

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 September 2020

Portfolio:	Policy and Resources
Subject:	Covid-19 Emergency Revised 2020/21 Budget and Financial Recovery Plan
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	Dynamic, Prudent and Progressive Council

Purpose:

The purpose of this report is to set out the Council's Finance Recovery Plan in response to the Covid-19 pandemic including the emergency revised budget for 2020/21.

Executive summary:

The Council's Finance Recovery Plan forms part of a Recovery Framework which was approved by the Executive on 3 August 2020.

Covid-19 has had a significant impact on every aspect of life and society in our borough and it has led to logistical challenges, created financial difficulties and prompted community-wide concerns around health and well-being.

This report focuses on the impact of the pandemic on the Council's Financial position and suggests an emergency budget plan to enable the Council to meet its financial commitments through to the end of the financial year.

Recommendation/Recommended Option:

It is recommended that the Executive approves:

- (a) the Covid-19 Finance Recovery Plan and actions contained therein (as set out from paragraph 55 of the report); and
- (b) recommends that the Council approves the following revised budgets:
 - i. the Emergency General Fund Revised Revenue budget for 2020/21;
 - ii. the use of £1,143,700 from the General Fund Revenue Reserve to balance the 2020/21 Revised Budget;
 - iii. the Emergency Housing Revenue Account Revised budget for 2020/21; and
 - iv. the Revised Capital Programme for 2020/21.

Reason:

This report forms part of a Recovery Framework in response to the Covid-19 pandemic which was approved by the Executive on 3 August 2020.

Cost of proposals:

The cost of the proposals is detailed in the report.

Appendices: **A: Emergency GF Revenue Budget Summary 2020/21**
 B: Emergency HRA Budget 2020/21
 C: Revised Capital Programme

Background papers:**Reference papers:**

Council Minutes 21 February 2020

Report to the Executive 3 February 2020 -Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2020/21

Housing Revenue Account Budget and Capital Plans 2020/21

Treasury Management Strategy and Investment Strategy 2020/21

Capital Programme and Capital Strategy 2020/21

FAREHAM

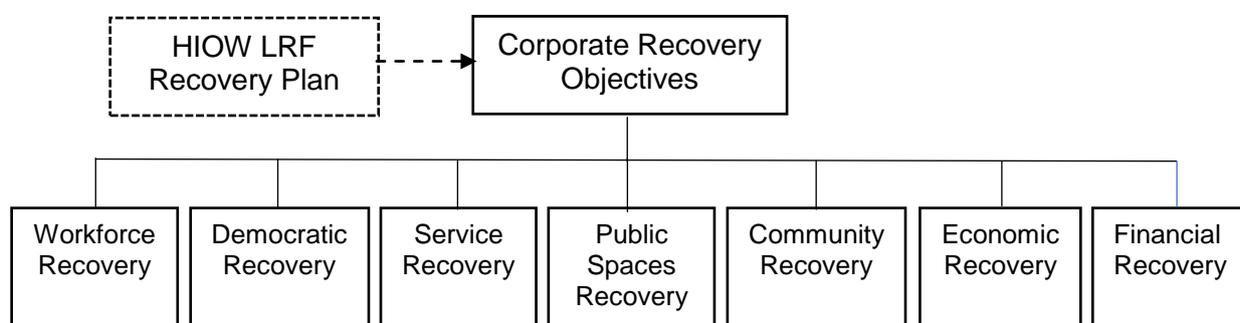
BOROUGH COUNCIL

Executive Briefing Paper

Date:	07 September 2020
Subject:	Covid-19 Emergency Revised 2020/21 Budget and Financial Recovery Plan
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. The Council agreed the 2020/21 budget in February, but with the emergence of the COVID-19 pandemic, it became immediately evident that the Council's financial position would be affected as measures were put in place to control the spread of the virus.
2. The Council's emergency response plan was invoked and the financial impact has since been closely monitored. As the "response" phase has transitioned to recovery, a series of measures are being taken to mitigate the impact on the community and public spaces, the local economy, Council services and overall governance arrangements, which all have a financial consequence.
3. In light of this, an emergency budget review has been undertaken, and a broader range of measures are also proposed within the draft financial recovery plan, to help understand the medium-term financial impact of the pandemic, so that appropriate steps can be taken.



FINANCIAL IMPACT OF COVID-19 PANDEMIC TO DATE

4. The approved 2020/21 budget was to break even for the year. However, the emergence of Covid-19 has fundamentally changed the financial position for a period of at least 3 months until the end of June 2020, and this has continued as lock down

measures were relaxed.

