therefore to be introduced for the foreseeable future.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

39. The subject matter of this report is not anticipated to have an impact on the Council's carbon footprint, nor is it expected to have a detrimental or beneficial impact to the wider environment.

Enquiries:

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

HOUSING CAPITAL PROGRAMME AND FINANCING

	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
Improvements to Existing Stock					
Improvements	1,500,000	1,600,000	1,600,000	1,700,000	1,800,000
Voids	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Modifications	500,000	500,000	500,000	500,000	500,000
Vehicles	130,000	100,000	40,000	40,000	40,000
Acquisitions and New Builds					
Acquisitions	1,400,000	500,000	500,000	500,000	500,000
New Build – Sir Randal Cremer House	227,000				
New Build – Assheton Court	500,000				
New Build – Capella Close	393,000				
New Build – Queens Road	115,000				
New Build - 51 Bellfield	35,000	270,000	30,000		
New Build – Ophelia Court	1,000,000	1,137,000	200,000		
TOTAL CAPITAL EXPENDITURE	7,800,000	6,107,000	4,870,000	4,740,000	4,840,000
Funded by:					
Improvements to Existing Stock					
Major Repairs Reserve	-3,230,000	-3,300,000	-3,300,000	-3,400,000	-3,500,000
RCCO	-770,000	-800,000	-800,000	-800,000	-800,000
Other Assets					
RCCO - Vehicles	-130,000	-100,000	-40,000	-40,000	-40,000
Acquisitions and New Builds					
RCCO	-335,000	-300,000	-300,000	-300,000	-300,000
1-4-1 Capital Receipts	-105,000	-308,000	-212,000	-200,000	-200,000
Capital Receipts	-500,000				
Homes England Grants	-372,000		-200,000		
Other Grants and Contributions	-946,000				
Borrowing	-1,412,000	-1,299,000	-18,000		
TOTAL FUNDING	-7,800,000	-6,107,000	-4,870,000	-4,740,000	-4,840,000

DETAILED REVENUE BUDGET

	Base 2023/24 £'000s	Revised 2023/24 £'000s	Base 2024/25 £'000s
Income			
Rents - Dwellings	-12,475	-12,430	-13,371
Rents - Garages	-388	-388	-410
Rents - Other	-21	-5	-5
Service Charges (Wardens, extra assistance, heating)	-687	-816	-795
Cleaning	-198	-198	-215
Grounds Maintenance	-137	-137	-150
Other Fees and Charges	-37	-35	-35
Leaseholder Service Charges & Insurance	-285	-371	-323
Government Grant	0	-11	-12
	-14,228	-14,391	-15,316
Expenditure			
Tenancy Management and Running Costs			
General Administrative Expenses	2,581	2,600	2,745
Corporate & Democratic Core	90	90	90
Corporate Management	75	75	75
Unapportioned Overhead	0	10	10
Communal Heating Services	350	270	270
Communal Lighting	88	80	80
Rents, Rates & Other Taxes	200	254	279
Communal Cleaning	272	269	289
Grounds Maintenance	280	310	323
Sheltered Housing Service	604	612	641
Bad Debts Provision	125	100	100
Bad Debts Written off	35	35	35
Debt Management Expenses	30	35	35
Sub-total of management costs	4,730	4,740	4,972
Long Term Debt Management			
Interest Payable	1,879	1,900	1,900
Interest Earned on Internal Balances	-200	-250	-250
Transfer to Debt Repayment Fund	1,025	0	542
Property Repairs and Maintenance			
Revenue Repairs Expenditure	3,444	3,636	3,747
Depreciation	3,050	3,130	3,205
Revenue Contribution to Capital Programme	300	1,235	1,200
Surplus(-)/Deficit for Year	0	0	0

HRA EXAMPLES OF RENT

	Property Type	2023/24 Actual Rent £	2024/25 Proposed Rent £	Change per week £	Change per week %
Rose Court	1 Bed Flat	94.51	101.79	7.28	7.7
Grebe Close	2 Bed Bungalow	122.76	132.21	9.45	7.7
Collingwood Court	1 Bed Flat	115.36	124.24	8.88	7.7
Foxbury Grove	2 Bed Flat	102.96	110.89	7.93	7.7
Garden Court	1 Bed Maisonette	82.23	88.56	6.33	7.7
Sicity House	2 Bed Maisonette	99.88	107.57	7.69	7.7
Fairfield Avenue	3 Bed House	119.64	128.85	9.21	7.7
Churchill Close	3 Bed House (shared owner)	104.29	112.32	8.03	7.7
Jubilee Court	4 Bed House	136.71	147.24	10.53	7.7
Average for total stock		111.79	120.40	8.61	7.7
Garages		14.65	15.75	1.10	7.5



HOUSING FEES & CHARGES

	Notes	Fee 2023/24 £	Fee 2024/25 £	% 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	55.00	58.00	5.5
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	15.00	16.00	6.7
Per couple per night	Inclusive of VAT	20.00	21.00	5.0
Collingwood Court per room	Inclusive of VAT	30.00	32.00	6.7
Sylvan Court per room	Inclusive of VAT	30.00	32.00	6.7
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.90	6.30	6.7
Keys – Fob		9.50	10.10	6.3
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.80	0.85	6.3
Dry		0.70	0.75	7.1

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 **22 January 2024**

Report of: **Assistant Chief Executive Officer**

Subject: **FEES AND CHARGES**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Fees and Charges for 2024/25. The Deputy Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 5 February 2024.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 5 February 2024.

INTRODUCTION

1. On 8 January 2024, the Executive will have reviewed the Council's Fees and Charges for 2024/25. 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 2024/25 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 5 February 2024.

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 2024-24" considered on 8th January 2024](#)

Appendix B: [Executive Report "Appendix B – Solent Airport Daedalus Fees and Charges" considered on 8th January 2024](#)

Appendix C: [Executive Report "Appendix C Fees and Charges 2024-25 Confidential Appendix" considered on 8th January 2024](#)

Background Papers:

Reference Papers:

Enquiries:

For further information on this report please contact Neil Wood on 01329 824506

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 08 January 2024

Portfolio:	Policy and Resources
Subject:	Fees and Charges 2024/25
Report of:	Assistant Chief Executive Officer
Corporate Priorities:	Responsive, Inclusive and Innovative Council

Purpose:

This report provides an update and proposals for the Council's fees and charges for the financial year 2024/25.

Executive summary:

This report gives the Executive the opportunity to consider the Council's fees and charges for 2024/25 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 2024/25 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 2024/25.

Cost of proposals:

There are no costs to the proposals.

Appendices:

A: Published Fees and Charges 2024/25

B: Solent Airport Daedalus Charges from April 2023 for information

C: Confidential Fees and Charges 2024/25**

** Fees and Charges 2024/25 Appendix C (Confidential) – By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person and category 7A (information which is subject to an obligation of confidentiality) of Schedule 12A Local Government Act 1972 and the Council's Access to Information Procedure Rules. It is not in the public interest to publish this information as it would harm the Council's ability to achieve best value by way of negotiations where there may also be an obligation of confidence in relation to the financial and technical content for any procurement exercise. Disclosure could adversely affect competitive bids and remove the necessary element of market competition that drives best value principles.

Background papers: None

Reference papers: Report to Executive 9 January 2023 – Fees and Charges 2023/24

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

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	08 January 2024
Subject:	Fees and Charges 2024/25
Briefing by:	Assistant Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

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

FBC Published Fees and Charges	Appendix A	Covered by this report with the following exceptions: <ul style="list-style-type: none"> • Licensing Fees reviewed by the Licensing and Regulatory Affairs Committee in January • Planning Fees reviewed by the Planning Committee in January
Solent Airport Fees and Charges	Appendix B	The charges will be reviewed in March 2024 for implementation in April 2024 by the airport operator after consultation with the Head of Strategic Sites and the Executive Leader.
Confidential Fees and Charges (commercially sensitive)	Appendix C	
A. Trade Waste		Covered by this report
B. Housing Rent and Service Charges (HRA)		An update of these for 2024/25 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 2024/25 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 February 2024.

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 October 2023 is 4.6% and many of the charges have been increased to reflect this and also the increased cost to running the council services. Generally the charges are rounded to be kept at whole pounds.

CHANGES PROPOSED FOR 2024/25

5. There have been a number of changes to fees and charges. In most cases, an increase is proposed in line with the policy and reflects the current high level of inflation. The full list of these proposed charges is given in Appendix A.
6. The following paragraphs detail changes, or otherwise, of the more significant ones.

Statutory Fees

7. 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.
8. One area of statutory fees relates to Planning Charges and with effect from 6 December 2023 it was announced that the minor applications would see an increase of 25% while major applications would see an increase of 35%. These increases are more than the proposed increase to charges that are within the control of the council and the changes could see the budget increase by £100,000 per year. Planning Fees were last increased in January 2018.

Discretionary Charges where No increase is Proposed

9. Town Centre car parking charges have not been increased since October 2010 and there is no proposal to increase them for 2024/25 as it is again likely to impact on service users when there is already reduced use of car parking facilities in the town centre.
10. It has been agreed that there will be a review of town centre parking charges when Fareham Live opens in the latter part of 2024.

New or Increasing Charges

11. The proposed changes to **Beach Hut charges** would be an increase of 5% over the current charge and reflects a similar increase for the previous 3 years.

12. 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. In April 2023 the Executive agreed to Wicor Car Park being included in the coastal car park cohort with charging starting in August 2023.
13. The Fees and Charge Book now incorporates the charges for the **Garden Waste** Collection service approved by members in October 2020. The charges have been reviewed in line with inflation and the new rates are shown in Appendix A.
14. **Trade Waste** charges along with a proposed 5% 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.

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 to ensure they still cover the Council's costs, where possible, whilst providing value for money for users of the services.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

16. The subject matter of this report is not anticipated to have an impact on the Council's carbon footprint, nor is it expected to have a detrimental or beneficial impact to the wider environment.

Enquiries:

For further information on this report please contact Neil Wood 01329 824506



Fees and Charges 2024/25

FAREHAM
BOROUGH COUNCIL

General Notes

1. Fees and Charges are normally reviewed by the Council on an annual basis to apply for the whole of the Financial Year (1 April to 31 March), but it sometimes proves necessary to amend charges at other times during the year.
2. The charges shown in this book are those which apply from 1 April 2024.
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

Fees and Charges for Services	Page
Beach Huts	<u>3</u>
Building Control Partnership	<u>3</u>
Cemeteries and Burial Grounds	<u>4</u>
Clean and Tidy Borough	<u>7</u>
Elections	<u>8</u>
Housing	<u>9</u>
Land Charges	<u>10</u>
Licensing Fees	<u>11</u>
Markets and Town Centre	<u>17</u>
Parking Charges	<u>18</u>
Planning Services	<u>20</u>
Public Protection	<u>23</u>
Waste Collection and Disposal	<u>27</u>
Sports and Leisure	<u>29</u>
Miscellaneous Charges	<u>30</u>



BEACH HUTS

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Ground Rents				
Residents	Inclusive of VAT	615.86	646.65	5.00
Non-Residents	Inclusive of VAT	1,231.72	1,293.30	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 2023/24 £	Fee 2024/25 £	% Increase
ASHES (CREMATED REMAINS) AREA				
Interment for each deceased person				
a) Burial of ashes into a cremation plot	Note 1	255.00	268.00	5.1
Memorials				
b) Purchase of 30 year lease (area selected by Council)	Note 1	275.00	289.00	5.1
c) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	410.00	431.00	5.1
d) Application to place a flat memorial tablet	Note 2	65.00	68.00	4.6
e) Application to add a further inscription onto an existing tablet	Note 2	45.00	47.00	4.4

BURIAL AREA				
Interment for each deceased person				
f) Burial of a person into a new grave	Note 1	1050.00	1103.00	5.1
g) Re-open an existing grave for second burial	Note 1	800.00	840.00	5.0
h) Application to scatter ashes	Note 1	85.00	89.00	4.7
i) Burial of ashes into grave at cremation depth	Note 1	255.00	268.00	5.1
j) Burial of ashes into grave at burial depth	Note 1	470.00	494.00	5.1
k) Burial of a young person (who has not reached 18 years at time of death)	Note 3	No Charge	No Charge	NIL
Exclusive right of burial (30 year lease)				
l) Purchase of 30 year lease (area selected by Council)	Note 1	810.00	851.00	5.1
m) Purchase of 30 year lease (area chosen by customer where possible)	Note 1	1125.00	1181.00	5.0
n) Purchase of 30 year lease (person who has not reached 18 years at time of death)	Note 2	370.00	389.00	5.1
Memorials				
o) Application to place a headstone for ten years	Note 2	220.00	231.00	5.0
p) Renewal of the application to place a headstone	Note 2	31.00	33.00	6.5
q) Application for additional inscription on headstone and re-erection	Note 2	160.00	168.00	5.0
r) Application to place a fixed memorial vase or plaque or similar item on a memorial base	Note 2	65.00	68.00	4.6
s) Application to add a further inscription onto an existing fixed memorial vase	Note 2	45.00	47.00	4.0

MISCELLANEOUS				
t) Hire of Chapel at Wickham Road Cemetery	Note 2	150.00	158.00	5.3
u) Transferring of the ownership of the lease known as the Exclusive Right of Burial	Note 2	80.00	84.00	5.0
v) Administration fee for making arrangements directly with Council (ashes only)	Note 2	85.00	89.00	4.7
w) To undertake the arrangements for funerals under the Public Health Act	Note 2	580.00	609.00	5.0
x) Burial out of hours	Note 2	At Cost	At Cost	
y) Exhumation	Note 2	At Cost	At Cost	
z) Purchase of commemorative bench and plaque	Note 2	1,890.00	1,985.00	5.0
aa) Adoption of existing commemorative bench	Note 2	500.00	525.00	5.0
<p>Notes</p> <ol style="list-style-type: none"> 1. The charge shown is for residents. Non-residents will be charged double the residents rate. 2. The charge shown is for both residents and non-residents. 3. Charges for person under 18 years old will be free to customers at the point of need. The charges, which are the same as for other burials other than there is no difference for residents and non-residents, are reimbursed by the Children's Funeral Fund. 				



CLEAN AND TIDY BOROUGH

The charges shown are currently not subject to VAT.

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Litter and Fouling				
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
Highways – Damage to Street Furniture				
Offender charged at cost plus a 10% administration charge				
Shopping Trolley Collection				
Shopping Trolley Collection		122.00	130.00	6.6

Abandoned Vehicles Refuse Disposal (Amenity) Act 1978

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)
*Notes 1. Supply of the Full Register, monthly update notices and the marked register is restricted by the Representation of the People Regulations. 2. Packing and carriage costs will also apply where relevant. 3. A request for the same part of the register in both printed and data form will be treated as two separate requests.		



HOUSING

	Notes	Fee 2023/24 £	Fee 2024/25 £	% 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	110.00	116.00	5.5
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	55.00	58.00	5.5
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	15.00	16.00	6.7
Per couple per night	Inclusive of VAT	20.00	21.00	5.0
Collingwood Court per room	Inclusive of VAT	30.00	32.00	6.7
Sylvan Court per room	Inclusive of VAT	30.00	32.00	6.7
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	5.90	6.30	6.7
Keys – Fob		9.50	10.10	6.3
Wash Cards (where applicable)	Inclusive of VAT			
Wash		0.80	0.85	6.3
Dry		0.70	0.75	7.1
Homelessness				
Bed & Breakfast charges	100% cost recovery from the homeless of Hotel/Bed & Breakfast charges ineligible for Housing Benefit made straight to the Council.			
Storage of furniture	Homeless households qualifying for financial assistance towards the cost of removal and storage of their possessions must agree to pay a contribution towards these costs based on all their sources of income.			
Other				
Second mortgage enquiry forms	Inclusive of VAT	90.00	96.00	6.7
Care Line Service - Telephone link for assistance (private sector)	Tariff available on application to Sheltered Housing Manager			



LAND CHARGES

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Local Land Charges 1 Search Fees (not subject to VAT) Official Certificate of Search in the whole or any part of the register				
First parcel of land – paper search	Fee per occurrence	42.00	45.00	7.1
First parcel of land – electronic search				
Each additional parcel	Fee per occurrence	13.00	14.00	7.7
CON29R Official Enquiries – Part I				
First parcel of land	Fee per occurrence Inclusive of VAT	200.00	213.00	6.5
Each additional parcel	Fee per occurrence Inclusive of VAT	46.00	49.00	6.5
First parcel of land	Fee per occurrence Inclusive of VAT	34.00	36.00	5.9
Each additional parcel	Fee per occurrence CON29O element inclusive of VAT £49.00 LLC1 element not subject to VAT £14.00	59.00	63.00	6.8
Common Registration Searches	Fee per occurrence Inclusive of VAT	34.00	36.00	5.9
Other Local Land Charges Fees (not subject to VAT)				
Registration of a light obstruction notice	Fee per occurrence	90.00	96.00	6.7
Filing Lands Tribunal certificate	Fee per occurrence	3.30	3.50	6.1
Filing light obstruction judgement etc.	Fee per occurrence	9.00	9.60	6.7
Inspection of rule 10 documents	Fee per occurrence	3.30	3.5	6.1
Office copy register entry	Fee per occurrence	2.00	2.15	7.5
Office copy plan or document	Discretionary			



LICENSING FEES

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

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Lotteries				
Registration	Statutory Charge	40.00	40.00	NIL
Renewal	Statutory Charge	20.00	20.00	NIL

Gambling Act 2005

Charges available on application to Head of Environmental Health.

