

# Public Document Pack



## RUSHMOOR BOROUGH COUNCIL

### CABINET

*at the Council Offices, Farnborough on  
Tuesday, 9th August, 2022 at 7.00 pm*

To:

Cllr D.E. Clifford, Leader of the Council  
Cllr M.L. Sheehan, Deputy Leader and Operational Services Portfolio Holder  
Cllr M.J. Tennant, Deputy Leader and Major Projects and Property Portfolio Holder

Cllr J.B. Canty, Customer Experience, Digital and Transformation Portfolio Holder  
Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder  
Cllr A.R. Newell, Planning and Economy Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder

Enquiries regarding this agenda should be referred to Chris Todd, Democracy and Community, on 01252 398825 or e-mail: [chris.todd@rushmoor.gov.uk](mailto:chris.todd@rushmoor.gov.uk)

## A G E N D A

### 1. DECLARATIONS OF INTEREST –

Under the Council's Code of Conduct for Councillors, all Members are required to disclose relevant Interests in any matter to be considered at the meeting. Where the matter directly relates to a Member's Disclosable Pecuniary Interests or Other Registrable Interest, that Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation (see note below). If the matter directly relates to 'Non-Registrable Interests', the Member's participation in the meeting will depend on the nature of the matter and whether it directly relates or affects their financial interest or well-being or that of a relative, friend or close associate, applying the tests set out in the Code.

**NOTE:**

On 27th May, 2021, the Council's Corporate Governance, Audit and Standards Committee granted dispensations to Members appointed by the Council to the Board of the Rushmoor Development Partnership and as Directors of Rushmoor Homes Limited.

2. **MINUTES** – (Pages 1 - 6)

To confirm the Minutes of the meeting held on 5th July, 2022 (copy attached).

3. **REVENUE AND CAPITAL BUDGET MONITORING REPORT - P1 2022/23** –  
(Pages 7 - 18)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2227 (copy attached), which sets out the Council's anticipated financial position for 2022/23, based on a monitoring exercise carried out with Head of Service and Service Managers during July 2022.

4. **COUNCIL BUSINESS PLAN AND RISK REGISTER QUARTERLY UPDATE  
APRIL TO JUNE 2022/23** – (Pages 19 - 48)  
(Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder)

To consider Report No. ACE2205 (copy attached), which sets out performance monitoring information in relation to the Council Business Plan for the first quarter of 2022/23.

5. **ALDERWOOD LEISURE CENTRE - TRANSFER OF FACILITIES TO  
ALDERWOOD SCHOOL** – (Pages 49 - 54)  
(Cllr Maurice Sheehan, Operational Services Portfolio Holder)

To consider Report No. DEM2201 (copy attached), which sets out a proposal to transfer the management of the Alderwood Leisure Centre to Alderwood School.

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# CABINET

Meeting held on Tuesday, 5th July, 2022 at the Council Offices, Farnborough at 7.00 pm.

## Voting Members

Cllr D.E. Clifford, Leader of the Council  
 Cllr M.L. Sheehan, Deputy Leader and Operational Services Portfolio Holder  
 Cllr M.J. Tennant, Deputy Leader and Major Projects and Property Portfolio Holder

Cllr J.B. Canty, Customer Experience, Digital and Transformation Portfolio Holder  
 Cllr Sue Carter, Democracy, Strategy and Partnerships Portfolio Holder  
 Cllr A.R. Newell, Planning and Economy Portfolio Holder  
 Cllr P.G. Taylor, Corporate Services Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **18th July, 2022**.

## 7. **DECLARATIONS OF INTEREST –**

Having regard to the Council's Code of Conduct for Councillors, no declarations of interest were made.

## 8. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 7th June, 2022 were confirmed and signed by the Chairman.

## 9. **DRAFT OUTTURN 2021/22 - UPDATE –**

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN2221, which set out an update on the progress made since the draft outturn position had been presented to the Cabinet in April, 2022.

Members were informed that work to complete the year-end processes was continuing and that carry forward requests had now been finalised by Service Managers and the Finance team.

**The Cabinet RESOLVED** that

- (i) the progress update on the draft outturn position for 2021/22 since the report to Cabinet on 26th April, 2022, as set out in Report No. FIN2221, be noted;
- (ii) the carry forward requests submitted by Heads of Service, as set out in Section 4 of the Report, be approved;

- (iii) the establishment of an earmarked reserve of £27,500, to support the Joint Working proposal funded from the anticipated beneficial outturn position, as set out in paragraph 2.5 of the Report, be approved; and
- (iv) the variation to the scope of the Southwood Country Park capital scheme to include provision for a crossing on Ively Road and S106-funded Children's Play Area, as set out in paragraph 3.2 of the Report, be approved.

10. **2022-23 HIGH-RISK BUDGETS, FINANCIAL REPORTING PLAN AND BUDGET MONITORING PROCESS –**

(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN2223, which set out an assessment of the Council's high-risk budgets and outlined the high-level plan for financial reporting to the Cabinet for the year and the budget monitoring process to be followed as part of the Finance Improvement Plan.

