

FAREHAM

BOROUGH COUNCIL

AGENDA

POLICY AND RESOURCES SCRUTINY PANEL

Date: Friday, 10 January 2025

Time: 3.00 pm

Venue: Collingwood Room - Civic Offices

Members:

Councillor Mrs L M Birkett (Chairman)

Councillor F L Burgess (Vice-Chairman)

Councillors S Dugan
D J Hamilton
Miss T Harper
Mrs K Mandry
D P Wiltshire

Deputies: R N Bird
A West



1. Apologies for Absence

2. Minutes (Pages 5 - 8)

To confirm as a correct record the minutes of the meeting of the Policy and Resources Scrutiny Panel meeting held on 18 November 2024.

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Direction

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

5. Deputations

To receive any deputations of which notice has been lodged.

6. Capital Programme & Capital Strategy 2025-26 (Pages 9 - 54)

7. General Fund Fees & Charges 2025-26 (Pages 55 - 100)

8. General Fund Revenue Budgets & Finance Strategy 2025-26 (Pages 101 - 128)

9. Housing Revenue Account Budgets, Fees & Charges 2025-26 (Pages 129 - 152)

10. Opportunities Plan Update (Pages 153 - 176)

11. Executive Business (Pages 177 - 178)

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) Annual Review of Corporate Strategy 2023 - 2029 (Pages 179 - 180)

12. Scrutiny Priorities (Pages 181 - 182)

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
24 December 2024

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FAREHAM

BOROUGH COUNCIL

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

Date: Monday, 18 November 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs L M Birkett (Chairman)

Councillor F L Burgess (Vice-Chairman)

Councillors: S Dugan, D J Hamilton, Miss T Harper, Mrs K Mandry and P W Whittle

Also Present: Councillor G Furnivall (Item 6)



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 21 October 2024 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced to the Panel that the next meeting of the Panel, which is scheduled for 20 January 2025, has been moved to 10 January 2025, to allow the Panel the opportunity to pre-scrutinise the Town Centre Regeneration Plan before it is brought to the Executive at its meeting on 13 January 2025 for decision.

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. ANNUAL REVIEW OF CORPORATE STRATEGY 2023-2029

The Panel considered a report by the Assistant Director (Democracy) on the Annual Review of the Corporate Strategy 2023-2029.

At the invitation of the Chairman, Councillor G Furnivall addressed the Panel on this item. She requested that the proposed wording change to page 17 of the Strategy, state "...allow for equity of opportunity and access..." rather than equal access as this is a stronger statement which more accurately describes the required change. Members of the Panel were in support of this proposal.

Councillor Whittle requested that the information regarding the population estimate, which is proposed to be removed from page 7 of the strategy remain as he feels that this is valuable information for residents. The Policy, Research and Engagement Manager addressed the Panel and confirmed that this information could be incorporated elsewhere in the strategy.

Councillor Hamilton requested that where the strategy refers to Westbury Manor Museum on page 9, this be changed to Westbury Manor. Members were keen to acknowledge that this will form part of the Town Centre Regeneration but that the building will no longer be used as a museum.

The Assistant Director (Democracy) addressed the Panel on this item to confirm that following the last meeting of the Panel where the motion on support for LGBTQ+ people was debated, a lot of work has been undertaken

to progress these proposals. It is proposed that a new project be added to the Corporate Strategy:

Ensure Fareham Borough Council services are accessible to all members of our community and staff by recognising and celebrating diversity, promoting inclusion and by providing systems and structures that allow for equitable opportunity and access.

Further information on this will be incorporated into the Executive report on the Corporate Strategy which will be presented at the meeting of the Executive on 3 December 2024.

RESOLVED that the Panel: -

- (i) notes the content of the report; and
- (ii) recommends that the Executive considers the proposed changes to the Corporate Strategy as outlined above when they consider this item at their meeting on 3 December 2024.

7. EXECUTIVE BUSINESS

The Panel considered the Executive items of business which falls under the remit of the Policy and Resources Portfolio, including Executive Member decisions and Officer delegated decisions, that have taken place since the last meeting of the Panel on 21 October 2024.

(1) Capital and Treasury Management Monitoring 2024-25

There were no comments received.

(2) Communications and Engagement Strategy

There were no comments received.

(3) General Fund Revenue Monitoring 2024-25

There were no comments received.

(4) Housing Revenue Account Monitoring 2024-25

There were no comments received.

(5) Irrecoverable Debts

There were no comments received.

8. SCRUTINY PRIORITIES

The Assistant Director (Democracy) provided members with an update on the items that are to be coming forward to the next meeting of the Panel on 10 January 2025.

She then invited members to put forward any further items of scrutiny that they wish for the Panel to consider. Councillor Hamilton requested that an update on the review of the Civic Offices be brought to the Panel. The Policy, Research and Engagement Manger confirmed that this will form part of the Town Centre Regeneration report that will be taken to the January 2025 meeting.

(The meeting started at 6.00 pm
and ended at 6.48 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date 10 January 2025
Report of: Assistant Director (Finance & ICT)
Subject: CAPITAL PROGRAMME & CAPITAL STRATEGY 2025-26

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the Capital Strategy and capital programme for 2025-2026. The Assistant Director (Finance and ICT) will refer any proposals and comments of the Panel to the Executive meeting on 13 January 2025.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 13 January 2025.

Enquiries:

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

APPENDICES

Appendix 1: Report to Executive meeting on 13 January 2025 – Capital Programme and Capital Strategy 2025-2026 (with Appendices A and B)

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 13 January 2025

Portfolio:	Policy and Resources
Subject:	Capital Programme & Capital Strategy 2025/26
Report of:	Assistant Director (Finance and ICT)
Corporate Priorities:	Responsive, Inclusive and Innovative Council

Purpose:

This report considers the Capital Strategy for 2025/26, 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 2025/26 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 **5-year** programme contains capital expenditure of **£85.9 million** (compared to £82.3million in the previous Strategy). Key projects included are:
 - Completion of Fareham Live and demolition of Osborn Road car park
 - Construction of Assheton Court sheltered housing apartments
 - Holly Hill Woodland Park Restoration
 - Fareham Park Vision
 - Aeronautical Ground Lighting at Daedalus
 - Land purchase for Nutrient Mitigation In Stubbington
 - Vehicle purchases for the introduction of Simpler Recycling
- ii) **New schemes** that are proposed since the 2024/25 Capital Strategy are listed at paragraph 30. There is currently no provision in the programme for Town Centre Regeneration requirements which will be subject to a separate report.
- iii) The revised level of capital expenditure estimated for **2024/25** is **£30 million** (previously £16.4 million). This significant increase reflects streams of external

funding that the Council has been successful in attracting, such as from Homes England for Assheton Court housing, or is pursuing, such as Lottery Grant funding for Holly Hill Woodland Park. The current estimate is that only £2.3 million of the spend will need to be met by new borrowing.

- iv) However, there are a number of pressures highlighted in the Capital Strategy, not least for the General Fund asset management and replacement plans. In particular, the estimated provisions for vehicle replacement and ICT development are such that it is proposed that **Revenue Contributions to Capital** are now increased by £225,000 to £1.35 million a year. This is covered by the Revenue Budget report at the same meeting.
- v) There are also a number of pressures on the **HRA** element of the Capital Strategy. In particular, the value of the planned maintenance of the stock has been increased from £3million to £4million and is one of the reasons that no further funds are being put aside to repay the HRA debt at this moment. This will be covered further in the HRA budget report to the February Committee.
- vi) The **funding of the 5-year Strategy** relies on forecasts of resources that are not yet in place. These total £64 million (75% of the programme).
- vii) A high-level review of **future funding requirements** has also identified a capital funding requirement of £229 million over the next 30 years.
- viii) The Strategy proposes some **policy clarifications**. This includes expanding the capitalisation of officer salary costs that are directly attributable to capital schemes, to now be considered as part of the total project costs

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2025/26 will be presented at the February meeting of the Executive. The value of the Council's **investment property portfolio** is covered in the Capital Strategy and is estimated to have a value of £66 million.

Recommendation:

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2025/26, attached as Appendix A to this report;
- (b) agrees the Capital Programme for the period 2024/25 to 2028/29, amounting to £85.9 million as set out in Annex 1 of the Capital Strategy; including the 2 new schemes listed at paragraph 30;
- (c) approves the use of £800,000 retained business rates in the Enterprise Zone for the Swordfish Business Park masterplan, and a further £820,000 for access road improvements.
- (d) submits the Capital Strategy for 2025/26 to Council for approval;
- (e) notes the future policy change to expand the capitalisation of permitted officer salary costs;

- (f) notes the increased projected costs and contract variations that have arisen for the AGL scheme at Daedalus, and the proposed funding source; and
- (g) approves the recommendation arising from the negotiations detailed in confidential Appendix B.

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 2025/26 (including 5-year capital programme as Annex 1 and New Schemes as Annex 2)

B: Additional information for Daedalus Construction Schemes Update (Confidential)*

** Commercially exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972*

It is not in the public interest to publish this information at this time as doing so would prejudice the Council's ability to achieve best value when spending public monies

Background papers: None

Reference papers:

CIPFA Prudential Code 2021

Arlingclose Capital Strategy 2025/26 Template

Climate Change Action Plan Update – Annual Review 2023/24, Climate Change Scrutiny Panel, 15 October 2025

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

Enquiries:

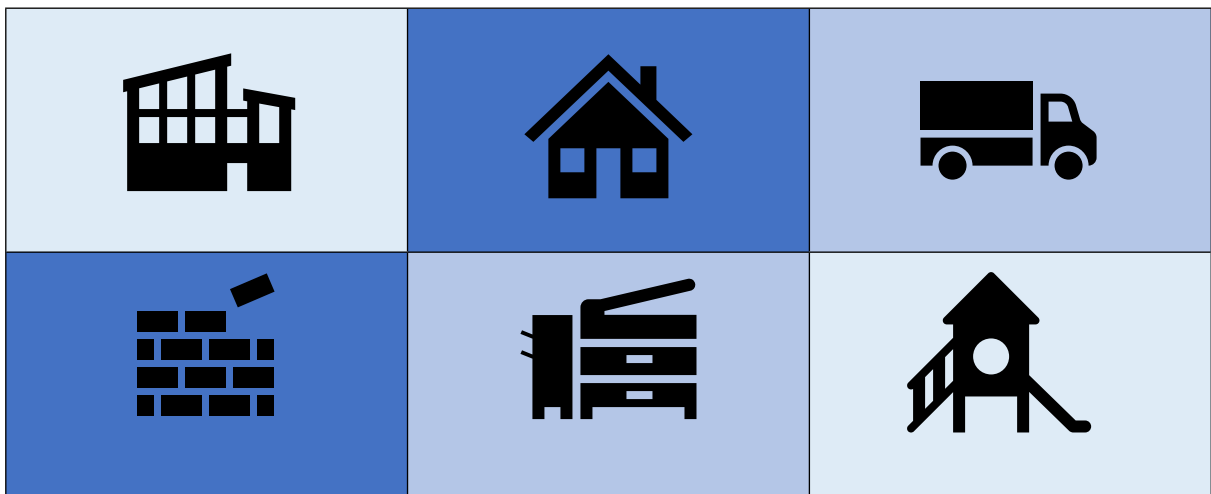
For further information on this report please contact Caroline Hancock 01329 824589.

FAREHAM

BOROUGH COUNCIL

CAPITAL STRATEGY

2025/26



CONTENTS

INTRODUCTION	3
SUMMARY OF CAPITAL PROGRAMME	8
CAPITAL SCHEMES	11
ASSET MANAGEMENT	17
CAPITAL FINANCING	21
TREASURY MANAGEMENT	28

Annex 1 – Capital Programme 2024/25 to 2028/29

Annex 2 - New Capital Schemes Approved since the last Capital Strategy

INTRODUCTION

WHAT IS THE CAPITAL STRATEGY?

1. Capital expenditure is where the Council spends money on assets, 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. Capital schemes are distinct projects such as property construction or renovation, as compared to the ongoing asset management and replacement programmes.
2. The Capital Strategy has been developed to meet the requirements of the CIPFA Prudential Code.
3. 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.
4. It includes the details of the Council's Capital Programme for a 5-year period covering both Capital Schemes and Asset Management needs.
5. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future.
6. The Capital Strategy covers:



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



PRUDENTIAL INDICATORS

8. 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.
9. 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

GOVERNANCE, POLICY AND PRIORITIES

10. Capital programme expenditure is monitored through monthly officer monitoring reports and half-yearly and annual outturn reports to the Executive.
11. 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.
12. 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.
13. 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.
 14. 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. In addition, up to 4% of new capital receipts received, other than from housing, will be used to meet the costs of enabling land disposals, this is allowable under capital accounting regulations.
 15. 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.
 16. 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.
 17. 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.
 18. 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.
 19. 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.

20. Further Policies contained in the Strategy are:
- [Level of Revenue Contributions for Capital financing](#) (para 88)
 - [Priorities for use of Capital receipts](#) (para 104)
 - [Priorities for the use of CIL](#) (para 85)
 - [The Minimum Revenue Provision calculation](#) (para 105)
 - [Limits to Borrowing](#) (para 122)

KNOWLEDGE AND SKILLS

21. 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.
22. 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

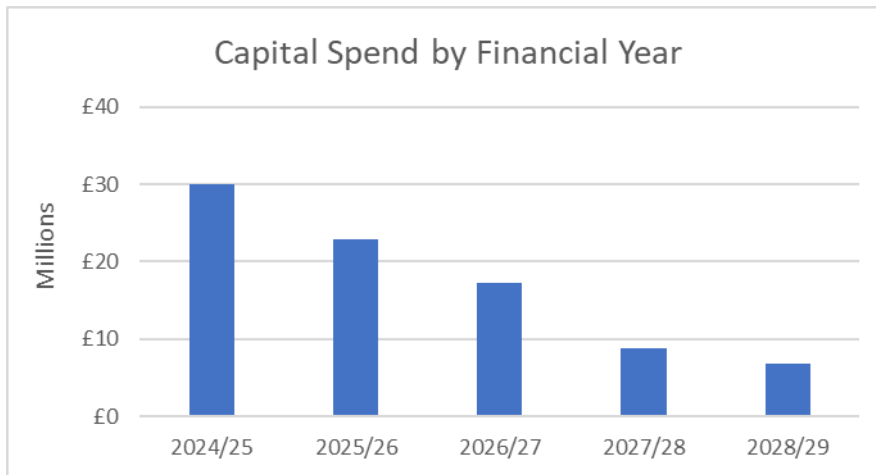
SUMMARY OF CAPITAL PROGRAMME

23. 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.
24. The major **General Fund** capital schemes include the Vehicle Replacement Programme, Fareham Live, schemes at Solent Airport at Daedalus and the Fareham Park Vision.
25. 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 the redevelopment of Assheton Court.
26. The capital programme for the period 2024/25 to 2028/29 has been updated to take account of re-phased schemes and newly approved schemes such as the Holly Hill Woodland Park Restoration Project and the new Food Waste Collection Service.
27. Total capital expenditure is one of the risk indicators required by the Prudential Code. The Council is planning capital expenditure of £85.9 million in the 5-year capital programme as summarised below (detailed schemes are in **Annex 1**):

Prudential Indicator 1 - Estimates of Capital Expenditure

Capital Expenditure	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	Total £'000
Streetscene	521	1,167	97	1,888	0	3,673
Leisure and Community	6,752	729	1,992	100	0	9,573
Housing	1,026	800	800	800	895	4,321
Planning and Development	323	0	0	0	0	323
Policy and Resources	6,872	2,649	5,684	993	1,079	17,277
Total General Fund	15,494	5,345	8,573	3,781	1,974	35,167
HRA	11,765	17,615	8,610	5,099	4,890	47,979
Local Nutrient Mitigation Fund (PfSH)	2,704	0	0	0	0	2,704
Total Expenditure	29,963	22,960	17,183	8,880	6,864	85,850

28. The graph below shows the relative value of the spend across the five years with 35% of the spending incurring in 2024/25.



29. Major schemes in the capital programme over £2 million are summarised in the table below:

Major Schemes	£'000
HRA Improvements to Existing Stock	21,000
HRA Assheton Court New Build	19,400
Asset Replacement Programme (Vehicles and ICT)	6,468
Solent Airport at Daedalus	4,685
Fareham Live	4,567
Disabled Facilities Grants	4,192
Civic Offices Improvements	3,304
Local Nutrient Mitigation Fund	2,704
HRA Stock Acquisitions	2,500
Fareham Park Vision	2,435
HRA Birks Building Redevelopment	2,159

30. Annex 2 lists all new schemes that have been approved since the 2024/25 Capital Strategy was approved. In addition, the following schemes have been added for approval as part of the 2025/26 Capital Strategy:

- Fareham Leisure Centre PV Panels and Pool Cover - £672,400
- Swordfish Business Park Masterplan - £800,000

CAPITAL SCHEMES

CAPITAL SCHEMES

NEW HOUSING SCHEMES

31. **Ophelia Court (£1.8 million)** is Fareham Housing's second shared ownership development in recent years, following Capella Close. The Council is developing 9 x 1 bed and 2 bed apartments. Work started on site at the end of 2023, with FE Chase Ltd as the building contractor. The development was successful in its grant bid application to Homes England for £447,000 from the Affordable Homes programme 2021-2026. Ophelia Court is due to be ready for occupation in early 2025.
32. **51A Bellfield (£350,000)** is a new home in the side garden of 51 Bellfield. Planning permission was granted in March 2023. The new 3 bedroomed home will be heated with an air source heat pump and includes solar panels on the roof and electric vehicle charging. The appointed contractor, Daintree Developments Ltd, started on site earlier in 2024 and expect to complete the property in early Spring 2025.
33. **Sea Lane, Stubbington (£33,700)**, is one of the packages of sites the Council purchased from Homes England (another of which was Capella Close). The small site has planning permission for 4 x self-build plots. A Deed of Variation between the Council and Homes England for overage was completed in May this year enabling progress of the site, including selling a small strip of land to a neighbour and procuring access works required before the plots can be marketed.
34. In March 2022 Executive approved the funding arrangements and the process to appoint the contractor for the redevelopment of **Assheton Court** in Portchester, to provide up to 60 sheltered housing apartments with an estimated project cost of over **£20million**. A bid was submitted to Homes England for all the Assheton Court apartments to be let at a social rent. The grant bid was approved in the summer for £7,560,000.
35. The old Assheton Court has been demolished and the contractor, Feltham Construction Ltd, has been appointed. Feltham took possession of the site at the end of September 2024 to start preliminary works.
36. In October 2023, Executive approved a bid to be concluded for the acquisition of the former **Birks building (130-136 West Street)** for its redevelopment as affordable housing. This property was acquired in March 2024 and consists of the former Foresters' Hall, a number of ground floor shops and the Birks of Fareham furniture store.

37. The January 2024 Executive set aside **£3 million** for Emergency and Temporary Accommodation. £840,700 of this was used to acquire the building with the balance of £2,159,300 earmarked for the redevelopment of the site. A further report will be provided to the Executive once overall project costs are known. The budget provision has moved from the General Fund Housing portfolio to the HRA to allow more flexibility around the use of the housing units between secured and temporary tenancies and in order for the scheme to be eligible for Homes England grant funding.

TOWN CENTRE REGENERATION

38. The Council has a strong ambition to reverse the decline of Fareham Town Centre through regeneration, recognising the wider placemaking, economic regeneration and health benefits a more successful town centre would bring.
39. Work has already begun to deliver the Council's significant regeneration ambition with the construction of Fareham Live, the demolition and replacement of Osborn Road multi storey car park and the purchase of Fareham Shopping Centre in September 2023.
40. The Council has appointed an asset manager to manage the Shopping Centre and is working closely with specialist regeneration consultants to develop a Town Centre Regeneration Strategy. The Strategy will be presented to the February 2025 Executive and is not currently included in the capital programme.
41. A further report to the Executive, in February 2025, will also set out a number of Asset Management initiatives for Fareham Shopping Centre and associated West Street properties, which are also not currently included in the capital programme.