Licensing Act 2003

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

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

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

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

Premises Licences /Club Applications

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

The Fees are based on rateable values of properties:

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

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

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

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

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

Exceptionally Large Events

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

Personal Licences, Temporary Events and Other Fees

	Fee 2024/25 £
Statutory – Additional Fees are as follows :	
Occasion on which Fee payable	
Personal Licence	37.00
Minor Variations	89.00
Temporary Event Notice	21.00
Application for copy of Licence or summary on theft, loss etc. of Premises Licence or summary	10.50
Notification of change of name or address	10.50
Applications to vary – to specify Individuals as premises supervisor	23.00
Application to transfer Premises Licence	23.00
The removal of conditions for community premises	23.00
Interim Authority Notice	23.00
Application for making a Provisional Statement	195.00
Application for copy of certificate or summary on theft, loss etc. of certificate or summary	10.50
Notification of change of name or alteration of club rules	10.50
Change of relevant registered address of club	10.50
Application for copy of licence on theft, loss etc. of temporary event notices	10.50
Application for copy of licence on theft, loss etc. of personal licence	10.50
Right of freeholder etc. to be notified of licensing matters	21.00

Exemptions

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

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

OR

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

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Discretionary – Other Licences and Fees				
Skin Piercers	Premises	105.00	112.00	6.7
Skin Piercers	Persons	88.00	94.00	6.8
Street Trading Consent	12 months	2,090.00	2,230.00	6.7
Street Trading Consent	6 months	1,155.00	1,232.00	6.7
Street Trading Consent	3 months	616.00	658.00	6.8
Street Trading - Tables and Chairs	New	330.00	352.00	6.7
Street Trading - Tables and Chairs	Renewal	204.00	218.00	6.9
Dangerous Wild Animal Licences	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	165.00	176.00	6.7
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	48.00	51.00	6.3
Animal Boarding Establishment Licences	All initial applications and subsequent renewals where appropriate will also include vets' fees in addition to the charges listed	187.00	200.00	7.0
Home (Domestic) Animal Boarding Establishment Licences		143.00	152.00	6.3
Home Boarding Fee Franchise (including Day Care for Dogs)	Dog Boarding Franchise	176.00	188.00	6.8
	Additional Dog Boarding Franchise property applied for	58.00	62.00	6.9
Pet Shop Licences	All initial applications and renewals where appropriate will also include vets' fees in addition to the charges listed	143.00	152.00	6.3
Dog Breeders Licence	All initial applications and renewals where appropriate will also include vets' fees in addition to the charges listed	209.00	223.00	6.7
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	2,200.00	2,350.00	6.8
Zoo: Renewal (valid for 6 years)	All initial applications and renewals where appropriate will also include vets' fees in addition to the charges listed	2,200.00	2,350.00	6.8
Sex Shops/Establishments	Initial Fee	2,200.00	2,350.00	6.8
Sex Shop/Establishment	Renewal Fee	2,200.00	2,350.00	6.8
Scrap Metal Dealer	New Application	286.00	305.00	6.6
Scrap Metal Dealer	Application Renewal	160.00	170.00	6.3
Mobile Collector	New Application	160.00	170.00	6.3
Mobile Collector	Application Renewal	116.00	124.00	6.9
Variation of Licence		152.00	162.00	6.6
Replacement Licence		25.00	27.00	8.0

Advice to commercial premises	Charge per hour or part thereof	52.00	55.00	5.8
-------------------------------	---------------------------------	-------	-------	-----

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Discretionary – Hackney Carriage and Private Hire Licences				
Vehicle Licence				
Hackney Carriage		215.00	215.00	NIL
Private Hire		215.00	215.00	NIL
Transfer of Licence	(Note 1)	215.00	215.00	NIL
Temporary Transfer	(Note 2,3)	215.00	215.00	NIL
Private Hire Operators Licence				
Private Hire Operators Licence	1 year	215.00	215.00	NIL
Private Hire Operators Licence	3 years	520.00	520.00	NIL
Private Hire Operators Licence	5 years	945.00	945.00	NIL
Drivers Licence				
Hackney Carriage Drivers Licence	1 Year	70.00	70.00	NIL
Hackney Carriage Drivers Licence	3 Years	175.00	175.00	NIL
Private Hire Drivers Licence	1 Year	70.00	70.00	NIL
Private Hire Drivers Licence	3 Years	175.00	175.00	NIL
Dual Drivers Licence	1 Year	95.00	95.00	NIL
Dual Drivers Licence	3 Years	230.00	230.00	NIL
Dual Upgrade		50.00	50.00	NIL
DVLA Drivers' Licence check	Free on-line			
Failure to attend appointment		40.00	40.00	NIL
Replacement Licence		12.00	12.00	NIL
Transfer of Ownership	(Note 1)	30.00	30.00	NIL
Per Test				
Per Test		70.00	70.00	NIL
Driver's Badge				
Issue and Replacement	Inclusive of VAT	18.00	18.00	NIL
Vehicles				
Replacement plates and fixings	Inclusive of VAT	25.00	25.00	NIL
Replacement brackets		17.00	17.00	NIL
Interior windscreen plate		26.00	26.00	NIL

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
<p>Notes</p> <ol style="list-style-type: none"> 1. This charge has been set at a level to cover the cost of administering transfers. Transfers will only be permitted in March and April in exceptional circumstances. 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 2023/24 £	Fee 2024/25 £	% Increase
Fareham Market Inclusive of VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.30	2.45	6.5
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.85	3.05	7.0
Additional Markets	Per foot, minimum of 15ft, maximum of 50ft	1.20	1.30	8.3
Specialist Market Event Space	Pedestrianised area of West Street hire fee. T&Cs apply	240.00	240.00	NA
Portchester Market Not currently subject to VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.20	1.30	8.3
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.76	1.90	8.0
Specialist Market Event Space	Pedestrianised area of West Street hire fee. T&Cs apply	90.00	90.00	NA
Fareham Town Centre Charges Inclusive of VAT				
Flower Basket	Per Basket, supply, install and maintenance	39.50	41.50	5.1
Pitch Hire Standard Pitch	up to 10ft or 3.05 m	38.50	40.50	5.2
Pitch Hire Larger Pitch & Podium	up to 20ft or 6.1m	77.00	81.00	5.2
Pitch Hire	Direct booking non-profit organisation	0.00	0.00	NIL
Commercial Exhibitions Saturdays	Up to 40ft or 12.19m	231.00	243.00	5.2
Commercial Exhibitions All other dates	Up to 40ft or 12.19m	165.00	173.50	5.1



PARKING CHARGES

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

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

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

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

Flexible Season Tickets for use in any outer shopping centre car park(inclusive of VAT)	1 Day £	2 Days £	3 Days £	4 Days £	Weekly £
Full Day					
One Month	13.00	30.00	50.00	60.00	70.00
Quarterly	35.00	80.00	110.00	150.00	170.00
Half Yearly	65.00	140.00	200.00	270.00	300.00
Annual	110.00	230.00	340.00	470.00	520.00

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

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; Wicor Car Park		
Monday – Sunday Standard hourly rates apply between 10am and 6pm	£1.10 per hour with no maximum	£1.10 per hour with no maximum
Season ticket option	£145.00 with a concession rate of £95.00 for residents of Fareham	£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
Notes	
<ol style="list-style-type: none"> 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. 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. The charges are reduced by 50% provided payment is made within 14 days of issue. A surcharge of 50% will be added if paid more than 28 days from issue of Notice to Owner. 	



PLANNING FEES

The majority of Planning Fees are set by central government and are updated from time to time. The current fees apply from 6 December 2023 and can be found on planningportal.co.uk or the fee will calculate when you fill in your application online.

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

The following fees are discretionary

Planning Advice - Residential	Fee payable 2023/24 £	Fee payable 2024/25 £	% Increase
Extensions or other alterations to an existing dwelling including ancillary development within its curtilage	Free	Free	NIL
1 – 9 dwellings*	£285 for first dwelling + £55 for every additional dwelling thereafter	£300 for first dwelling + £58 for every additional dwelling thereafter	5.3 5.5
10 – 49 dwellings*	£865 for first ten dwellings + £12 for every additional dwelling thereafter	£910 for first ten dwellings + £13 for every additional dwelling thereafter	5.2 8.3
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	£285	£300	9.6
- 10 – 50 bedspaces	£575	£605	5.2
- More than 50 bedspaces	£865	£910	5.2

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 2023/24 £	Fee payable 2024/25 £	% 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	£230	£245	6.5
- 101 – 499 m2	£285	£300	5.3
- 500 – 999 m2	£575	£605	5.2
- More than 1,000 m2 where it relates to proposed uses with Classes B1, B2, B8, or a mix of these uses	£805	£850	5.6
- 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 2023/24 £	Fee payable 2024/25 £	% 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)	£230	£245	6.5
Installation or replacement of telecommunications mast	£230 per site	£245 per site	6.5
Minor amendments to an extant planning permission	£115	£125	8.7

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	£170	£180	5.9
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 2023/24 £	Fee payable 2024/25 £	% Increase
Pre-application planning advice charges for listed buildings and heritage advice	£170 per initial enquiry plus VAT	£180 per initial enquiry plus VAT	5.9



PUBLIC PROTECTION

	Notes	Fee 2023/24£	Fee 2024/25 £	% Increase
Dog Control				
Collection of Strays (An additional £25 will be added to this fee where the same dog is found straying, leading to seizure, more than once in any 3 month period)	Statutory Charge Not subject to VAT	25.00	25.00	NIL
Dog Kennelling fees	Per dog up to 7 days Not subject to VAT	126.50	135.00	6.7
Private home check visit	Inclusive of VAT	37.50	40.00	6.7
Housing Act Enforcement charges are not currently subject to VAT				
Private Sector Housing - Housing Act 2004 Enforcement Notices	Charge to be actual cost to the Council up to and including service of Notice			
Inspection and/or sampling of private water supplies/distribution networks	Charge to be actual cost to the Council			
Out of Hours Service	Charge to be actual cost to the Council			
Immigration Service Assessment of Premises Condition	Inclusive of VAT	126.50	135.00	6.7
Licensing of Houses in Multiple Occupancy				
5 people	Not subject to VAT	924.00	986.00	6.7
6 – 10 people	Not subject to VAT	1,155.00	1,232.00	6.7
11 – 15 people	Not subject to VAT	1,386.00	1,480.00	6.8
16 – 20 people	Not subject to VAT	1,617.00	1,725.00	6.7
More than 20 people	Not subject to VAT	1,848.00	1,972.00	6.7

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Food Safety				
Export Health Certificates		99.00	105.00	6.1
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.	242.00	258.00	6.6
Transportation of Unsound Food (Charges are inclusive of VAT)				
First hour (min 1 hour)	Plus disposal of unsound food.	170.50	182.00	6.7
Subsequent whole hours	Plus disposal of unsound food.	88.00	94.00	6.8
Transport and disposal	Charged at cost to the Council			
Training				
Charges for training courses available on application to the Head of Environmental Health				
Pest Control				
Domestic Premises charges include materials and are also inclusive of VAT				
For Persons in Receipt of one or more of the following benefits the treatment is offered at a concession charge:-				
<ul style="list-style-type: none"> • Income-based Jobseeker's Allowance • Income-related Employment and Support Allowance • Income Support • Pension Credit (Guarantee) • Universal Credit (maximum award) 				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	13.00	14.00	7.7
All other insects (including wasps)		22.00	23.50	6.8
Rodents		27.50	29.50	7.3
Pest Control				
Domestic Premises charges include materials and are also inclusive of VAT				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	39.50	42.00	6.3
All other insects (including wasps)		66.00	70.00	6.1
Rodents		77.00	82.00	6.5
Pest Control				
Commercial Premises charges include materials and are also inclusive of VAT				
Rodents and insects	first 15 minutes	93.50	100.00	7.0
Rodents and insects	each additional 15 minutes or part thereof	22.00	23.50	6.8
CCTV				

Access to CCTV footage	Inclusive of VAT	104.50	111.00	6.2
------------------------	------------------	--------	--------	-----

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.				

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
Transfer and Surrender	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
Temporary transfer for mobiles	First transfer	£53
	Repeat following enforcement or warning	£53
Substantial change	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

Local Authority Environmental Permit – Part B				
LAPPC mobile plant charges for 2021/22 onwards (not using simplified permits) not subject to VAT				
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 2023/24 £	Fee 2024/25 £	% Increase
Domestic Bulky Waste				
The charges shown are currently not subject to VAT				
Single Item		48.00	50.00	4.2
Two Small Items		72.00	76.00	5.0
Half Load		110.00	116.00	5.4
Full Load		195.00	205.00	5.1
Trade Waste				
Trade waste charges for both residual and recycling are available on application to the Trade Waste team. Charges made for waste collected outside the borough of Fareham will be subject to standard rated VAT.				
Domestic Garden Waste Collection - Residents (not subject to VAT)				
240 litre (standard bin for individual houses)		39.00	41.00	5.1
240 litre 12 months subscription		65.00	68.00	4.6
140 litre (smaller bin for individual houses)		37.00	39.00	5.4
140 litre 12 months subscription		55.00	58.00	5.4
Change of bin size (up or down) Admin Fee		15.00	16.00	6.0
Domestic Waste and Recycling - Developers (inclusive of VAT)				
The charges shown are for new and replacement bins				
240 litre (standard bin for individual houses) Refuse / Recycling		55.00	58.00	5.4
340 litre (communal bin only permitted for flats) Refuse / Recycling		86.00	90.00	4.7
1100 litre (large communal bin only permitted for flats) Refuse		525.00	551.00	5.0
Domestic Waste and Recycling - Residents (not subject to VAT)				
The charges shown are for new and replacement bins				
240 litre (standard bin for individual houses) Refuse / Recycling		39.00	41.00	5.1

Change of bin size (up or down) Admin Fee		15.00	16.00	6.0
---	--	-------	-------	-----



SPORTS AND LEISURE

Outdoor Sport and Recreation

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Football, Rugby and Hockey, casual games per match - (Notes 1 and 2)				
Senior	Per match	106.00	111.00	4.7
Junior	Under 18	41.00	43.00	4.9
Mini Soccer	Per match	28.00	29.00	3.6
Mini Soccer	Per half day pitch	56.00	59.00	5.4
Training Sessions – 2 hours	Juniors half charge	60.00	63.00	5.0
Football Tournament (Note 1)				
Football Tournament	Per tournament	420.00	441.00	5.0
Cricket, casual games per match - (Notes 1 and 2)				
Senior	Per match	108.00	113.00	4.6
Junior	Under 18	41.00	43.00	4.9
Evening games	Senior	90.00	95.00	5.0
Evening games	Junior	35.00	37.00	5.7
Tennis Courts – per court, per hour – (Notes 1 and 3)				
Senior		13.25	13.90	4.9
Junior	Under 18	5.75	6.00	4.4
Notes				
1. Fees inclusive of VAT unless exemption conditions as set out in the General Notes on page 1 are met.				
2. Clubs not resident in Borough pay double casual rate.				
3. Tennis Clubs are required to make suitable arrangements for public use of courts outside the times required by clubs				

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Bowls – Seasonal Charges - (Note 1)				
Fareham Bowling Club	6 rinks & clubhouse	8,600.00	9,030.00	5.0
Crofton Community Association	6 rinks & clubhouse	8,600.00	9,030.00	5.0
Bowls – Fees - (Note 2)				
Green Fees		6.50	6.80	4.6
Hire of Woods		2.50	2.60	4.0
Hire of shoes	Not applicable at Portchester or Priory Park	2.50	2.60	4.0
Notes				
1. Public to have use of at least one rink at each green				
2. Retained by clubs. Max charge per player per hour				
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Miscellaneous Charges				
Hire of council land for events	Note 2			
Charitable hiring	Note 3	118.00	124.00	5.1
Use of changing facilities	Note 1	60.00	63.00	5.0
Rounders	Note 1	102.00	107.00	4.9
Notes				
1. Fees inclusive of VAT unless exemption conditions as set out in the General Notes on page 1 are met.				
2. At a rate to be determined by the Head of Streetscene on an individual basis proportionate to the estimated income derived from the event. This could include damage deposit.				
3. Charge can be waived at the discretion of the Head of Streetscene.				

MISCELLANEOUS CHARGES

	Notes	Fee 2023/24 £	Fee 2024/25 £	% Increase
Letting of Council Chamber and Committee Rooms				
Collingwood Room	Per hour	95.00	100.00	5.3
Pulheim Room	Per hour	40.00	45.00	12.5
Vannes Room	Per hour	40.00	45.00	12.5
Council Chamber	Per Hour	150.00	160.00	6.6
Conference Room A and B (Floor 8)	Per Hour	28.00	30.00	7.1
Notes				
<ol style="list-style-type: none"> Commercial Organisations only. The hourly charges for room hire below apply when the building is already in use for Council business and are currently exempt from VAT. Additional charges may be levied to recover the cost of preparing rooms, moving furniture, the use of equipment, etc. These charges would be subject to VAT. The following additional charges, to be added when the building is not being used for Council business, after 6.30 pm - per hour £70.00 plus VAT. 				
Printing and Copying				
Charges are available on application to the Director of Support Services.				
General Charges				
Responding to solicitors/consultants enquiries	Inclusive of VAT - Per Question	105.00	115.00	9.5
Responding to other detailed enquiries	At the discretion of the Direction of Planning and Regeneration			
Copies of Statutory Register		105.00	115.00	9.5
Attendance at court as a witness	Charge based on the cost to the Council			
Sponsorship of Roundabouts – subject to VAT				
Agreeing form of works and supervision as agreed with the sponsor, subject to no additional cost to the Council.				
Non-Electronic Communications				
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 1st April 2023

Issue 1.0



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

Admin/Finance: finance@solentairport.co.uk

Website: 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.

Maximum Take off Weight (MTOW) (Kg)	Touch & Go/ Circuit	Landing		Based ¹ GA Landing Card	
		Based ¹	Non-Based	Fixed-Wing	Rotary
≤ 750	£6.50	£13.00		£87.00	-
751-1000	£11.00	£22.00		£157.00	£165
1001-1650	£13.75	£27.50		£218.50	
1651-2000	£22.50	£45.00		£363.00	
2001-2750	50%	£45.00	£72.00		
2751-4999 (Per ton/part thereof)	50%	£17.50	£25.50		
≥ 5000Kg (Per ton/part thereof)	50%	£22.00	£27.50		
≥ 9000Kg (Per ton/part thereof)	50%	£24.75	£30.25		

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

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, including touch and go and unforced go arounds 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.

Passenger Handling Fee (per passenger)	£7.25
---	--------------

➔ *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 £45.00 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	£10.00	£12.75
751-1000	£18.75	£23.00
1001-1650	£22.00	£27.50
1651-2000	£36.50	£45.00
2000-2750	£58.50	£72.50
> 2750 (Per ton/part thereof)	£20.00	£25.00

*Charges per night.