5. During this pandemic period, the Council has incurred approximately £260,000 of extra-ordinary costs, as remote working arrangements were mobilised, social distancing/control measures put in place, along with enhanced cleaning regimes, etc.
6. The crisis has also caused widespread disruption to those services which generate significant income streams, for example, car parks, trade waste, commercial property, etc. For example:-
 - a. Parking charges were suspended for 3 months
 - b. Demand for trade waste services ceased while businesses were closed
 - c. Commercial property tenants offered concessionary terms for paying rent
 - d. Reduced planning applications received
 - e. Market pitch fees were suspended while the markets were unable to fully trade
 - f. Treasury investment income was affected by adverse cash flows and reduced interest rates.
7. The impact of measures taken to support individuals and businesses were also evident in the Council's cash flow position, with relaxed payment terms, immediate payments to suppliers, suspended debt collection activities, etc all reducing the net cash available on a daily basis.
8. In some areas, however, there have been opportunities where costs have reduced, which go some way to mitigating the impact on the Council's budgets. Postponed or cancelled events, such as the local election, Fareham In Bloom, Access All Areas, together with reduced operating costs (e.g. waste tipping charges, cleaning public buildings, etc) have all contributed positively to the net budget.
9. In recognition of the potential scale of the impact, the financial management and governance arrangements have been strengthened, particularly in relation to
 - Cashflow monitoring
 - Service financial performance
 - Covid-19 response expenditure
 - Income collection and arrears performance
 - Government funding opportunities
10. Weekly monitoring and reporting to the S.151 Officer was instigated, together with a regular reporting structure to the corporate Covid-19 response group, led by the Chief Executive. These measures ensured a high degree of awareness and enabled the corporate team to closely manage the financial risks.

COVID-19 FUNDING

11. The Government committed to support local authorities financially, recognising the key role they play in responding to the crisis and the impact that it has had on local service delivery. To date, £3.7bn of general support has been announced, and Fareham has received three tranches of funding, totalling £1,334,362.

12. Other funding for specific new burdens has also been individually announced. For example, a “new burdens” payment for administering the Small Business Grant and Retail, Hospitality and Leisure Grant schemes, Rough Sleeper support and High Street support funding.
13. The Government’s Job Retention Scheme was considered, which would involve furloughing some members of staff, but it was ultimately not accessed as staff either continued to provide services or were deployed to support other areas (in particular COVID-19 response work).
14. On 2 July 2020, the Chancellor of the Exchequer announced a scheme to reimburse councils for lost income from sales, fees, and charges. While detailed guidance on the scheme are still emerging, the broad approach is that councils will receive support of 75% of lost income in eligible service areas, after the first 5% of losses. Until the scope of the scheme and the scale of losses is known, this source of funding is difficult to quantify. However, using the losses projected in the emergency budget, the Council would expect to be reimbursed £1.06m.
15. The following table summarises the COVID-19 government funding for the 2020/21 year. It should be noted that the impact of the pandemic is expected to extend into 2021/22, but to date there has been no financial support proposed beyond 31st March 2020.

SUPPORT TYPE	£
General COVID Grant – Tranche 1	£33,966
General COVID Grant – Tranche 2	£1,156,628
General COVID Grant – Tranche 3	£143,768
Specific COVID Grants	£130,000
Loss of Income Reimbursed	£1,058,038
Total Government Support	£2,522,400

EMERGENCY REVISED GENERAL FUND BUDGET 2020/21

16. A full review of all income and expenditure has been undertaken to form the emergency budget, taking account of the extra-ordinary expenditure incurred, loss of service income and support arrangements for key partners and the Council’s supply chain.
17. The emergency general fund revised budget is set out in Appendix A and is summarised below.

ACTUAL REVENUE BUDGET

	Budget 2020/21 £	Revised 2020/21 £	Variation £
Committees			
Licensing and Regulatory Affairs Committee	520,500	431,000	-89,500
Planning Committee	472,600	571,300	98,700
Executive - Portfolio Budgets			
- Leisure and Community	439,200	1,671,100	1,231,900
- Housing	1,468,500	1,580,600	112,100
- Planning and Development	1,584,800	1,663,000	78,200
- Policy and Resources	-987,400	-105,800	881,600
- Health & Public Protection	221,100	1,301,800	1,080,700
- Streetscene	5,101,900	5,456,200	354,300
SERVICE BUDGETS	8,821,200	12,569,200	3,748,000
Capital Accounting Budgets in Services	2,767,300	2,767,300	0
Other Budgets	-1,982,000	-2,063,900	-81,900
NET BUDGET BEFORE COVID FUNDING	9,606,500	13,306,000	3,666,100
Fees and Charges Reduction Funding	0	-1,058,038	-1,058,038
Government COVID Funding	0	-1,464,362	-1,464,362
	0	-2,522,400	-2,522,400
NET BUDGET	9,606,500	10,750,200	1,143,700
Use of FBC Revenue Reserves		1,143,700	