SOLENT AIRPORT AND DAEDALUS

42. 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.
43. 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.

44. 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.
45. In June 2023, the Executive approved £2.8 million for **Aeronautical Ground Lighting (AGL)**. There have been unexpected circumstances which have impacted on the AGL project causing both delays and additional costs. For example, a large number of uncharted services were found underground such as pipes and concrete.
46. It is expected that the final cost of the project will be £3.05 million, £250,000 (8.86%) over the £2.8 million approved by the Executive. The detail behind this overspend is noted in the confidential Appendix B, which contains commercially sensitive information.
47. The Council's Procurement and Contract Procedure Rules state that members should be informed if there is an overspend against a single contract of more than 10%. As a result of these unforeseen circumstances, there will be an increase over 10% in the value of two previously awarded contracts on the project. The details are in confidential Appendix B as they are commercially sensitive.
48. The Executive also approved £380,000 for improvements to the **Visual Control Room (VCR)**. The contract with the current airport operator expires 31 March 2026, and there is an active procurement exercise underway. It is possible that the operating model could change from April 2026, and it may be that the need for a VCR is no longer required. Tenderer's for the airport operator contract are expected to demonstrate a business case for all capital investment that is needed to deliver their offering over the life of the new contract. This would include the need for VCR where relevant.
49. The £380,000 budget for the VCR has therefore been removed from the capital programme and the AGL budget has increased by £250,000 to £3.05 million funded from land sale capital receipts at Daedalus.
50. In March 2024, the Executive approved £37 million being added to the capital programme for **Infrastructure Investment at Daedalus**, of which approximately £31.5 million related to Swordfish Business Park. However, the funding sources for this investment are not yet established and so are not included in the capital programme.
51. This coincided with an approval to complete a Memorandum of Understanding (MOU) for the use of retained business rates in the **Enterprise Zone**, which are currently over £2 million. The MOU has now been completed and to comply with wider contractual obligations, the Council now need to Masterplan

Swordfish Business Park. A budget of £800,000 is required to achieve this and obtain a planning consent for infrastructure development. It is requested that the Executive approve expenditure up to this amount funded from retained business rates.

52. To ensure funds are justly committed, expenditure on master planning will be on a phased basis, starting with feasibility testing to understand viability. Expenditure on a planning application would only follow once this has been appropriately tested. Further business plans and approvals will be sought ahead of committing to any development works.
53. In May 2023, the Executive approved a budget of £820,000 for infrastructure works comprising an access road with associated drainage and utility connections. Retained business rates in the Enterprise Zone will also now be used to fund this scheme.
54. At the October 2024 Executive, members approved a budget to alter the **security arrangements at Faraday Business Park**. A further update on this project and the associated financial risks is provided in confidential Appendix B.

CLIMATE CHANGE ACTION PLAN AND NUTRIENT MITIGATION

55. 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.
56. The annual review of the action plan, presented to the October 2024 Climate Change Scrutiny Panel, highlights areas that require capital funding for projects such as:
 - Energy efficiency improvements to Council properties and housing stock
 - Replacement vans and smaller vehicles that have exceeded their working lifespan with electric versions, where appropriate taking into account cost and performance
 - Electric vehicle charging infrastructure at the Depot to support a growing electrified fleet
 - Replacement of petrol-powered tools that have exceeded their working lifespans with electric versions, where appropriate taking into account cost and performance
 - A potential energy generation site on Council land
57. 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.

58. Examples of Council bids include the grant awarded from the second phase of Sport England's **Swimming Pool Support Fund** for energy saving and generation improvements at Fareham Leisure Centre and the November 2024 bid to the Public Sector Decarbonisation Scheme to support measures to decarbonise the heating of the Depot.
59. An **Environment Strategy** is being developed which will incorporate Climate Change considerations alongside a range of connected environmental initiatives and projects. The capital funding requirements for projects in the strategy will become clearer when the draft is presented for public consultation in Spring 2025.
60. In March 2024, the Executive approved a budget of £130,000 for a grid connection application to pursue a **Solar Photovoltaic Development at Hook Recreation Ground**. The grid application is still being sought and further viability testing is underway. Should the scheme proceed the capital commitment is estimated at £1,900,000. Further Executive approval will be sought ahead of proceeding beyond the grid application stage.
61. Funding has been received by the Partnership for South Hampshire from the **Local Nutrient Mitigation Fund** to minimise the impact that nutrient pollution has had on the delivery of new homes across the Solent over the last few years. The Council is lead authority of the fund. The deployment of the fund has been approved by the Partnership for South Hampshire Joint Committee and includes the acquisition of agricultural land at Stubbington.

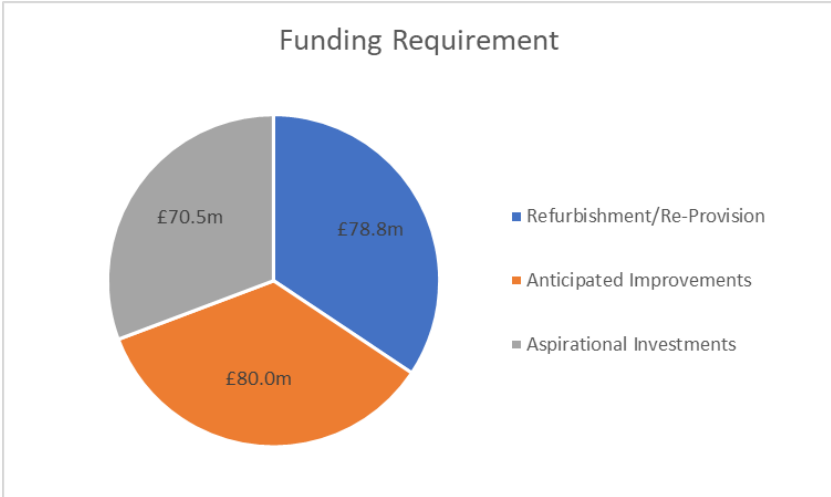
ASSET MANAGEMENT

ASSET MANAGEMENT

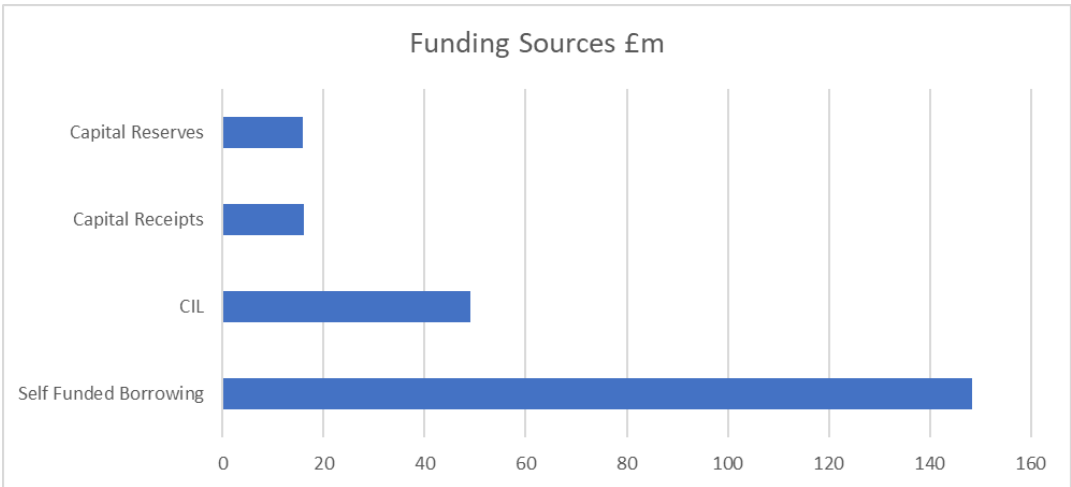
62. One of the Council’s corporate priorities is ‘a dynamic, prudent and progressive Council’ and aims to ‘undertake a major review of all Council owned land and buildings to ensure that we are making the best use of our assets’.

FUTURE FUNDING REQUIREMENTS

63. 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:



64. 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:



65. 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

66. 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.

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

	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Right to Buy Property	400	400	400	400	400
Other Housing Receipts	118	600	0	0	0
General Fund Property	2,387	11,582	25	25	25
Total	2,905	12,582	425	425	425

68. Other Housing Receipts in 2025/26 relates to an estimate of shared ownership sales at Ophelia Court.

69. General Fund Property mainly relates to land and property sales at Daedalus. £6 million of these receipts will be used to repay some of the shopping centre debt, purchased in September 2023.

70. General Fund Property also includes the sale of the three Welborne Cottages. The Council is planning to serve notice in accordance with the option agreement. The capital receipt will be used to cover the MRP costs as the cottages were purchased from borrowing.

REPLACEMENT AND IMPROVEMENT PROGRAMMES

71. At the 4 November Executive, members reviewed and endorsed the 2025-2030 **Vehicle Replacement Programme**, estimating that 50 vehicles will need to be replaced at an estimated maximum cost of £4.68 million.

72. The replacement programme will enable the Council to move to a modern fleet of commercial vehicles that will improve resilience in service delivery, reduce maintenance and vehicle hire costs over the longer term, whilst reducing the carbon emissions.

73. At the same meeting, Members also approved the purchase of five new food waste vehicles, caddies, and bins to enable the Council to introduce food waste collection from 31 March 2026, as part of the Simpler Recycling initiative which was reported to Members at the March 2024 Executive. New Burdens funding of £969,200 has been received to cover the capital costs of implementation.
74. The **ICT Improvement Programme** has been updated to take into account the latest programme of works in the ICT Strategy. This includes a provisional budget of £400,000 for the replacement of a key system used by Streetscene, Land Charges, Environmental Health Partnership and the Building Control Partnership.
75. The Vehicle and ICT Replacement Programmes are funded from [revenue contributions](#) set aside each year. For many years the annual amount has been £625,000. However, the revised Replacement Programmes will exceed this allocation, therefore it is proposed to increase the annual contribution to £850,000.
76. The budget for improvements to existing **housing stock** has also been increased for the current and future financial years covered by the capital programme, for example the budget for 2024/25 is now set at £4.1 million (previously £3 million).
77. This is 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. Revenue contributions to capital have been increased to support this expenditure.

CAPITAL FINANCING

CAPITAL FINANCING

78. 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).

FUNDING SOURCES

Capital Receipts

79. Capital receipts are mainly generated by the sale of land and buildings and will be used to fund 5% of the capital programme. The [Asset Disposal](#) section provides further information on forecast capital receipts.

Grants and contributions

80. Grants and contributions from external bodies include developer contributions (Community Infrastructure Levy and S106 contributions) and grant funding from bodies such as Homes England and the Ministry of Housing Communities & Local Government (MHCLG).
81. The table below lists the most significant capital grant funding already received or expected in 2024/25, and the schemes where the funding will be used:

Funding Received 2024/25	Amount £	Capital Scheme
Community Infrastructure Levy	6,314,000	Fareham Live, Osborn Road Car Park, Bus Shelters
Local Nutrient Mitigation Fund (PfSH)	2,703,700	Land Acquisition
Homes England (Affordable Housing)	2,111,000	Assheton Court, Ophelia Court
Disabled Facilities Grant	992,000	Disabled Facilities Grants
UK Shared Prosperity Fund	685,000	Fareham Park Vision
Sport England Swimming Pool Support Fund	672,400	Fareham Leisure Centre PV Panels and Pool Cover
S106 Developer Contributions	528,300	Play Area Improvements, Cams Alders Pavilion, vehicle replacement, HRA stock repurchase
Homes England (Daedalus)	245,000	Daedalus Site Wide
Everyone Active	150,000	Holly Hill Leisure Centre Filtration System
Changing Places Grant (£40,000 used in 2023/24)	10,000	Fareham Live

82. The **Community Infrastructure Levy (CIL)** is a planning charge on many forms of new development that generally involves a net increase in building floorspace, to fund infrastructure.

83. The Council approved its first charging schedule in 2013. Since that time £20.3 million has been raised, as at 31 March 2024, and has been used to fund the schemes in the table below:

Capital Scheme	Amount spent to 31 March 2024 £
Fareham Live	12,168,085
Holly Hill Leisure Centre	2,400,000
Hill Head Coastal Protection	1,045,635
Osborn Road Car Park	664,775
Play Area Improvements	505,846
Holly Hill Cemetery Extension	280,568
Bus Shelters	153,968
Total	17,218,877

84. £3.1 million of unspent CIL and amounts raised during 2024/25 will be used to fund the remaining costs of Fareham Live and Osborn Road Car Park.

85. The Council is forecast to receive approximately £18.7 million more CIL funding over the next 5 years as shown in the table below:

Year	Forecast CIL £
2024/25	2,386,800
2025/26	193,050
2026/27	2,930,850
2027/28	8,862,750
2028/29	4,369,950
Total	18,743,400

86. However, it is important to note that the forecast is heavily caveated on delivery assumptions such as when developments commence and dwelling size.

87. CIL receipts will be used to meet future community infrastructure projects in accordance with the priorities of the Council. The Holly Hill Woodland Park Restoration Project has been earmarked £436,000 to preserve and enhance the heritage, ecological and recreational site. In addition, CIL receipts of up to £2.15 million may be used to part fund the leisure, community and sports improvements at Fareham Park depending on the success of any external funding bids.

EZ Retained Business Rates

88. Part of the Daedalus site is designated as an Enterprise Zone which allows any growth in business rates there to be retained for investment in the local area. A Memorandum of Understanding (MOU) for the use of the retained business rates in the **Enterprise Zone**, has now been completed. The current value of the receipts is over £2 million.

89. To draw on this, the Council needs to comply with the terms of the MOU with Gosport Borough Council and Hampshire County Council.

Revenue Contributions

90. Revenue contributions fund rolling programme schemes such as the vehicle replacement programme and the ICT improvement programme. The Council currently sets aside £625,000 a year from revenue contributions. Due to increases in the needs of both replacement programmes, it is proposed to increase this to £850,000.

91. In addition, £500,000 is set aside annually to fund asset management plans such as the Civic Offices, Council Depot, community buildings and sports pavilions. The proposed budget for both revenue contributions will increase to £1.35 million and will be included in the Medium-Term Finance Strategy.

Borrowing

92. Borrowing can be from the use of internal resources (surplus cash) or external borrowing such as local authorities and the Public Works Loan Board (PWLb). Borrowing is repaid by making a Minimum Revenue Provision (see section below).

FINANCING PLAN FOR THE CAPITAL PROGRAMME

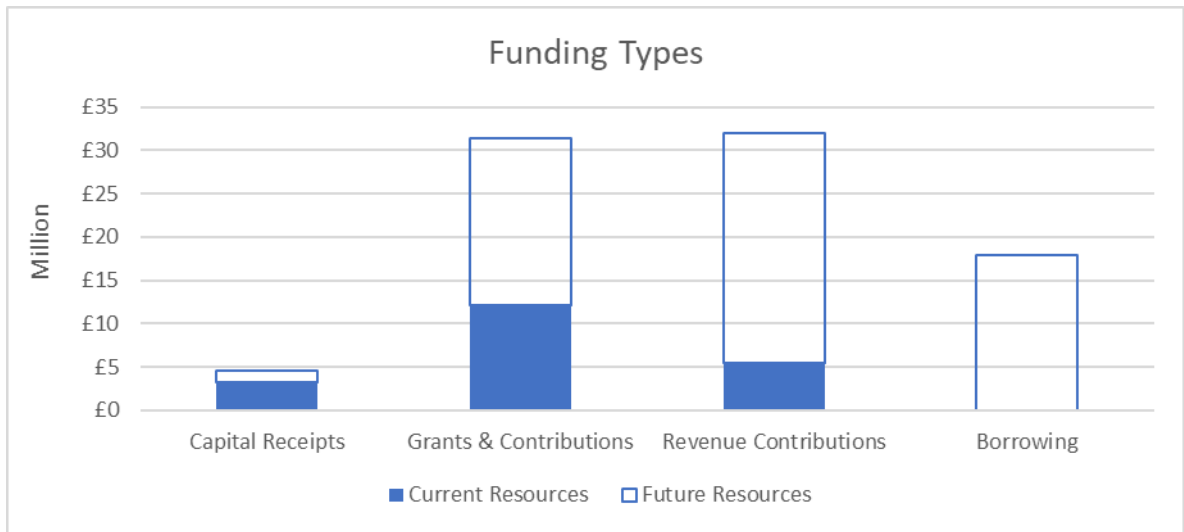
93. The planned financing of the expenditure in the Capital Programme is as follows:

Prudential Indicator 1 - Estimates of Financing

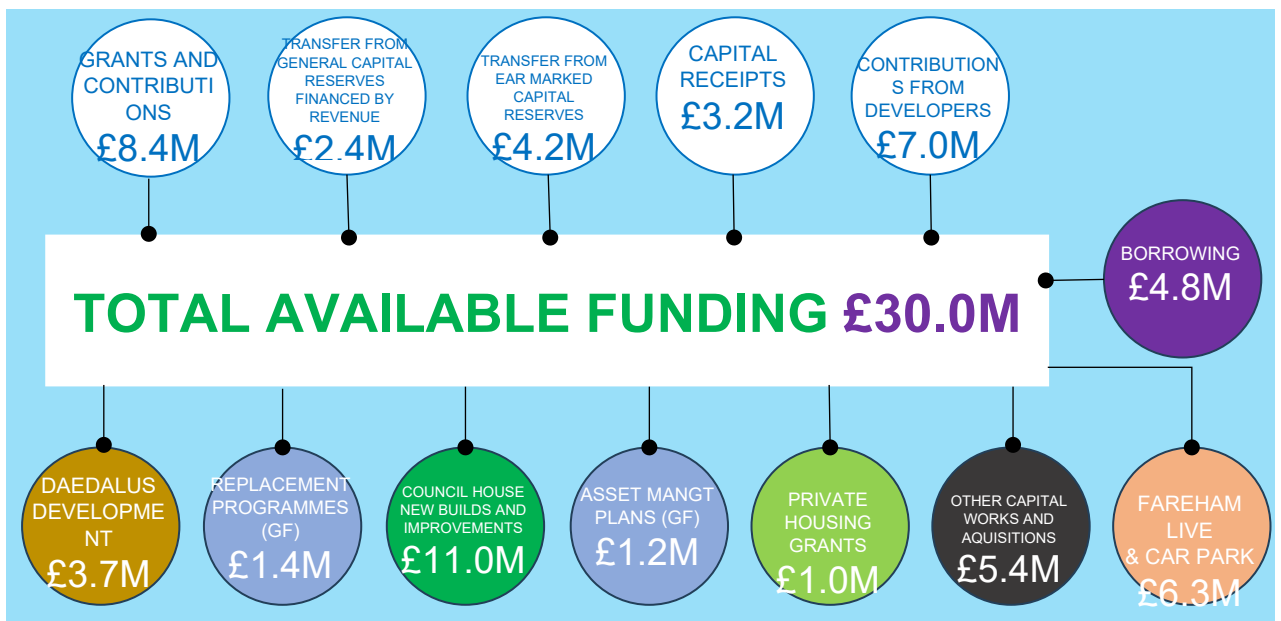
Capital Financing	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	Total £'000
Capital Receipts	3,190	514	250	250	345	4,549
Grants & Contributions	15,375	8,827	2,997	3,102	1,095	31,396
Revenue Contributions	6,584	6,339	8,324	5,369	5,424	32,040
Borrowing	4,814	7,280	5,612	159	0	17,865
Total Financing	29,963	22,960	17,183	8,880	6,864	85,850

94. Total resources of **£94 million** are estimated to be available over the life of the capital programme resulting in £8.1 million unallocated in this Strategy.

95. The chart below shows the different funding types split between current and future resources. Grants and contributions and revenue contributions are the largest funding sources, each financing 37% of the programme.