Long Term Parking & Hangarage*

Weight (Kg)	Grass Parking	Premium Parking	Hangarage	
			Nightly	Monthly ¹
< 750	£110.00	£187.00	£27.50	£218.00
751-1000	£115.00	£192.50	£48.00	£225.00
≤1000 (Wingspan >10m)	-	-	£52.00	£328.00
1001-1650	£121.00	£200.00	£57.75	£437.00
1651-2750	£189.00	£264.00	£73.00	£545.00
≥2751	£220.00	£286.00	-	-
2750-3500			On application	On application
> 3500			On application	

*Charges per calendar month.

- ¹Prices 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.

4. Airport Extensions

Fire Cover	Price Per Hour (or part thereof)
RFFS CAT 1	£160.00
RFFS CAT 2	£225.00

- 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	£36.50	£90.75	£121.00
Meeting Room Hire	£22.00	£60.50	£97.00
Pilots' Lounge Hire	Included for handled flights ¹		
Airside Escort	Initial Hour: £60.00 – Subsequent Hours: £33.00		
Filming/Photography	£660 Minimum charge		
Airport Car Park	£5.50 per day		
Taxi Booking	£1.00		
Chauffer Driven Vehicle Booking	£12.50		
Safeguarding Assessment - Surface Penetrations / Obstacles	<i>On Application</i>		
Safeguarding Assessment - Planning / Project Viability Assessment	<i>On application</i>		
Detailed Technical Assessment	<i>On application</i>		

→ ¹Please contact airportmanager@solentairport.co.uk for enquiries relating to external hire of the Pilots' lounge.

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	£65.00
48 hours – 30 days	£100.00
Less than 48 hours	£185.00
Non-Compliance Fee*	£300.00

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.
- ***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)

UAV Ad-hoc Restricted Grass Area Rate¹	£76.00
Model Aircraft Club Flying (Annual Fee)	£2100.00
UAV Based Business Restricted Grass Area (Annual Operator License)	£3,505.00
UAV Based Business Runway Use Per Hour²	£635.00
UAV Based Business Runway Use Full Day Rate³	£6350.00
UAVs above 0.5m wingspan/2.5kg MTOW	<i>On Application</i>
UAV FRZ Operating Permit Admin Fee	From £33.00

→ ¹Rate per day or part thereof.

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

→ ³Per 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 **22 January 2024**

Report of: **Assistant Chief Executive Officer**

Subject: **CAPITAL PROGRAMME AND CAPITAL STRATEGY 2024-25**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Capital Strategy 2024/25 and overall capital programme for the period 2023/24 to 2027/28. The Assistant Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 5 February 2024.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 5 February 2024.

Enquiries:

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

APPENDICES:

Appendix A: Report to Executive meeting on 8 January 2024 – Capital Programme and Capital Strategy 2024/25

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 08 January 2024

Portfolio:	Policy and Resources
Subject:	Capital Programme and Capital Strategy 2024/25
Report of:	Assistant Chief Executive Officer
Corporate Priorities:	Responsive, Inclusive and Innovative Council

Purpose:

This report considers the Capital Strategy for 2024/25, 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 2024/25 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 2024/25 is £16.4 million. The current estimate is that £1.3 million of this will be met by new borrowing.
- ii) A new policy of capitalising officer salary costs that are directly attributable to capital schemes will be considered as part of the total project costs.
- iii) A high-level review of future funding requirements has identified a capital funding requirement of £229 million.
- iv) The Council's investment property portfolio has an estimated value of £70 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 2024/25, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2023/24 to 2027/28, amounting to £82.3 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2024/25 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 2024/25 (including 5-year capital programme as Annex 1)

Background papers: None

Reference papers: CIPFA Prudential Code 2021
 Arlingclose Capital Strategy 2024/25 Template

Enquiries:

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

FAREHAM
BOROUGH COUNCIL

CAPITAL STRATEGY
2024/25



CONTENTS

INTRODUCTION	3
CAPITAL EXPENDITURE	4
CAPITAL FINANCING	8
ASSET MANAGEMENT	11
TREASURY MANAGEMENT	12

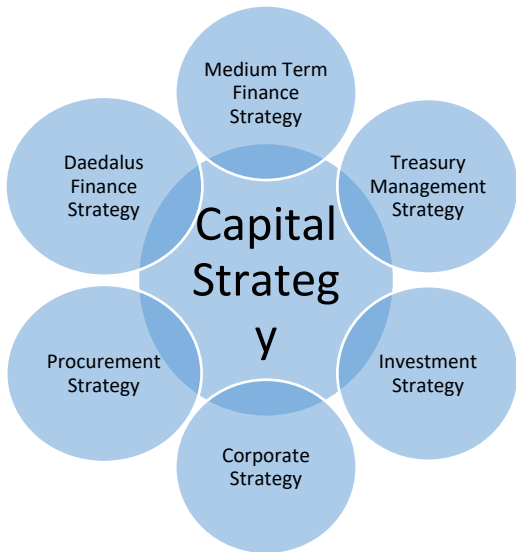
INTRODUCTION

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

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



PRUDENTIAL INDICATORS

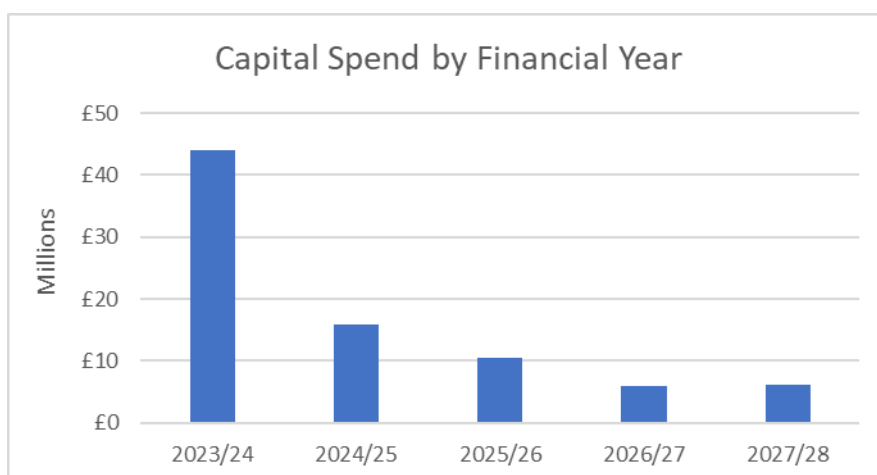
6. The objectives of the CIPFA Prudential Code aim to ensure that capital investment plans are **affordable, prudent and sustainable**, and that treasury decisions are taken in accordance with good professional practice.
7. To achieve these objectives, five prudential indicators are included in the capital 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 2023/24 to 2027/28 has been updated to take account of re-phased schemes and newly approved schemes such as the purchase of Fareham Shopping Centre and the Streetscene asset management plan.
11. Total capital expenditure is one of the risk indicators required by the Prudential Code. The Council is planning capital expenditure of £82.3 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	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	Total £'000
Streetscene	95	354	167	50	139	805
Leisure and Community	11,679	3,403	1,992	100	100	17,274
Housing	942	859	800	800	883	4,284
Planning and Development	128	195	0	0	0	323
Policy and Resources	23,182	5,541	2,500	400	400	32,023
Total General Fund	36,026	10,352	5,459	1,350	1,522	54,709
HRA	7,770	6,007	4,770	4,540	4,540	27,627
Total Expenditure	43,796	16,359	10,229	5,890	6,062	82,336

MAJOR CAPITAL SCHEMES

12. The major General Fund capital schemes include the purchase of Fareham Shopping Centre, Fareham Live, schemes at Solent Airport at Daedalus and Osborn Road 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 such as nine new affordable shared ownership flats at Ophelia Court and a new social rent house at Bellfield.
14. Technical work is progressing on the redevelopment of Assheton Court in Portchester. The total scheme costs will be added to the capital programme on the conclusion of the tender process, currently underway.
15. Major schemes over £2 million are summarised in the table below:

Major Schemes	£'000
HRA Improvements to Existing Stock	20,000
Fareham Shopping Centre	15,302
Fareham Live	13,086
Solent Airport at Daedalus	6,315
Disabled Facilities Grants	4,118
HRA New Builds	3,907
Civic Offices Improvements	3,601
HRA Stock Acquisitions	3,400
Asset Replacement Programme (ICT, Vehicles etc.)	3,183
Osborn Road Car Park	2,347

GOVERNANCE AND PRIORITIES

16. Capital programme expenditure is monitored through monthly officer monitoring reports and half-yearly and annual outturn reports to the Executive.
17. 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.
18. 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.
19. 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.
20. A new policy of capitalising officer salary costs that are directly attributable to capital schemes will now be considered as part of the total project costs.
21. Efforts will be made to secure external (non-borrowing) sources of funding capital schemes. Internal capital resources will only be released to fund schemes once external sources of funding (such as developers' contributions, grants, etc.) have been explored and rejected.
22. Capital schemes will normally be financed by use of capital reserves or external contributions. Borrowing will only be considered where there is a sound economic business case (e.g. for spend to save schemes) whereby borrowing costs are wholly offset by long term net revenue income or savings.

23. Resources allocated to particular capital projects but subsequently not required are returned to meet future corporate priorities rather than be retained for use by that service.
24. To ensure the Council is able to meet the financial challenges ahead, priority is given to the following:
 - Corporate priorities;
 - Providing for future liabilities;
 - Maintaining and protecting public assets;
 - Investing in the future by ensuring assets are sustainable, encourage economic growth and regeneration, and meet the needs of the community.
25. This is achieved by:
 - Building up finances for the future, such as the allocation of windfall income to the Capital Fund Account;
 - Maximising external funding opportunities to reduce the reliance on internal resources;
 - Effective project planning and management to ensure schemes are completed on time and within budget.

SOLENT AIRPORT AND DAEDALUS

26. 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.
27. 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.
28. 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.

CLIMATE CHANGE ACTION PLAN

29. 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 in Scope 1 and 2 emissions by 2030.

30. The annual review of the action plan, presented to the July 2023 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
31. 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.

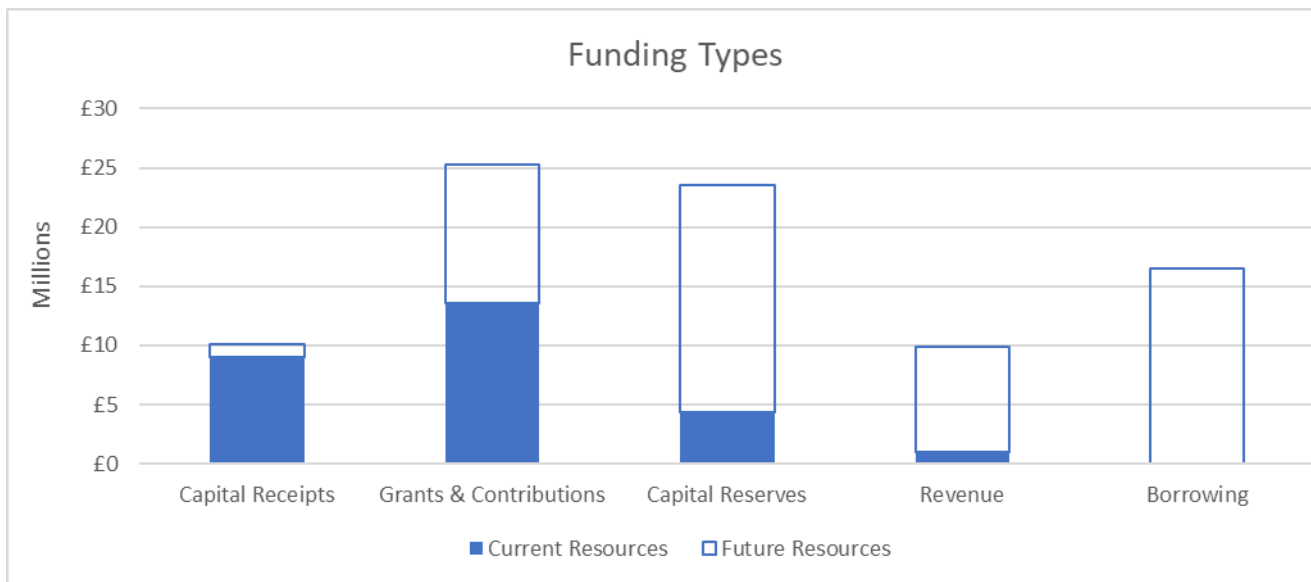
CAPITAL FINANCING

32. 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).
33. The planned financing of the above expenditure is as follows:

Prudential Indicator 1 - Estimates of Financing

Capital Financing	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	Total £'000
Capital Receipts	7,908	1,473	212	200	284	10,077
Grants & Contributions	14,465	6,006	2,900	950	1,038	25,359
Capital Reserves	3,628	5,317	5,317	3,200	3,200	20,662
Revenue	2,775	2,264	1,640	1,540	1,540	9,759
Borrowing	15,020	1,299	160	0	0	16,479
Total Financing	43,796	16,359	10,229	5,890	6,062	82,336

34. Total resources of **£85.4 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of approximately £3.1 million in 2027/28.
35. The chart below shows the different funding types split between current and future resources. Grants and contributions are the largest funding source financing 30% of the programme.



36. 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 £57 million.
37. 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.
38. 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.
39. Spending pressures including repair and refurbishment, or replacement works to Council assets (for example public conveniences and 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:
 - Civic Offices asset management plan
 - 10-year Car Parks asset management plan

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:

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Minimum Revenue Provision	1,546	1,757	1,844	1,899	1,957
Future Capital Receipts	0	1,000	2,000	2,000	3,853

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 but depreciation on those assets will be charged instead in line with regulations.

Capital Financing Requirement

48. 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.

49. 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.

50. The CFR is expected to decrease by £1.5 million during 2024/25 mainly due to MRP exceeding debt funded capital expenditure. The Council’s estimated CFR is as follows:

Prudential Indicator 2 - The Council's borrowing need

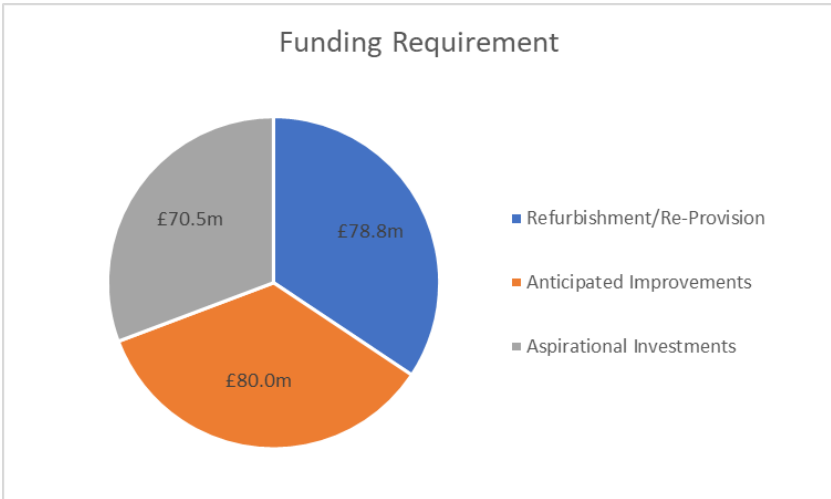
	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund	67,295	64,538	60,836	56,937	51,127
HRA	54,531	55,830	55,848	55,848	55,848
Total CFR	121,826	120,368	116,684	112,785	106,975

ASSET MANAGEMENT

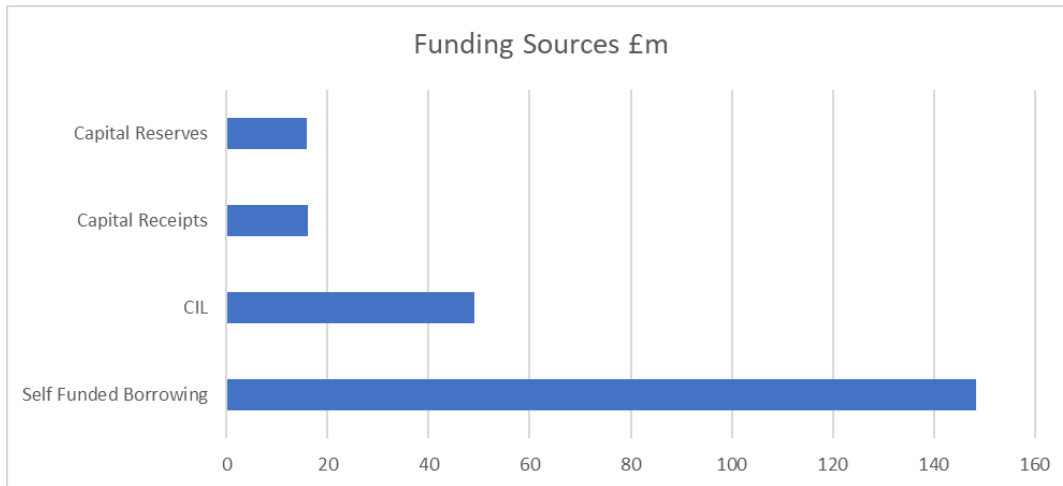
51. One of the Council’s corporate priorities is ‘a dynamic, prudent and progressive Council’ and aims to ‘undertake a major review of all Council owned land and buildings to ensure that we are making the best use of our assets’.

FUTURE FUNDING REQUIREMENTS

52. To ensure that capital assets continue to be of long-term use, a high-level review of the future funding requirements for its land and buildings, excluding Council dwellings has been undertaken. 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:



53. 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:



54. 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

55. 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.
56. Repayments of capital grants, loans and investments also generate capital receipts. The Council estimates to receive capital receipts as follows:

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Right to Buy Houses	600	600	600	600	600
Other Housing Receipts	1,275	16	16	9	9
General Fund Property	1,694	1,000	2,000	2,000	3,853
Total	3,569	1,616	2,616	2,609	4,462

Other Housing Receipts in 2023/24 mainly relates to shared ownership sales at Capella Close. General Fund Property mainly relates to land and property sales at Daedalus and Welborne Cottages (2027/28).