18. This indicates that the financial impact in the current year will be £3,666,100. Taking account of the funding support provided by Government (both monies received and anticipated through the income reimbursement scheme), this reduces to £1,143,700, which will need to be met from revenue reserves.
19. The following paragraphs explain the services where there have been large variations between the base and revised budgets.
20. **Leisure Centres** - The impact on the leisure centres will total almost £1.2m in lost revenue and payments to the contractor in order to reopen the 2 centres and allow them to continue to operate at a reduced capacity. A report was approved by the Executive on 3 August giving details of how the changes will operate and the financial implications.
21. **Off-street Car Parking** – With multi-storey car parks being shut and other car parks not collecting income from the start of lockdown the impact on car parking has been significant. The anticipated income for the financial year has reduced by almost half

with over £950,000 having been taken from the budget. There have also been some additional costs incurred in reopening the car parks and new measures being put in place to encourage social distancing by implementing one-way systems to and from the car park entrances.

22. **Investment Properties** – The changes to the investment properties budget is mainly loss of income from the shopping centre and market quay. Alternative payment arrangements have been agreed for some other commercial property tenants to assist with cashflows but it is anticipated that full rental income will continue to be received.
23. **Solent Airport and Daedalus** – Lower fuel sales, reduction in licence fees and reduced fees and charges due to flying being suspended have all contributed to this budget being reduced. Part of the reductions have been offset by lower purchases of fuel since lockdown.
24. **Waste and Recycling services** – While these services have been running throughout lockdown, some additional costs have been incurred due to alternative operational arrangements being put in place to protect the welfare of the teams. The operating restrictions have required more agency staff to be used and additional vehicles being hired to provide the service. There has also been an impact on the income where the value of recycled goods has dropped by large percentages and a number of trade waste customers have temporarily reduced or stopped the service they receive while they have not been trading.
25. **Planning Appeals** – Although not related to the COVID pandemic, the budget for planning appeals has increased for known appeals that will be taking place this financial year. The appeals in the pipeline include Newgate Lane North and South, Borderland Fencing, Tythe Barn and Newgate Lane/ Peel Common hearing.
26. **Housing Benefits Payments** – The budgets have been amended to reflect changes to the level of payments and subsequent grant received but also they reflect anticipated levels of reduced income from increased benefit debts along with anticipated bad debts.
27. **Homelessness** – At the end of March, the government wrote to every local authority in England asking them to accommodate all people sleeping rough or at risk of sleeping rough in order to prevent the spread of COVID-19. The budgets have been amended to reflect initial and ongoing changes to the level of payments arising as a result of this initiative.
28. **Local Land Charges** - The impact of Covid has seen the income budget reduce by over £60,000 although this has been slightly offset by some reduction in expenditure budgets where savings will be made.
29. **Elections** – As a result of the local elections being postponed for a year the budget reduce by £94,000. The main changes are no costs to hire venues and no pay to staff to run the elections.
30. **Other budgets** – This line covers all the non-service budgets and although there is a small change in the lines there are some large variances making up this figure. The interest on investments has reduced by £136,000 to reflect a drop in interest rates but also less money is available to invest due to a drop in income being received by the council. There will be an additional provision for bad debts of over £500,000 due to anticipated reductions in payments of council tax and business rates and also an

allowance for reduced rental income from commercial premises. New Homes Bonus will see an increase of over £240,000 due to additional money being received from the government. Finally, there will be additional income from earmarked reserves that is matching additional expenditure in services of over £450,000.

31. While the emergency budget focuses solely on the financial in 2020/21, Members should note that commitments have also been made which extend beyond this year, (in particular, the support arrangements for the two leisure centres, and some of the work within other Recovery Plans). It is also widely anticipated that some areas where income losses have been experienced will also extend into the following financial year, which are not reflected in the current Medium-Term Finance Strategy. This will be quantified as the budgets are prepared for 2021/22, but at this stage, a further significant drawing from reserves is anticipated, in the absence of additional government support.