96. The funding split for 2024/25 is shown in the diagram below.



PRESSURES AND RISKS

97. 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 **£64 million**.

98. 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.

- 99. It must also be borne in mind that the implications of some of the Council’s priority actions, such as Town Centre Regeneration, the Fareham Park Vision and Welborne, and emerging capital spending pressures have not yet been quantified. Costs associated with approved schemes also remain provisional until tenders have been received.
- 100. Spending pressures including repair and refurbishment, or replacement works to all Council assets have also yet to be added to the capital programme.
- 101. The full costs of the following projects have not yet been included in the capital programme:
 - Civic Offices full asset management plan
 - Car parks asset management plan
 - Depot heating decarbonisation
 - Environment strategy
 - Fareham Park vision
 - Town centre regeneration
 - Daedalus infrastructure investment

DEBT, MRP and CFR

102. 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.

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

	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Minimum Revenue Provision	1,666	1,747	1,798	1,850	1,903
Future Capital Receipts	2,000	6,853	0	0	0

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

105. The MRP budget provision reflects the capital costs relating to commercial property purchases, shopping centre and construction works at Solent Airport at Daedalus including the Innovation Centre extension and hangars.

106. A priority call for the use of future capital receipts in the table above will be to repay the shopping centre debt. These capital receipts are from land sales at Daedalus, and also includes the sale of the Welborne cottages.

MRP Policy Statement

107. 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.

108. 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.

109. 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

110. 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.

111. 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.

112. The CFR is expected to increase by £0.5 million during 2025/26 mainly due to MRP being less than debt funded capital expenditure. The Council's estimated CFR is as follows:

Prudential Indicator 2 - The Council's borrowing need

	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
General Fund	63,659	55,059	53,261	51,411	49,508
HRA	60,899	68,179	61,911	62,211	62,211
Total CFR	124,558	123,238	115,172	113,622	111,719

113. The decrease in CFR in 2026/27 is mainly due to the repayment of a £9.3 million loan between the General Fund and HRA as part of the HRA reforms in 2012.

TREASURY MANAGEMENT

TREASURY MANAGEMENT

- 115. 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.
- 116. 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.
- 117. At 31 March 2024, the Council had £64.6 million borrowing and £13.6 million treasury investments.
- 118. The Treasury Management Strategy and Investment Strategy for 2025/26 will be presented separately at the February meeting of the Executive.

BORROWING STRATEGY

- 119. 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.
- 120. 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

	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Debt at 31 March	66,900	71,300	70,600	69,900	69,300
Capital Financing Requirement (CFR)	124,558	123,238	115,172	113,622	111,719

- 121. 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

- 122. 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.

123. 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.
124. 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

	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Operational Boundary	148,000	158,000	157,000	159,000	157,000
Authorised Limit	158,000	168,000	167,000	169,000	167,000

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

TREASURY INVESTMENT STRATEGY

126. 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).
127. The Council does not currently have service investments.

Treasury Investment Policy

128. 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.
129. 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.

130. 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.
131. Further details on treasury investments are set out in the Council's Treasury Management Strategy.

Treasury Investment Risk Management

132. 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

133. 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.
134. 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

135. With central government financial support for local public services declining, the Council previously invested 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 **£33.6 million** and expected to generate rental income of £2.6 million during 2025/26.

Property Type	Current Value £'000
Retail	20,570
Commercial (Industrial)	11,160
Other (Healthcare)	1,830
Total	33,560

136. The Council's total investment portfolio, shown below, is valued at **£66.5 million** and includes Faretec, industrial sites at Palmerston Business Park and

Newgate Lane and the freehold value of Fareham Shopping Centre. The total portfolio is expected to generate rental income of £4.6 million during 2025/26.

Property Type	Current Value £'000
Retail	32,025
Commercial	23,756
Other	4,217
Office	4,925
Leisure	1,536
Total	66,459

Commercial Investments Risk Management

137. 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.
138. 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.
139. These risks are managed by ensuring:
- funds available for new purchases are disaggregated to limit the overall impact that any single investment would have on the Council's finances;
 - there is a mix of property types in the portfolio e.g. retail, industrial, etc.;
 - new purchases are only considered with existing tenants of "high quality" and sufficiently long lease terms;
 - appropriate checks are carried out to ascertain the tenant's reliability before the investment is made and periodically afterwards;
 - other "due diligence" is undertaken to protect the Councils investment as far as possible such as checks on planning conditions, land contamination issues and planning policy issues.
140. 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

141. The Executive approved a Commercial Property Investment Acquisition Strategy on 7th January 2013.
142. The steps taken before a decision to purchase a property are clearly documented and tested via a challenge process involving the Head of Asset Management, Statutory Chief Finance Officer and the Executive portfolio holder for Policy Strategy and Finance.
143. Decisions on commercial investments are made by the Executive in line with the criteria outlined in the Commercial Property Investment Acquisition Strategy.
144. 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

	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Total net income from commercial investments £'000	3,531	3,432	3,432	3,432	3,432
General Fund Proportion of net revenue stream	27%	25%	25%	25%	25%

LIABILITIES

145. In addition to debt detailed above, the Council is committed to making future payments to cover its **pension fund deficit** (valued at £8.9 million as at 31 March 2024). It has also set aside provisions of £2.5 million mainly to cover **business rate appeals**.
146. 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.
147. Further details on liabilities are given in the 2023/24 Statement of Accounts.

REVENUE BUDGET IMPLICATIONS

148. 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.
149. 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

	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund Financing costs £'000	1,342	1,397	1,448	1,500	1,553
General Fund Proportion of net revenue stream	13%	14%	13%	13%	12%
HRA Financing costs £'000	2,008	2,203	2,203	2,203	2,203
HRA Proportion of net revenue stream	13%	14%	13%	13%	12%

150. 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.

ANNEX 1 - CAPITAL PROGRAMME 2024/25 to 2028/29

	Scheme Budget £	Spend to 31/03/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	5 year Total £	Funding Source
STREETSCENE									
Streetscene Asset Management Plan	462,000	30,000	315,500	116,500				432,000	Reserves
Bus Shelters	451,500	354,100	8,400			89,000		97,400	CIL
Play Area Safety Equipment & Surface Replacement	350,000	146,600	53,400	50,000	50,000	50,000		203,400	S106
Simpler Recycling Programme	969,200	0		969,200				969,200	External contributions
Holly Hill Woodland Park Restoration	2,046,000	75,350	143,200	31,500	47,300	1,748,600		1,970,600	Lottery grant (tbc), S106
STREETSCENE TOTAL			520,500	1,167,200	97,300	1,887,600	0	3,672,600	
LEISURE & COMMUNITY									
Buildings									
Fareham Live	16,740,000	12,173,400	4,566,600					4,566,600	CIL
Leisure Centres Capital Investment	6,810,000	6,363,300	305,000		141,700			446,700	Borrowing
Fareham Leisure Centre PV Panels & Pool Cover	672,400	0	672,400					672,400	External contributions
Holly Hill Leisure Centre Filtration System	281,000	0	281,000					281,000	External contributions, Capital reserves
Community Buildings Review	422,000	65,300	34,500	322,200				356,700	Capital reserves
Whiteley Community Centre Refurbishment	40,000	0		40,000				40,000	Capital receipts
Cams Alders Pavilion Roof & Masonry Repairs	100,000	0	100,000					100,000	S106
Fareham Park Vision	2,435,000	0	685,000		1,750,000			2,435,000	UKSPF grant, S106
			6,644,500	362,200	1,891,700	0	0	8,898,400	
Play Schemes									
Play Area Improvement Programme	500,000	92,100	107,900	100,000	100,000	100,000		407,900	S106
Skate Park Upgrade - Wicor Recreation Ground	100,000	0		100,000				100,000	S106
Skate Park Upgrade - Stubbington Recreation Ground	100,000	0		100,000				100,000	S106

	Scheme Budget	Spend to 31/03/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total	Funding Source
	£	£	£	£	£	£	£	£	
Fareham College Play Area	50,000	0		50,000				50,000	S106
			107,900	350,000	100,000	100,000	0	657,900	
Other Community Schemes									
Allotment Improvements				16,300				16,300	S106
LEISURE & COMMUNITY TOTAL			6,752,400	728,500	1,991,700	100,000	0	9,572,600	
HOUSING									
Home Improvements									
Disabled Facilities Grants			992,000	800,000	800,000	800,000	800,000	4,192,000	External contributions
Empty Homes Strategy							95,400	95,400	Capital receipts
			992,000	800,000	800,000	800,000	895,400	4,287,400	
Enabling									
Sea Lane, Stubbington - Self Builds			33,700					33,700	Capital receipts
HOUSING TOTAL			1,025,700	800,000	800,000	800,000	895,400	4,321,100	
PLANNING & DEVELOPMENT									
Car Parks - Surfacing			323,200					323,200	Capital reserves
PLANNING & DEVELOPMENT TOTAL			323,200	0	0	0	0	323,200	
POLICY AND RESOURCES									
Replacement Programmes									
Vehicle Replacement Programme			778,000	693,900	690,400	849,500	899,000	3,910,800	Revenue contributions, external contributions
Plant Replacement Programme			100,000	80,000	80,000	80,000	80,000	420,000	Revenue contributions
Upgrade Electric Vehicle Infrastructure	50,000	0	50,000					50,000	Revenue contributions
ICT Development Programme			257,300	257,000	440,000	63,600	100,000	1,117,900	Revenue contributions
			1,185,300	1,030,900	1,210,400	993,100	1,079,000	5,498,700	

	Scheme Budget	Spend to 31/03/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total	Funding Source
	£	£	£	£	£	£	£	£	
Operational Buildings									
Civic Offices Improvement Programme			100,000	500,000	2,703,800			3,303,800	Capital reserves
Depot Asset Management Works			177,700					177,700	Capital reserves
			277,700	500,000	2,703,800	0	0	3,481,500	
Property Developments									
Osborn Road Car Park	2,500,000	817,700	1,682,300					1,682,300	CIL
166 Southampton Road Repairs	1,193,500	1,163,500	30,000					30,000	Capital receipts
			1,712,300	0	0	0	0	1,712,300	
Solent Airport at Daedalus									
Daedalus Site Wide			245,000					245,000	External contributions
Aeronautical Ground Lighting System	3,050,000	1,032,800	2,017,200					2,017,200	Capital receipts
Performance Based Navigation	200,000	12,400		187,600				187,600	Capital receipts
Airport Supply Assets	165,000	0	165,000					165,000	Capital receipts
Infrastructure Improvements - Access Road	820,000	0	820,000					820,000	Enterprise Zone receipts
Purchase of Strategic Land at Faraday	200,000	0	200,000					200,000	Capital receipts
New Security Arrangements at Faraday	250,000	0	250,000					250,000	Capital receipts
Infrastructure Investment Plan	800,000	0		800,000				800,000	Enterprise Zone receipts
			3,697,200	987,600	0	0	0	4,684,800	
Other									
Hook Recreation Ground Solar Farm	1,900,000	0		130,000	1,770,000			1,900,000	Borrowing, Rev cont.
			0	130,000	1,770,000	0	0	1,900,000	
POLICY & RESOURCES TOTAL			6,872,500	2,648,500	5,684,200	993,100	1,079,000	17,277,300	
GENERAL FUND TOTAL			15,494,300	5,344,200	8,573,200	3,780,700	1,974,400	35,166,800	

	Scheme Budget	Spend to 31/03/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total	Funding Source
	£	£	£	£	£	£	£	£	
HOUSING REVENUE ACCOUNT									
Improvements to Existing Stock									
Improvements to Existing Stock			1,400,000	1,600,000	1,700,000	1,800,000	1,800,000	8,300,000	Major Repairs, Rev cont.
Improvements to Void Stock			2,100,000	2,000,000	2,000,000	2,000,000	2,000,000	10,100,000	Major Repairs, Rev cont.
Disabled Modifications			600,000	500,000	500,000	500,000	500,000	2,600,000	Major Repairs, Rev cont.
			4,100,000	4,100,000	4,200,000	4,300,000	4,300,000	21,000,000	
Acquisitions and New Builds									
Acquisitions			500,000	500,000	500,000	500,000	500,000	2,500,000	Capital receipts, S106
Assheton Court	20,049,600	649,600	5,000,000	12,400,000	2,000,000			19,400,000	Borrowing, HE grant
51 Bellfield	350,000	40,000	275,000	35,000				310,000	S106
Ophelia Court	1,782,000	22,000	1,520,000	240,000				1,760,000	Borrowing, HE grant
Birks Building	3,000,000	840,700	100,000	200,000	1,700,000	159,300		2,159,300	Borrowing, other tbc
			7,395,000	13,375,000	4,200,000	659,300	500,000	26,129,300	
Other									
Regeneration Feasibility			25,000	50,000	75,000	50,000		200,000	Revenue contributions
Vehicle Replacement Programme			245,000	90,000	135,000	90,000	90,000	650,000	Revenue contributions
			270,000	140,000	210,000	140,000	90,000	850,000	
HOUSING REVENUE ACCOUNT TOTAL			11,765,000	17,615,000	8,610,000	5,099,300	4,890,000	47,979,300	
OTHER (PFSH)									
Local Nutrient Mitigation Fund Land Acquisition	2,703,700	0	2,703,700					2,703,700	External contribution from MHCLG grant.
OTHER TOTAL			2,703,700	0	0	0	0	2,703,700	
TOTAL CAPITAL PROGRAMME			29,963,000	22,959,200	17,183,200	8,880,000	6,864,400	85,849,800	

NEW CAPITAL SCHEMES APPROVED SINCE THE LAST CAPITAL STRATEGY

Scheme	Portfolio	Scheme Budget	Funding Source	Executive Date
Emergency & Temporary Accommodation	HRA	£3,000,000	Borrowing	08/01/2024
Purchase of Strategic Land at Daedalus	Policy & Resources	£200,000	Capital Receipts	08/01/2024
Simpler Recycling – Food Waste Collection	Streetscene	£969,200	Grant	04/03/2024
Solent Enterprise Zone – Infrastructure Investment Plan	Policy & Resources	£37,000,000	Retained Business Rates, Other tbc	18/03/2024
Holly Hill Woodland Park Restoration Project	Streetscene	£2,046,000	Developer Contributions, CIL, Lottery Grant	03/06/2024
Local Nutrient Mitigation Fund – Land Acquisition	Policy & Resources	£2,703,700	Grant	01/07/2024
Holly Hill Leisure Centre Filtration System	Leisure & Community	£281,000	Contributions, Capital Reserves	01/07/2024
New Security Arrangements at Faraday Business Park	Policy & Resources	£250,000	Capital Receipts	07/10/2024
Vehicle Replacement Programme	Streetscene	£4,680,000	Revenue Contributions, Developer Contributions	04/11/2024

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **10 January 2025**

Report of: **Assistant Director (Finance & ICT)**

Subject: **GENERAL FUND FEES & CHARGES 2025-26**

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the General Fund Fees and Charges for 2025-26. The Assistant Director (Finance and ICT) will refer any proposals or comments of the Panel to the Executive meeting on 13 January 2025.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at it's meeting on 13 January 2025.

Enquiries:

For further information on this report please contact Elaine Hammell (01329 824344)

APPENDICES

Appendix 1: Report to Executive meeting on 13 January 2025 – General Fund Fees & Charges (with Appendices A and B)

Report to the Executive for Decision
13 January 2025

Portfolio:	Policy and Resources
Subject:	General Fund Fees & Charges 2025/26
Report of:	Assistant Director (Finance and ICT)
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 2025/26.

Executive summary:

This report gives the Executive the opportunity to consider the Council's fees and charges for 2025/26 including approving increases in existing charges and consider new charges where applicable.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) approves the General Fund fees and charges for 2025/26 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) approves the proposed Operational Fees and Charges for Solent Airport at Appendix B to this report;
- (d) agrees that delegated authority is given to the Director of Planning and Regeneration following consultation with the Executive Member for Policy and Resources, to adjust the Operational Fees and Charges in place at Solent Airfield within the financial year, if and when necessary; and
- (e) agrees that the rate of short-term licenses at Solent Airport be determined on an individual basis by the Head of Asset Management, supported by benchmarking of the fees charged with similar sites, where possible, and the results shared with the Executive Member for Policy and Resources.

Reason:

The proposed fees and charges will continue to support delivery of the Council's services and contribute to the budget setting process for 2025/26.

Cost of proposals:

There are no costs to the proposals.

Appendices:

A: Published Fees and Charges 2025/26

B: Proposed Solent Airport Operational Fees and Charges 2025/26 (Confidential)*

** Commercially exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972*

It is not in the public interest to publish this information at this time. The approved Solent Airport Operational Fees and Charges for 2025/26 will be published in April 2025 on the RCA website. Publishing the proposed Solent Airport Operational Fees and Charges for 2025/26 prior to April 2025 would not be in the public interest as these Fees and Charges remain commercially sensitive until the date of publication. Disclosure of any details prior to the publication of the approved Solent Airport Operational Fees and Charges for 2025/26 in April 2025 may result in a commercial disadvantage to the Council by revealing commercially sensitive information in a competitive market economy.

Background papers: None

Reference papers:

Report to Executive 8 January 2024 – Fees and Charges 2024/25

Report to Executive 3 June 2024 – Electric Vehicle Charging Tariff for Fareham Live Car Park

Report to Executive 13 January 2025 – Trade Waste Services Review

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	13 January 2025
Subject:	General Fund Fees and Charges 2025/26
Briefing by:	Assistant Director (Finance & ICT)
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 and focus on at least cost recovery where appropriate.
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 will be reviewed by the Licensing and Regulatory Affairs Committee in January • Planning Fees will be reviewed by the Planning Committee in January
Confidential Fees and Charges (commercially sensitive)		
A. Trade Waste		Covered by the Trade Waste Services report to this January Executive meeting
B. Housing Rent and Service Charges (HRA)		An update of these for 2025/26 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 2025/26 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 regularly reviewed by the Building Control Partnership Panel. An increased rate is due to be implemented in January 2025.
E. Solent Airport Fees and Charges	Appendix B	Covered by this report

BUDGET SETTING PRINCIPLES

1. The budget setting principles are detailed in the Council's Medium-Term Finance Strategy and the one proposed relating to fees and charges has been updated as shown below:
 - Fees and charges to be increased to cover any increase in costs and achieve a realistic increase in income, *and recovery of costs*, 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.
2. A detailed review of fees and charges has been carried out in light of the inflation trends for the year. The current rate of inflation as at October 2024 is 2.3% and many of the charges have been increased to reflect this and the increased cost to running the council services. Generally, the charges are rounded to be kept at whole pounds.

CHANGES PROPOSED FOR 2025/26

3. 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 level of inflation. The full list of these proposed charges is given in Appendix A.
4. The following paragraphs detail changes, or otherwise, of the more significant ones.

Statutory Fees

5. 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.
6. The majority of **Planning charges** are statutory fees. The current fees were set in December 2023 and were subject to an automatic annual inflation increase, as measured by the Consumer Prices Index from the preceding September. The Government have, however, also been talking about implementing a new fee structure to reflect their plans to streamline and bolster the planning process for housing. Details and timing of this change are awaited.
7. It has been noted that the Fixed Penalty Notice charges for litter and fouling (**Clean and Tidy Borough**) are also set in legislation and these have changed. The fees have therefore been updated to reflect this and the new fees.

Discretionary Charges where No increase is Proposed

8. **Town Centre car parking** charges have not been increased since October 2010 and there is no proposal to increase them for 2025/26 as it is again likely to impact on service users when there is already reduced use of car parking facilities in the town centre.
9. It has been agreed that there will be a review of town centre parking charges as part of the Town Centre Regeneration Strategy and Action Plan in 2025.