TREASURY MANAGEMENT

57. 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.

- 58. 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.
- 59. At 31 March 2023, the Council had £61.3 million borrowing and £24.8 million treasury investments.
- 60. The Treasury Management Strategy and Investment Strategy for 2024/25 will be presented separately at the February meeting of the Executive.

BORROWING STRATEGY

- 61. 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.
- 62. 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

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Debt at 1 April	61,300	74,300	74,300	72,300	70,300
Capital Financing Requirement (CFR)	121,826	120,368	116,684	112,785	106,975

- 63. 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

- 64. 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.

- 65. 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.
- 66. 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

	2023/24 Revised £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Operational Boundary	164,000	173,000	175,000	173,000	168,000
Authorised Limit	173,000	182,000	184,000	182,000	177,000

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

TREASURY INVESTMENT STRATEGY

- 68. 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).
- 69. The Council does not currently have service investments.

Treasury Investment Policy

- 70. 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.
- 71. Money that will be held for longer terms is invested more widely, including property and multi-assets funds containing bonds and shares, to balance the risk of loss against the risk of receiving returns below inflation.

- 72. 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.
- 73. Further details on treasury investments are set out in the Council’s Treasury Management Strategy.

Treasury Investment Risk Management

- 74. 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

- 75. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Statutory Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by Full Council.
- 76. 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

- 77. 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 **£35.5 million** and expected to generate rental income of £2.7 million during 2024/25.

Property Type	Current Value £’000
Retail	21,785
Commercial (Industrial)	11,740
Other (Healthcare)	1,960
Total	35,485

- 78. The Council’s total investment portfolio, shown below, is valued at **£70 million** and includes Faretec and industrial sites at Palmerston Business Park and

Newgate Lane. The Council purchased the leasehold of Fareham Shopping Centre at the end of September 2023. The table includes the freehold value only.

Property Type	Current Value £'000
Retail	33,790
Commercial	25,245
Other	4,109
Office	5,370
Leisure	1,492
Total	70,006

Commercial Investments Risk Management

79. 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.
80. 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.
81. 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.
82. 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

83. The Executive approved a Commercial Property Investment Acquisition Strategy on 7th January 2013.
84. 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, Statutory Chief Finance Officer and the Executive portfolio holder for Policy Strategy and Finance.
85. Decisions on commercial investments are made by the Executive in line with the criteria outlined in the Commercial Property Investment Acquisition Strategy.
86. 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

	2023/24 Revised	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Total net income from commercial investments £'000	4,059	4,661	4,664	4,610	4,399
General Fund Proportion of net revenue stream	34%	36%	36%	35%	34%

LIABILITIES

87. In addition to debt detailed above, the Council is committed to making future payments to cover its **pension fund deficit** (valued at £10.5 million as at 31 March 2023). It has also set aside provisions of £3.5 million mainly to cover **business rate appeals**.
88. Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Statutory Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by Finance and reported as necessary.
89. Further details on liabilities are given in the 2022/23 Statement of Accounts.

REVENUE BUDGET IMPLICATIONS

90. 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.
91. 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

	2023/24 Revised	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund Financing costs £'000	337	508	665	620	578
General Fund Proportion of net revenue stream	3%	4%	5%	5%	4%
HRA Financing costs £'000	1,785	1,785	1,811	1,822	1,822
HRA Proportion of net revenue stream	12%	12%	11%	11%	10%

92. 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 Statutory Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.

KNOWLEDGE AND SKILLS

93. 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.
94. 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 2023/24 to 2027/28

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£	£	£	£	£	£
STREETSCENE						
Streetscene Asset Management Plan	42,000	303,500	116,500			462,000
Bus Shelters	14,100				89,000	103,100
Play Area Safety Equipment and Surface Replacement	39,400	50,000	50,000	50,000	50,000	239,400
STREETSCENE TOTAL	95,500	353,500	166,500	50,000	139,000	804,500
LEISURE & COMMUNITY						
Buildings						
Fareham Live	11,125,800	2,010,000				13,135,800
Leisure Centres Capital Investment	305,000		141,700			446,700
Community Buildings Review	105,000	286,800				391,800
Whiteley Community Centre Refurbishment		40,000				40,000
Cams Alders Pavilion Roof and Masonry Repairs		100,000				100,000
Fareham North-West Vision		600,000	1,750,000			2,350,000
	11,535,800	3,036,800	1,891,700	0	0	16,464,300
Play Schemes						
Play Area Improvement Programme	100,000	100,000	100,000	100,000	100,000	500,000
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
	100,000	350,000	100,000	100,000	100,000	750,000
Other Community Schemes						
Christmas Lights	43,100					43,100
Allotment Improvements		16,300				16,300
	43,100	16,300	0	0	0	59,400
LEISURE & COMMUNITY TOTAL	11,678,900	3,403,100	1,991,700	100,000	100,000	17,273,700
HOUSING						
Home Improvements						
Disabled Facilities Grants	859,000	859,000	800,000	800,000	800,000	4,118,000
Empty Homes Strategy					83,500	83,500
	859,000	859,000	800,000	800,000	883,500	4,201,500
Enabling						
Gordon Road Acquisition	30,700					30,700
Sea Lane, Stubbington - Self Builds	52,200					52,200
	82,900	0	0	0	0	82,900
HOUSING TOTAL	941,900	859,000	800,000	800,000	883,500	4,284,400

PLANNING & DEVELOPMENT

Car Parks - Surfacing	128,200	195,000				323,200
PLANNING & DEVELOPMENT TOTAL	128,200	195,000	0	0	0	323,200

POLICY & RESOURCES**Replacement Programmes**

Vehicles & Plant Replacements	599,900	745,000	400,000	400,000	400,000	2,544,900
Upgrade Electric Vehicle Infrastructure	50,000					50,000
ICT Development Programme	278,600	124,500	100,000	0	0	503,100
	928,500	869,500	500,000	400,000	400,000	3,098,000

Operational Buildings

Civic Offices Improvement Programme	235,000	1,365,800	2,000,000			3,600,800
Depot Asset Management Works	46,000	161,200				207,200
	281,000	1,527,000	2,000,000	0	0	3,808,000

Property Acquisition

Fareham Shopping Centre	15,302,000					15,302,000
	15,302,000	0	0	0	0	15,302,000

Property Developments

Osborn Road Car Park	500,000	1,847,100				2,347,100
166 Southampton Road Repairs	1,153,100					1,153,100
	1,653,100	1,847,100	0	0	0	3,500,200

Solent Airport at Daedalus

Daedalus Site Wide	100,000	171,900				271,900
Managed Hangarage	25,000					25,000
Taxiway Maintenance	1,679,900					1,679,900
Aeronautical Ground Lighting System	2,625,300					2,625,300
Performance Based Navigation	187,600					187,600
Grounds Maintenance Facility	160,000					160,000
Airport Supply Assets	165,000					165,000
Visual Control Room Improvements	75,000	305,000				380,000
Infrastructure Improvements		820,000				820,000
	5,017,800	1,296,900	0	0	0	6,314,700

POLICY & RESOURCES TOTAL

23,182,400	5,540,500	2,500,000	400,000	400,000	32,022,900
-------------------	------------------	------------------	----------------	----------------	-------------------

GENERAL FUND TOTAL

36,026,900	10,351,100	5,458,200	1,350,000	1,522,500	54,708,700
-------------------	-------------------	------------------	------------------	------------------	-------------------

HOUSING REVENUE ACCOUNT

Improvements to Existing Stock	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
Vehicles	100,000	100,000	40,000	40,000	40,000	320,000
Acquisitions	1,400,000	500,000	500,000	500,000	500,000	3,400,000
New Builds	2,270,000	1,407,000	230,000	0	0	3,907,000

HOUSING REVENUE ACCOUNT TOTAL

7,770,000	6,007,000	4,770,000	4,540,000	4,540,000	27,627,000
------------------	------------------	------------------	------------------	------------------	-------------------

TOTAL CAPITAL PROGRAMME

43,796,900	16,358,100	10,228,200	5,890,000	6,062,500	82,335,700
-------------------	-------------------	-------------------	------------------	------------------	-------------------

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **22 January 2024**

Report of: **Assistant Chief Executive Officer**

Subject: **FINANCE STRATEGY, REVENUE BUDGET & COUNCIL TAX
2024-25**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the overall revenue budget for 2024/25. The Assistant Chief Executive Officer will refer any proposals or comments of the Panel to the Executive meeting on 5 February 2024.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 5 February 2024.

INTRODUCTION

1. On 8 January 2024, the Executive will have reviewed the Council's finance strategy and considered the revenue items to be included in the revised budgets for 2023/24, the budget for 2024/25 and beyond. A copy of this report 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 2023/24 to 2027/28, 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 2023/24 general fund revenue budget, amounting to £12,376,100, as set out in Appendix A and B to the report;
- (d) approves the base 2024/25 general fund revenue budget amounting to £13,065,600, as set out in Appendix A and B to the report;
3. A report will be submitted to the Executive on 5 February 2024. This report seeks final confirmation for the spending plans, together with recommendations for Full Council to consider on 23 February 2024.
4. Officers will provide a verbal update on this report to members of the Policy and Resources Scrutiny Panel on 22 January 2024.
5. Any comments or proposals that the Scrutiny Panel may wish to submit will be considered by the Executive on 5 February 2024.

RISK ASSESSMENT

6. While all spending plans can be met from within existing resources, a drawdown from reserves is required to balance the budget. Growing financial pressures increase the risk that spending plans exceed desirable levels of council tax.
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, Revenue Budget & Council Tax 2024/25" considered on 8th January 2024](#)

Appendix B: [Appendix C to the Executive Report "Finance Strategy, Revenue Budget & Council Tax 2024/25" considered on 8th January 2024](#)

Background Papers:

Reference Papers:

Enquiries:

For further information on this report please contact Neil Wood on 01329 824506.

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 08 January 2024

Portfolio:	Policy and Resources
Subject:	Finance Strategy, Revenue Budget & Council Tax 2024/25
Report of:	Assistant Chief Executive Officer
Corporate Priorities:	Responsive, Inclusive and Innovative Council

Purpose:

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the revised revenue budget for 2023/24 and base budget for 2024/25.

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 2023/24 and proposed service budgets for 2024/25.

Revised General Fund Revenue Budget 2023/24

The revised general fund revenue budget for 2023/24 is now showing a contribution to reserves for the year of £39,000, compared to the original position which was forecasting the need to draw down £401,000 from reserves to help fund the budget spend. This is mainly due to the savings that have been made through the Opportunities Plan in the year and additional income being received from the shopping centre.

General Fund Revenue Budget 2024/25

The proposed general fund revenue budget for 2024/25 totals £16,095,700 for service budgets along with -£3,030,100 for other budgets giving an overall position of £13,065,600 which is an increase of £1,168,500 against the original budget for 2023/24. The figures include a draw down of £598,200 of general reserves to help fund the budget.

5-Year Financial Forecasts

The 5-year financial forecasts for 2023/24 to 2027/28 is predicting a funding shortfall by 2026/27. The Opportunities Plan work recommenced in 2023/24 due to last year's prediction of a funding gap in the coming years, which has served to delay the funding shortfall by a year. However, a budget gap of £1.9million is still being predicted by 2026/27 which cannot be fully funded from the general reserves. The proposed use of council reserves up to £100,000 is therefore still required to continue to develop and implement projects in the Opportunities Plan to help 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 2023/24 to 2027/28, 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 2023/24 general fund revenue budget, amounting to £12,376,100, as set out in Appendix A and B to the report; and
- (d) approves the base 2024/25 general fund revenue budget amounting to £13,065,600, 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 significant funding shortfall by 2026/27 which cannot be covered by the Council's general reserves, so supports the continued action being taken to identify opportunities to reduce costs or increase income.

Cost of proposals:

As detailed in the report.

Appendices: A: General Fund Revenue Budget Summary 2023/24 and 2024/25

B: Detailed Draft Revenue Budgets by Service Portfolio 2023/24 and 2024/25

C: Medium Term Finance Strategy 2023/24 to 2027/28

Background papers: None

Reference papers: Report to the Executive - December 2023 Finance Monitoring 2023-24

Report to the Executive – January 2023 Finance Strategy, Revenue Budget and Council Tax 2023-24

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	08 January 2024
Subject:	Finance Strategy, Revenue Budget & Council Tax 2024/25
Briefing by:	Assistant Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

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

MEDIUM TERM FINANCE STRATEGY

3. The Medium-Term Finance Strategy, attached to this report as **Appendix C**, sets out the broad principles on which the management of the Council's finances are based and provides background information regarding the level of resources, the revenue budget and capital programme.
4. The Council's main priorities are to produce sustainable spending plans, maintain adequate reserves and to continue to minimise increases in the net revenue budget, such that increases in Fareham's proportion of the council tax are not excessive. Consequently, strict budget guidelines must be maintained.
5. The document focuses on the various issues that will impact on the Council's financial position, now and in the future. In the light of these issues, the current financial position has been reviewed and gives the projected position in future years, up to 2027/28. This takes into account the sources of core funding likely to be available to the Council across the 5 years.
6. The Medium-Term Finance Strategy for last year predicted a funding gap of £2.4million by 2025/6. Action was therefore taken to develop a new Opportunities Plan of ways to increase income or reduce costs.
7. 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 this year's Strategy would indicate a funding gap of £1.9 million by 2026/27 even if Council Tax is increased by 2.99% each year.

8. This is a year later than was predicted last year as a result of the action that has already been taken. However, the problem has not yet been fully solved.
9. There are also a number of spending priorities, potential pressures and uncertainties, such as the Government's Waste Strategy 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 6.3%.
10. The Medium-Term Finance Strategy also contains the annual **Pay Policy** update at Annex 2 to the strategy. The policy is reviewed every year to take into account changes that have happened during the year, such as changes to the senior management structure that occurred during 2023/24 and will also look forward to any known changes such as pay awards and triennial pension fund contribution changes. The policy needs to be approved by Full Council before 1 April each year.

GENERAL FUND REVENUE BUDGETS

Revenue Budget 2023/24

11. Members will recall that the Council needed to draw down £744,000 from general reserves in order to balance the budget spend in 2022/23.
12. The base net revenue budget set for 2023/24 set was £11,897,100, an increase of £1,109,100 on the previous year. This was part funded by a council tax increase of 2.99% (£5.24) which was the maximum allowable by the Government before a local referendum is needed. In setting the 2023/24 base budget it was anticipated that £401,000 would be drawn from reserves in order to balance the budget.
13. The revised budgets are indicating an improved position for the year. Although spending estimates have increased, as highlighted in the paragraphs below, the impact of the actions taken, also detailed below, has meant that the funding sources should now exceed the spend by £39,000 which will be a contribution back to the general reserves.

Pressures

14. The budget reflects known changes that have affected spending during the current financial year. which include those as a result of the current cost of living crisis.
15. The **pay award** for 2023/24 was agreed in November and resulted in an average increase across the council of 6.5% which was more than was budgeted although this was partially offset by a reduction in pension contributions which saw the amount paid by the council reduced from 19.3% to 18% of staff salaries.
16. The most significant pressure is the increase in **bed and breakfast expenses** due to changes in government policy that have resulted in an increase in numbers presenting as homeless and therefore increasing costs to over £2million. During the year the remainder of the homelessness reserve will be utilised to offset the increase in costs but this puts pressure on the budget in future years.
17. **Solent Airport** has seen increased costs during the current financial year due to a reduction in income and a requirement to employ additional staff due to safety requirements for operating an airport. This will result in a deficit for 2023/24 which is

against the trend of surpluses for the last 3 years which have totalled almost £500,000.

Savings

18. The impact of the pressures has been partially offset by income from the **shopping centre** that was purchased during the year to assist delivery of the Town Centre Regeneration Vision. This is projected to generate an income stream in the current year and future years.
19. The savings that have resulted from the work of the **Opportunities Plan** during 2023/24 have seen the plan bring in a reduction to budgets of almost £500,000 which has meant that the draw down from reserves is no longer required for the 2023/24 financial year.
20. Further information of how this is spread across portfolios is provided in Appendices A and B.

Revenue Budget 2024/25

21. The revenue budget for 2024/25 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 2024/25 totals £16,095,700 for service budgets along with other budgets of -£3,030,100 giving an overall position of £13,065,600 which is an increase of £1,168,500 against the original budget for 2023/24. This is detailed in Appendices A and B.
22. In preparing the 2024/25 budget there have been many changes as a result of the continuing cost of living crisis where the recovery has been slower than anticipated. Some areas have seen an increase in income, such as town centre **car parking** as more people return to the high streets, but the overall levels of income remain below pre-pandemic levels.
23. Some areas are seeing large increases in costs due to higher-than-average inflation figures. The main pressure area as detailed in paragraph 10 relates to **bed and breakfast expenses** which are anticipated to continue to see high numbers and cost going into the 2024/25 financial year. However, 2024/5 will be the first year that we do not have ear-marked reserves from Homelessness government grants to call on to help fund the costs.
24. The **pay award** for April 2024 has not yet been agreed but levels of awards are continually increasing due to the large increases in the level of the minimum wage that affects all pay and grading decisions. The budget provision built in at the moment is for a 3% increase in pay with pension contributions at the same level as 2023/4.
25. During 2024/25 **Fareham Live** will become operational which has an impact on the revenue budget due to one-off set up costs and also the beginning of the operator costs. This figure will reduce during future years as the venue becomes established and should also see Fareham receiving an element of the profit-sharing agreement.
26. The budget will also see a full year of operation for the **Fareham Shopping Centre**, that was purchased in October 2023, which will see a contribution to the budget of just under £1million of income although this will be partially offset by an increase in

borrowing costs.

27. The **Opportunities Plan** has seen savings of just under £400,000 being applied to the 2024/25 budget with more savings expected to come on stream during the financial year as projects progress. These will be taken into account during the revised budget setting process for 2024/25.
28. There are some elements of pressure that have not been built into the budget due to uncertainties around costs. These include the climate change action plan and the overall government Waste Strategy; locally Hampshire County Council will no longer be giving district councils income from the recycling facilities resulting in a loss of £250,000 to Fareham. The latter change has been built into the budget.
29. 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. The announcements for the actual level of core funding are still awaited.
30. 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.
31. With all of this taken into account there remains a need to draw down from reserves **£598,200** in 2024/5 in order to balance the budget, even if Council tax is increased by 2.99%. There are currently sufficient general reserves available to be used.