EMERGENCY HOUSING REVENUE ACCOUNT BUDGET 2020/21

32. A full review of income and expenditure in relation to the Housing Revenue Account (HRA) has also been undertaken, and the emergency HRA revised budget is set out in Appendix B.
33. The biggest impact arising from the COVID-19 pandemic has been seen on the cost of repair and maintenance works undertaken. This was severely curtailed during the lock down period, with only emergency works and void property renovations being undertaken, giving rise to a reduction in expenditure.
34. Arrangements were also put in place to support customers who struggled to pay rent during the lock down period, and this will continue throughout the rest of the financial year.
35. The revised HRA budget is summarised in the table below and set out in full detail in Appendix B:-

	Budget 2020/21 £'000	Revised 2020/21 £'000	Variation £'000
Income	-12,668	-12,142	526
Tenancy Management and Running Costs	3,352	3,517	165
Net Interest	1,681	1,697	16
Transfer to Debt Repayment Fund	1,140	1,140	0
Net Income	-6,495	-5,788	707
Revenue Repairs Expenditure	2,764	2,264	-500
Depreciation set aside into the Major Repairs Reserve	2,626	2,685	59
Revenue Contribution to Capital Programme	939	839	-100
Transfer to(-)/from HRA Reserve	-166	0	166

36. The rent income budget has been reduced to reflect a continuing trend in rising tenant rent arrears, with further impact being experienced as a result of changes in circumstances and financial stability for some of our tenants. There is currently a time lapse between some of those changes resulting in Universal Credit being paid to us which will mitigate some of the reduced income over the course of the whole financial

year. This will impact on the level of provision made at the end of the year for bad debts which is reflected in the higher budget figure for that area.

37. This budget also takes account of lost rent income for void properties being experienced for longer periods than we would usually expect. Void works are being completed, and properties being bought back into use, but with early restrictions in movement and new ways of working this turnaround time is now longer than in the past.
38. Within Management and Finance costs budget increases have been made for the increasing cost of utilities in areas such as sheltered housing and communal heating and lighting. The software cost budget has been increased to take full account of the overlap between the current system and the implementation of the new housing management system. The budget for protective clothing and equipment has been increased in the general administration and sheltered housing areas.
39. Additional cleaning regimes have been put in place and are expected to continue as we go forward through the autumn and winter months. The additional cost of these is reflected in the increased budget for communal cleaning.
40. The property repairs and maintenance area has seen a significant drop in expenditure incurred with external contractors in the early part of the year and a fall in demand for responsive repairs when only emergency works were being completed. Building Services have used their available resources and completed some void works using our own staff. As services return to a higher volume of call outs and contractor engagements for jobs expenditure has risen again, it is considered reasonable that expenditure in this area will be far below the original budgeted amount.
41. The proposed emergency budget maintains a clear set aside of reserves to repay the £49 million housing debt taken on in 2012, whilst maintaining a breakeven position for the financial year, reducing the base estimate budgeted surplus of £166,000.

CAPITAL PROGRAMME REVIEW

42. On 3 February 2020, the Executive approved the 2020/21 capital programme of £32.7 million for the General Fund and Housing Revenue Account (HRA).
43. Details of actual capital expenditure in 2019/20 were reported to the July and August Executives and a total carry forward of £2.3 million was added to the capital programme bringing the total to £35.4 million for 2020/21.
44. As the economy has changed significantly since the Covid-19 pandemic, capital investment plans have been revisited to determine if the original business cases remain sound. In particular, the following major schemes have been or are currently being reviewed:
 - The review of the £12.35 million New Community, Arts and Entertainment Venue is currently underway and will be subject to a report due to be considered by the Executive in October.
 - Capital investment of £6.81 million at Fareham and Holly Hill Leisure Centres was reviewed at the 3 August 2020 Executive. Members agreed to proceed with the schemes to enhance the leisure facilities and help deliver the improved revenue projections.

- The £5 million construction of industrial/business units at Faraday Business Park at Solent Airport is subject to a separate report on this Agenda. The investment in new economic hangars is being reviewed as part of a wider review of airside hangarage with a report due to go to the October Executive.
45. All the other General Fund capital schemes have been reviewed with several being pushed back from the original time frame due to Covid-19. In particular, there have been delays with the consultation and procurement of the play area refurbishment programme and delays with implementing some of the ICT development programme. The Civic Offices Improvements programme has also been rephased with the replacement of the cooling plant a priority for 2020/21.
46. Capital schemes for the HRA have also been reviewed and the budget phasing for new housing schemes revised in line with current and anticipated development timings:
- The Highlands Road scheme has been subject to some delay over the period of lockdown but it is still hoped this scheme will be largely completed in the current financial year.
 - The tender process for development at Station Road is commencing very shortly and it is hoped that works may start here towards the end of the financial year.
 - Further feasibility works are due to be completed for Assheton Court along with the approved Stubbington Lane, Crossfell Walk and Queens Road schemes with development getting underway in 2021/22.
47. The following table summarises the updated capital programme for 2020/21 which now stands at £18.6 million with the detailed schemes for the revised 5-year programme in Appendix C.

