

FAREHAM

BOROUGH COUNCIL

Report to the Planning Committee

Date **15 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 Planning Committee. 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 Planning Committee 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 Planning Committee 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

PLANNING COMMITTEE OPPORTUNITIES

14. The 2023/24 Opportunities Plan projects reported to the 22 January 2024 included 5 Planning Committee focused projects. Progress updates on these can be seen in Appendix A, with figures highlighted in green included in budget setting. Members are asked to consider and comment on the 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 Planning Committee Members at a workshop held immediately preceding today's, 15 January 2025 Panel Meeting. The session was also used to generate further Opportunity ideas.

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 Planning 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)

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 charges	£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								
Built into budgets		£9,700	£110,000	£0	£65,000	£0	£0	
Total Potential Opportunities		£9,700	£110,000	£0	£65,000	£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 / 111	Planning Application Fees increase	£39,000		£117,000				Came into effect 6 Dec 2023. Complete
6	S106 Monitoring Fee	£15,000						Complete
Sub Totals								
Built into budgets		£54,000		£117,000	£0	£0	£0	
Total Potential Opportunities		£54,000		£117,000				