GENERAL FUND CAPITAL PROGRAMME

32. The detailed General Fund capital programme for the period 2023/24 to 2027/28 is part of the Capital Strategy and this report will also be presented to the Executive.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

33. The subject matter of this report is not anticipated to have an impact on the Council's carbon footprint, nor is it expected to have a detrimental or beneficial impact to the wider environment.

RISK ASSESSMENT

34. 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.
35. The Executive has previously agreed that the balance on the spending reserve should equate to at least 7.5% of gross revenue expenditure to help protect the Council from extraordinary events. This level is in accordance with the guidance from the Chartered Institute of Public Finance and Accountancy (LAAP77), as to what is an appropriate level to retain.
36. Other general fund reserves will need to be used in order to balance the budget in 2024/25. However, this position will not be sustainable going forward as there are insufficient unallocated reserves available to fund the budget shortfalls from 2026/7. Actions will continue to be taken and increased monitoring will be introduced to reduce the impact on the overall level of reserves and protect the council's financial position. In particular it is proposed that funding continues to be used to support the work in the Opportunities Plan to find solutions to bridge the future funding gap.

37. The Government's expectation and associated funding levels indicate that they believe that Fareham will raise council tax by up to 2.99% next year with a spending review detailing future proposals commencing in 2026/27.

Enquiries:

For further information on this report please contact Neil Wood 01329 824506

GENERAL FUND REVENUE BUDGETS SUMMARY 2023/24 AND 2024/25

a) Revised Budget 2023/24

	Budget 2023/24 £	Revised 2023/24 £	Variation £
Committees			
Licensing and Regulatory Affairs Committee	540,400	495,700	-44,700
Planning Committee	694,300	580,400	-113,900
Executive - Portfolio Budgets			
- Leisure and Community	-38,600	-260,400	-221,800
- Housing	2,270,800	3,394,800	1,124,000
- Planning and Development	1,246,100	1,209,000	-37,100
- Policy and Resources	541,800	-220,100	-761,900
- Health and Public Protection	765,800	352,600	-413,200
- Streetscene	5,592,200	6,174,000	581,800
Accounting Adjustments not included above	4,101,900	3,492,800	-609,100
SERVICE BUDGETS	15,714,700	15,218,800	-495,900
Capital Charges	-4,320,000	-4,094,400	225,600
Direct Revenue Funding	1,125,000	1,125,000	0
Minimum Revenue Provision	1,490,900	1,545,700	54,800
Bad Debt Provision	0	0	0
Interest on Balances	-612,000	-430,200	181,800
Portchester Crematorium	-80,000	-80,000	0
New Homes Bonus	-17,900	-17,900	0
Contribution from Earmarked Reserves	-1,002,700	-929,700	73,000
Contribution to(+)/from(-) General Reserves	-400,900	+38,800	439,700
OTHER BUDGETS	-3,817,600	-2,842,700	974,900
NET BUDGET	11,897,100	12,376,100	479,000

b) Base Budget 2024/25

	Base Budget 2023/24 £	Base Budget 2024/25 £	Variation £
Committees			
Licensing and Regulatory Affairs Committee	540,400	699,100	158,700
Planning Committee	694,300	578,100	-116,200
Executive - Portfolio Budgets			
- Leisure and Community	-38,600	148,600	187,200
- Housing	2,270,800	3,435,900	1,165,100
- Planning and Development	1,246,100	1,221,200	-24,900
- Policy and Resources	541,800	-958,900	-1,500,700
- Health and Public Protection	765,800	373,500	-392,300
- Streetscene	5,592,200	6,706,800	1,114,600
Accounting Adjustments not included above	4,101,900	3,891,400	-210,500
SERVICE BUDGETS	15,714,700	16,095,700	381,000
Capital Charges	-4,320,000	-4,094,400	225,600
Direct Revenue Funding	1,125,000	1,125,000	0
Minimum Revenue Provision	1,490,900	1,756,700	265,800
Bad Debt Provision	0	0	0
Interest on Balances	-612,000	-468,400	143,600
Portchester Crematorium	-80,000	-100,000	-20,000
New Homes Bonus	-17,900	-98,200	-80,300
Contribution from Earmarked Reserves	-1,002,700	-552,600	450,100
Contribution to(+)/from(-) Reserves	-400,900	-598,200	-197,300
OTHER BUDGETS	-3,817,600	-3,030,100	787,500
NET BUDGET	11,897,100	13,065,600	1,168,500

APPENDIX B

DETAILED DRAFT REVENUE BUDGETS BY SERVICE 2023/24 AND 2024/25

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Committees			
Licensing and Regulatory Affairs Committee	540,400	495,700	699,100
Planning Committee	694,300	580,400	578,100
Executive - Portfolios			
Leisure and Community	-38,600	-260,400	148,600
Housing	2,270,800	3,394,800	3,435,900
Planning and Development	1,246,100	1,209,000	1,221,200
Policy and Resources	541,800	-220,100	-958,900
Health and Public Protection	765,800	352,600	373,500
Streetscene	5,592,200	6,174,000	6,706,800
Accounting Adjustments	4,101,900	3,492,800	3,891,400
NET EXPENDITURE	15,714,700	15,218,800	16,095,700

SUBJECTIVE ANALYSIS

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Employees	12,074,400	12,723,400	12,672,800
Premises-Related Expenditure	3,500,400	4,420,000	5,115,500
Transport-Related Expenditure	1,587,500	1,660,900	1,689,700
Supplies and Services	6,527,300	8,526,800	8,596,400
Third Party Payments	2,456,500	2,431,800	3,306,100
Transfer Payments	12,653,900	13,137,500	13,137,500
Support Services	3,657,100	3,848,500	3,952,400
Capital Charges	4,960,700	4,360,800	4,474,400
GROSS EXPENDITURE	47,417,800	51,109,700	52,944,800
Government Grants	-13,962,400	-14,667,200	-14,158,800
Other Grants & Reimbursements	-3,402,400	-3,622,500	-2,958,100
Sales, Fees and Charges	-8,309,000	-9,544,900	-10,310,800
Rents	-5,844,000	-7,786,000	-9,141,100
Recharges to other Accounts	-185,300	-270,300	-280,300
GROSS INCOME	-31,703,100	-35,890,900	-36,849,100
NET EXPENDITURE	15,714,700	15,218,800	16,095,700

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2024/25

LICENSING AND REGULATORY AFFAIRS COMMITTEE

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Hackney Carriage and Private Hire Vehicles	5,500	0	100
Licensing	9,400	3,500	4,300
Health and Safety	159,000	154,700	155,000
Election Services	366,500	337,500	539,700
	<hr/> 540,400	<hr/> 495,700	<hr/> 699,100

PLANNING COMMITTEE

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Planning Applications	243,700	104,900	152,500
Planning Advice	219,500	191,600	194,300
Planning Enforcement	131,400	124,200	127,300
Planning Appeals	99,700	159,700	104,000
	<hr/> 694,300	<hr/> 580,400	<hr/> 578,100

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2024/25

LEISURE AND COMMUNITY PORTFOLIO

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Community Grants	271,200	253,100	204,700
Community Development	282,700	164,900	174,400
Ferneham Hall	200,200	58,800	0
Leisure Centres	-964,100	-859,400	-1,010,100
Fareham Live	0	-12,400	640,700
Community Centres	171,400	134,600	138,900
Total Before Accounting Adjustments	-38,600	-260,400	148,600
Accounting Adjustments for Portfolio	1,952,700	2,060,100	2,173,700
	1,914,100	1,799,700	2,322,300

HOUSING PORTFOLIO

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Housing Grants and Home Improvements	38,100	2,800	2,800
Housing Options	33,600	45,100	45,200
Housing Benefit Payments	44,800	45,500	45,500
Housing Benefit Administration	483,100	436,300	465,100
Homelessness	725,600	1,887,200	1,893,400
Housing Advice	747,500	830,400	819,200
Housing Strategy	205,400	170,700	186,100
Local Land Charges	-7,300	-23,200	-21,400
Total Before Accounting Adjustments	2,270,800	3,394,800	3,435,900
Accounting Adjustments for Portfolio	46,500	45,500	45,500
	2,317,300	3,440,300	3,481,400

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2024/25

PLANNING AND DEVELOPMENT PORTFOLIO

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Flooding and Coastal Management	81,100	95,500	95,500
Transportation Liaison	32,600	33,500	33,500
Conservation & Listed Building Policy	70,200	65,800	67,900
Sustainability & Climate Change	9,100	43,900	46,800
Local Plan	1,053,100	970,300	977,500
Total Before Accounting Adjustments	1,246,100	1,209,000	1,221,200
Accounting Adjustments for Portfolio	88,300	88,300	88,300
	1,334,400	1,297,300	1,309,500

POLICY AND RESOURCES PORTFOLIO

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Democratic Representation and Management	1,345,600	1,179,100	1,212,600
Commercial Estates	-810,000	-1,232,000	-1,244,300
Investment Properties	-2,696,900	-2,375,800	-2,515,100
Solent Airport and Daedalus	-391,000	-368,100	-345,400
Fareham Shopping Centre	0	-539,500	-1,275,800
Public Relations, Comms and Consultation	663,700	675,600	691,900
Unapportionable Central Overheads	148,600	148,600	148,600
Corporate Management	751,100	922,500	925,700
Economic Development	152,300	153,600	135,500
Regeneration	321,900	149,000	170,200
Local Tax Collection	1,056,500	1,066,900	1,137,200
Total Before Accounting Adjustments	541,800	-220,100	-958,900
Accounting Adjustments for Portfolio	889,400	450,000	735,000
	1,431,200	229,900	-223,900

ESTIMATE OF EXPENDITURE AND INCOME FOR THE COUNCIL TAX 2024/25

HEALTH & PUBLIC PROTECTION PORTFOLIO

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Pest Control	77,700	66,900	67,700
Food Safety	152,500	148,100	148,200
Air Quality and Pollution	193,300	177,800	187,900
Community Safety	269,900	203,400	204,500
Emergency Planning	61,300	61,300	61,900
Clean Borough Enforcement	256,800	302,900	320,500
Off-Street Parking	-332,000	-720,700	-724,600
Cemeteries and Closed Churchyards	-111,800	-68,300	-70,100
Building Control	198,100	181,200	177,500
Total Before Accounting Adjustments	765,800	352,600	373,500
Accounting Adjustments for Portfolio	138,900	93,400	93,400
	904,700	446,000	466,900

STREETSCENE PORTFOLIO

	Base Budget 2023/24 £	Revised Budget 2023/24 £	Base Budget 2024/25 £
Parks, Open Spaces and Grounds Maintenance	2,148,800	2,283,600	2,368,600
Countryside Rangers	189,400	208,900	213,400
Street Cleaning	1,070,100	1,103,100	1,122,700
Public Conveniences	262,400	289,100	297,000
Waste Collection	1,150,700	1,239,900	1,284,300
Trade Refuse	-154,500	-112,100	-62,400
Recycling	1,088,700	1,142,100	1,423,600
Green Waste	-660,800	-522,600	-496,100
Tree Management	431,600	466,400	479,700
Street Furniture	65,800	75,600	76,000
Total Before Accounting Adjustments	5,592,200	6,174,000	6,706,800
Accounting Adjustments for Portfolio	986,100	755,500	755,500
	6,578,300	6,929,500	7,462,300
OVERALL BUDGET TOTAL	15,714,700	15,218,800	16,095,700

FAREHAM

BOROUGH COUNCIL



Medium Term Finance Strategy

2023/24 to 2027/28

CONTENTS

	Page No.
1.OVERVIEW OF THE MEDIUM-TERM FINANCIAL STRATEGY (MTFS)	
1.1 PURPOSE	4
1.2 FUNDAMENTAL SPENDING PRINCIPLES	4-6
2. REVENUE POSITION	
2.1 CORE FUNDING RESOURCES	
Local Government Settlement and Fair Funding Review (FFR)	7
FBC Spending Power	7
SFA (Settlement Funding Assessment)	7
Revenue Support Grant	8
Other General Grants	8
Business Rates	9
Council Tax	9
2.2 OTHER FUNDING SOURCES	
Specific Government Grants	10
Financial Investments	10
Property Investments	10
Partnership Contributions	11
Fees and Charges Income	11
2.3 GENERAL CHANGES IN EXPENDITURE	
Service Budgets Added or Deleted	12
Pay Awards	12
Pension Provisions	12
Depreciation / Capital Charges	12
2.4 SERVICE PRESSURES	
Cost of Living Crisis	12
Key Services	13
3. COPORATE PRIORITIES	
3.1 CORPORATE STRATEGY 2023- 2029	14
3.2 FAREHAM LIVE	15
3.3 FAREHAM TOWN CENTRE	15
3.4 SOLENT AIRPORT and DAEDALUS	15
3.5 CLIMATE CHANGE	16

	Page No.
4. CAPITAL POSITION	
4.1 CAPITAL STRATEGY	17
4.2 CAPITAL RESOURCES	17
4.3 MINIMUM REVENUE PROVISION	17
5. PROPOSED BUDGET 2024/25	
5.1 THE BUDGET SETTING PRINCIPLES	18
5.2 BASE BUDGET 2024/25	19
5.3 CONTRIBUTIONS TO RESERVES	20
5.4 COUNCIL TAX 2024/25	21
6. FIVE YEAR FORECASTS	
6.1 OVERALL REVENUE POSITION	22
6.2 SENSITIVITY ANALYSIS	23
6.3 RISKS AND UNCERTAINTIES	24
6.4 THE OPPORTUNITIES PLAN	25
7. CONCLUSIONS	
Annex 1 – Budget Responsibilities	
Annex 2 – Pay Policy Statement	

1. OVERVIEW OF THE MEDIUM-TERM FINANCE 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 reiterated in the Corporate Strategy 2023-2029 that it will "take pride in its careful financial planning". The Medium-Term Finance Strategy is regularly monitored and updated to achieve this aim.

1.2 FUNDAMENTAL SPENDING 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

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. This is particularly important because of the implications for the Council Tax of even modest increases in expenditure (£80k increase in spend is a 1% increase in council tax).
- No new revenue spending plans are included in the revenue budget without the necessary resources to meet the full impact on the wider revenue costs being in place.

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 to ensure the necessary resources are in place:
 - On-going revenue 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.
- 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. 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.

RESERVES

- **Spending Reserve:** A spending reserve will be maintained to cover unplanned changes in revenue expenditure or income. The minimum balance will be **7.5% of gross expenditure**.
- **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**.
- 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 FUNDING AND RECEIPTS

- General Central Government funding will be used to support day-to-day service delivery
- "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 CIL community infrastructure projects in accordance with the priorities of the council.
- In determining the use of funds for capital investment, there should be a bias towards:

- Investing in land & property that will generate a long term source of income;
- Projects that support economic or employment growth;
- Projects that support or secure further housing delivery.

TRANSPARENCY AND OPENNESS

- It is Council policy to be transparent in the decision-making process and provision of information about the Council's activities 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 which actively pursue the achievement of the Council's priorities and achieve more for less.
- The Council will only undertake agency work where the service actively aids the achievement of the Council's priorities and the business case indicates a financial benefit to the Council.
- 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 3 main sources:

- Central Government Grants
- Business Rates
- Council Tax

Local Government Settlement & 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 number of issues the results of this review have been delayed and will now impact on the funding from 2026/27 onwards.

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.

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 table below shows how Fareham's spending power has changed over the last 5 years of the current settlement arrangement and how important they see council tax is as a funding source.

Table to show spending power and how much is funded by council tax.

Year	Core Spending Power £'000s	Council Tax £'000s	% funded by Council Tax
2023/24	10,800	7,965	73.75
2022/23	10,300	7,710	74.85
2021/22	10,000	7,456	74.56
2020/21	10,000	7,171	71.71
2019/20	9,700	6,875	70.88

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.

As the local share of business rates had been fixed to provide a strong incentive for local authorities to promote growth, any changes to the Settlement Funding Assessment can only be applied to the element of funding that is provided through Revenue Support Grant.

As of 2023/24, Fareham's SFA (perceived need) is above its baseline funding level which means the Council is not receiving enough money to run its services. This means that Revenue Support Grant is required to bring the Council's funding to the required level.

However, the latest population census data 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. Fareham didn't receive any RSG from central government for a number of years but is currently in a position where its SFA is higher than the BFL. Therefore, the Council will receive RSG of £100,000 in 2023/24 and £107,000 in 2024/25.

Other General Grants

The Services Grant is another element of government funding that councils receive "*in recognition of the vital services delivered at every level of local government*". This commenced in 2022/23 to reflect changes to funding and to make sure no authority fell below minimum funding levels. Fareham received £133,000 in 2022/23 and will receive £78,000 in the 2023/24 financial year and £65,000 for the 2 years after that.

The Council will also receive a grant for the 3% Funding guarantee which was announced as part of the 2023 settlement announcement. The council will receive £260,000 in 2023/24, £274,000 in 2024/25 and £202,000 in 2025/26.

New Homes Bonus has been received since 2011/12 but the rules surrounding how much grant is received has meant that Fareham has seen changes from when grant received peaked at £2m to the amount for 2023/24 being £18,000.

It is anticipated that these 3 funding streams will stop when the Fair Funding Review is implemented in 2026/27.

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 **£38.1 million** of business rates. Of this 50% (£18.5m) is paid to Central Government with 9% (£3.3m) and 1% (£0.4m) paid to the County Council and the Fire Authority respectively. The remaining 40% (£15.9m) 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 and with other rates adjustments, Fareham retains around **£3.3 million (9%)** of the rates collected. The council's income is also 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 **£1.1 million** for 2024/25.

COUNCIL TAX

Fareham has the 6th 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 2.99% which means that gap between the highest and lowest council taxes will only grow bigger. This is penalising 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 current policy, resulting in the gap between the average authority and Fareham continuing to grow.