New or Increasing Charges

10. 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 4 years.
11. In the **Housing group**, an above inflation increase (9.4%) is proposed for the Guest Room Charges at Sheltered Accommodation, as the charges are low given the quality of the accommodation and charges elsewhere.
12. In the **Licensing Fees group**, the Discretionary Hackney Carriage and Private Hire Licences charges have been increased above inflation as these charges were not increased in 2024/25. The “Other” charges in this group have been changed from Actual cost to the Council to a fixed rate charge, to be reviewed annually, in line with other fees and charges.
13. In the **Parking Charges** group a new Electric Vehicle Charging Tariff has been introduced for the Electric Vehicle Charge Points in the new Fareham Live Car Park. The tariff shown in Appendix A reflects the pricing strategy approved by the Executive in June 2024. Due to price volatility, the Executive agreed that delegated authority be given to the Director of Planning and Regeneration in consultation with the Section 151 Officer, to adjust the charging tariff in line with the agreed pricing strategy, if and when necessary.
14. There are 3 proposed changes In the **Public Protection** group:
 - the Private Sector Housing Act 2004 Enforcement Notices charge has been changed from Actual cost to the Council up to and including service of Notice to a fixed rate charge, to be reviewed annually, in line with other fees and charges.
 - the Licensing of Houses in Multiple Occupancy fees have been split between a Fee on Application and a Fee on Grant, due to a requirement to charge for the application and grant separately. These fees have been aligned with other local authorities within the Environment Health Partnership.
 - A new charge has been added for requests for a revisit for a food safety inspection.

Removed Charges

15. In the **Clean and Tidy Borough** area the Shopping Trolley Collection charge has been removed as the Council does not levy this charge.
16. In the **Housing** area the Wash Cards charges have been removed as the Wash Cards have been phased out in Sheltered Accommodation.

Solent Airport Daedalus Operational Fees and Charges 2025/26

17. Appendix B contains the key proposed operational fees for approval. These fees are planned for implementation at Solent Airport commencing 1 April 2025. They have been proposed by the Airfield Operator based on benchmarking against comparable sites.
18. There are elements of the Council’s operations which are delivered by third parties within a commercial environment. Examples include Fareham Live and the two Leisure Centres. The operators have a certain level of autonomy to alter fees in response to exogenous factors:

- a. Fareham Live operator has complete autonomy for ticket prices for mainstream shows, which are heavily dictated by the industry.
 - b. Fareham Live operator has complete autonomy for ticket prices for community events but must be able to demonstrate to officers that it has used a proportional approach for example with benchmarking.
 - c. The operator of the leisure centres has complete autonomy to raise fees by up to CPI+3% each year.
 - d. If the leisure centre operator wishes to raise fees above this rate, they must present a case, for example with benchmarking. The decision to agree or decline rests with the Assistant Director (Democracy) following consultation with the Executive Member for Leisure and Community.
19. Many operators of airfields have autonomy to adapt their pricing structure in relation to market pressure and competition. Solent Airport is currently constrained as it is unable to react in a timely fashion to market forces.
20. Given the stages needed for approval, benchmarking for Solent Airport fees commences in August. This is 8 months before they are implemented, and those fees remain active until the end of March the following year, 20 months after the benchmarking began.
21. Therefore, delegated authority is now sought so that the Director of Planning and Regeneration, following consultation with the Executive Member for Policy and Resources, can agree changes to the Operational Fees and Charges in place at Solent Airfield within the next financial year.
22. The contract with the current operator expires 31 March 2026, and there is an active procurement exercise in progress. The approach to fees to be implemented from April 2026 will be incorporated into the contract award approval process.

Daedalus Site short-term licence fees

23. There is growing interest from third parties who wish to take on a short-term licence at Solent Airport in order to host an event.
24. Solent Airport is a community asset, and the Council is keen to accommodate such events where viable and is of the view that these events should at least cover all costs the Council incurs in facilitating them. This should include the value of officer time.
25. Given the likely range of possible events in terms of size, dates, impact on officer time, impact on airfield operations, and impact on the Safety Advisory Group, it will only be possible to grant such licenses on a case-by-case basis.
26. It is therefore proposed that the rate of these short-term licenses be determined on an individual basis by the Head of Asset Management.
27. Benchmarking of the fees charged with similar sites, where possible, will be carried out and the results shared with the Executive Member for Policy and Resources.

FINANCIAL IMPLICATIONS

28. 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

29. 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 Elaine Hammell 01329 824344



Fees and Charges 2025/26



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 2025.
3. VAT where charged will be at the prevailing rate, which is currently 20%.

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 2024/25 £	Fee 2025/26 £	% Increase
Ground Rents				
Residents	Inclusive of VAT	646.65	679.00	5.0
Non-Residents	Inclusive of VAT	1,293.30	1,358.00	5.0



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 2024/25 £	Fee 2025/26 £	% Increase
ASHES (CREMATED REMAINS) AREA				
Interment for each deceased person				
a) Burial of ashes into a cremation plot	Note 1	268.00	274.00	2.2
Memorials				
b) Purchase of 30-year lease (area selected by Council)	Note 1	289.00	296.00	2.4
c) Purchase of 30-year lease (area chosen by customer where possible)	Note 1	431.00	441.00	2.3
d) Application to place a flat memorial tablet	Note 2	68.00	70.00	2.9
e) Application to add a further inscription onto an existing tablet	Note 2	47.00	48.00	2.1

BURIAL AREA				
Interment for each deceased person				
f) Burial of a person into a new grave	Note 1	1,103.00	1,128.00	2.3
g) Re-open an existing grave for second burial	Note 1	840.00	859.00	2.3
h) Application to scatter ashes	Note 1	89.00	91.00	2.2
i) Burial of ashes into grave at cremation depth	Note 1	268.00	274.00	2.2
j) Burial of ashes into grave at burial depth	Note 1	494.00	505.00	2.2
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	851.00	871.00	2.4
m) Purchase of 30-year lease (area chosen by customer where possible)	Note 1	1,181.00	1,208.00	2.3
n) Purchase of 30-year lease (person who has not reached 18 years at time of death)	Note 2	389.00	398.00	2.3
Memorials				
o) Application to place a headstone for ten years	Note 2	231.00	236.00	2.2
p) Renewal of the application to place a headstone	Note 2	33.00	34.00	3.0
q) Application for additional inscription on headstone and re-erection	Note 2	168.00	172.00	2.4
r) Application to place a fixed memorial vase or plaque or similar item on a memorial base	Note 2	68.00	70.00	2.9
s) Application to add a further inscription onto an existing fixed memorial vase	Note 2	47.00	48.00	2.1

MISCELLANEOUS				
t) Hire of Chapel at Wickham Road Cemetery	Note 2	158.00	162.00	2.5
u) Transferring of the ownership of the lease known as the Exclusive Right of Burial	Note 2	84.00	86.00	2.4
v) Administration fee for making arrangements directly with Council (ashes only)	Note 2	89.00	91.00	2.2
w) To undertake the arrangements for funerals under the Public Health Act	Note 2	609.00	623.00	2.3
x) Burial out of hours	Note 2	At Cost	At Cost	
y) Exhumation	Note 2	At Cost	At Cost	
z) Purchase of commemorative bench and plaque	Note 2	1,985.00	2,031.00	2.3
aa) Adoption of existing commemorative bench	Note 2	525.00	537.00	2.3
<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 2024/25 £	Fee 2025/26 £	% Increase
Litter and Fouling				
Fly Tipping – Fixed Penalty Notice	Statutory Charge	150.00	up to £1000	N/A
Dropped litter – Fixed Penalty Notice	Statutory Charge	150.00	up to £500	N/A
Public Space Protection Order – Fixed Penalty Notice	Statutory Charge	100.00	100.00	NIL
Highways – Damage to Street Furniture				
Offender charged at cost plus a 10% administration charge				

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
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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 Assistant Director (Democracy).

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 <ol style="list-style-type: none">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 2024/25 £	Fee 2025/26 £	% 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	116.00	120.00	3.4
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	58.00	60.00	3.4
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	16.00	17.50	9.4
Per couple per night	Inclusive of VAT	21.00	23.00	9.5
Collingwood Court per room	Inclusive of VAT	32.00	35.00	9.4
Sylvan Court per room	Inclusive of VAT	32.00	35.00	9.4
Sheltered Accommodation for the Elderly – Other Charges				
Keys – Key	Inclusive of VAT	6.30	6.45	2.4
Keys – Fob		10.10	10.35	2.5
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	96.00	99.00	3.1
Care Line Service - Telephone link for assistance (private sector)	Tariff available on application to Sheltered Housing Manager			



LAND CHARGES

	Notes	Fee 2024/25 £	Fee 2025/26 £	% 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	45.00	46.00	2.2
First parcel of land – electronic search				
Each additional parcel	Fee per occurrence	14.00	14.00	NIL
CON29R Official Enquiries – Part I				
First parcel of land	Fee per occurrence Inclusive of VAT	213.00	218.00	2.3
Each additional parcel	Fee per occurrence Inclusive of VAT	49.00	50.00	2.0
CON290 Official Enquiries – Part II				
First parcel of land	Fee per occurrence Inclusive of VAT	36.00	37.00	2.8
Each additional parcel	Fee per occurrence CON290 element inclusive of VAT £49.00 LLC1 element not subject to VAT £14.00	63.00	64.00	1.6
Common Registration Searches	Fee per occurrence Inclusive of VAT	36.00	37.00	2.8
Optional Enquires (Extra questions 4, 21 and 22, price per question)	Fee per occurrence Inclusive of VAT	36.00	37.00	2.8
Other Local Land Charges Fees (not subject to VAT)				
Registration of a light obstruction notice	Fee per occurrence	96.00	98.00	2.1
Filing Lands Tribunal certificate	Fee per occurrence	3.50	3.60	2.9
Filing light obstruction judgement etc.	Fee per occurrence	9.60	9.80	2.1
Inspection of rule 10 documents	Fee per occurrence	3.50	3.60	2.9
Office copy register entry	Fee per occurrence	2.15	2.20	2.3
Office copy plan or document	Discretionary			



LICENSING FEES

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

	Notes	Fee 2024/25 £	Fee 2025/26 £	% 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 2025/26 £
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 2024/25 £	Fee 2025/26 £	% Increase
Discretionary – Other Licences and Fees				
Skin Piercers	Premises	112.00	115.00	2.7
Skin Piercers	Persons	94.00	96.00	2.1
Street Trading Consent	12 months	2,230.00	2,281.00	2.3
Street Trading Consent	6 months	1,232.00	1,260.00	2.3
Street Trading Consent	3 months	658.00	673.00	2.3
Street Trading - Tables & Chairs	New	352.00	360.00	2.3
Street Trading - Tables & Chairs	Renewal	218.00	223.00	2.3
Pavement Licence		31.00	31.00	0.0
Dangerous Wild Animal Licences	Plus any Veterinarian costs	176.00	180.00	2.3
Dog Breeders Licence	Plus any Veterinarian costs	223.00	229.00	2.7
Zoo: Initial Application (valid for 4 years)	Plus any Veterinarian costs	2,350.00	2,404.00	2.3
Zoo: Renewal (valid for 6 years)	Plus any Veterinarian costs	2,350.00	2,404.00	2.3
Sex Shops/Establishments	Initial Fee	2,350.00	2,404.00	2.3
Sex Shop/Establishment	Renewal Fee	2,350.00	2,404.00	2.3
Scrap Metal Dealer	New Application	305.00	312.00	2.3
Scrap Metal Dealer	Application Renewal	170.00	174.00	2.4
Mobile Collector	New Application	170.00	174.00	2.4
Mobile Collector	Application Renewal	124.00	127.00	2.4
Variation of Licence		162.00	166.00	2.5
Replacement Licence		27.00	28.00	3.7
Advice to commercial premises	Charge per hour or part thereof	55.00	56.00	1.8
Note: Legislation states the below fees need to be split out to show application costs and grant of license separately				
Riding Establishment Licences	New Application/Renewal/Variation Plus any Veterinarian costs	41.00	42.00	2.4
Riding Establishment Licences	Grant of License/Variation	10.00	10.00	0.0
Animal Boarding Establishment Licences	New Application/Renewal/Variation Plus any Veterinarian costs	140.00	143.00	2.1
Animal Boarding Establishment Licences	Grant of License/Variation	60.00	61.00	1.7
Home (Domestic) Animal Boarding Establishment Licences	New Application/Renewal/Variation Plus any Veterinarian costs	99.00	101.00	2.0
Home (Domestic) Animal Boarding Establishment Licences	Grant of License/Variation	53.00	54.00	1.9
Home Boarding Fee Franchise (including Day Care for Dogs)	New Application/Renewal/Variation Plus any Veterinarian costs	128.00	131.00	2.3
Home Boarding Fee Franchise (including Day Care for Dogs)	Grant of License/Variation	60.00	61.00	1.7
	Additional Dog Boarding Franchise property applied for	62.00	63.00	1.6
Pet Shop Licences	New Application/Renewal/Variation Plus any Veterinarian costs	115.00	118.00	2.6
Pet Shop Licences	Grant of License/Variation	37.00	38.00	2.7

	Notes	Fee 2024/25 £	Fee 2025/26 £	% Increase
Discretionary – Hackney Carriage and Private Hire Licences				
Vehicle Licence				
Hackney Carriage		215.00	235.00	9.3
Private Hire		215.00	235.00	9.3
Transfer of Licence	(Note 1)	215.00	225.00	4.7
Temporary Transfer	(Note 2,3)	215.00	225.00	4.7
Private Hire Operators Licence	1 year	215.00	225.00	4.7
Private Hire Operators Licence	3 years	520.00	550.00	5.8
Private Hire Operators Licence	5 years	945.00	995.00	5.3
Hackney Carriage Drivers Licence	1 Year	70.00	77.00	10.0
Hackney Carriage Drivers Licence	3 Years	175.00	190.00	8.6
Private Hire Drivers Licence	1 Year	70.00	77.00	10.0
Private Hire Drivers Licence	3 Years	175.00	190.00	8.6
Dual Drivers Licence	1 Year	95.00	110.00	15.8
Dual Drivers Licence	3 Years	230.00	245.00	6.5
Dual Upgrade		50.00	55.00	10.0
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
Knowledge Test	Per Test. Up to 2 re-tests free of charge	70.00	100.00	42.9
Driver's Badge				
Issue and Replacement	Inclusive of VAT	18.00	18.00	NIL
Vehicles				
Replacement plates	Inclusive of VAT	25.00	25.00	NIL
Replacement brackets		17.00	17.00	NIL
Interior windscreen plate		26.00	26.00	NIL

	Notes	Fee 2024/25 £	Fee 2025/26 £	% Increase
Other				
Disclosure and Barring Service Fee		Actual Cost to the council	60.00	N/A
Drug Testing		Actual Cost to the council	45.00	N/A
Medical Consultation		Actual Cost to the council	30.00	N/A
Notes				
<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 2024/25 £	Fee 2025/26 £	% Increase
Fareham Market Inclusive of VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	2.45	2.50	2.0
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	3.05	3.10	1.6
Additional Markets	Per foot, minimum of 15ft, maximum of 50ft	1.30	1.35	3.8
Specialist Market Event Space	Pedestrianised area of West Street hire fee. T&Cs apply	240.00	240.00	NIL
Portchester Market Not currently subject to VAT				
Signed on pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.30	1.35	3.8
Casual pitch fee	Per foot, minimum of 15ft, maximum of 50ft	1.90	1.95	2.6
Specialist Market Event Space	Pedestrianised area of West Street hire fee. T&Cs apply	90.00	90.00	NIL
Fareham Town Centre Charges Inclusive of VAT				
Flower Basket	Per Basket, supply, install and maintenance	41.50	42.50	2.4
Pitch Hire Standard Pitch	up to 10ft or 3.05 m	40.50	41.50	2.5
Pitch Hire Larger Pitch & Podium	up to 20ft or 6.1m	81.00	83.00	2.5
Pitch Hire	Direct booking non-profit organisation	0.00	0.00	NIL
Commercial Exhibitions Saturdays	Up to 40ft or 12.19m	243.00	249.00	2.5
Commercial Exhibitions All other dates	Up to 40ft or 12.19m	173.50	177.50	2.3



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
Fareham Live; 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
Hove To; Meon Shore; Monks Hill; Passage Lane; Portchester Castle; Salterns; Shore road; Swanwick Shore Lane; Wicor Rec	
Monday – Sunday Standard hourly rates apply between 10am and 6pm	£1.10 per hour with no maximum
Season ticket option	£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.	

Electric Vehicle Charging Tariff (inclusive of VAT)	Proposed Fee
Electric Vehicle Charge Points at Fareham Live car park	
Monday – Sunday Pence per kilowatt hour rate applies at all times, Monday to Sunday, 24 hours	45 pence per kilowatt hour (p/kWh)
Notes <ol style="list-style-type: none"> 1. Electric Vehicle Charging Tariff applies in addition to any prevailing parking charges set for that car park. 2. Due to price volatility, the Electric Vehicle Charging Tariff is subject to change, if and when necessary. (Delegated authority has been given to the Director of Planning and Regeneration in consultation with the Section 151 Officer, to adjust the charging tariff in line with the agreed pricing strategy, if and when necessary). 	

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



PLANNING FEES

The majority of Planning Fees are set by central government and are updated from time to time. The current fees were set in December 2023 and are subject to an automatic annual inflation increase, as measured by the Consumer Prices Index from the preceding September. These fees can be found on planningportal.co.uk or the fee will be calculated when you fill in your application online.