	Original Programme 2020/21 £	Updated Programme 2020/21 £
Streetscene	0	30,100
Leisure and Community	12,289,300	6,097,300
Housing	749,900	500,000
Planning and Development	295,000	230,000
Policy and Resources	12,535,700	5,130,200
Total General Fund	25,869,900	11,987,600
Housing Revenue Account	6,821,700	6,662,000
Updated Capital Programme	32,691,600	18,649,600

48. The financing of the programme for 2020/21 is shown in the table below, with the largest funding sources being from borrowing and capital reserves.

Source	General Fund £	Housing Revenue Account £	Total £	
Borrowing	6,916,500	0	6,916,500	37%
Capital Reserves	779,700	4,684,000	5,463,700	29%
Contributions from Developers	2,222,400	20,000	2,242,400	12%

Source	General Fund £	Housing Revenue Account £	Total £	
Contributions from Revenue	1,194,000	840,000	2,034,000	11%
Government Grants	875,000	563,000	1,438,000	8%
Capital Receipts	0	555,000	555,000	3%
Total Financing	11,987,600	6,662,000	18,649,600	100%

FINANCE RECOVERY PLAN – 2020/21 AND BEYOND

49. In light of the potential impact of the pandemic of the Council's financial position, a Financial Recovery Plan has been prepared, as part of the Recovery Framework (illustrated below) which was approved by the Executive on 3rd August 2020.
50. The plan sets out the approach to assessing the financial impact of the COVID-19, the steps that the Council can take to mitigate the risk and the actions that may be necessary to recover over the medium term.

Scope and Context

51. The plan recognises that the Council's financial position could be affected as a result of the crisis, due to
- A reduction in the amount of revenue income collected;
 - Extra-ordinary costs incurred in delivering day to day services;
 - One-off/temporary expenditure to deliver specific recovery activities;
 - A contraction in the economy that changes demand for certain services;
52. The plan also recognises the key risks that have been identified by the HIOW LRF Recovery Co-ordinating Group (Finance Workstream). These are:-
- Investment and other income streams generally reduced, including council tax and business rates collection rates
 - The depth of the recession and its impact of key revenue sources (such as commercial property)
 - The broader issue of public finances in a recessionary period, and its impact on LA funding, NNDR and council tax
 - Exit strategy for homelessness / rough sleepers
 - Uninsured losses, litigation, claims and compensation events

Key Areas of Financial Risk for FBC

53. The following table identifies the main areas where the FBC's financial position is likely to be affected.

FBC Finance Recovery Priorities		
RISK		CONSEQUENCE
Reduced income in services, particularly parking, commercial property and trade waste.		Revenue budget deficit
Additional costs to continue running day to day services, particularly in relation to Refuse/Recycling, Rough Sleepers and, generally, mobile ICT working arrangements.		Overspending against revenue budget, and significant one-off costs also unbudgeted.
Additional costs in response to COVID impacts. In particular, costs relating to supporting the economic recovery, increased demand for welfare services (provided by FBC and third parties)		Fixed term additional costs that would need to be funded from reserves (or external funding, like ERDF fund)
Slow rates of development impacting on CIL receipts		CIL funded capital schemes need alternative funding source
Viability of major capital investment plans affected by changing economic circumstances		Capital costs could significantly increase. Anticipated income generated may be lower and/or more volatile.
An increase in claims against the Council (e.g. property damage, public liability) during a recessional period		Higher claims levels, which increase insurance premiums and claims excesses funded from reserves.
Contract risks relating to existing and new services. In particular, the Leisure Centre Management contract, Arts/Entertainment venue contract, void maintenance, insurances, textile recycling		Higher contract costs or lower income received
Council tax and business rates collection rates reduced		Less funding for revenue budget
Public Sector funding review, could divert resources to other services that have played a large part in COVID response (NHS), or hard-hit services (Social Care, mental health services)		Less funding for revenue budget

54. Against the risks within services, there have been savings arising from the Council's response to the pandemic, which could present opportunities to mitigate some of the financial risks identified. For example:-
- a. Direct savings secured (or areas where income has grown) during response – can they be captured permanently?
 - b. New ways of working during response – where have we become more productive and how can we secure these improved ways of working permanently.
 - c. Can we target our recovery activities (e.g. in supporting the economy), in a way that improves our financial position in the longer term, rather than just get back to normal.