The Council Tax for Fareham forms around 74% 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 a minimum of £5 per year for the last 8 years and it is proposed to increase by 2.99% for 2024/25. The Council Tax for a Band D property currently stands at £180.46 which was approved by the Full Council in February 2023. Of the gross expenditure budget of **£50,033,700** (net budget £11,897,100) for council services in 2023/24, £7,965,355 (**15.9%**) was budgeted to be met by Council Tax payers.

This Medium-Term Finance Strategy assumes that there will be an increase of **560(2025/26), 665(2026/27) and 564(2027/28)** 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.

AFFECT ON THE MEDIUM TERM FINANCE STRATEGY



Currently due to the delay in the Fair Funding Review future funding levels remain uncertain. Generally, we are not expecting any increases in core funding, outside of Council Tax, and no government general grants have been relied upon after 2025/6.

2.2 OTHER FUNDING SOURCES

Specific Government Grants

These amounts received from Central Government relate to specific services and will be paid to match expenditure or projects. Grants expected in the 2023/24 and 2024/25 financial years include; benefits, housing advice, disabled facilities grants, homelessness and Council Tax administration.

Financial Investments

This element of income comes from investments of surplus cash and through the Council's cash management opportunities. Interest rates have been increasing since December 2021 and currently stand at 5.25% which has meant that returns on investments have been increasing. However, the amount the council has to invest has reduced due to increased capital spending in recent years.

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

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

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

Overall, we are predicting a reduction in income from investments in 2023/24 due to increased 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 **£2.7 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 £100,000 per annum to £NIL in 2025/26 and for the remainder 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 2024/25 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. However, the Government has introduced an increase in planning application fees from the latter part of 2023/4.
- **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 2024/25 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 **5%** is proposed.
 - Specific charges which have been reviewed and there are no alternative increases proposed.

2.3 GENERAL CHANGES IN EXPENDITURE

Service Budgets Added or Deleted

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

Pay Awards

The Pay Policy for 2023/24 was approved by the Executive in January 2023. The Pay Policy Statement for 2024/25 is attached at [Annex 2](#).

The rising cost of employment in future years reflects the cost of an assumed pay award of 3.5% from 1 April 2024 and 3% per year for the remainder of the strategy period. The pay award is affected by other pay movements such as meeting the requirements of the National Living Wage.

Pension Provisions

During 2022, the triennial pension fund valuations took 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 additional amount will still not be required going forward. For Fareham the future service funding, from variable contributions, will reduce from 19.3% of pay to 18.0%. 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.

Depreciation / Capital Charges

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

2.4 SERVICE PRESSURES

Cost of Living Crisis

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 spend in most areas of the council.

There have been significant inflationary pressures on staff pay, fuel and energy price increase 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 which has risen to a £2million cost. From 2024/5 we will have used all the government grants that we have been given to help pay for this cost.

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 £39 million of gross expenditure and £33 million of gross income.

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

3. CORPORATE PRIORITIES

3.1 Corporate Strategy 2023-2029

The latest Corporate Strategy was adopted by the Council in October 2023 and will be updated each year. It currently contains 6 priorities linked to 26 project areas, as summarised in the table 3 below.

Table 3 – Priorities and Projects in the Corporate Strategy

Priority 1	Providing Housing Choices	DIVERSE HOUSING MARKET
		DEVELOPMENT OF NEW HOMES
		HIGH QUALITY AFFORDABLE HOUSING
		HELPING HOMELESS PEOPLE
		WELBORNE GARDEN VILLAGE
Priority 2	Respond to Climate Change and Protect the Environment	REDUCE CARBON EMISSIONS
		KEEP THE BOROUGH CLEAN AND ATTRACTIVE
		SUPPORT BIODIVERSITY AND ENHANCE GREEN SPACES
		INCREASE RECYCLING
		COSTAL MANAGEMENT
Priority 3	Strong, Safe and Healthy Communities	EVERYONE FEELS SAFE
		ENABLING COMMUNITIES TO THRIVE
		HEALTH AND SAFETY
		EMERGENCY PLANNING
Priority 4	Promote Economic Development	ECONOMIC VITALITY
		FAREHAM TOWN CENTRE REGENERATION
		INCREASE EMPLOYMENT SPACE
		DAEDALUS
Priority 5	Leisure Opportunities for Wellbeing and Fun	COMMUNITIES COME TOGETHER
		EXERCISE
		HIGH QUALITY FACILITIES
		FAREHAM LIVE
Priority 6	Responsive, Inclusive and Innovative	HARD WORK
		VALUE FOR MONEY
		LOW COUNCIL TAX
		CUSTOMER ENGAGEMENT

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 Fareham Live

Ferneham Hall closed in January 2020 with a view to a new modern facility being built soon after. However, delays due to the Pandemic meant that work on the £16million Fareham Live Project didn't start until late 2022. The project is now nearing completion and construction works are scheduled to be finished in April 2024 with shows commencing later on in the year. The venue will be operated by Trafalgar Theatres who are working in partnership with the Council to bring this exciting venture to the people of Fareham. There will be one-off set up costs to start with along with operator costs. This figure will reduce during future years as the venue becomes established and should also see Fareham receiving an element of the profit-sharing agreement.

3.3 Fareham Town Centre

In October 2023 the Council purchased Fareham Shopping Centre at a cost of £14.25million. The acquisition formed part of Fareham's broader regeneration programme which also includes the development of Fareham Live and the demolition of the Osborn Road Multi Storey Car Park and replacing it with a modern surface car park.

The shopping centre has a key role to play both now and in the future. Ownership of the centre will enable the Council to provide stability and reassurance to its tenants as it works with them and other key partners to develop a new all-encompassing strategy leading to a more vibrant town centre.

The project will now move forward with key partners who will advise on strategic direction and improvements to the shopping centre that will benefit both shoppers and businesses.

Until firm plans are in place for the regeneration of the Town Centre no budget has been built into the MTFs. However, the operation of the shopping centre will see a contribution to the budget of just under £1million of income although this will be partially offset by an increase in borrowing costs.

3.4 Solent Airport and Daedalus

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

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

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

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

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

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

The significance of Daedalus is such that it warrants its own financial operating framework, which is presented to Members at regular meetings of the Scrutiny Panel.

3.5 Climate Change

To help mitigate the worst effects of Climate Change, the Council has made a commitment to working toward carbon neutral by 2030. Changes in priorities responding to climate change and achieving net zero carbon will all add significantly higher costs to our budgets.

In June 2021 we published our first Action Plan which focused predominantly on reducing the Council's operational carbon footprint. This plan tries to find ways we can lower the carbon emissions created when we provide services to our customers.

We recognise our leadership role and will support and encourage broader change across Fareham with both businesses and residents where we can.

An annual report outlines the carbon reduction measures we have completed during the last year as well as an overview of how much we have reduced our emissions by. It also lays out the plans we have for the coming year/s both for the Council buildings and services and the local Fareham community. Any budgets required to implement specific projects in the action plan are approved separately by the Executive.

4. CAPITAL POSITION

4.1 CAPITAL STRATEGY

The Capital Strategy is 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 reviewed and updated to take into account carry forwards from 2022/23, any new schemes and now totals **£54.7 million** of General Fund expenditure.

4.2 CAPITAL RESOURCES

Resources of **£57.8 million** are estimated to be available over the life of the capital programme and therefore there should be a surplus of resources of approximately **£3.1 million** in 2027/28.

Capital Financing Costs

The proposed budget for 2024/25 provides for a revenue contribution to capital of **£1.125 million**, which includes a contribution of £500,000 towards future capital commitments. The remaining amount provides for ICT, vehicle purchases, CCTV renewals and car park improvements. There are currently no plans to increase this amount but it is reviewed every year in line with the strategy.

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 including the Innovation Centre Phase 2, works undertaken at the 2 Leisure Centre in the borough, new general aviation and business hangars and purchase of Fareham Shopping Centre.

5. PROPOSED BUDGET 2024/25

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 to cover price increases that are unavoidable or predictable, 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 for 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 them to reduce the impact on Council Tax payers.
- 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 2024/25

The proposed base budget for 2024/25 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 2023/24 is summarised in the table below. It should, however, be noted that the revised net budget needs for 2023/24 are estimated to be £12,376,100.

Table 5 – Proposed Revenue Budget for 2024/25

	Budget 2023/24	Budget 2024/25	Variation
	£	£	£
Committees			
Licensing and Regulatory Affairs Committee	540,400	699,100	158,700
Planning Committee	694,300	578,100	-116,200
Executive - Portfolio Budgets			
- Leisure and Community	-38,600	148,600	187,200
- Housing	2,270,800	3,435,900	1,165,100
- Planning and Development	1,246,100	1,221,200	-24,900
- Policy and Resources	541,800	-958,900	-1,500,700
- Health and Public Protection	765,800	373,500	-392,300
- Streetscene	5,592,200	6,706,800	1,114,600
Accounting Adjustments not included above	4,101,900	3,891,400	-210,500
SERVICE BUDGETS	15,714,700	16,095,700	381,000
Capital Charges	-4,320,000	-4,094,400	225,600
Direct Revenue Funding	1,125,000	1,125,000	0
Minimum Revenue Provision	1,490,900	1,756,700	265,800
Bad Debt Provision	0	0	0
Interest on Balances	-612,000	-468,400	143,600
Portchester Crematorium	-80,000	-100,000	-20,000
New Homes Bonus	-17,900	-98,200	-80,300
Contribution from Earmarked Reserves	-1,002,700	-552,600	450,100
Contribution to(+)/from(-) Reserves	-400,900	-598,200	-197,300
OTHER BUDGETS	-3,817,600	-3,030,100	787,500
NET BUDGET	11,897,100	13,065,600	1,168,500

5.3 CONTRIBUTIONS TO AND FROM RESERVES

These represent:

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

Use of Earmarked Reserves

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

Table 6 – Use of Ear-Marked Reserves

		'000s
Use of Receipts in Advance		
S106 Titchfield Country Park – Tree Planting	Annually for 5 years	-25
S106 Daedalus Open Space – Ranger Post		-20
S106 Grounds maintenance – Area 8 Posts		-81
Welborne Delivery Funding – Strategic Sites Posts / General Expenses		-188
Daedalus Funding		-18
Use of Earmarked Reserves		
Homelessness Fund	1 year funding only	0
Portchester Town Centre Improvements		0
Total Due from Ear Marked Reserves		-332

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

Use of General Reserves

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

Table 7 – Use of General Reserves

	'000s
Draw down for specific purposes	
Transfer of £1.2m from general reserves to the spending reserve to give additional protection from the increased volatility of income and expenditure (from 5% to 7.5% gross expenditure)	0
Move to reserves for Local Plan Future Years	+44
General Reserves set aside for Ash die back costs until 2026/27	-15
General Reserves set aside for Opportunities Funding	-80
General Reserves set aside for Civic Quarter Regeneration	-170
Draw down to balance the budget	-598
Total Due from General Reserves	-819

In addition, as [discussed above](#), the proposed budget for 2024/25, as a non-service specific revenue budget, 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 £3,750,000 which is the threshold of 7.5% of gross expenditure for 2023/24 (£50.0 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 2024/25

The net revenue budget proposed for 2024/25 of £13,065,600 requires use of general reserves of £598,200 to help fund the spend. This is in addition to what can be funded from the collection fund as summarised below. However, without an increase of Council Tax by a minimum of 2.99% there will be a shortfall in funding available of £238,000. It is therefore proposed that this gap is closed by a council tax increase in 2024/25 up to the maximum allowable level before a referendum is required.

Table 8 – Projected Funding of the 2024/25 Net Revenue Budget from Council Tax

	£'000
Net Budget Requirement (after contribution from general reserves)	£13,065
Retained Business Rates	-£4,487
RSG & Services Grant	-£366
Council Tax at current level	-£7,965
Additional Council Tax for new properties	-£9
Total Available from the Collection Fund and General Grants	-£12,827
Projected Shortfall – proposed to be met by 2.99% increase in council tax	£238

6. FIVE YEAR FORECAST

6.1 OVERALL REVENUE POSITION

Table 9 – Financial Projections 2023/24 to 2027/28

	2023/24 Revised	2024/25	2025/26	2026/27	2027/28
	000s	000s	000s	000s	000s
SERVICE EXPENDITURE					
Gross Expenditure on Services					
Base Budget	£51,265	£52,027	£52,216	£52,405	£52,594
Changes for Pay and Pensions	£151	£400	£400	£400	£400
Changes for Spend Pressures and Opportunities	-£226	£499	-£276	-£263	-£401
Changes for Cost of Living Spend Pressures	£0	£19	£100	£200	£300
Revised Budget	£51,190	£52,945	£52,440	£52,742	£52,893
Gross Income for Services					
Base Budget	-£33,341	-£32,496	-£32,512	-£32,512	-£32,512
Changes for Income Pressures and Opportunities	£0	-£1,670	-£313	-£372	-£362
Revised Budget	-£33,341	-£34,166	-£32,825	-£32,884	-£32,874
Net Cost of Services					
	£17,849	£18,779	£19,615	£19,858	£20,019
NON SERVICE SPECIFIC BUDGETS					
Contribution to capital spend – RCCO	£1,125	£1,125	£1,125	£1,125	£1,125
Provision to repay borrowing (MRP)	£1,546	£1,757	£1,844	£1,899	£1,957
Increase In Bad Debt Provision	£0	£0	£0	£0	£0
Accounting Adjustments	-£4,094	-£4,094	-£4,094	-£4,094	-£4,094
Total Non Service Budgets	-£1,423	-£1,212	-£1,125	-£1,070	-£1,012
NET BUDGET REQUIREMENT					
	£16,426	£17,567	£18,490	£18,788	£19,007
SOURCES OF FUNDING					
Core Funding					
Government General Grants	-£440	-£366	-£308	£0	£0
New Homes Bonus	-£18	-£98	£0	£0	£0
Retained Business Rates	-£3,971	-£4,488	-£4,737	-£4,290	-£4,761
Collection Fund Balance		£0	£0	£0	£0
Total Core Funding	-£4,429	-£4,952	-£5,045	-£4,290	-£4,761
Other Funding Sources					
Income from Financial Investments	-£430	-£468	-£468	-£468	-£468
Income from Property Investments	-£2,543	-£2,684	-£2,684	-£2,684	-£2,684
Contributions from Partnerships	-£80	-£100	£0	£0	£0
Contributions from Govt For COVID	£0	£0	£0	£0	£0

Total Other Funding	-£3,053	-£3,252	-£3,152	-£3,152	-£3,152
Use of Reserves					
Ear marked for specific use	-£979	-£552	-£369	-£437	-£380
COUNCIL TAX REQUIREMENT					
Council Tax					
Projection of Retained Council Tax at current level	£7,965	£7,965	£7,974	£8,075	£8,195
Additional Council Tax for new properties	£0	£9	£101	£120	£102
Council Tax available at no increase	£7,965	£7,974	£8,075	£8,195	£8,297
Projected shortfall with no increase	£0	-£837	-£1,849	-£2,714	-£2,417
Council Tax available with 2.99% increase per year	£7,965	£8,213	£8,566	£8,953	£9,335
Projected shortfall with 2.99% increase per year	£0	-£598	-£1,358	-£1,956	-£1,379

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.

The highest funding gap now showing across the 5 years is **£1.956 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.

The Council currently has general reserves it can use to balance the budgets, but these will be insufficient by 2026/7.



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.

6.2 SENSITIVITY ANALYSIS

The Council has been committed to minimising increases in the overall net budget and Council Tax increases. This has proven successful in restricting the proportion of gross expenditure on general fund services that has to be met by Council Tax payers, currently **16%**.

Because the proportion is so low, the Fareham element of the Council Tax (around 10%) is very sensitive to even minor increases in expenditure. An increase in gross expenditure of 1% (approximately £½m) would result in an increase in the amount to be met by Council Tax payers of 6.3%. The following table highlights the gearing effect that additional expenditure has on the Council Tax.

Table 9 – Gearing Effect of Additional Spend on Council Tax

	£M	% Increase
Current Spending	47.6	
Significance of an extra £500,000 in spending		+1.0%
Council Tax payers	8.0	
Significance of spending an extra £500,000		+6.3%

For each pressure, an assessment has been made about the possible variation above and below the "most likely" position. This allows the sensitivity of the projected totals to change. As more information becomes available about the individual pressures, the projections can be updated and made more certain.

6.3 RISKS AND UNCERTAINTIES

The budget projections indicate the susceptibility of the Council's revenue budget to changes in the level of expenditure and income caused by factors outside the control of the Council. It is clear that even a small variation in funding, expenditure or income would have a significant impact on the Council's revenue budget position.



This is why one of the fundamental principles contained in the MTFs is to maintain a minimum spending reserve equivalent to 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 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 cost of living crisis.
- Demand for Council services remains volatile in some services, and this may be heightened due to economic challenges.
- 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 has been delayed many times but it would result in a loss of income for the Council of up to **£100,000** but is more likely to be less than half of that figure. It is anticipated that part of the service would move over in the latter part 2024/25 at the earliest but over half of the 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)
- **Corporate Strategy** – The proposed projects in the new Corporate Strategy 2023-2029 have not been fully costed and added to the forecasts.
- **Climate Change** – Funding that might be needed for projects in the Climate Change action plan has not currently been allocated.

6.4 THE OPPORTUNITIES PLAN

The Council aims to develop its efficiency plans well in advance of need to ensure that they are sufficiently reliable before being included in budgets, and to allow the full consequences of such changes to be considered and consulted upon where appropriate.

Work was undertaken during 2023 by all Senior Managers, Heads of Services and

Members to generate ideas to close the predicted funding gap from 2023/24 and build in capacity to cover future pressures and areas of spending growth.

Over 260 ideas were generated; they were then reviewed further and prioritised for delivery between 2023/24 and 2025/26 as part of the new Opportunities Plan. The Plan is being expanded as other opportunities to generate savings are identified.

In the 2023/24 revised budget £498,500 of opportunity savings were used to reduce the need to draw on reserves to balance the budget. The figure for 2024/25 was £391,200 and there will be more savings needed before the end of the strategy period in order to close the funding gap.

