

FAREHAM

BOROUGH COUNCIL

Report to Policy and Resources Scrutiny Panel

Date **22 January 2024**

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

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

SUMMARY

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

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

RECOMMENDATION

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

INTRODUCTION

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

THE APPROVED OPPORTUNITIES PLAN

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

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

PROJECT PROGRESS SINCE SEPTEMBER 2023

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

Annual revenue savings/income:

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

One-off savings in 2023/24:

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

New Projects:

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

Projects due to start:

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

Projects not proceeding or removed from the plan:

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

IMPACT ON PROJECTED INCOME / SAVINGS

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

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

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

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

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

REVENUE FUND

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

CONCLUSION

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

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

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

Reference Papers: Opportunities Plan Evidence * partially exempt.

Enquiries:

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