- d. When can we “switch off” recruitment premiums, in the recessionary period.

Recovery Plan Actions

55. The immediate financial impact has been observed in the current financial year, and it is imperative that the scale of this is assessed at the earliest opportunity, so mitigating actions can be taken where necessary. Ordinarily, this would be reflected in a revised budget in the winter, but this would limit the time available to respond.
56. **Action Taken:** *A review of all service income and expenditure has been carried out to form the Emergency Budget for 2020/21.*
57. In order to assess the financial impact in the medium term, an assessment of the economic outlook needs to be established. This will inform future investment decisions and the Medium-Term Finance Strategy.
58. **Action Proposed:** *Prepare a revised economic forecast, in consultation with the Council's Treasury Advisors.*
59. The capital programme contains a small number of significant schemes which are treated as “self-financed”, because the capital investment generates an increased revenue stream that is used to service debt or contribute to the Corporate Opportunities plan.
60. **Action Proposed:** *Capital investment plans are revisited in light of post-COVID19 economic and social circumstances, to determine if the business cases remain sound. In particular, this will apply to Leisure Centre improvement works, the New Arts and Entertainment venue, Speculative Industrial Units at Daedalus, Economic Hangars and Other Airside investment at Daedalus.*
61. The Council's approach to balancing the Medium-Term financial position, is set out in a Corporate Opportunities plan. There may be scope to accelerate some work in order to accelerate savings/income generating projects, to reduce the funding gap over the next 4 years. Once the scale of the financial challenge is known, it may also be necessary to introduce new projects
62. **Action Proposed:** *Undertake a review of the Opportunities Plan, to support the preparation of the Medium-Term Finance Strategy.*
63. Cross-cutting recovery plans have been prepared and these will set out the measures to be taken to support the recovery of the local community and economy. Service-specific recovery actions should also be considered as part of the financial planning process with a view to minimise income losses, or cost increases. These plans will be used to support the preparation of the Medium-Term Finance Strategy and the budget for 2021/22.
64. **Action Proposed:** *Support lead officers to ensure that the financial implications of all recovery plans are clear and are reflected in a revised Medium-Term Finance Strategy.*
65. **Action Proposed:** *Undertake a review of the Medium-Term Finance Strategy, for consideration by the Executive at its October meeting.*

CONCLUSIONS

66. This report sets out the Council's Finance Recovery Plan in response to the Covid-19 pandemic and includes an emergency revised budget for 2020/21 in response to the effects of the pandemic on council services. It forms part of a Recovery Framework which is to be presented to the Executive
67. The report shows that there is an impact on council budgets, particularly in lost income of over £3.6million. However, government funding of over £2.5million means that the balance to be met from council reserves will be just over £1.1million for the 2020/21 financial year.
68. It is important to note that it is likely that the impact of the pandemic will be felt over more than the current financial year and that there will probably be a requirement to call on further use of reserves in the 2021/22 financial year.

Enquiries:

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

APPENDIX A**LICENSING AND REGULATORY AFFAIRS COMMITTEE**

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Hackney Carriage and Private Hire Vehicles	3,300	7,500	4,200
Licensing	-39,300	-31,600	7,700
Health and Safety	147,900	140,600	-7,300
Election Services	408,600	314,500	-94,100
	520,500	431,000	-89,500

PLANNING COMMITTEE

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Planning Applications	72,900	59,000	-13,900
Planning Advice	215,400	203,500	-11,900
Planning Enforcement	127,300	129,700	2,400
Planning Appeals	57,000	179,100	122,100
	472,600	571,300	98,700

LEISURE AND COMMUNITY PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Community Grants	292,400	341,300	48,900
Community Development	256,700	226,100	-30,600
Ferneham Hall	215,600	228,400	12,800
Fareham Leisure Centre	472,500	1,053,000	580,500
Holly Hill Leisure Centre	-75,200	541,000	616,200
Community Centres	268,200	272,300	4,100
	1,430,200	2,662,100	1,231,900