Current predictions are that the Opportunities work will be needed to address the projected funding gap for the next 5 years, with some spare capacity for pressures not yet built in.

7. CONCLUSION

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

The projections set out in this report give a broad indication of the anticipated level of expenditure, based on the latest information available about the Government's funding intentions. This is predicting a funding gap by 2026/27 even if Council Tax is increased by 2.99% each year, which cannot be met by the Council's general reserves. 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 2024/25 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. The work developing and implementing the Opportunities Plan will therefore be critical to this aim.

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 2024 - 25

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 2024-25, including the remuneration of its Chief Officers, lowest paid employees and the relationship between its Chief Officers and that of its employees who are not Chief Officers.

2. Definitions

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

Pay	includes base salary, charges, fees, allowances, benefits in kind, increases in/enhancements to pension entitlements and termination payments.
Chief Officers	refers to the following roles within the Council: Statutory Chief Officers: <ul style="list-style-type: none"> • Chief Executive Officer, as Head of Paid Service • Assistant Chief Executive Officer, as Monitoring Officer • Assistant Director (Finance and ICT), as Section 151 Officer Non-Statutory Chief Officers: <ul style="list-style-type: none"> • Director of Planning and Regulation • Director of Housing • Director of Neighbourhoods • Assistant Director (Democracy)
Deputy Chief Officers	Heads of Service who report directly to/or accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.
Lowest paid employees	Refers to those employees employed within Grade1 of the Council’s mainstream pay structure. This definition has been adopted because Grade1 is the lowest grade on the Council’s mainstream pay structure.
Employee who is not a Chief Officer	Refers to all employees who are not covered under the “Chief Officer” group above. This includes the “lowest paid employees”. i.e. employees on Grade1.

3. Pay Framework and Remuneration Levels

3.1 General approach

The pay structure and pay scales have been designed to enable the Council to recruit and retain suitably qualified employees at all levels who are dedicated to fulfilling its

corporate objectives and delivering services to the public whilst operating within an acceptable financial framework.

With a diverse workforce the Council recognises that its Pay Policy needs to retain sufficient flexibility to cope with a variety of circumstances that may arise that might necessitate the use of market supplements or other such mechanisms for individual categories of posts where appropriate. The decision to apply a market premium or similar mechanism will be approved by the Assistant Chief Executive Officer 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 points relating to responsibility for statutory posts).

The National Minimum Wage applies to those under 21 (with effect from 1 April 2024) 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 2023 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 2023 was settled in November 2023 with a cash sum of £1,925 applied to each scale point subject to a minimum increase of 3.88%. This resulted in a pay award of between 3.88% and 9.50% on the mainstream grades. The pay award with effect from April 2024 will be negotiated between the employers and the Unions.

The pay award for the Chief Executive and Chief Officers was agreed at 3.50%.

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 £125,716 to £145,192.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £79,308 to £102,823 (£106,480 to £118,252 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 £60,132 to £79,308.

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 the Senior Leadership 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 Assistant Director(Democracy) as his Deputy Returning Officer. For performing elections duties the Returning Officer and Deputy 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 2023-24, including base salary, allowances, etc.

Highest paid employee	£135,455
Median earnings for remainder of workforce	£29,296
Ratio	4.62

ANNEX A (to the Pay Policy Statement)**Fareham Borough Council - Pay Scales as at 01/04/2023**

Chief Executive Grades & Salary		Directors Grades & Salary	
Spinal Column Point	Annual Salary	Spinal Column Point	Annual Salary
1	£125,716	1	£89,782
2	£130,586	2	£92,600
3	£135,455	3	£95,888
4	£140,324	4	£99,292
5	£145,192	5	£102,823

Senior Management Grades & Salary scales								
Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary
	1	£79,308		1	£69,039		1	£60,132
	2	£82,015		2	£71,470		2	£62,242
1	3	£84,814	2	3	£73,990	3	3	£64,427
	4	£87,272		4	£76,301		4	£66,629
	5	£89,781		5	£79,308		5	£69,039

Local Pay Scales					
GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2023)	GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2023)
1	3	£22,183			
	4	£22,366			
	5	£22,737			
2	5	£22,737		26	£37,170
	6	£23,114		27	£38,172
	7	£23,500	7	28	£39,028
	8	£23,893		29	£40,272
	9	£24,294		30	£41,358
3	9	£24,294		30	£41,358
	10	£24,702		31	£42,487
	11	£25,119	8	32	£43,639
	12	£25,545		33	£44,837
	13	£25,979		34	£45,964
4	13	£25,979		34	£45,964
	14	£26,873		35	£47,127
	15	£27,803	9	36	£48,309
	16	£28,770		37	£49,534
	17	£29,269		38	£50,658
5	18	£30,296		38	£50,658
	19	£30,825		39	£51,858
	20	£31,693	10	40	£53,107
	21	£32,603		41	£54,378
	22	£33,461		42	£55,025
6	22	£33,461		42	£55,025
	23	£34,352		43	£56,226
	24	£35,266	11	44	£57,443
	25	£36,210		45	£58,688
	26	£37,170		46	£59,968

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **22 January 2024**

Report of: **Policy, Research and Engagement Manager**

Subject: **OPPORTUNITIES PLAN 2023/24 PROGRESS UPDATE**

SUMMARY

The Medium-Term Finance Strategy presented at the 9 January 2023 Executive forecast a budget gap for each of the following 5 years. In response to this, the Opportunities Plan was developed to close the forecast gaps of £416,000 in 2023/24 and £1,568,000 in 2024/25. It was agreed by the Executive on 18 September 2023.

This is the first update on the progress of the agreed Opportunities Plan.

RECOMMENDATION

That the Report be considered for discussion. Any questions, comments, or actions resulting from the discussion to be noted and actioned appropriately.

INTRODUCTION

1. This report provides the first update for the Policy and Resources Scrutiny Panel on the Opportunities Plan agreed by the Executive on 18 September 2023. It is presented for discussion.

THE APPROVED OPPORTUNITIES PLAN

2. The approved Opportunities Plan included 62 projects to offset the forecast budget gap over the current and next financial year. These included good practice and officer timesaving projects, as well as projects delivering additional income/savings.
3. A further 23 opportunities projects were identified to begin in 2024/25 or later.
4. The projected income and savings from cashable projects presented and agreed at the September 2023 Executive are set out in Table 1:

Table 1: 2023/24 Opportunities Plan Income and Savings Projections				
	23/24		24/25	
Project type	Revenue income/ savings	One-off income/ savings	Revenue income/ savings	One-off income/ savings
Previous Opportunities Plan	£65,607	-	£75,011	-
Already approved or started projects	£364,491	£125,926	£468,541	£15,000
2023/24 projects with outcomes in 2024/25 or later	-	-	£257,211	£135,000
Sub-total	£429,978	£125,926	£800,763	£150,000
Total Opportunities Plan income and savings	£556,024		£950,743	
Latest Budget Gap estimate	-£416,000		-£1,568,000	
Outcome	£140,024		-£617,257	

PROJECT PROGRESS SINCE SEPTEMBER 2023

5. To date, 22 cashable projects have been completed. Updated descriptions and financial estimates for the cashable projects included in the calculations in Table 1 can be found in Appendix A.
6. The following section outlines some of the notable developments since September 2023:

Annual revenue savings/income:

- a. Contract signed with an external marketing company to manage and promote advertising on the Council's roundabouts. This is estimated to generate an additional £25,000 p/year from 2024/5.
- b. A new mobile device and data contract begins in January 2024. This should save around £30,000 each year on revenue costs during the 2-year contract.
- c. The budget for Community Funding will be reduced to £50,000 in 2024/25, a saving of £45,300. There is likely to be a significant underspend in 2023/24.
- d. A revised housing void turnaround process was introduced in November 2023. This will impact on three Opportunities Plans projects – Reduce Housing Void Turnaround Time, Council Tax on Housing Voids, and Review Void Rubbish Collection Process. The new process will be reviewed in February 2024 to understand the impact and consider any further activity.
- e. A review of long-term empty properties to identify any which are occupied has now been completed. As a result, 87 more properties are now classified as occupied. The full impact of this has yet to be quantified and may not result in a funding contribution as this number is below the New Homes Bonus (NHB) 4% threshold (176) and the effect may be too late if there is no further NHB in 2025/6.

One-off savings in 2023/24:

- a. The S106 past monies project analysed unidentified S.106 payments to identify whether income has been allocated and spent. This has allowed £106,000 to be removed from reserves in 2023/24.
- b. The project to claim back stamp duty paid on property purchases to increase our housing stock over the last four years has now been completed ahead of schedule. This has delivered £144,588 as a one-off income into Housing Capital Receipts, slightly higher than the £135,000 originally forecast.

New Projects:

7. Four projects have been added, or brought forward from the long list, to the Opportunities Plan in the last quarter. These are:
 - a. Charge Registered Providers for Allocation Services – potential income of £10,000 p/year.
 - b. Introduction of Car Parking charges at Solent Airport – to support the Solent Airport Revenue Strategy.
 - c. Print and Post – phase 2.
 - d. Roundabout and Digital Screen Advertising – potential income of £24,000 p/year (complete).

Projects due to start:

8. Council Tax Support Scheme Review: Project scoping work is being undertaken to consider a variety of approaches, including banding, to achieve administrative efficiencies.

Projects not proceeding or removed from the plan:

9. Three projects agreed at the Executive on 18 September 2023 are not going ahead as planned. These are:
 - a. Charging a premium parking tariff (currently £1.50 p/hour) at the new surface car park on the site of the existing Osborn Road multi storey car park. When the car park reopens, it will form part of Fareham Live car park and continue to charge the standard inner tariff rate (currently £1 p/hour). This project had an estimated additional annual revenue income of £38,000.
 - b. A marketing campaign to increase take up of the Council's Careline Service will not be progressed at this time but may be revisited at a future point.
 - c. One off savings have been reduced by £78,000 in 2023/24 with the removal of the homelessness funding from the Plan.

IMPACT ON PROJECTED INCOME / SAVINGS

10. Projections for income/savings across the current and following financial years have been updated. Table 2 below outlines the impact on the 2023/24 budget and base budget for next year.

Table 2: Opportunities Plan Projects Built into budgets - December 2023				
	2023 / 24		2024 / 25	
Project Type	Revenue income / savings	One-off income / savings	Revenue income / savings	One-off income / savings
Opportunities Projects	£121,500	£218,300	£219,500	-
Total	£339,800		£219,500	

11. Table 2 does not include £144,588 one-off income in 2023/24 which will be managed as part of Housing Capital receipts.
12. Several 'Business as Usual' (BAU) projects were considered in the September report, these are listed in Appendix A. Table 3 identifies the BAU Project income/savings, alongside income/savings from the Opportunities Plan, included in the budgets for 2023/24 and 2024/25.

Table 3: BAU and Opportunities Plan Projects Built into budgets - Dec 2023				
	2023 / 24		2024 / 25	
Project Type	Revenue income / savings	One-off income / savings	Revenue income / savings	One-off income / savings
Business as Usual Projects	£39,000	£119,700	£117,000	£54,700
Sub-total	£158,700		£171,700	
Opportunities Projects	£121,500	218,300	£219,500	-
Total	£339,800		£219,500	
Total additional income and savings	£498,500		£391,200	

13. The combined income/savings of £498,500 is sufficient to cover the original forecast budget gap for 2023/24. Several projects are still progressing, and the impact on the 2023/24 and 2024/25 budgets will be updated as these develop.

REVENUE FUND

14. The September Executive approved a £100,000 draw down from general reserves to unlock projects they may require external expert support or resources. The following has so far been spent:
- a. **£5,000:** Condition surveys to support funding bid for the installation of solar panels and other smaller measures at the two Leisure Centre sites.
 - b. **£2,310:** Planning Applications for roundabout advertising to support new commercial approach.
15. Further external support will be required for the Council Tax Support Scheme review which is currently estimated at around £20,000.

CONCLUSION

15. The Opportunities Plan is progressing well. Income/savings of £498,500 from the Opportunities and Business as Usual projects have been included in budgets for 2023/24. This will help the Council fund its budgets for the year without drawing down from general reserves.

Appendices: **A:** Opportunities Plan and BAU Projects

Background Papers: Executive Report – 18 September 2023
[Opportunities Plan Development Update](#)

Reference Papers: Opportunities Plan Evidence * partially exempt.

Enquiries:

For further information on this report please contact Roy Brown (01329 824489)

Appendix A – Opportunities Plan Project Updates by Directorate

Projections highlighted in **Green** have been built into budgets.

Assistant Chief Executive						
No.	Project	2023/24		2024/25		December Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	
49	Agency contract margins			£15,000		Transition to agency partnership with Portsmouth City Council to achieve better margins than on Framework.
175	Expert HR advice - SE Employees			£5,000		Subscription to be cancelled.
Sub Totals						
	Built into budgets	£0	£0	£0	£0	
	Total Potential Opportunities	£0	£0	£20,000	£0	

Democracy						
Project No.		2023/24 Revenue Income	One-off Income	2024/25 Revenue Income	One-off Income	December Update Notes
73	Fareham Live sound wave bar donors		£39,200			All wave bars sold. Complete
80	Genesis centre R&M lease			£5,000		Lease signed in Autumn 2023. Complete
63	Community First Wessex Grant	£18,500		£18,500		Monitor - confirm at year end. Complete
57	Community Grants			£45,300		Confirmed that budget will be cut to £50k from 1 April 2024. Complete
190	Roundabout Advertising	24,000		£24,000		Contract signed December 2023. Indicative additional income added. Complete
72	Fareham Live Business Operation Costs		£43,100			Complete
66	Events Sponsorship	£4,000		£4,000		Ongoing
70	Access All Areas - management	£1,625		£1,625		All tickets sold to cover the cost of providing events.
147	Filming Location Hire			£10,000		Solent wide opportunity being explored with LEP.
264	Fareham Leisure Centre Car Washing			£7,500		Project not started.
81	Padel tennis			£20,000		On track for income although potentially longer timescales than anticipated.
Sub Totals						
Built into budgets		£42,500	£82,300	£92,800	£0	
Total Potential Opportunities		£48,125	£82,300	£135,925	£0	

Finance and IT						
	Project	2023/24		2024/25		December Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	
76	Portchester Community Centre car park business rates	£2,500		£2,500		Complete
237	Fraud tool costs	£1,300		£1,300		Estimate project completion December 2023. Complete
47	Genesis centre business rates	£3,200		£3,200		Complete
15	Mobile device new approach			£32,700		Revised saving - £60,000 over 24-month contract to start January 2024. Complete
155	Housing Purchase stamp duty					Claim back stamp duty for last four years paid on property purchases to increase our housing stock. £144,588 received to be treated as a Housing Capital Receipt.
245	Joint procurement of Insurance		£15,000			FBC to lead joint procurement in January and charge other Councils.
27	Empty property Review	£15,900		£15,900		Liberate completed analysis. Savings to be confirmed.
28	Business rates property review			£5,500		Follow on project after 27.
157	Debt Recovery project			£35,550		Working party established to conduct work.
235	Working papers for External Audit	£2,500		£2,500		Improve upfront papers to reduce savings on core costs and variations.
	Sub Totals					
	Built into budgets	£7,000	£15,000	£39,700	£0	
	Total Potential Opportunities	£25,400	£159,588	£99,150	£0	

Housing						
No.	Project	2023/24 Revenue Income	One-off Income	2024/25 Revenue Income	One-off Income	December Update Notes
134	Improve Housing void turnaround	£27,917		£67,000		New void process started in November 2023. February meeting to review approach and potential savings.
225	Council tax on Housing voids	£23,750		£33,000		February meeting to review
23	Care Lines			£0		Not progressing currently. Potential to move to later year.
271	Charge Registered Providers for allocation service			£10,000		Moved project from long list in September 2023.
Sub Totals						
	Built into budgets	£0	£0	£0	£0	
	Total Potential Opportunities	£51,667	£0	£110,000	£0	

Neighbourhoods						
No.	Project	2023/24 Revenue Income	One-off Income	2024/25 Revenue Income	One-off Income	December Update Notes
14	Coastal parking - Wicor Ground	£15,000		£15,000		Charging began in August 2023. Complete
86	CCTV maintenance budget	£20,000		£20,000		Reduction in budget approved. Complete.
29	Car Park security	£22,000		£33,000		Bring in house. Complete
8	Environmental Health out of hours claims	£16,800		£16,800		New approach approved for 23/24 which should reduce the actuals overspend. Complete
10	Green waste collection - Renewals and marketing campaign			£30,000		The £1.23m budget is unchanged for 23/24. Successful marketing campaign regained original subscription level in 23/24. Similar campaign required for 24/25.
12	Green waste collection - Recurring payments (online)			£5,000		Campaign to move more subscriptions to online recurring to reduce temporary admin needed in 24/25.
17	Osborn Road premium park					Proposal not approved. Estimated additional income of £38,000 a year not achieved.
Sub Totals						
	Built into budgets	£57,000	£0	£68,000	£0	
	Total Potential Opportunities	£73,800	£0	£119,800	£0	

Planning and Regeneration						
No.	Project	2023/24		2024/25		December Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	
21	Segensworth BID admin charge		£15,000			Confirmed for 23/24. Complete
6	S.106 Admin Fee	£15,000		£15,000		On track - £8k invoiced for 23/24 October 23. Complete
99	Building Control - Road Numbering			£4,000		Not yet received 23/24 - will build into 24/25
1	Maximising use of past S106 monies		£106,000			Already spent and unidentified funds - will be transferred to Corporate Budget to offset use of reserves in year. Second phase of developing spending plan for known unused monies in progress. Part 1 Complete
149	Civic - Floor 5 Rental Income (UKHSA)	£9,400		£9,400		Lease review finalised. Complete
69	Civic - Ground Floor rental income (MOJ)	£9,300		£9,300		Complete
92	Building Control - Increase Future Fees	£5,000		£5,000		Approved and will be reviewed annually. Complete.
211	Solent airport revenue and cost strategy	£70,000		£70,000		Confirmed. Challenges achieving projection will need to incorporate control tower parking charges review. Complete.
98	Building Control - Interest charge for late payment	£2,000		£2,000		Ongoing – assessing best approach to late payments
124	Ensure best value from current partnerships			£10,000		Rationalise use of consultants in partnership work.
Sub Totals						
Built into budgets		£15,000	£121,000	£19,000	£0	
Total Potential Opportunities		£110,700	£121,000	£15,700	£0	

No.	Opportunities Projects to be costed	Directorate
146	Utilities cost review	Planning & Regeneration
20	Electric Vehicle (EV) Charging in car parks	Planning & Regeneration
94	Building Control – FBC Internal Recharges	Planning & Regeneration
4	S106 Supplementary Planning Document (SPD)	Planning & Regeneration
264	Parking charges at Solent Airport Control Tower	Planning & Regeneration
38	Review Council Tax support scheme	Housing/Finance and IT
229	Review void rubbish collection process	Housing
233	Rationalise responsive repairs framework	Housing
54	Hook Tip Solar Farm detailed business case	Planning & Regeneration
191	Funding bid for Energy Saving Infrastructure in Leisure Centres	Democracy
91	Print and Postage Review	Democracy

No.	Business as usual	Directorate	2023/24		2024/25		November update
			Revenue	One-off	Revenue	One-off	
262	Pre-Application planning advice - Welborne	Planning and Regeneration		£9,700		£9,700	
34	Planning Application Fees increase	Planning and Regeneration	£39,000		£117,000		Will come into effect 6 Dec 2023 – Original estimate of £150,000 p/year considered optimistic
114 / 115	Homes - Planning Applications for Welborne	Planning and Regeneration		£110,000		£45,000	Updated actual income to date in 2023
22	Business Rates on Council Properties	Finance and IT			£10,740		
93	Building Control - income from Welborne work	Planning and Regeneration		...	£13,440		Estimated start first quarter of 2024/25 - risk we do not get work.
96	Building Control - High rise safety assessments	Planning and Regeneration	£8,500		£17,000		Half year 23/24
111	Planning Income fees recovery - business as usual	Planning and Regeneration		£50,000			Planning income down on last year, so £50,000 income unlikely to be achieved.
263	Major Planning Applications for Welborne	Planning and Regeneration		£65,000			May not come in 23/24
182	Commercial Estate rent reviews	Planning and Regeneration					
Sub Totals							
Built into budgets			£39,000	£119,700	£117,000	£54,700	
Total Potential Opportunities			£47,500	£237,989	£158,180	£54,700	

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **22 January 2024**

Report of: **Assistant Chief Executive Officer**

Subject: **EXECUTIVE BUSINESS**

SUMMARY

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

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

The relevant notices for decisions taken are attached for consideration.