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

The following fees are discretionary

Planning Advice - Residential	Fee payable 2024/25 £	Fee payable 2025/26 £	% Increase
Extensions or other alterations to an existing dwelling including ancillary development within its curtilage	Free	Free	NIL
1 – 9 dwellings*	£300 for first dwelling + £58 for every additional dwelling thereafter	£320 for first dwelling + £60 for every additional dwelling thereafter	6.7 3.4
10 – 49 dwellings*	£910 for first ten dwellings + £13 for every additional dwelling thereafter	£970 for first ten dwellings + £14 for every additional dwelling thereafter	6.6 7.7
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	£300	£320	6.7
- 10 – 50 bedspaces	£605	£640	5.8
- More than 50 bedspaces	£910	£970	6.6
Other residential uses	£POA	£POA	NIL

<i>(including hotels, residential institutions, houses in multiple occupation, etc)</i>			
* = including change of use of existing floorspace			

Planning Advice – Non-residential	Fee payable 2024/25 £	Fee payable 2025/26 £	% 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	£245	£260	6.1
- 101 – 499 m2	£300	£320	6.7
- 500 – 999 m2	£605	£640	5.8
- More than 1,000 m2 where it relates to proposed uses with Classes B1, B2, B8, or a mix of these uses	£850	£900	5.9
- 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 2024/25 £	Fee payable 2025/26 £	% Increase
Small scale development not falling into any of the above categories <i>(for example: engineering works, new shop fronts, moorings, means of enclosure, renewable energy plant on existing business premises)</i>	£245	£260	6.1
Installation or replacement of telecommunications mast	£245 per site	£260 per site	6.1
Minor amendments to an extant planning permission	£125	£130	4.0
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	£180	£190	5.6
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	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	Fee payable 2024/25 £	Fee payable 2025/26 £	% Increase
Pre-application planning advice charges for listed buildings and heritage advice	£180 per initial enquiry plus VAT	£190 per initial enquiry plus VAT	5.6



PUBLIC PROTECTION

	Notes	Fee 2024/25 £	Fee 2025/26 £	% 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	135.00	138.00	2.2
Private home check visit	Inclusive of VAT	40.00	41.00	2.5
Housing Act Enforcement charges are not currently subject to VAT				
Private Sector Housing - Housing Act 2004 Enforcement Notices		Actual cost to the Council up to and including service of Notice	275.00	N/A
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	135.00	138.00	2.2
Licensing of Houses in Multiple Occupancy (Not subject to VAT)				
5 people	Fee on Application	986.00	700.00	6.5
	Fee on Grant		350.00	
6 – 10 people	Fee on Application	1,232.00	880.00	7.1
	Fee on Grant		440.00	
11 – 15 people	Fee on Application	1,480.00	1,060.00	7.4
	Fee on Grant		530.00	
16 – 20 people	Fee on Application	1,725.00	1,229.00	6.6
	Fee on Grant		610.00	
More than 20 people	Fee on Application	1,972.00	1,400.00	6.5
	Fee on Grant		700.00	

	Notes	Fee 2024/25 £	Fee 2025/26 £	% Increase
Food Safety				
Export Health Certificates		105.00	107.00	1.9
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.	258.00	264.00	2.3
Food Inspection Revisit request		New	180.00	N/A
Transportation of Unsound Food (Charges are inclusive of VAT)				
First hour (min 1 hour)	Plus disposal of unsound food.	182.00	186.00	2.2
Subsequent whole hours	Plus disposal of unsound food.	94.00	96.00	2.1
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	14.00	14.50	3.6
All other insects (including wasps)		23.50	24.00	2.1
Rodents		29.50	30.00	1.7
Pest Control				
Domestic Premises charges include materials and are also inclusive of VAT				
Fleas, Bed Bugs and unknown infestations	Visit and Quotation	42.00	43.00	2.4
All other insects (including wasps)		70.00	72.00	2.9
Rodents		82.00	84.00	2.4
Pest Control				
Commercial Premises charges include materials and are also inclusive of VAT				
Rodents and insects	first 15 minutes	100.00	102.00	2.0
Rodents and insects	each additional 15 minutes or part thereof	23.50	24.00	2.1
CCTV				
Access to CCTV footage	Inclusive of VAT	111.00	114.00	2.7

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(onwards) 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(onwards) 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 2024/25 £	Fee 2025/26 £	% Increase
Domestic Bulky Waste				
The charges shown are currently not subject to VAT				
Single Item		50.00	51.00	2.0
Two Small Items		76.00	78.00	2.6
Half Load		116.00	119.00	2.6
Full Load		205.00	210.00	2.4
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)		41.00	42.00	2.4
240 litre 12 months subscription		68.00	70.00	2.9
140 litre (smaller bin for individual houses)		39.00	40.00	2.6
140 litre 12 months subscription		58.00	60.00	3.4
Change of bin size (up or down) Admin Fee		16.00	16.00	NIL
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		58.00	60.00	3.4
340 litre (communal bin only permitted for flats) Refuse / Recycling		90.00	92.00	2.2
1100 litre (large communal bin only permitted for flats) Refuse		551.00	564.00	2.4
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		41.00	42.00	2.4
Change of bin size (up or down) Admin Fee		16.00	16.00	NIL



SPORTS AND LEISURE

Outdoor Sport and Recreation

	Notes	Fee 2024/25 £	Fee 2025/26 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Football, Rugby and Hockey, casual games per match (inclusive of VAT) - (Note 1)				
Senior	Per match	111.00	114.00	2.7
Junior	Under 18	43.00	44.00	2.3
Mini Soccer	Per match	29.00	30.00	3.4
Mini Soccer	Per half day pitch	59.00	61.00	3.4
Training Sessions – 2 hours	Juniors half charge	63.00	65.00	3.2
Football Tournament (inclusive of VAT)				
Football Tournament	Per tournament	441.00	451.00	2.3
Cricket, casual games per match (inclusive of VAT) - (Note 1)				
Senior	Per match	113.00	116.00	2.7
Junior	Under 18	43.00	44.00	2.3
Evening games	Senior	95.00	97.00	2.1
Evening games	Junior	37.00	38.00	2.7
Tennis Courts – per court, per hour (inclusive of VAT) – (Note 2)				
Senior		13.90	14.20	2.2
Junior	Under 18	6.00	6.15	2.5
Notes				
1. Clubs not resident in Borough pay double casual rate.				
2. Tennis Clubs are required to make suitable arrangements for public use of courts outside the times required by clubs				

	Notes	Fee 2024/25 £	Fee 2025/26 £	% Increase
Sports Pitches, Facilities, Recreation Grounds and Open Spaces				
Bowls – Seasonal Charges (inclusive of VAT) - (Note 1)				
Fareham Bowling Club	6 rinks & clubhouse	9,030.00	9,240.00	2.3
Crofton Community Association	6 rinks & clubhouse	9,030.00	9,240.00	2.3
Bowls – Fees - (Note 2)				
Green Fees		6.80	6.95	2.2
Hire of Woods		2.60	2.65	1.9
Hire of shoes	Not applicable at Portchester or Priory Park	2.60	2.65	1.9
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 (inclusive of VAT)				
Hire of council land for events	Note 1			
Charitable hiring	Note 2	124.00	127.00	2.4
Use of changing facilities		63.00	65.00	3.2
Rounders		107.00	109.00	1.9
Notes				
1. At a rate to be determined by the Director of Neighbourhoods on an individual basis proportionate to the estimated income derived from the event. This could include damage deposit.				
2. Charge can be waived at the discretion of the Director of Neighbourhoods.				

MISCELLANEOUS CHARGES

	Notes	Fee 2024/25 £	Fee 2025/26 £	% Increase
Letting of Council Chamber and Committee Rooms				
Collingwood Room	Per hour	100.00	100.00	NIL
Pulheim Room	Per hour	45.00	45.00	NIL
Vannes Room	Per hour	45.00	45.00	NIL
Council Chamber	Per Hour	160.00	165.00	3.1
Conference Room A and B (Floor 8)	Per Hour	30.00	30.00	NIL
Ground Floor Meeting Rooms	Per Hour	20.00	20.00	NIL
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 Assistant Chief Executive Officer.				
General Charges				
Responding to solicitors/consultants enquiries	Inclusive of VAT - Per Question	115.00	120.00	4.3
Responding to other detailed enquiries	At the discretion of the Direction of Planning and Regeneration			
Copies of Statutory Register		115.00	120.00	4.3
Attendance at court as a witness	Charge based on the 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.				

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 10 January 2025

Report of: Assistant Director (Finance and ICT)

Subject: GENERAL FUND REVENUE BUDGETS & FINANCE STRATEGY
2025/26

SUMMARY

The Policy and Resources Scrutiny Panel is asked to consider and review the Executive's proposals for the revised budget for 2024/25 and overall revenue budget for 2025/26, in the context of the 5-year Medium-Term Finance Strategy. The Assistant Director (Finance and ICT) will refer any proposals or comments of the Panel to the Executive meeting on 13 January 2025.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at it's meeting on 13 January 2025.

Enquiries:

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

APPENDICES

Appendix A: Report to Executive meeting on 13 January 2025 – General Fund Revenue Budgets & Finance Strategy

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 13 January 2025

Portfolio:	Policy and Resources
Subject:	General Fund Revenue Budgets and Finance Strategy 2025/26
Report of:	Assistant Director (Finance & ICT)
Corporate Priorities:	All Corporate priorities apply

Purpose:

This report provides an update on the Council's 5-year financial forecasts and makes recommendations regarding the revised revenue budget for 2024/25 and base budget for 2025/26.

Executive summary:

The Executive recommended, and the Council approved, in February 2024, the base budget for 2024/25, for the General Fund Revenue Account services. This report sets out some revisions to the budget for 2024/25 and proposes a base budget for 2025/26 for the Committee's agreement and submission to the Council.

This report also gives the context to these budgets in the form of the latest five-year projections from the Medium-Term Financial Strategy.

Revised General Fund Revenue Budget 2024/25

The original general fund revenue budget for 2024/25 set, for £14,883,100, required a funding shortfall of £404,200 to be met from unallocated general reserves. The projected shortfall has now dropped to **£285,700**, with the revised budget of £14,410,200. This is mainly due to the savings that have been made through the Opportunities Plan and wider work in the year such as reducing the cost of Homelessness provision.

Base General Fund Revenue Budget 2025/26

The proposed general fund revenue budget for 2025/26 totals £14,839,100 which is a decrease of £43,900 against the original budget for 2024/25. There is a funding shortfall of **£62,600** which will need to be met from unallocated reserves.

5-Year Financial Forecasts

The 5-year financial forecasts for 2024/25 to 2028/29 is predicting future funding shortfalls, each year rising to **£1.3million** by 2026/27, which will be the last year that the shortfall can be met from unallocated General Reserves.

The Opportunities Plan work recommenced in 2023/24 and has served to delay the funding shortfall problem each year. Work will need to continue to expand and deliver the Opportunities Plan to help manage the Council's financial pressures and remain resilient. As the easier projects have now been delivered, there may be a need to make increasingly difficult decisions. Members have already started this work which will be built into the next Opportunities Plan.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) approves the **revised 2024/25** general fund revenue budget, amounting to £14,410,210, as set out in Appendices A to C to the report;
- (b) approves the **base 2025/26** general fund revenue budget amounting to £14,839,000, as set out in Appendices A to C to the report;
- (c) notes the **five-year projections** from the Medium-Term Finance Strategy in Appendix D and the work planned to address the future funding gap; and
- (d) agrees to submit the updated Pay Policy, in Appendix E to Full Council for approval.

Reason:

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

The Five-year projections forecast a significant funding shortfall by 2026/27 which is the last year that can be covered by the Council's general reserves, so supports the continued action being taken to identify opportunities to reduce costs or increase income and funding.

Cost of proposals:

As detailed in the report.

Appendices:

A: Top Level Summary – Revised Budget 2024/25 and Base Budget for 2025/26

B: Summary by Committee and Portfolio - Revised Budget 2024/25 and Base Budget for 2025/26

C: Detailed Service Budgets by Committee and Portfolio - Revised Budget 2024/25 and Base Budget for 2025/26

D: Five-year Projections in the Medium-Term Finance Strategy 2024/25 to 2028/29

E: Pay Policy 2025/26

Background papers: None

Reference papers:

Report to the Executive - November 2024 General Fund Revenue Monitoring 2024-25

Report to the Executive – January 2024 Finance Strategy, Revenue Budget and Council Tax 2024-25

Medium-Term Finance Strategy 2024/25 to 2028/29

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	13 January 2025
Subject:	General Fund Revenue Budgets and Finance Strategy 2025/26
Briefing by:	Assistant Director (Finance & ICT)
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the revenue spending plans for the Council's services for the rest of the current year and for next year, as summarised in Appendix A and detailed in Appendices B and C. It should be noted that the format of these plans have been changed this year to try and make the information clearer, particularly in relation to the different funding sources used to pay for the Council Services. The net expenditure figures are therefore not directly comparable to previous years.
2. The report also provides an update on the financial forecasts for the next 5 years, as summarised in Appendix D, and makes recommendations on how the projected funding gaps can be mitigated.

GENERAL FUND REVENUE BUDGETS

Revised Revenue Budget 2024/25

3. Members will be aware that since 2019/20 the Council has been needing to draw down from its unallocated general reserves in order to balance the budget spend each year (in 3 out of the 5 years since).
4. The base net revenue budget set for 2024/25 set was £14,883,100, This was part funded by a council tax increase of 2.99% which was the maximum allowable by the Government before a local referendum was needed. In setting the 2024/25 base budget it was anticipated that **£404,200** would be drawn from unallocated general reserves in order to balance the budget.
5. The revised budgets are indicating an improved position for the year. The revised net revenue budget has therefore reduced to £14,410,210 and only **£285,700** will now need to be drawn from unallocated general reserves.

The main reasons for the change are detailed below.

Savings

6. The following other changes in expenditure and income have improved the budget position:
- Last year it was highlighted that there was a significant budget pressure in relation to **bed and breakfast expenses for the homeless** which was increasing costs by over £2million. The Housing team have since been carrying out a rigorous holistic review of this service and as a result have managed to significantly cut the cost of providing the service by £885,000 a year.
 - A significant project from the Opportunities Plan has been progressed to look at the Council's **Trade Waste service**. A separate report on the findings of this review will be presented to the January meeting of the Executive. Provisional net income budget changes of £39,000 for 2024/25 and £124,000 have been included in the budgets on the back of this work.
 - Another project from the Opportunities Plan to increase marketing of the **Garden Waste service** has been completed resulting in increased net income budgets of £185,400 for 2024/25 and £163,900 for 2025/26.
 - There has been a change to the fee structure and policy for **Hackney Carriage and Private Hire Vehicles** which has resulted in an increase in the number and value of licence income by over £40,000.
 - There has been an increase in the level of **Service specific other grants and reimbursements** expected for 2024/25 including: Election Expenses (£350k), Housing Grants from Hampshire County Council (£290k) and funding for the Strategic Environmental Planning Team (£300k). However, some of this income will be offset by increased spend against other headings.
 - The **pay award** for 2024/25 was agreed in October and resulted in an average increase across the Council of between 2.50% and 5.82%. Budgets had been set assuming a 3.5% rise and overall the cost of the pay award was less than the budget set.
 - The total savings that have resulted from further work on the **Opportunities Plan** during 2024/25 have seen the plan bring in a reduction to budgets of almost £1,762,000 to date. These are detailed further in the report.

Pressures

7. The value of the savings have slightly been offset by a number of other pressures on expenditure and income. Significant changes include:
- The budgets have been updated by £142,000 to reflect the increase in consultants and legal costs arising from **Planning Appeals**.
 - There has been a continued downward trend in **Planning Application Income**. The budget has been further reduced by £130,000 to reflect the latest estimates in income.
 - There has been a significant increase in **ICT recharges** to the services due to increased cloud costs, an increase in the cost of existing software and data lines along with an increase in depreciation. This has been offset via grant income but overall has resulted in a significant increase in the net costs by £208,300.

- The Council's Capital Strategy has highlighted an increased cost to its vehicle replacement and ICT development plans. The **Revenue Contributions to Capital** are therefore being increased from 2024/25 by £225,000 to £1.35 million a year, to help pay for this programme.
- There has been a net increase to the **establishment** due to the addition of posts that generate income/savings such as in the Asset Management team, or for services that are needed to deliver the Council's priorities or new responsibilities such as in Regeneration or Housing.
- Additional budget provision of £25,000 has been added into both 2024/25 and 2025/26 to accelerate the production of the Council's **Environment Strategy**. This strategy will then inform future budget provisions needed.

Revenue Base Budget 2025/26

8. The proposed General Fund base budget for 2025/26 totals £11,139,100 for service budgets along with other expenditure of £3,700,000 giving an overall budget of £14,839,100 which is a decrease of £43,900 against the original budget for 2024/25.
9. There is a smaller shortfall in funding of **£62,600** which will need to be met from the unallocated general reserves.
10. Key assumptions and provisions that have been used to set the budget are detailed below:
 - **General Government Funding** - Although the Government has announced additional funding for local authorities of 3.2%, the government has indicated that this will all be targeted for Adult Social care and areas of deprivation. The announcement of the local government settlement is imminent. In the meantime the budgets have been produced using estimates provided by the local government financial advisors. These indicate that Fareham Borough Council is likely to have a drop in government funding by over £300,000. This includes New Homes Bonus payments which are likely to be for the last year.
 - **Extended Producer Responsibility Payment (pEPR)** – The Government have, however, already announced the pEPR allocations for authorities as part of the Waste Strategy reforms: Fareham's allocation has been £704,000. This is additional funding for one year. Officers are currently working through the implications of the funding and what additional costs may also be involved.
 - **Portchester Crematorium Partnership Contribution** – This contribution is expected to cease from 2025/26. This was worth £100,000 in 2024/25.
 - **National Insurance Contributions (NIC)** – the increase in NIC has been built into the budget projections for 2025/26. These amount to approximately £310,000 for the General Fund. Although the Government have announced this will not be a cost to local authorities for directly salaried employees, they have not yet announced the mechanism to refund the cost. No provision has therefore been built in for this repayment, yet, in case it is netted off against other Government grants.
 - **Homelessness Support** – Increasing Homelessness costs are recognised as the biggest cost pressures for District Councils. There has currently been no indications of additional Government support available to meet these costs. The

budgets have therefore assumed to remain at the same level as 2024/25, but continuing to benefit from the cost reductions achieved from the Housing Service.

- **External Audit Fees** – These are expected to rise again by 10.2 % to £156,700 for the 2025/26 audit.
- The **pay award** for April 2025 has not yet been agreed but budget provision has been built in for similar level to 2024/25. Employer pension contributions remain at the same level.
- The total savings that have resulted from further work on the **Opportunities Plan** during 2024/25 have seen the plan bring in a reduction to the 2025/26 budgets of almost £1,904,469 to date.

11. The budget takes into account the predicted level of other **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. It also assumes that Council Tax increases will again be increased by 2.99%.
12. 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.
13. Possible risks and opportunities identified, that have not currently been built into the budgets, which could affect the budgetary position are listed in the table below:

Things that could HELP the budget position	Things that could WORSEN the budget position
National or local increases in planning fees	Impact of Insurance retenders (current cost £590,000)
Funding provided for National Insurance Contribution increases	Increased costs of implementing Simpler Recycling (not met from new burdens and transition funding).
Efficiencies arising from round balancing in the waste collection service	Increased costs of recycling disposal to meet the requirements of the County, not covered by contributions.

FIVE YEAR PROJECTIONS

14. The Council’s Medium-Term Finance Strategy, 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.
15. 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.
16. 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 2028/29. This takes into account the sources of core funding likely to be available to the Council across the 5 years.

17. The Medium-Term Finance Strategy for 2023/24 predicted a funding gap of £2.4million by 2025/6. Action was subsequently taken. The Strategy for 2024/25 predicted a latest funding gap to be £1.9million by 2026/27.
18. 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 **£1.3 million** by 2026/27 even if Council Tax is increased by 2.99% each year, and by 2027/28 there will no longer be unallocated general reserves available to address the shortfall. These projections are summarised in Appendix D.
19. Key assumptions contributing to the projections include:
- Reduction in financial settlement following the Fair Funding Review, such that the Council no longer receives any Government General Grants or New Homes Bonus from 2026/27, and instead moves into negative Revenue Support Grant funding (resulting in a payment back to the Government).
 - Increases in costs from third parties due to the National Insurance Contribution increases and inflationary pressures.
 - Reduction in future income from Fareham Commercial Assets.
20. Possible risks and opportunities identified, that have not currently been built into the forecasts, which could affect the financial position are listed in the table below:

Things that could HELP the financial position	Things that could WORSEN the financial position
<p>Decrease in pension contributions from 2026/27 after the 3 yearly review.</p> <p>Expansion of the Building Control partnership</p>	<p>Impact of HCC savings programme</p> <p>Migration of benefit claimants to Universal Credit</p> <p>Funding requirements for projects in the Corporate Strategy and Environment strategy</p> <p>Cost of a new Operator at Solent Airport</p> <p>Impact of preparations for Devolution</p> <p>Impact of Business rates reset</p> <p>Population increases and demand on Council services</p>

OPPORTUNITIES PLAN AND FURTHER SAVINGS

21. The Council continues to respond proactively to any anticipated funding shortfalls. Ideas of ways to reduce expenditure or increase income or funding sources are continually generated and recorded in the Council's Opportunities Plan. Any efficiencies identified are examined 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.
22. A new Opportunities Plan was developed in 2023/24 capturing ideas generated from officers and members. 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. In addition £391,200 of savings were fed into the base budget for 2024/25.

