

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		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
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		2024/25		2025/26		Update Notes
		Revenue Income	One-off Income	Revenue Income	One-off Income	Revenue Income	One-off Income	
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	

		2023/24		2024/25		2025/26		Update Notes
No.	Planning Committee Business as usual	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	

		2023/24		2024/25		2025/26		Update Notes
No.	Planning Committee Complete	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			

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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			