HOUSING PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Housing Grants and Home Improvements	16,800	29,500	12,700
Housing Options	27,800	26,200	-1,600
Housing Benefit Payments	-121,100	50,300	171,400
Housing Benefit Administration	470,000	474,800	4,800
Homelessness	435,400	299,100	-136,300
Housing Advice	474,400	468,900	-5,500
Housing Strategy	221,000	229,500	8,500
Local Land Charges	-28,700	29,400	58,100
	<u>1,495,600</u>	<u>1,607,700</u>	<u>112,100</u>

PLANNING AND DEVELOPMENT PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Flooding and Coastal Management	171,500	174,300	2,800
Transport Liaison	36,400	36,600	200
Tree Management	317,100	315,200	-1,900
Conservation & Listed Building Policy	29,400	28,400	-1,000
Local Plan	1,118,700	1,196,800	78,100
	<u>1,673,100</u>	<u>1,751,300</u>	<u>78,200</u>

POLICY AND RESOURCES PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Democratic Representation and Management	1,165,500	1,153,300	-12,200
Commercial Estates	-491,400	-281,300	210,100
Investment Properties	-3,815,200	-3,330,400	484,800
Solent Airport and Daedalus	-47,700	267,500	315,200
Public Relations, Comms and Consultation	495,100	489,200	-5,900
Unapportionable Central Overheads	175,600	175,600	0
Corporate Management	997,000	901,300	-95,700
Economic Development	169,700	192,800	23,100
Local Tax Collection	951,900	914,100	-37,800
	-399,500	482,100	881,600

HEALTH & PUBLIC PROTECTION PORTFOLIO

	Base Estimate 2020/21 £	Revised Estimate 2020/21 £	Variation 2020/21 £
Pest Control	39,900	45,400	5,500
Dog Control	25,100	24,600	-500
Food Safety	140,100	132,300	-7,800
Air Quality and Pollution	203,000	191,500	-11,500
Community Safety	348,300	345,600	-2,700
Emergency Planning	57,700	41,000	-16,700
Clean Borough Enforcement	101,200	165,200	64,000
Off-Street Parking	-818,300	232,400	1,050,700
Building Control	201,300	201,000	-300
	298,300	1,379,000	1,080,700

STREETSCENE PORTFOLIO

	Base Estimate	Revised Estimate	Variation
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	2020/21	2020/21	2020/21
	£	£	£
Cemeteries & Crematorium	-7,500	-30,200	-22,700
Parks, Open Spaces and Grounds			
Maintenance	2,009,500	1,990,500	-19,000
Sports Pavilions, Pitches, Greens and Courts	443,600	458,600	15,000
Countryside Rangers	173,300	174,500	1,200
Allotments	8,400	8,300	-100
Street Cleaning	984,600	1,023,000	38,400
Public Conveniences	277,400	272,300	-5,100
Waste Collection	972,700	1,029,500	56,800
Trade Refuse	-65,100	18,300	83,400
Recycling	781,300	975,600	194,300
Green Waste	416,400	428,800	12,400
Street Furniture	103,100	102,800	-300
	<u>6,097,700</u>	<u>6,452,000</u>	<u>354,300</u>
TOTAL	<u>11,588,500</u>	<u>15,336,500</u>	<u>3,748,000</u>

REVISED HRA REVENUE BUDGET 2020/21

	Base 2020/21 £'000	Revised 2020/21 £'000	Variation 2020/21 £'000
Income			
Rents - Dwellings	-11,067	-10,562	505
Rents - Garages	-340	-330	10
Rents - Other	-20	-20	0
Service Charges (Wardens, Extra Assistance, Heating)	-675	-648	27
Cleaning	-190	-197	-7
Grounds Maintenance	-109	-112	-3
Other Fees and Charges	-57	-61	-4
Leaseholder Service Charges and Insurance	-210	-212	-2
	-12,668	-12,142	526
Management and Finance			
General Administrative Expenses	1,814	1,837	23
Sheltered Housing Service	555	543	-12
Grounds Maintenance	235	235	0
Communal Cleaning	209	242	33
Communal Heating Services	120	135	15
Communal Lighting	30	45	15
Rents, Rates and Other Taxes	101	150	49
Corporate and Democratic Core	68	70	2
Corporate Management	102	80	-22
Unapportioned Overhead	20	20	0
Bad Debts Provision	13	65	52
Bad Debts Written off	50	60	10
Debt Management Expenses	35	35	0
	3,352	3,517	165
Net Interest			
Interest Payable and Similar Charges	1,795	1,795	0
Interest Earned on Internal Balances	-114	-98	16
	1,681	1,697	16
Transfer to Debt Repayment Reserve	1,140	1,140	0
Net Expenditure	-6,495	-5,788	707
Revenue Repairs Expenditure	2,764	2,264	-500
Depreciation set aside to Major Repairs Reserve	2,626	2,685	59
Revenue Contribution to Capital Programme	939	839	-100
Transfer to (-) / from HRA Reserve	-166	0	166