23. Further to the Opportunities Plan projects, a number of wider activities have been added to the work plan to deal with the forecast budget gap. These have included:
- A review of all vacant posts in the establishment
 - Enhanced clearance by senior officers of requests to fill any additional posts that becoming vacant
 - Enhanced monitoring of establishment changes by the Statutory Officers
 - Enhanced budget monitoring by the Senior Leadership Team
 - Deep dive on costs of services and cost recovery values by the Senior Leadership Team
 - A review of all budgets that are consistently underspent
 - Management workshops on budgetary control and contract management
 - An Executive member workshop on policy options to reduce costs or increase income.
24. The table below summarises the tangible budget savings that have been built into the revised 2024/25 and base 2025/26 budgets as a result of the project delivery during 2024/5:

	Additional Savings 2024/25 Revised	Savings 2025/26 Base Budget
Opportunity Plan Projects	323,640	447,130
Vacant Post Review	425,839	425,839
Unspent budget review	147,700	146,500
Senior Leadership Team targeted monitoring	885,000	885,000
	1,782,179	1,904,469

25. Given the financial projections, work will need to continue to expand and deliver the Opportunities Plan to help manage the Council’s financial pressures and remain resilient. As the easier projects have now been delivered, there may be a need to make increasingly difficult decisions.
26. Executive members have already started this work which will be built into the next Opportunities Plan, to be brought to the Committee in February / March 2025. Workshops are also planned with all the Scrutiny Panels to revisit the Opportunities Plan projects and refresh it for future years.

PAY POLICY

27. The annual **Pay Policy** update has been completed and is attached as Appendix E. The policy is reviewed every year to take into account changes that have happened during the year 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.
28. It should be noted that the lowest spinal column points of the local pay scales is currently below the new National Minimum Wage announced in the Autumn Statement. These scales will be adjusted up once the next pay award is agreed. In the meantime, no appointments will be made on this pay point.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

29. 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

30. While all spending plans can be met from within existing resources for the next two years, a drawdown from unallocated reserves is required to balance the budget. Growing financial pressures increase the risk that spending plans exceed desirable levels of council tax.
31. 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.
32. The council should continue to explore opportunities to increase income and funding sources for the Council as well as review efficiency plans in order that balanced budgets can be made in future years.
33. In considering the budgets and forecasts, there are a number of risks and uncertainties as set out above.
34. 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. The forecasts in this report expect this level not to fall below 5% which is the minimum acceptable level in accordance with the guidance from the Chartered Institute of Public Finance and Accountancy (LAAP77).
35. Actions including increased monitoring will continue to be taken to protect the council's financial position.
36. 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 Elaine Hammell 01329 824344

Top Level Summary – Revised Budget 2024/25 and Base Budget for 2025/26

	Budget 2024/25 £	Revised 2024/25 £	Budget 2025/26 £	Variation Base to Rev £	Variation Base to base £
REVENUE BUDGETS					
Service Subjective Expenditure					
Employees	12,672,800	13,395,000	14,504,700	722,200	1,831,900
Premises-Related Expenditure	5,115,500	5,256,800	5,043,300	141,300	-72,200
Supplies and Services	8,596,400	8,436,710	7,610,623	-159,690	-985,777
Third Party Payments	3,306,100	3,474,900	3,310,500	168,800	4,400
Transfer Payments	13,137,500	13,586,800	13,586,800	449,300	449,300
Transport Payments	1,689,700	1,694,700	1,708,300	5,000	18,600
Support Services	3,952,400	3,637,300	3,442,500	-315,100	-509,900
Gross Service Expenditure	48,470,400	49,482,210	49,206,723	1,011,810	736,323
Service specific Government Grants	-14,158,800	-14,791,200	-14,597,723	-632,400	-438,923
Service specific other Grants & Reimbursements	-2,958,100	-3,998,200	-3,770,600	-1,040,100	-812,500
Sales, Fees and Charges	-10,310,800	-10,381,300	-10,260,200	-70,500	50,600
Rents	-9,141,100	-9,219,600	-9,139,000	-78,500	2,100
Recharges to other accounts	-280,300	-300,100	-300,100	-19,800	-19,800
Gross Service Income	-36,849,100	-38,690,400	-38,067,623	-1,841,300	-1,218,523
Net Service Expenditure	11,621,300	10,791,810	11,139,100	-829,490	-482,200
Other Expenditure					
Service accounting adjustments	4,474,400	4,845,700	4,845,700	371,300	-371,300
Non-service specific budgets	-4,094,400	-4,243,100	-4,243,100	-148,700	-148,700
Minimum Revenue Provision	1,756,700	1,665,800	1,747,400	-90,900	-9,300
Revenue contribution to capital	1,125,000	1,350,000	1,350,000	225,000	225,000
Total Other Expenditure	3,261,700	3,618,400	3,700,000	356,700	438,300
NET REVENUE EXPENDITURE	14,883,000	14,410,210	14,839,100	-472,790	-43,900
FUNDING SOURCES					
General Government Grants	-672,400	-680,000	-368,400	-7,600	304,000
Extended Producer Responsibility Payment (pEPR)	0	0	-704,000	0	-704,000
Retained Business Rates and S31 grants	-4,472,639	-4,250,049	-4,530,081	222,590	-57,442
Return on Financial Investments	-468,400	-332,100	-357,300	136,300	111,100
Other Funding Sources	-100,000	-100,000	0	0	100,000
Use of ear marked reserves	-331,900	-241,100	-209,800	90,800	122,100
Use of allocated general reserves	-220,700	-308,500	-70,400	-87,800	150,300
Draft Council Tax Proposal	-8,212,761	-8,212,761	-8,536,519	0	-323,758
Total Funding Available	-14,478,800	-14,124,510	-14,776,500	354,290	-297,700
Transfer from (-) or to (+) unallocated general reserves	-404,200	-285,700	-62,600		

Notes to the Summary Table in Appendix A

Service accounting adjustments	Capital charges to services – depreciation and impairment
Non service specific budgets	Capital charges income from services to the General Fund Bad Debt Provision
Minimum Revenue Provision	Charge for repayment of Council debt
Revenue contribution to Capital	Revenue funding to be put aside to fund capital expenditure
General Government Grants	Revenue Support Grant Minimum Funding Guarantee Other Services Grant New Homes Bonus
Other Funding Sources	Contributions from Portchester Crematorium
Ear marked reserves	Reserves and Receipts in advance received for a specific purpose
Allocated General reserves	General Reserves put aside by the Council for a specific purpose

Summary by Committee and Portfolio
Revised Budget 2024/25 and Base Budget 2025/26

	2024/25 Base Budget (£)	2024/25 Revised Budget (£)	2025/26 Base Budget (£)
Non- Executive Committees			
Licensing and Regulatory Affairs	699,100	593,200	619,900
Planning	578,100	915,900	800,600
Executive Committee			
Health & Public Protection	352,100	414,300	471,700
Housing	2,598,300	1,837,400	1,928,800
Leisure and Community	148,600	194,800	-85,200
Planning and Development	1,221,200	888,100	1,010,000
Policy and Resources	-682,900	-545,100	-541,800
Streetscene	6,706,800	6,493,200	6,935,100
NET SERVICE EXPENDITURE	11,621,300	10,791,800	11,139,100
Total Service Accounting Adjustments	4,474,400	4,845,700	4,845,700
Total Cost of Services	16,095,700	15,637,500	15,984,800
Additional Other Budgets	-1,212,700	-1,227,300	-1,145,700
Net Revenue Expenditure	14,883,000	14,410,200	14,839,100

**Detailed Service Budgets by Committee and Portfolio
Revised Budget 2024/25 and Base Budget 2025/26**

	2024/25 Base Budget (£)	2024/25 Revised Budget (£)	2025/26 Base Budget (£)
Licensing & Regulatory Affairs Committee			
Hackney Carriage and Private Hire Vehicles	100	-40,900	-38,700
Licensing	4,300	8,200	12,700
Health and Safety	155,000	168,500	175,300
Election Services	539,700	457,400	470,600
	699,100	593,200	619,900
Planning Committee			
Processing Applications	152,500	397,000	399,200
Planning Advice	194,300	136,100	149,700
Enforcement of Planning Control	127,300	136,100	144,300
Appeals	104,000	246,700	107,400
	578,100	915,900	800,600
Health and Public Protection			
Pest Control	67,700	75,700	80,000
Food Safety	148,200	154,300	160,800
Air Quality and Pollution	187,900	194,700	207,700
Community Safety	204,500	175,600	188,200
Emergency Planning	61,900	58,700	60,000
Clean Borough Enforcement	320,500	285,600	321,800
Off-Street Parking	-482,100	-500,800	-534,700
Coastal Parking	-242,500	-242,500	-247,400
Cemeteries & Closed Churchyards	-70,100	3,100	19,400
Local Land Charges	-21,400	-12,200	-7,000
Building Control	177,500	222,100	222,900
	352,100	414,300	471,700

	2024/25 Base Budget (£)	2024/25 Revised Budget (£)	2025/26 Base Budget (£)
Housing			
Housing Grants and Home Improvements	-856,200	-855,700	-855,700
Housing Options	45,200	44,500	47,500
Housing Benefit Payments	45,500	40,000	40,000
Housing Benefit Administration	465,100	488,800	500,000
Homelessness	1,893,400	1,230,500	1,269,500
Housing Advice	819,200	659,900	703,500
Housing Strategy	186,100	229,400	224,000
	2,598,300	1,837,400	1,928,800
Leisure and Community			
Community Grants	204,700	210,000	210,900
Community Development	174,400	264,100	281,500
Leisure Centres	-1,010,100	-1,121,500	-1,162,400
Fareham Live	640,700	684,600	418,400
Community Centres	138,900	157,600	166,400
	148,600	194,800	-85,200
Planning and Development			
Flooding and Coastal Management	95,500	94,600	140,500
Transportation Liaison	33,500	35,400	35,400
Conservation & Listed Building Policy	67,900	68,300	80,400
Environmental Strategy	46,800	66,700	76,100
Local Plan	977,500	623,100	677,600
	1,221,200	888,100	1,010,000
Policy and Resources			
Democratic Representation and Management	1,212,600	1,214,700	1,235,200
Commercial Estates	-1,116,600	-1,044,500	-1,037,900
Investment Properties	-2,515,100	-2,585,400	-2,492,700
Solent Airport	442,400	500,000	441,200
Daedalus (Non-Airside)	-915,500	-890,400	-903,000
Fareham Shopping Centre	-990,800	-1,077,100	-1,052,200
Public Relations, Comms and Consultation	691,900	681,200	708,300
Unapportionable Central Overheads	148,600	138,600	138,600
Corporate Management	925,700	801,600	875,400
Economic Development	135,500	136,800	156,700
Regeneration	170,200	383,100	95,700
Local Tax Collection	1,128,200	1,196,300	1,292,900
	-682,900	-545,100	-541,800

	2024/25 Base Budget (£)	2024/25 Revised Budget (£)	2025/26 Base Budget (£)
Streetscene			
Parks, Open Spaces and Grounds Maintenance	2,368,600	2,465,200	2,493,500
Countryside Management	213,400	211,600	216,500
Street Cleansing	1,122,700	1,054,100	1,207,200
Public Conveniences	297,000	310,400	304,600
Household Waste	1,284,300	1,250,400	1,311,300
Trade Refuse	-62,400	-101,700	-186,600
Recycling	1,423,600	1,401,000	1,648,000
Garden Waste	-496,100	-681,500	-660,000
Tree Management	479,700	503,500	520,000
Street Furniture	76,000	80,200	80,600
	6,706,800	6,493,200	6,935,100
Total Service Accounting Adjustments	4,474,400	4,845,700	4,845,700
Total Cost of Services	16,095,700	15,637,500	15,984,800

Forecasts for the next 5 Years

2024/25 Revised	2025/26	2026/27	2027/28	2028/29
000s	000s	000s	000s	000s

SERVICE EXPENDITURE**Gross Expenditure on Services**

Base Budget
Changes for Pay and Pensions
Changes for Spend Pressures and Opportunities
Changes for Cost of Living Spend Pressures
Revised Budget

£49,482	£49,207	£49,207	£49,497	£49,787
£0	£0	£275	£275	£275
£0	£0	-£280	-£392	-£391
£0	£0	£150	£300	£450
£49,482	£49,207	£49,352	£49,680	£50,121

Gross Income for Services

Base Budget
Changes for Income Pressures and Opportunities
Revised Budget

-£38,690	-£38,068	-£38,048	-£38,048	-£38,048
£0	£0	-£238	-£87	-£212
-£38,690	-£38,068	-£38,286	-£38,135	-£38,260

Net Cost of Services

£10,792	£11,139	£11,066	£11,545	£11,861
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NON-SERVICE SPECIFIC BUDGETS

Contribution to capital spend - RCCO
Provision to repay borrowing (MRP)
Increase In Bad Debt Provision
Accounting Adjustments
Total Non-Service Budgets

£1,350	£1,350	£1,350	£1,350	£1,350
£1,666	£1,747	£1,798	£1,850	£1,903
£0	£0	£0	£0	£0
£603	£603	£603	£603	£603
£3,619	£3,700	£3,751	£3,803	£3,856

NET BUDGET REQUIREMENT

£14,411	£14,839	£14,817	£15,348	£15,717
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SOURCES OF FUNDING**Core Funding**

Government General Grants
New Homes Bonus
Retained Business Rates
Collection Fund Balance
Total Core Funding

-£615	-£356	£0	£0	£0
-£65	-£12	£0	£0	£0
-£4,250	-£4,530	-£4,028	-£4,204	-£4,389
	£0	£0	£0	£0
-£4,930	-£4,898	-£4,028	-£4,204	-£4,389

Other Funding Sources

Income from Financial Investments
Contributions from Partnerships
Contributions from Govt
Total Other Funding

-£332	-£357	-£357	-£357	-£357
-£100	£0	£0	£0	£0
£0	-£704	£0	£0	£0
-£432	-£1,061	-£357	-£357	-£357

Use of Reserves

Ear marked for specific use

-£550	-£280	-£211	-£149	-£151
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COUNCIL TAX REQUIREMENT

£8,499	£8,600	£10,221	£10,638	£10,820
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Council Tax					
Projection of Retained Council Tax at current level	£8,213	£8,213	£8,289	£8,423	£8,594
Additional Council Tax for new properties	£0	£76	£135	£170	£197
Council Tax available at no increase	£8,213	£8,289	£8,423	£8,594	£8,791
Projected shortfall with no increase	-£286	-£311	-£1,798	-£2,044	-£2,029
Council Tax available with 3% increase per year	£8,213	£8,537	£8,935	£9,388	£9,891
Projected shortfall with 3% increase per year	-£286	-£63	-£1,286	-£1,250	-£929
Unallocated Spending Reserve Availability	£286	£63	£1,286	£114	£0
Percentage of shortfall to net budget	1.98%	0.43%	8.68%	8.14%	5.91%

FAREHAM BOROUGH COUNCIL PAY POLICY STATEMENT

FINANCIAL YEAR 2025 - 26

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 2025-26, 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 2024 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) and the National Living Wages which was introduced in 2016 applies to those aged 21 and over but Fareham's pay scales are not aged biased. Delays to the implementation of pay awards can lead to the lowest scale point being below the NLW. In cases where this delay does occur the minimum rate of pay will match the NLW.

Details of the Council's pay structures are published on the Council's website and a copy as at 1st April 2024 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 2024 was settled in October 2024 with a cash sum of £1,290 applied to each scale point subject to a minimum increase of 2.50%. This resulted in a pay award of between 2.50% and 5.82% on the mainstream grades. The pay award with effect from April 2025 will be negotiated between the employers and the Unions.

The pay award for the Chief Executive and Chief Officers was agreed at 2.50%.

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 £128,859 to £148,822.
- b) Statutory and Non-Statutory Chief Officers will be paid a salary within the grade range £81,291 to £105,394 (£109,142 to £121,208 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 £61,635 to £81,291.

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 Grade1 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 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 2024-25, including base salary, allowances, etc.

Highest paid employee	£143,832
Median earnings for remainder of workforce	£30,559
Ratio	4.71

Fareham Borough Council - Pay Scales as at 01/04/2024

Chief Executive Grades & Salary		Directors Grades & Salary	
Spinal Column Point	Annual Salary	Spinal Column Point	Annual Salary
1	£128,259	1	£92,027
2	£133,851	2	£94,915
3	£138,841	3	£98,2858
4	£143,832	4	£101,774
5	£148,822	5	£105,394

Senior Management Grades & Salary scales								
Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary	Grade	Spinal Column Point	Annual Salary
	1	£81,291		1	£70,765		1	£61,635
	2	£84,065		2	£73,257		2	£63,798
1	3	£86,934	2	3	£75,840	3	3	£66,038
	4	£89,474		4	£78,516		4	£68,359
	5	£92,026		5	£81,291		5	£70,765

Local Pay Scales					
GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2024)	GRADE	SPINAL COLUMN POINT	ANNUAL SALARY (APRIL 2024)
1	3	£23,473			
	4	£23,656			
	5	£24,027			
2	5	£24,027	7	26	£38,460
	6	£24,404		27	£39,462
	7	£24,790		28	£40,498
	8	£25,183		29	£41,562
	9	£25,584		30	£42,648
3	9	£25,584	8	30	£42,648
	10	£25,992		31	£43,777
	11	£26,409		32	£44,929
	12	£26,835		33	£46,127
	13	£27,269		34	£47,254
4	13	£27,269	9	34	£47,254
	14	£28,163		35	£48,417
	15	£29,093		36	£49,559
	16	£30,060		37	£50,824
	17	£30,559		38	£51,948
5	18	£31,586	10	38	£51,948
	19	£32,115		39	£53,154
	20	£32,983		40	£54,435
	21	£33,893		41	£55,737
	22	£34,751		42	£56,041
6	22	£34,751	11	42	£56,041
	23	£35,642		43	£57,632
	24	£36,556		44	£58,879
	25	£37,500		45	£60,155
	26	£38,460		46	£61,467

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date 10 January 2025

Report of: Assistant Director (Finance and ICT)

Subject: HOUSING REVENUE ACCOUNT BUDGETS, FEES & CHARGES
2025-26

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 2025-2026. The Assistant Director (Finance and ICT) will refer any proposals and comments of the Panel to the Executive meeting on 3 February 2025.

RECOMMENDATION

That any proposals or comments of the Panel be referred to the Executive at its meeting on 3 February 2025.

Enquiries:

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

APPENDICES

Appendix 1: Report to Executive meeting on 5 February 2025 – Housing Revenue Account Budget and Capital Plans 2025-2026 (with confidential Appendix E)

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 3 February 2025

Portfolio:	Policy and Resources
Subject:	Housing Revenue Account Budgets, Fees & Charges 2025/26
Report of:	Assistant Director (Finance & ICT)
Corporate Priorities:	Provides Housing Choices

Purpose:

This report seeks agreement from the Executive to recommend to Council the approval of the revised budget for the Housing Revenue Account for 2024/25, plus the base budgets, fees and charges and rent increases for 2025/26.

Executive summary:

The Executive recommended, and the Council approved, in February 2024, the base budget and rent increase for 2024/25, for Housing Revenue Account (HRA) services.

This report sets out some revisions to the Housing Revenue Account revised budget for 2024/25 and base budget for 2025/26. The housing capital programme and financing for the years 2024/25 to 2028/29 is also included for information as this impacts on the revenue budget. The report also proposes the increases in rents and fees and charges for 2025/26.

The report highlights the issues affecting the Housing Revenue Account. In particular it highlights the increased expenditure needed to maintain the Council's housing stock in the next 2 years. This will mean that we will not be able to continue with our debt repayment put aside in these years. However, any surpluses that do arise will be considered for this purpose. Due to these pressures increased budget monitoring has been introduced for this period and a specific HRA Opportunities Plan has been drawn up which contains actions that have been identified to help reduce net expenditure.

Council budgets are susceptible to change in the level of expenditure and income caused by factors inside and outside the Council's control. Scenario analysis has been carried out to indicate the effect on housing balances of changes in the level of expenditure and income. This has been included to support the need to maintain a prudent level of reserves and a working balance.

Recommendation/Recommended Option:

- 1) It is recommended that the Executive agrees and recommends to the meeting of the Council to be held on 14 February 2025 that:
 - (a) rents be approved for Council Dwellings as set out in paragraph 28 with effect from 1 April 2025;
 - (b) rents for Council garages be increased by 2.7% with effect from 1 April 2025;
 - (c) the revised budget for 2024/25 be approved;
 - (d) the base budget for 2025/26 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 2025/26, and ensure that the HRA remains financially robust and not of risk of being in deficit.