RECOMMENDATION

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

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2483

Record of Decision by Executive

Monday, 9 October 2023

Portfolio	Policy & Resources
Subject:	Corporate Strategy 2023-2029
Report of:	Assistant Director (Democracy) & Deputy Monitoring Officer
Corporate Priority:	(All Corporate Priorities)

Purpose:

Following agreement at the Executive on 15 May 2023, the draft Corporate Strategy 2023-2029 was circulated for public consultation. This report summarises the outcome of the consultation.

The Council's Corporate Strategy is a key document within the Council's Strategic Framework, setting out our vision and Priorities for the Borough. It influences our medium-term budget planning, day to day service delivery and the large-scale projects that we will undertake in the future.

Our existing Corporate Strategy covers the period 2017-2023. To ensure that we retain a current Corporate Strategy, work has been undertaken to prepare a new Corporate Strategy to cover the period 2023-2029.

On 15 May 2023, the Executive agreed that the draft Corporate Strategy 2023-2029 be circulated for public consultation. As a result of this, a four-week public consultation ran from 05 June 2023 to 03 July 2023.

Prior to the consultation, some minor changes were made to the text colour in the draft Strategy to ensure that the document met online accessibility criteria.

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 outcomes of the public consultation and agrees the draft Corporate Strategy 2023-2029; and
- (b) recommends the Corporate Strategy 2023-2029 to Council for approval, subject to any further amendments.

Reason:

The existing Corporate Strategy for Fareham Borough Council expires in 2023. To maintain a current Corporate Strategy for the Council a new Strategy document must be adopted.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 9 October 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2485

Record of Decision by Executive

Monday, 9 October 2023

Portfolio	Policy & Resources
Subject:	Annual Review of Corporate Strategy 2017-2023 and Local Service Agreements 2022/23
Report of:	Assistant Director (Democracy) & Deputy Monitoring Officer
Corporate Priority:	(All Corporate Priorities)

Purpose:

The Council's performance management framework requires the Executive to undertake an annual review of the corporate vision and priorities. The purpose is to update the wording where necessary and to provide an overview of the Council's performance for the 2022/23 financial year. This is the final review for the current 2017-2023 Corporate Strategy, with the adoption of a new Corporate Strategy for 2023-2029 due in October 2023.

The Corporate Strategy provides a clear focus on the most important issues to be addressed for the 2017-2023 period. This annual review is an opportunity to consider progress made in delivering corporate priorities during 2022-23 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. The 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) agrees the proposed revisions to the Corporate Strategy, as set out in Appendix B to the report;
- (b) recommends the Annual Review of the Corporate Strategy 2017-2023 to Council for approval, subject to any further amendments; and
- (c) notes the Council's performance for the 2022/23 financial year.

Reason:

To meet the requirements of the Council's performance management framework and to provide details of Fareham Borough Council's performance for the 2022/23 financial year.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 9 October 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2504

Record of Decision by Executive

Monday, 8 January 2024

Portfolio	Policy & Resources
Subject:	Capital Programme and Capital Strategy 2024/25
Report of:	Assistant Chief Executive Officer
Corporate Priority:	Responsive, Inclusive and Innovative Council

Purpose:

The report considers the Capital Strategy for 2024/25, prior to its submission to the Council for approval.

Regulations require the Council to prepare and formally approve a Capital Strategy. The document for 2024/25 is attached as Appendix A to the 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 for 2024/25 is £16.4 million. The current estimate is that £1.3 million of this will be met by new borrowing.
- ii) A new policy of capitalising officer salary costs that are directly attributable to capital schemes will be considered as part of the total project costs.
- iii) A high-level review of future funding requirements has identified a capital funding requirement of £229 million.
- iv) The Council's investment property portfolio has an estimate value of £70 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.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) endorses the draft Capital Strategy for 2024/25, attached as Appendix A to the report;
- (b) approves the capital programme for the period 2023/24 to 2027/28, amounting to £82.3 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2024/25 to Council for approval.

Reason:

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

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 8 January 2024

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2502

Record of Decision by Executive

Monday, 8 January 2024

Portfolio	Policy & Resources
Subject:	Fees and Charges 2024/25
Report of:	Assistant Director (Finance & ICT) & Section 151 Officer
Corporate Priority:	Responsive, Inclusive and Innovative Council

Purpose:

The report provides an update and proposals for the Council's fees and charges for the financial year 2024/25.

The report gives the Executive the opportunity to consider the Council's fees and charges for 2024/25 including approving increases in existing charges and considering new charges where applicable.

Options Considered:

Councillor Miss J Burton declared a disclosable Pecuniary Interest for this item as she is a community user of the facility at Daedalus. Councillor Burton remained present for the rest of this item but left the room when recommendation (c) was considered. She took no part in the discussion or decision for recommendation 10(1)(c).

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) approves the fees and charges for 2024/25 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 Committee 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 2024/25

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 8 January 2024

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2491

Record of Decision by Executive

Monday, 11 December 2023

Portfolio	Policy & Resources
Subject:	Finance Monitoring 2023/24
Report of:	Assistant Chief Executive Officer
Corporate Priority:	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:

General Fund	Budget 2023/24	Budget to 30 Sept 23	Actual to 30 Sept 23	Variation
	£000s	£000s	£000s	£000s
Service Budgets	15,715	495	320	-175
Non-Service Budgets	-3,818	-9	-9	0
Net Budgets	11,897	486	311	-175

Housing Revenue Account	Budget 2023/24	Budget to 30 Sept 23	Actual to 30 Sept 23	Variation
	£000s	£000s	£000s	£000s
Income Budgets	-14,228	-7,256	-7,383	-127
Management Costs	4,730	1,882	1,649	-233
Finance Costs	2,819	700	700	0
Property Costs	6,815	1,444	1,796	352
Net Budgets	0	-3,230	-3,238	-8

Revenue spending plans are currently showing a new 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 2023/24 which was originally expected to be in the region of £400,000.

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. Current forecasts against the base budget are predicting a worse position than indicated at the half-way point. However, work being carried out on the revised budgets may give an improved position once the opportunities plan and shopping centre savings are built in.

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:

At the invitation of the Executive Leader, Councillors Mrs C Bainbridge and Mrs K K Trott addressed the Executive on this item.

As recommendation.

Decision:

RESOLVED that the Executive notes the Finance Monitoring Report.

Reason:

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

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 11 December 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2503

Record of Decision by Executive

Monday, 8 January 2024

Portfolio	Policy & Resources
Subject:	Finance Strategy, Revenue Budget & Council Tax 2024/25
Report of:	Assistant Chief Executive Officer
Corporate Priority:	Responsive, Inclusive and Innovative Council

Purpose:

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 2023/24 and proposed service budgets for 2024/25.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

Financial Forecasts (MTFS)

- (a) approves the Medium-Term Finance Strategy for the period 2023/24 to 2027/28 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 2023/24 general fund revenue budget, amounting to £12,376,100 as set out in Appendices A and B to the report; and
- (d) approves the base 2024/25 general fund revenue budget amounting to £13,065,600, 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 significant funding shortfall by 2026/27 which cannot be covered by the Council's general reserves, so supports the continued action being taken to identify opportunities to reduce costs or increase income.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 8 January 2024

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2473

Record of Decision by Executive

Monday, 18 September 2023

Portfolio	Policy & Resources
Subject:	Irrecoverable Debts
Report of:	Assistant Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

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

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

Options Considered:

As recommendation.

Decision:

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

Reason:

There is no further legal action that can be taken to collect the debt.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 18 September 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2493

Record of Decision by Executive

Monday, 11 December 2023

Portfolio	Policy & Resources
Subject:	Irrecoverable Debts - Quarter 2
Report of:	Assistant Director (Finance & ICT) & Section 151 Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:
The report proposes the approval of the write-off of certain debts over £5,000 which are considered irrecoverable.

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

Options Considered:
As recommendation.

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

Reason:
There is no further legal action that can be taken to collect the debt or officers have deemed that the circumstances of the debtor warrant write-off at this point.

Confirmed as a true record:
Councillor SDT Woodward (Executive Leader)

Monday, 11 December 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2471

Record of Decision by Executive

Monday, 18 September 2023

Portfolio	Policy and Resources
Subject:	Opportunities Plan Development Update
Report of:	Assistant Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To provide an update on the development of the Council's Opportunities Plan and confirm the projects to be undertaken during 2023/24, whilst seeking approval for a revenue budget, funded from general fund reserves where necessary, to support implementation of the plan.

The Council has a long history of prudent financial management and of responding to fiscal challenges whilst continuing to provide a wide range of customer focussed services.

The latest Medium Term Financial Strategy (MTFS) was presented at the 09 January 2023 Executive meeting. This predicted a funding shortfall of around £401,000 in 2023/24 rising to £2,400,000 by 2026/27.

The Executive report identified the need for a further Opportunities Plan to address the budget shortfalls and build in capacity for future pressures and uncertainties, with the aim of ensuring continued service provision across the Council.

A holistic cross Council approach that balances the use of the levers available to us has been used in developing a proposed Opportunities Plan for 2023/24. This process has involved project ideas from staff at all levels alongside feedback from Members.

The report presents the proposed Opportunities Plan for 2023/24. The projects contained in the Plan have the estimated potential to positively impact on the Council's budget by £556,024 in 2023/24, increasing to £950,743 in 2024/25.

To support the delivery of some projects a revenue budget of £100,000 is proposed, which will be funded from the general fund reserves where necessary.

Members will have continued oversight of the progress of the plan through updates to the Policy and Resources Scrutiny Panel every 6 months, as well as annual updates to the remaining Scrutiny Panel and Committee meetings.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive approves:

- (a) the draft Opportunities Plan for 2023/24, as set out in Appendix A to the report;
- (b) a revenue budget of £100,000 to be allocated from general fund reserves to support the delivery of the plan; and
- (c) the proposed governance arrangements for the plan.

Reason:

To ensure that the Council remains financially sustainable, has a balanced budget for 2023/24 and can continue to provide services across the organisation.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 18 September 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2470

Record of Decision by Executive

Monday, 18 September 2023

Portfolio	Policy & Resources
Subject:	Osborn Road Multi Storey car park
Report of:	Director of Planning and Regeneration
Corporate Priority:	Maintain and extend prosperity

Purpose:

To provide details on a revised scheme for the demolition of the existing multi storey car park and construction of a new surface car park and seek approval for an increased project budget.

The detailed design process has resulted in necessary revisions to the original scheme, notably in relation to drainage and highways. Electric vehicle charging provision is to be included with the scheme, but the opportunity to install solar photovoltaic canopies has been reviewed but discounted at this time. Additionally, it is advised that construction costs have risen significantly over the last 18 months.

Given the detailed design revisions and based on the tenders received, the scheme is not achievable within the previously approved budget and therefore an increased project budget is required for the final scheme to proceed.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive approves an increased budget of £2.5 million.

Reason:

To support the regeneration of Fareham town centre and to be a key driver of further development and investment.

Confirmed as a true record:
Councillor SDT Woodward (Executive Leader)

Monday, 18 September 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2506

Record of Decision by Executive

Monday, 8 January 2024

Portfolio	Policy & Resources
Subject:	Purchase of Strategic Land at Faraday Business Park (South)
Report of:	Director of Planning and Regeneration
Corporate Priority:	Promote Economic Development; Responsive, Inclusive and Innovative Council

Purpose:

The report seeks Executive approval to purchase additional land at Daedalus. The report further requests that delegated authority be given to the Director of Planning and Regeneration to complete the transaction should the terms change.

Further information is detailed in the confidential report.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) approves the purchase of the land; and
- (b) delegates the agreement of final financial terms, up to the sum detailed in the recommendation to the report (plus overage provisions), to the Director of Planning and Regeneration following consultation with the Executive Member for Policy and Resources

Reason:

As detailed in the confidential report.

Confirmed as a true record:
Councillor SDT Woodward (Executive Leader)

Monday, 8 January 2024

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2507

Record of Decision by Executive

Monday, 8 January 2024

Portfolio	Policy & Resources
Subject:	Sale of Development Land at Faraday Business Park (South)
Report of:	Director of Planning and Regeneration
Corporate Priority:	Promote Economic Development; Responsive, Inclusive and Innovative Council

Purpose:

The report seeks Executive approval to award a contract for infrastructure works required to support an approved plot sale at Faraday Business Park (South).

Further information is as detailed in the confidential report.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive gives delegated authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, to award a contract as detailed in the report and up to a value as detailed in the recommendation once the final terms are understood.

Reason:

The timescales associated with delivering the infrastructure is the reason for seeking Executive approval with a delegated authority. Ordinarily Officers would have completed the tender process prior to seeking Executive approval. However, a contract will need to be awarded shortly after tenders are received. The requirement to award the contract was implicit in the Executive approval to proceed with the transaction. This supplementary approval seeks to remove any ambiguity attached to the Executive report of 15 May 2023.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 8 January 2024

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2484

Record of Decision by Executive

Monday, 9 October 2023

Portfolio	Policy & Resources
Subject:	The Council Tax Support Fund
Report of:	Assistant Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To seek Executive approval of the Council Tax Support Fund Policy, which deals with the allocation of Fareham's proportion of Government funding. The aim is to assist those residents receiving Council Tax Support who have an outstanding Council Tax liability, by awarding additional Council Tax Support of up to £25.00 via a Mandatory Scheme. Also, to provide a Discretionary Fund, where local authorities can determine their own approach to supporting economically vulnerable households with their Council tax.

On 23 December 2022 the government announced the Council Tax Support Fund, stating that they recognised the impact of rising Council Tax bills.

"The government will be distributing £100 million of new grant funding in 2023/24 for local authorities to support economically vulnerable households in their area with Council tax payments".

This policy covers the administration of Fareham's proportion of the fund, which is £99,331, split between:

- A mandatory fund, which assists those receiving Council Tax Support who have an outstanding Council Tax liability of up to £25.00.
- A discretionary fund, where local authorities can determine their own approach to supporting economically vulnerable households.

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 that the key principles of the Council Tax Support Fund Policy, as outlined in the report, be approved for adoption in Fareham.

Reason:

The principles have been drawn up to help develop a policy which maximises the benefit that can be provided to as many residents as possible who are in receipt of Council Tax Support.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 9 October 2023

FAREHAM

BOROUGH COUNCIL

2023/24
Decision No.
2492

Record of Decision by Executive

Monday, 11 December 2023

Portfolio	Policy & Resources
Subject:	Treasury Monitoring and Capital Monitoring 2023/24
Report of:	Assistant Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:
This report summarises the Council's borrowing and investment activity and capital expenditure up to 30 September 2023 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:-

	31 March 2023 Actual £'000	30 Sept 2023 Actual £'000s
Total borrowing	61,336	61,256
Total investments	(24,832)	(18,192)
Net borrowing	36,504	43,064

The Council's net interest budget for 2023/24 is £612,000 with an actual of £239,671 at the end of September (£879,854 actual in 2022/23). With the Bank Rate at its likely peak of 5.25%, the budget will be reviewed during the budget setting period to reflect the latest capital programme spending plans.

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

Capital Programme	Revised Budget 2023/24 £	Budget to 30 Sept 23 £	Actual to 30 Sept 23 £	Variation £
General Fund	39,713,200	24,797,100	21,508,704	-3,288,396
HRA	3,518,000	2,253,500	2,148,281	-105,219
Total	43,231,200	27,050,600	23,656,985	-3,393,615

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive notes the Treasury Management and Capital Monitoring report for 2023/24.

Reason:

To inform the Executive of the Council's borrowing, investment and capital programme activity up to 30 September 2023.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 11 December 2023