APPENDIX C

CAPITAL PROGRAMME 2020/21 to 2024/25

	Original 2020/21 £'000	Revised 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
STREETSCENE							
Bus Shelters		0				309,300	309,300
Holly Hill Cemetery Extension		30,100					30,100
Play Area Safety Equipment and Surface Replacement		0				128,800	128,800
STREETSCENE TOTAL	0	30,100	0	0	0	438,100	468,200
LEISURE AND COMMUNITY							
Buildings							
New Fareham Arts Venue	5,558,500	2,000,000	8,923,400	1,000,000			11,923,400
Leisure Centres Capital Investment	6,330,000	3,968,000	2,361,000	275,000	206,000		6,810,000
Community Buildings Review		13,000					13,000
Whiteley Community Centre	40,000		40,000				40,000
	11,928,500	5,981,000	11,324,400	1,275,000	206,000	0	18,786,400
Play Schemes							
Play Area Improvement Programme	90,000		187,600	100,000			287,600
Fareham College Play Area	50,000		50,000				50,000
Abbey Meadows Play Area	100,000		100,000				100,000
Daedalus Common Play Area	100,000	100,000					100,000
	340,000	100,000	337,600	100,000	0	0	537,600
Other Community Schemes							
Footpath Improvements	4,500						0
Allotment Improvements	16,300	16,300					16,300
	20,800	16,300	0	0	0	0	16,300
LEISURE AND COMMUNITY TOTAL	12,289,300	6,097,300	11,662,000	1,375,000	206,000	0	19,340,300
HOUSING							
Disabled Facilities Grants	749,900	500,000	500,000	500,000	500,000	500,000	2,500,000
Empty Homes Strategy						41,400	41,400
HOUSING TOTAL	749,900	500,000	500,000	500,000	500,000	541,400	2,541,400
PLANNING AND DEVELOPMENT							
Car Parks: Surface Improvements	105,000	40,000	65,000	70,000	215,000		390,000
Car Parks: New Machines and Control Room Upgrade	190,000	190,000					190,000
PLANNING AND DEVELOPMENT TOTAL	295,000	230,000	65,000	70,000	215,000	0	580,000

	Original 2020/21	Revised 2020/21	2021/22	2022/23	2023/24	2024/25	Total
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	£'000	£'000	£'000	£'000	£'000	£'000	£'000
POLICY AND RESOURCES							
Replacement Programmes							
Vehicles and Plant							
Replacement Programme	838,000	838,000	400,000	400,000	400,000	400,000	2,438,000
ICT Development Programme:	748,700	316,000	468,700	31,000			815,700
	1,586,700	1,154,000	868,700	431,000	400,000	400,000	3,253,700
Operational Buildings							
Civic Offices Improvement Programme	3,698,000	250,000	3,491,000				3,741,000
	3,698,000	250,000	3,491,000	0	0	0	3,741,000
Property Developments							
Faretec Air Conditioning	98,000	98,000					98,000
Solent Airport at Daedalus Schemes	7,153,000	3,628,200	6,318,400				9,946,600
Town Centre Hotel				8,035,000			8,035,000
	7,251,000	3,726,200	6,318,400	8,035,000	0	0	18,079,600
POLICY AND RESOURCES TOTAL	12,535,700	5,130,200	10,678,100	8,466,000	400,000	400,000	25,074,300
GENERAL FUND TOTAL	25,869,900	11,987,600	22,905,100	10,411,000	1,321,000	1,379,500	48,004,200
HOUSING REVENUE ACCOUNT							
Improvements to Existing Stock	2,461,000	2,542,000	3,015,000	3,015,000	3,157,300	3,306,600	15,035,900
Housing Management Systems	140,000	140,000					140,000
Acquisitions	1,200,000	1,200,000	1,200,000	1,200,000	1,100,000	1,500,000	6,200,000
New Builds	3,020,700	2,780,000	5,519,900	534,100			8,834,000
HOUSING REVENUE ACCOUNT TOTAL	6,821,700	6,662,000	9,734,900	4,749,100	4,257,300	4,806,600	30,209,900
TOTAL CAPITAL PROGRAMME	32,691,600	18,649,600	32,640,000	15,160,100	5,578,300	6,186,100	78,214,100