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 2025/26**
- E: Confidential Fees and Charges 2025/26****

** Fees and Charges 2025/26 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 5 February 2024 – Housing Revenue Account 2024/25

- (b) Executive 1 July 2024 – General Fund and Housing Revenue Account Outturn 2023/24
- (c) Climate Change Scrutiny Panel 15 October 2024 - Climate Change Action Plan Update Annual Review 2023/24
- (d) Executive 13 January 2025 – General Fund Revenue Budgets and Finance Strategy 2025/26
- (e) Executive 13 January 2025 – Capital Programme and Capital Strategy 2025/26
- (f) Executive 7 March 2022 - Assheton Court redevelopment
- (g) Executive 9 January 2023 – Fareham Housing Development of Ophelia Court, Montefiore Drive, Park Gate
- (h) Executive 9 October 2023 – Town Centre property acquisition
- (i) [The Direction on the Rent Standard 2023](#), Department for Levelling Up, Housing & Communities
- (j) [Policy Statement on rents for social housing](#), Department for Levelling Up, Housing & Communities

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	3 February 2025
Subject:	Housing Revenue Account Budgets, Fees & Charges 2025/26
Briefing by:	Assistant Director (Finance & ICT)
Portfolio:	Policy and Resources

INTRODUCTION

1. This report brings together the revenue and capital spending plans for the Housing Revenue Account for 2024/25 and 2025/26 for the Executive to consider. On 13 January 2025 the Executive will be asked to approve the Council's Finance Strategy for 2025/26 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. At the time of writing, a government consultation is underway on the future social housing rent policy which focuses on the introduction of a new rent policy from 1 April 2026.
2. Together these have informed revisions to the 2025/26 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.

Value of Capital Programme		Sources of Financing	
Year	£'000		
2024/25	11,765	Major Repairs Reserve	34%
2025/26	17,615	Grants and Contributions	20%
2026/27	8,610	Revenue Contributions	11%
2027/28	5,099	Capital Receipts	4%
2028/29	4,890	Borrowing	31%
Total	47,979		100%

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 will be included in the Council's Capital Strategy presented for approval at the 13 January 2025 Executive.

Affordable Housing Delivery

5. The Council continues to be successful in achieving capital grants awards under the Homes England Affordable Homes Programme 2021-26. This Programme requires developments to start on site by March 2025 and complete by March 2026. New housing schemes already completed under the 2021-2026 programme include 2 social rent houses at **Queens Road** in Fareham and 11 Shared Ownership houses at **Capella Close** in Stubbington.
6. At the end of the current 2024/25 financial year the major schemes of 9 new affordable shared ownership flats at **Ophelia Court** and one new social rent house at **Bellfield** should be completed.
7. Following completion of a further successful tender exercise and grant claim process, work has started on site at **Assheton Court** which will provide 60 social rent one and two bedroom apartments for the over 55s. Homes England Grant of £126,000 per unit has been secured to support the delivery of the scheme, and the budget of £19.4m for construction and further on-costs is now reflected in the capital programme. However, to secure the funds development needs to be completed by September 2026.
8. There are currently further development / acquisition and regeneration sites being pursued 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
130-136 West Street (Birks Building) (Fareham Town ward)
Wynton Way (Fareham Park ward)
Menin House regeneration (Fareham Park ward)
Redoubt Court regeneration (Fort Fareham ward)
Melvin Jones House and St Marys Road flats (Stubbington ward)

Improvements to Existing Housing Stock

9. 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 these revised figures, for example the budget for 2024/25 is now set at £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 ongoing to inform the budget requirements and spending pressures for future years, with full stock coverage over a 5-year period (20% of stock per year). Revenue Contributions to Capital Outlay have been increased to support this expenditure.

Financing Options

10. 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).

11. The table below summarises the financing options available to fund the Housing Capital Programme:

Funding Source	What this and any restrictions	Type of Reserve
Major Repairs Reserve	This is funded from annual revenue contributions (similar to a depreciation charge), The reserve is used to fund capital expenditure on HRA assets.	HRA Reserve
Housing Capital Receipts	These are receipts arising from the sale of council owned housing (non RTB). They cannot be combined with RTB 1-4-1 receipts.	General Fund and HRA Reserve
Right to Buy (RTB) initial receipts	These are part of the receipts (34%) arising from the Right to Buy sales of council owned housing. They cannot be combined with Homes England funding.	General Fund Reserve
Right to Buy (RTB)1-4-1 receipts	These are the other part of the receipts (66%) arising from the Right to Buy sales of council owned housing. These have to be earmarked for building or buying new affordable housing. They cannot be combined with housing capital receipts or grant funding.	HRA Reserve
Section 106 monies for the purpose of affordable housing provision	These are contributions arising from Planning Section 106 Agreements where the provision of Affordable Housing is required as part of a development scheme.	General Fund Reserve
HRA Revenue Contributions to Capital Outlay (RCCO)	These are contributions from the current years revenue budget, used to meet capital expenditure on existing HRA assets or transferred to a reserve to be used to meet capital expenditure in the future.	Not currently held in a Reserve, used directly to meet capital expenditure
Borrowing (internal or external)	This is a source of funding that will be required to be repaid in the future. The sources will be from internal resources of from the Public Works Loan Board used to meet capital expenditure.	N/A

12. Since 2022 local authorities retain 100% of Right to Buy receipts. Right to Buy initial receipts are retained unconditionally, but Right to Buy 1-4-1 receipts have to be invested in a new homes build or purchase programme and spent within 5 years. - There are restrictions on what funding sources can be combined with 1-4-1 receipts as highlighted in the table above.
13. In addition to these internal and borrowed resources, grant bids will be sought wherever possible, as we have done for current development schemes of Ophelia Court and Assheton Court. It should be noted that any Homes England grant funding cannot be combined with RTB initial and 1-4-1 receipts.

14. Additional borrowing for large schemes, and improvements to existing stock where needed, would come from the Public Works Loan Board (PWLB) or internal borrowing. A discounted PWLB rate is currently available until the end of March 2026 for authorities borrowing for the HRA.
15. 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.
16. 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 capital programme.

REVENUE BUDGETS

17. The following table summarises the Housing Revenue Account base and revised budgets for 2024/25, and the base budget for 2025/26. A more detailed breakdown is provided in Appendix B.

	Base Budget 2024/25 £'000	Revised Budget 2024/25 £'000	Base Budget 2025/26 £'000
HOUSING REVENUE ACCOUNT			
Income	-15,316	-15,605	-15,835
Tenancy Management & Running Costs	4,972	4,912	5,075
Net Interest	1,650	2,008	2,203
Transfer to Debt Repayment Fund	542	0	0
	-8,152	-8,685	-8,557
Revenue Repairs Expenditure	3,747	4,315	4,317
Depreciation set aside into the Major Repairs Reserve	3,205	3,105	3,105
Revenue Contribution to Capital Programme	1,200	1,265	1,135
Transfer to(-)/from (+) HRA Reserve	0	0	0

18. The **income** budget has been uplifted to reflect proposed increases in rent and service charges, below. Service charges for heating have reduced for the 2024/25 financial year in line with our costs incurred.
19. 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 closely monitored and remain at a high, though stable, level. The housing Rent Recovery Officer continues to work closely with customers and reports regularly from the housing management system.
20. 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.

21. The budgets for Communal Heating and Lighting have been reduced, recognising the reduction in gas costs being charged from October 2024 to October 2025.
22. 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 value for 2024/25 and 2025/26 so this budget has been revised downwards.
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.
24. **Leaseholder Service Charge actuals** have been completed for 2023/24 and income was higher than originally anticipated due to the need to pass on the cost of repairs arising from the external decoration programme and other large capital improvement costs, this is also reflected in the income budget.
25. The **Revenue Contribution to Capital** programme budget has been increased significantly to fund the higher value of Capital Improvements work, as discussed above.
26. These increases have a direct impact on the set aside of reserves for repayment of the £49.3 million **housing debt** taken on in 2012 when the government changed the national subsidy scheme to a self-financing scheme. £40 million of these loans are from the PWLB and become repayable in 27 to 36 years. The remaining £9.3 million is an internal loan with the General Fund and is repayable in 2026/27. To date there has been approximately £6.84 million put aside for this purpose. Unfortunately additional budget provision of £542,000 for this has had to be removed for 2024/25 and there will be no provision for 2025/26. However, if any budget surplus does arise for the year this may be considered for this use.
27. A summary of all the HRA reserves projected to the end of 2024/25 is set out below:

Reserve	Purpose of Reserve	2023/24 Closing Balance £'000	2024/25 Transfers In £'000	2024/25 Transfers Out £'000	2024/25 Closing Balance £'000
HRA Revenue Reserve	To fund unexpected operating costs	1,412	0	0	1,412
Exceptional Expenditure Reserve	To fund any exceptional demands upon expenditure	1,500	4,316	-4,316	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	556	195	-150	601
Total Revenue Reserves					
Major Repairs Reserve	To fund capital expenditure on HRA assets	0	3,105	-3,105	0
1:4:1 Receipts	To fund costs of new acquisitions and developments	1,946	500	-250	2,196
Total Reserves		12,254	8,116	-7,821	12,549

RENTS

28. In the Autumn Statement, the Government launched a consultation on a five-year rent settlement of CPI+1% for social landlords, with potential for this to be extended to 10 years.
29. For 2025/26, an increase of 2.7% is therefore proposed, in line with the allowed increase of up to CPI + 1% (using the September 2023 CPI rate of 1.7%) for social, affordable and shared ownership rents.
30. Rents for Council garages are not covered by the Government's Direction applying to dwellings, but a similar principle is applied in the Council's Social Housing Rents Policy. It is therefore proposed that garage rents for 2025/26 increase by 2.7% (£0.43 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 2025/26, to be approved at the 13 January 2025 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 2025/26 are set out in confidential Appendix E for Executive agreement and recommendation to Council for 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. Council budgets are susceptible to change in the level of expenditure and income caused by factors inside and outside the Council's control. Scenario analysis has been carried out to indicate the effect on housing balances of changes in the level of expenditure and income, as summarised in the table below.

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 2025		140
Loss of income if void rate rises by 1%		140
Increase on rent arrears by 10%		80
Increase of 10% on employees, and supplies & service costs	494	
Increase of 10% in the depreciation charge	310	
Increase of 20% in cost of responsive repairs	860	

35. Reserves are therefore maintained 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

36. The following list of ongoing pressures and key risks to the HRA include :

- Inflation decreases will limit our power to increase rents to keep in line with higher responsive and void costs that are subject to demand increase as well as inflation.
- Interest rates increases result in higher borrowing costs to finance development sites and improvements within the capital programme.
- The expectations on stock condition continue to increase to ensure homes are decent, safe, well maintained with decent services. This requires effective management and detailed knowledge of stock condition, which is an ongoing process.
- There will be future stock condition demands to meet the Decent Homes Standard, decarbonisation goals/EPC rating and manage the risk of disrepair claims. A Stock Condition Survey is currently underway to inform future years required budget and spend prioritisation.
- Continuing to improve Tenant Safety by understanding tenants needs and learning from experience in relation to damp and mould and fire) (following Grenfell, Rochdale and Awaabs Law).
- Increasing Tenant Engagement.
- Further pressures associated with the Social Housing (Regulation) Act 2023.

37. In particular, the increases in the costs of revenue repairs and capital improvements already occurring mean that the HRA is currently under considerable strain, which is a trend across the country. Increased budget monitoring has therefore been introduced, involving senior housing and finance management, to try and keep to the budgets set.

38. Mitigating actions continue to be taken by the service to try to reduce costs where they can. However, the position is such that an additional Opportunities Plan, specific to housing and the HRA, is being developed for discussion at a future Scrutiny Panel Workshop.

39. 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.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

40. The Council Climate Change Action Plan (CCAP) was approved by the Climate Change Scrutiny Panel on 15 October 2024. Initiatives within housing to reduce our carbon footprint include

- A review of the vehicle fleet and required infrastructure to meet the demands of the service.
- Home energy efficiency measures such as installation of solar panels, external wall

insulation, loft insulation and heating upgrades and seeking external funding where available.

- New development built with energy efficiency in mind such as air source heat pumps.
- We continue to be a member of the Warmer homes consortium, which delivers free energy saving measures to low-income households in energy efficient homes.

Enquiries:

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

HOUSING CAPITAL PROGRAMME AND FINANCING

	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£
Improvements to Existing Stock					
Improvements	1,400,000	1,600,000	1,700,000	1,800,000	1,800,000
Voids	2,100,000	2,000,000	2,000,000	2,000,000	2,000,000
Modifications	600,000	500,000	500,000	500,000	500,000
Vehicles	245,000	90,000	135,000	90,000	90,000
Acquisitions and New Builds					
Acquisitions	500,000	500,000	500,000	500,000	500,000
New Build – Assheton Court	5,000,000	12,400,000	2,000,000		
New Build – Ophelia Court	1,520,000	240,000			
New Build – Bellfield	275,000	35,000			
Town Centre Development	100,000	200,000	1,700,000	159,300	
Regeneration Feasibility	25,000	50,000	75,000	50,000	
TOTAL CAPITAL EXPENDITURE	11,765,000	17,615,000	8,610,000	5,099,300	4,890,000
Funded by:					
Improvements to Existing Stock					
Major Repairs Reserve	-3,104,800	-3,104,800	-3,300,000	-3,400,000	-3,500,000
RCCO	-1,020,200	-1,045,200	-975,000	-950,000	-800,000
Other Assets					
RCCO - Vehicles	-245,000	-90,000	-135,000	-90,000	-90,000
Acquisitions and New Builds					
RTB 1-4-1 Receipts	-250,000	-250,000	-250,000	-250,000	-250,000
Housing Capital Receipts	-275,000	-35,000			
Homes England Grants	-2,111,000	-5,560,000			
Other Grants and Contributions (s106)	-250,000	-250,000	-250,000	-250,000	-250,000
Borrowing	-4,509,000	-7,280,000	-3,700,000	-159,300	
TOTAL FUNDING	-11,765,000	-17,615,000	-8,610,000	5,099,300	-4,890,000

DETAILED REVENUE BUDGET

	Base	Revised	Base
	2024/25	2024/25	2025/26
	£'000s	£'000s	£'000s
Income			
Rents - Dwellings	-13,371	-13,590	-13,930
Rents - Garages	-410	-410	-418
Rents - Other	-5	-6	-6
Service Charges (Wardens, extra assistance, heating)	-795	-805	-815
Cleaning	-215	-215	-200
Grounds Maintenance	-150	-151	-154
Other Fees and Charges	-35	-30	-30
Leaseholder Service Charges & Insurance	-323	-386	-271
Government Grant	-12	-12	-12
	-15,316	-15,605	-15,835
Expenditure			
Tenancy Management and Running Costs			
General Administrative Expenses	2,745	2,852	2,996
Corporate & Democratic Core	90	85	94
Corporate Management	75	73	73
Unapportioned Overhead	10	10	10
Communal Heating Services	270	135	135
Communal Lighting	80	100	100
Rents, Rates & Other Taxes	279	283	279
Communal Cleaning	289	264	257
Grounds Maintenance	324	332	332
Sheltered Housing Service	641	657	679
Bad Debts Provision	100	50	50
Bad Debts Written off	35	35	35
Debt Management Expenses	35	35	35
Sub-total of management costs	4,972	4,912	5,075
Long Term Debt Management			
Interest Payable	1,900	2,258	2,453
Interest Earned on Internal Balances	-250	-250	-250
Transfer to Debt Repayment Fund	542	0	0
Property Repairs and Maintenance			
Revenue Repairs Expenditure	3,747	4,315	4,317
Depreciation	3,205	3,105	3,105
Revenue Contribution to Capital Programme	1,200	1,265	1,135
Surplus(-)/Deficit for Year	0	0	0

HRA EXAMPLES OF PROPOSED RENT CHANGES

	Property Type	2024/25 Actual Rent £	2025/26 Proposed Rent £	Change per week £	Change per week %
Rose Court	1 Bed Flat	101.79	104.54	2.75	2.7
Grebe Close	2 Bed Bungalow	132.21	135.78	3.57	2.7
Collingwood Court	1 Bed Flat	124.24	127.59	3.35	2.7
Foxbury Grove	2 Bed Flat	110.89	113.88	2.99	2.7
Garden Court	1 Bed Maisonette	99.32	102.00	2.68	2.7
Sicily House	2 Bed Maisonette	107.57	110.48	2.90	2.7
Fairfield Avenue	3 Bed House	128.85	132.33	3.48	2.7
Churchill Close	3 Bed House (shared owner)	112.32			
Jubilee Court	4 Bed House	147.24	151.21	3.98	2.7
Average for total stock		120.67	123.93		
Garages		15.75	16.18	0.43	2.7



HOUSING FEES & CHARGES

	Notes	Fee 2024/25 £	Fee 2025/26 £	% 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	116.00	120.00	3.4
Repairs to Council Houses				
Abortive visit by Officer, Surveyor or Tradesman	Charge per visit	58.00	60.00	3.4
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	16.00	17.50	9.4
Per couple per night	Inclusive of VAT	21.00	23.00	9.5
Collingwood Court per room	Inclusive of VAT	32.00	35.00	9.4
Sylvan Court per room	Inclusive of VAT	32.00	35.00	9.4
Other Charges				
Keys – Key	Inclusive of VAT	6.30	6.45	2.4
Keys – Fob		10.10	10.35	2.5
Replacement Pendant	Inclusive of VAT			

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FAREHAM

BOROUGH COUNCIL

Report to the Policy and Resources Scrutiny Panel

Date **10 January 2025**

Report of: **Assistant Director (Finance and ICT)**

Subject: **OPPORTUNITIES PLAN UPDATE**

SUMMARY

A detailed update to the Opportunities Plan is being developed for 2025/26 to help ensure that we can continue to balance the Council's budgets. This report presents an overall update on the current Opportunities Plan including projects linked to the Policy and Resources Portfolio. Members are asked to consider and comment on the projects. They were also asked to propose any new ideas they may have in a workshop preceding the meeting. These comments and ideas will be presented as part of the Opportunities Plan 2025/26 report at the 3 February 2025 Executive.

RECOMMENDATION

It is recommended that the Policy and Resources Panel consider and comment on the progress of the current Opportunities Plan projects.

INTRODUCTION

1. This report provides an update on the progress of the Council's current Opportunities Plan, including General Fund projects linked to the Council's Policy and Resources provision.

BACKGROUND

2. 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 focused services.
3. The Council's original Opportunities Plan was approved at the 7 January 2019 Executive meeting, in response to a predicted funding shortfall by 2020/21. The Plan ran until the end of 2022/23.
4. It contained a number of successful projects such as the introduction of a Garden Waste Subscription Service and Coastal Parking Charges. These projects and other initiatives across the Council managed to close the predicted budget gaps from 2020/21 to 2022/23
5. The Medium-Term Finance Strategy (MTFS) presented at the 9 January 2023 Executive forecast a further budget gap for each of the following 5 years, rising from a £0.4m gap in 2023/24 to £2.4m in 2025/26.
6. The use of our limited general reserves would have enabled balanced budgets in 2023/24 and 2024/25. However, the Council's reserves would then have run out and we would not have been able to plug the then predicted £2.4m budget gap in 2025/26.
7. In response to this, a new Opportunities Plan for 2023/24 was developed and approved by the Executive on 18 September 2023. There were no opportunities included on the scale of introducing Garden Waste subscriptions or coastal parking charges.
8. An initial progress update was presented to the 22 January 2024 Policy and Resources Scrutiny Panel and MTFS projections were updated in early 2024. This showed that the Opportunities Plan projects helped us to plug the predicted £0.4m budget gap for 2023/24 and resulted in £0.1m being added to our general fund reserves that year.

CURRENT FINANCIAL POSITION

9. For the Council's General Fund, the updated projections in January 2025 show that we had sufficient reserves, based on the assumption that we raise Council Tax by the 2.99% allowed each year, to bridge the £0.29m budget gap in 2024/25 and £0.06m gap in 2025/6 and £1.29m budget gap in 2026/7. However, our useable reserves would then run out and we would not be able to balance the predicted £1.25m budget gap in 2027/8.
10. We also have in place the recently reviewed Corporate Strategy 2023-29. This contains 42 projects in total, with 12 of these added or significantly updated as part of the December 2024 review. Many of these projects have not been fully costed. It must therefore also be remembered that part of the Opportunities Plan work is to release funding needed to deliver the Council's priorities over the coming months.

OVERALL OPPORTUNITIES PLAN UPDATE

11. Work has progressed well on many of the 94 projects in the 2023/24 Opportunities Plan. 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. In addition £260,000 of savings were fed into the base budget for 2024/25.
12. Further to the Opportunities Plan projects, a number of wider activities have been added to the work plan to deal with the forecast budget gap. Projects included reviews of all vacant posts in the establishment, unused budgets and deep monitoring of spend in targeted areas by the Senior Leadership Team.
13. The table below summarises the tangible budget savings that have been built into the revised 2024/25 and base 2025/26 budgets as a result of the project delivery during 2024/5:

	Additional Savings 2024/25 Revised	Savings 2025/26 Base Budget
Opportunity Plan Projects – Annual	250,940	195,190
Opportunity Plan Projects – One off	36,700	5,000
Vacant Post Review - Annual	425,839	-
Unspent budget review - Annual	146,500	-
Senior Leadership Team targeted monitoring - Annual	885,000	-
	1,744,979	200,190

POLICY AND RESOURCES ORIGINAL OPPORTUNITIES

14. The 2023/24 Opportunities Plan projects reported to the 22 January 2024 included 26 Policy and Resources focused projects. Progress updates on these, alongside updates for projects in other Panels and Committees, can be seen in Appendix A, with figures highlighted in green included in budget setting. Members are asked to consider and comment on Policy and Resource related project progress.

UPDATED OPPORTUNITIES PLAN FOR 2025/6

15. This work has had a positive impact overall. However, as discussed earlier there are several identified ongoing budget pressures and budget growth areas across the Council. In order to respond to these and to ensure balanced budgets going forward an updated Opportunities Plan is being created for 2025/6 onwards.
16. Potentially difficult policy decisions will likely need to be made regarding elements of discretionary service provision to help ensure we can continue to balance our budgets whilst meeting our statutory duties.

MEMBER INVOLVEMENT IN DEVELOPING THE NEW OPPORTUNITIES PLAN

17. Executive Members took part in a workshop in November 2024 to assess the top-level feasibility of potential income generation or cost saving opportunities based on some difficult decisions. Relevant opportunities identified in this session were then presented to Policy and Resources Scrutiny Panel Members at a workshop held immediately preceding today's, 10 January 2025 Panel Meeting.

18. Feedback from this session will be considered by the Executive when the proposed Opportunities Plan 2025/26 is presented for approval at the 3 February 2025 Executive.

RISK ASSESSMENT

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

CONCLUSION

20. The Policy and Resources Opportunities Projects presented for consideration help the Council to have balanced budgets whilst meeting our statutory requirements

Background Papers: None

Reference Papers: 22 January 2024, Policy and Resources Scrutiny Panel – Opportunities Plan 2023/24 Update

Enquiries:

For further information on this report please contact Roy Brown 01329 824 489

Appendix A – 2023/24 Opportunities Update
 (Green highlight denotes that this has been fed into the budgets)

Key: Savings/income highlighted in green are included in the Budget for that year

Daedalus Projects to be costed	
Parking charges at Solent Airport Control Tower (264)	Could look to refresh the site around the control tower with parking charges a potential option.
Managed Hangarage Review (292)	New Project. Review approach to charging for managed hangarage services at Solent Airport as current method may not accurately reflect size and types of aircraft being stored.
Land Sales at Daedalus (293)	Continuing discussions regarding disposal of land at Daedalus.

No	Health & Public Protection Project	2023/24		2024/25		2025/26	Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	
99	Building Control - Road Numbering			£7,000			Will build into 24/25, incorporated into wider fee increase. Started
92	Building Control - Increase Future Fees						Will be reviewed annually each February. Ongoing
98	Building Control - Interest charge for late payment	£2,000					HCC backlog mostly cleared. Not implemented interest charge, debt recovery passed back to service.
Sub Totals		£2,000		£7,000		£0	
Built into budgets		£0	£0	£7,000	£0	£0	

Health & Public Protection: Projects to be costed

20	Electric Vehicle (EV) Charging in car parks	Ongoing. Charging policy approved for Fareham Live EV chargers. Focus on covering costs. Review after 12 months.
94	Building Control – FBC Internal Recharges	Can review Director line management time but need to be aware that any additional recharge impacts on the costs of the partnership.

No.	Health and Public Protection Business as usual	2023/24	2024/25		2025/26		Update notes	
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income		One-off Income
93	Building Control - income from Welborne work			£13,440				Estimated start third quarter of 2024/25. Not Started
96	Building Control - High rise safety assessments			£17,000				Original estimate of £8,500 for 23/24 not achievable. Became law in April 2024. Not Started
Sub Totals								
		£0	£0	£0	£0	£0	£0	
Built into budgets								
Total Potential Opportunities		£0	£0	£30,440	£0	£0	£0	

Health and Public Protection Completed Projects

	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
14	Coastal parking – Wicor Ground	£15,000		£3,000				Charging began in August 2023. Complete. Income from 23/4 was £20,000 but need to deduct cash collection etc costs
86	CCTV maintenance budget	£20,000						Reduction in budget approved. Complete.
29	Car Park security	£22,000		£11,000				Bring in house. Complete
282	Remove external call handlers for Out of Hours			£14,000				Contract with external provide ended. Internal call routing system being launched summer 24. Complete
8	Environmental Health out of hours claims	£16,800						New approach approved for 23/24 which should reduce the actuals overspend. Complete
Sub Totals								
	Built into budgets	£57,000	£0	£28,000	£0	£0		
	Total Potential Opportunities	£73,800	£0	£28,000	£0	£0		

Leisure and Community								
No.	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-Off income	
66	Events Sponsorship			£2,400				Started. Income in 23/24 of £2,540, compared to original projection of £4,000. However, £11,000 income already received in 24/25 so far. Ongoing
70	Access All Areas – management					£600		Started. All tickets sold to cover the cost of providing events in 2024. Potential to revisit purpose e.g. revert to trying to tackle ASB Hot Spots. Ongoing
81	Padel tennis					£20,000		Started. 3 March Executive 2024 approval for disposal of land following consultation and delegated responsibility for agreement of terms following this. May see income estimates of £20,000 start in 25/26.
Sub Totals								
Built into budgets		£0	£0	£2,400	£0	£600		
Total Potential Opportunities		£0	£0	£2,400	£0	£20,600	£0	
No.	Leisure and Community	Projects to Be Costed			Notes			
191	Funding bid for Energy Saving Infrastructure in Leisure Centres	Started Awarded around £670,000 from phase 2 of swimming pool fund for Solar PV at Fareham Leisure Centre. Projects needs to be complete by end of 2024/5.						

Leisure and Community Completed Projects								
	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
73	Fareham Live sound wave bar donors		£39,200					Complete Wave bars have been a success and all sold.
80	Genesis centre R&M lease			£5,000				Complete Lease signed in Autumn 2023.
63	Community First Wessex Grant	£18,500						Complete. Spend in 23/24 well below budget. Potential to review allocation for 25/6 if spend remains low in 24/5.
57	Community Grants			£45,300				Complete Confirmed that budget will be cut to £50k from 1 April 2024. Monitor spend to see if further opportunities.
190	Roundabout Advertising	£24,000						Contract signed December 2023. Indicative additional income added. Complete.
72	Fareham Live Business Operation Costs		£43,100					Complete
Sub Totals								
Built into budgets		£42,500	£82,300	£50,300	£0	£0		
Total Potential Opportunities		£42,500	£82,300	£50,300	£0	£0		

No.	Licensing	Projects to Be Costed/Business as Usual Notes				
33	Statutory Licensing Charges	Potential for Government to increase charges.				

Planning and Development Scrutiny Panel								
No.	Project	2023/24 Revenue Income	One-off Income	2024/25 Revenue Income	One-off Income	2025/26 Revenue Income	One-off Income	Update Notes
1	Maximising use of past S106 monies		£106,000		£31,000			Unidentified funds 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. Work is ongoing on a further £205,000 to be allocated. Started
Sub Totals								
Built into budgets		£0	£106,000	£0	£0	£0	£0	
Total Potential Opportunities		£0	£106,000	£0	£0	£0	£0	
Planning & Development: Projects to be costed								
4	S106 Supplementary Planning Document (SPD)	Complete.						
246	Bird Aware Administration	Currently lead Council and provide free support and manage their investments. Reasonable to recharge to reflect officer time spent in support. Discussions have started to agree a fee for 2024/25 and transfer responsibility to another council from 2025/26. Not Started.						

Planning and Development Scrutiny Panel completed projects								
No.	Project	2023/24 Revenue Income	One-off Income	2024/25 Revenue Income	One-off Income	2025/26 Revenue Income	One-off Income	Update Notes
6	S.106 Admin Fee	£15,000						Complete. Admin fee introduced.
Sub Totals								
Built into budgets		£15,000	£0	£0	£0	£0	£0	
Total Potential Opportunities		£15,000	£0	£0	£0	£0	£0	

No.	Planning Committee Business as usual	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
262	Pre-Application planning advice - Welborne		£9,700		£9,700			Originally budgeted £9,700 for 23/4 and 24/25 but income slightly higher in 23/4. Likely to reduce to around £5,000 in 24/5. Started
114 / 115 / 263	Homes - Planning Applications for Welborne		£110,000		£65,000			Income for 23/24 higher than the £110,000 in original budget. Not clear what budget for 25/6 will be. Started
296	Household Planning Application Fees							New. Government confirmed doubling planning fees from £264 to £528 for householders. Will bring forward at earliest opportunity.
Sub Totals								
		£0	£119,700	£0	£74,700	£0	£0	
Built into budgets								
Total Potential Opportunities		£0	£119,700	£0	£74,700	£0	£0	

No.	Planning Committee Complete	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
34	Planning Application Fees increase	£39,000		£117,000				Came into effect 6 Dec 2023. Complete
111	Planning Income fees recovery - business as usual		£0					Complete
Sub Totals								

Built into budgets	£15,000	£117,000	£0	£0	£0
Total Opportunities	£15,000	£117,000			

Policy and Resources								
	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
245	Joint procurement of Insurance		£15,000					Started. FBC to lead joint procurement and charge other Councils. Originally budgeted for 23/24 but 24/25 more realistic.
28	Small Business Rate relief review			£5,500				Business rates property review project has changed to focus on SBRR. A review form was issued with all annual bills for 2024/5. Still chasing some responses. Estimate to be updated. Started.
157	Debt Recovery project			£35,550				Working closely with Debt Leads, housing do own recovery now. Savings relate to reduction in debt written off, but this has not reduced yet. Ongoing
235	Working papers for External Audit							Improve upfront papers to reduce savings on core costs and variations. Difficult to quantify and assess savings. Originally £2,500 for 23/24 but removed as no audit for 22/23. £40,000 windfall saving for 23/24 – see below Likely bill us higher costs in 24/25 Started.
147	Filming Location Hire						£3,000	Started. Developing portfolio of sites for promotion on Film England website. International interest in Solent Airport as a filming location.
190	Roundabout and digital advertising	£24,000						Started. Contract with commercial roundabout marketers managed. Customer list growing quickly.
146	Utilities Review							Started. Work in 2023 did not identify obvious savings. New Asset Management

								resource enable us to revisit our approach.
49	Agency contract margins			£15,000				Started: Transition to agency partnership with Portsmouth City Council to achieve better margins than on Framework.
175	Expert HR advice – SE Employees					£5,000		Started: Low level of use and no allowances paid for Councillor board membership.
150	Sale of old IT equipment			£5,700			£5,000	Ongoing: Laptops on 5-year replacement cycle, plus other old equipment could be sold. Full campaign to sell old laptops starting in Autumn 2024. Ongoing.
Sub Totals								
Built into budgets		£24,000	£15,000	£112,000	£0	£5,000	£5,000	
Total Potential Opportunities		£24,000	£15,000	£26,200	£0	£5,000	£8,000	
Policy and Resources: Business as Usual (BAU)		2023/24		2024/25		2025/6		
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
22	Rates on Council Properties			£10,740				More proactive approach to challenging valuation office being adopted. Started.
Sub Totals								
Built into budgets		£0	£0	£10,740	£0	£0		
Total Potential Opportunities		£0	£0	£10,740	£0	£0		
Policy and Resources Projects To Be Costed								

59	Overtime Analysis	Started: Analyse overtime use across the Council to identify areas of habitual use.
91	Print and Post Review	Not started. Potential to encourage further reductions in print and post being sent out. Focus on MyAccount potential approach.
170	Employee Allowances	Not Started: Analyse allowances, particularly essential car users, as many may not be triggering mileage threshold.
25/6	Regular Council Tax and Business Rate discount reviews	New finance team structure to allow with regular reviews starting in 2025/6.
38	Review Council Tax support scheme	£5,000 from Opportunities Plan revenue fund for 12-month subscription to test scenarios. Issues with Northgate holding up the project. Started.
298	Review of Corporate Bank Charges	Are we getting best transaction charge rates?
283	Review of expenditure by Nominal	Finance to start carrying out spend analysis by nominal to better understand true costs. Not started.
252	Increase Manager awareness of spend	Culture change to increase Manager awareness of spend and cost of services. Started. First workshop with FBPs.
284/ 124	Partnership Recharges	New Project: Analysis the way that FBC costs are recharged to partnerships to ensure consistency. Includes charging to Bird Aware. Started.
239	Debt Tracing	New Project: Stage 1 is in house, going through list of now trace accounts, some we still can't find. These could be sent to an external specialist debt tracing agency,
297	Digital Transformation Opportunities	New Project: The emerging IT Strategy will provide an opportunity for digital transformation, including assessing the potential for the further use of AI in service provision, which could lead to more efficient working over the longer term.
300	Review Dial A Ride Service	New Project: Contract with HCC ends March 2025. Need to review what support we should give beyond this.
301	Establishment Vacancy Review	New Project. Ongoing
303	Underspent Budget Review	New Project. In progress.
124	Ensure best value from current partnerships	Detailed analysis and management of consultant contracts needs to be visible. Not started
54	Hook Tip Solar Farm detailed business case	Ongoing engagement with SSEN and consultants regarding requirements for grid connection. Ongoing

Policy and Resources Completed Projects

	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
21	Segensworth BID admin charge		£15,000					Confirmed for 23/24. Complete
149	Civic - Floor 5 Rental Income (UKHSA)	£9,400						Lease review finalised. Complete
69	Civic - Ground Floor rental income (MOJ)	£9,300						Complete
76	Portchester Community Centre car park business rates	£2,500						Complete
237	Fraud tool costs	£1,300						Complete Savings on software tool not resubscribed.
47	Genesis centre business rates	£3,200						Complete
15	Mobile device new approach			£32,700				Complete. Revised saving - £60,000 over 24-month contract to start January 2024. Data and calls are much cheaper.
27	Empty property Review			£20,000				Complete Liberata completed analysis. 86 properties previously thought empty found as occupied.

277	100% Council Tax Premium on long term empty homes after 12 months					£14,898		Complete Approved at February Council for implementation in 2025/6.
278	100% Council Tax Premium on second homes.					£43,355		Complete Approved at February Council meeting. Need to give 12 months' notice to owners. Projected income of £45,355 in 25/6.
283	Premium on restricted second homes (planning condition controlling occupancy)					£5,737		Complete. Implementation in 2025/6, estimate income of £5,737.
279	No External Audit for 2022/23 accounts		£40,000					New. Windfall saving in 23/24. Audit costs likely to be higher in 24/25. Complete
Sub Totals								
Built into budgets		£7,000	£15,000	£52,700	£0	£63,990		
Total Potential Opportunities		£25,700	£55,000	£52,700	£0	£63,990		

No	Streetscene Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
10	Green waste collection – Renewals and marketing campaign			£140,000				Started. Originally estimated £30,000 in 23/4. Income above budget of £139,000 for 2023/4 following successful campaign. Similar campaign for 2024/5. Ongoing.
275	Streetscene Workforce Development							New Project Review of working practices, contracts etc ahead of need to recruit additional food waste crew. Started as part of preparation for Simpler Recycling.
24	Trade Waste Review			£57,200		125,700		Started. Revenue increased during last 5 years, but costs e.g. tipping fees rising at a quicker rate. Business case for a more commercial approach developed. Report to Executive in January 2025.
Sub Totals								
Built into budgets		£0	£0	£197,200	£0	£125,700	£0	
Total Potential Opportunities		£139,000	£0	£197,200	£0	£125,700	£0	
Streetscene: Projects to be costed								
No.				Notes				
276	Garden Waste Subscription Administration Review			New Project. Review of customer facing and back-office systems, including payment methods. Aim to reduce temporary administration resource required. This will be part of wider Streetscene Service software and administration project. Not started				

281	Detailed annual review of rolling Vehicle Replacement Plan	Assess potential to increase pace of move to newer fleet vehicles to offset rising repair and maintenance costs. Analysing Contract Hire Options. Report to Executive in November 2024. Ongoing (also Policy and Resources)
151	Review provision at the depot	Agree provision requirements e.g. Food Waste RCVs and EV vehicle infrastructure. Work will also inform an application to the Public Sector Decarbonisation Fund. Complete

Appendix A

Housing (HRA)

No.	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
134	Improve Housing void turnaround	£27,917		£67,000				Average turnaround time reduced from 110 days to around 80. Started and Ongoing
225	Council tax on Housing voids	£23,750		£33,000				As above. Started and Ongoing
23	Care Lines							Income generation potential low versus resources needed. Not Progressing.
Sub Totals								
Built into budgets		£0	£0	£0	£0			
Total Potential Opportunities		£51,667	£0	£110,000	£0			

Completed Projects								
Housing (HRA)								
No.	Project	2023/24		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
155	Housing Purchase stamp duty				£144,588			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. Complete
Sub Totals								
Built into budgets		£0	£0	£0	£144,588			
Total Potential Opportunities		£0	£0	£0	£144,588			

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **10 January 2025**

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

2024/25
Decision No.
2596

Record of Decision by Executive

Tuesday, 3 December 2024

Portfolio	Policy & Resources
Subject:	Annual Review of Corporate Strategy 2023-2029
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, to provide an overview of the Council's performance for the 2023/24 financial year and refresh the list of corporate projects. This is the first review of the new Corporate Strategy 2023-2029 which was adopted in October 2023.

The Corporate Strategy provides a clear focus on the most important issues to be addressed for the 2023-2029 Strategy period. This annual review is an opportunity to consider progress made in developing corporate priorities during 2023-2024 and to assess the impact of any other influences on the Council's services and initiatives.

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 2023-2029 to Council for approval, subject to any further amendments; and
- (c) notes the Council's performance for the 2023/2024 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 2023/24 financial year.

Confirmed as a true record:

Councillor SD Martin (Executive Leader)

Tuesday, 3 December 2024

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date: 10 January 2025

Subject: Scrutiny Panel Priorities

SUMMARY

Members are asked to consider the Panels Scrutiny Priorities. The main purpose of these priorities is set out in the Council's Corporate Strategy and Portfolio Responsibilities. In addition to this the Panel is also responsible for scrutinising service performance.

Consideration may also be given to external organisations and items of Executive Business which may formulate a future topic for consideration.

RECOMMENDATION

It is recommended that Members consider the Policy and Resources Scrutiny Panel Priorities and make suggestions on future topics for consideration by the Panel.