The Report set out a number of areas where the Council was facing significant risks. These included an increase in the level of interest rates, an annual pay award that was higher than that budgeted for and reduced income from the Aldershot Crematorium caused by local competition within its market.

**The Cabinet RESOLVED** that

- (i) the high-risk budgets and pressures, as reviewed and agreed by the Council's Executive Leadership Team and set out in Section 2 of Report No. FIN2223, be noted;
- (ii) the high-level financial reporting timetable for completion and presentation to Cabinet for 2022/23, as set out in Section 3 of the Report, be approved; and
- (iii) the budget monitoring process, with early service management action to ensure timely completion and to enable robust forecasting for presentation to the Cabinet on 2022/23 revenue and capital budget monitoring reports, as set out in Section 4 of the Report, be approved.

11. **A GREEN INFRASTRUCTURE STRATEGY FOR RUSHMOOR –**

(Cllr Adrian Newell, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH2218, which set out a Green Infrastructure Strategy for Rushmoor.

Members were informed that the Rushmoor Local Plan included a commitment for the Council to prepare a Strategy that would demonstrate how the quality of the Borough's green infrastructure network could be improved and how contributions from developers might be used to provide funding for this work. The Report set out the Strategy's aims, how it would influence decisions and what changes had been made to the draft strategy as a result of comments received from a period of public consultation.

In expressing its strong support for the Strategy, the Cabinet stressed the importance of the Strategy having been designed to complement schemes and sites in surrounding local authority areas.

**The Cabinet RESOLVED** that the adoption of the Rushmoor Green Infrastructure Strategy, as set out in Report No. EPSH2218, be approved.

12. **FARNBOROUGH TOWN CENTRE STRATEGY –**  
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. REG2204, which set out a Farnborough Town Centre Strategy.

Members were informed that the Strategy would help to facilitate the delivery of a coordinated regeneration project for the wider Farnborough town centre area. The draft Strategy had been considered by the Policy and Project Advisory Board at its meetings on 5th April, 2022 and 28th June, 2022. At the most recent meeting, the Board had made a number of recommendations under the following headings:

- Town centre purpose – a balance between living and visiting
- Branding as a priority
- Drawing on innovative local partners
- A focus on sustainable travel
- The skate park's importance

The Cabinet discussed the proposals by the Policy and Project Advisory Board and supported the inclusion on these in the final version of document. Members expressed strong support for the Strategy and felt this was integral to allowing good progress to be made in the regeneration of Farnborough town centre.

**The Cabinet RESOLVED** that

- (i) the adoption of the Farnborough Town Centre Strategy, as set out in Report No. REG2204 and amended by the recommendations of the Policy and Project Advisory Board at its meeting on 28th June, 2022, be approved; and
- (ii) the establishment of a Member Task and Finish Group to oversee the implementation of the Strategy be approved.

13. **RUSHMOOR BOROUGH COUNCIL AND HART DISTRICT COUNCIL WORKING TOGETHER –**  
(Cllr David Clifford, Leader of the Council)

The Cabinet considered Report No. LDR2201, which set out proposals for Rushmoor Borough Council and Hart District Council to work more closely together.

In introducing the proposal, the Leader of the Council explained that the benefits of working closer together included providing a stronger voice in the County and with the Government, reducing costs and improving service delivery. The Report included a proposal for a shared Chief Executive across the two councils and suggested an approach to identifying services that could be shared, subject to undertaking further

work to identify the potential benefits. It was stressed that the proposal was about shared services and joint working and was not considering merging the councils.

**The Cabinet RESOLVED** that

- (i) the adoption of the Joint Working Together Statement, as set out in Appendix 1 of Report No. LDR2201, be approved;
- (ii) the noting of the report of the independent consultant on sharing a Chief Executive, as set out in Exempt Appendix 2, and the proceeding with further work to produce a business case to consider a shared Chief Executive, including obtaining relevant HR and legal advice, be approved;
- (iii) the undertaking of work to assess services which may be suitable to be delivered as shared services, based on the approach set out in Appendix 3 of the Report, be approved;
- (iv) the utilisation of £27,500 from Earmarked Reserves, as set out in paragraph 2.5 of the Draft Outturn Report No. FIN2221, being 50% of the overall cost, be approved;
- (v) the indicative timeline of these activities, as set out in Appendix 4 of Report No. LDR2201, be noted; and
- (vi) the identified risks, as set out in paragraph 8 of the Report, be noted.

14. **UK SHARED PROSPERITY FUND (UKSPF) INVESTMENT PLAN AND LEVELLING UP FUND APPLICATION –**  
(Cllr David Clifford, Leader of the Council)

The Cabinet considered Report No. ACE2204, which set out an update on the development of an Investment Plan in respect of the UK Shared Prosperity Fund (UKSPF) and details of a bid the Council was preparing for submission for the Government's Levelling Up Fund.

Members were informed that the Investment Plan was required to be submitted for Government approval in order to access up to £1 million from the UKSPF. In view of the tight timescale, permission was being sought for the final version of the Investment Plan to be submitted under delegated powers. It was reported that the Council's bid to the Government's Levelling Up Fund was for around £19.8 million towards the development of a new Leisure and Cultural Hub for Farnborough and would have to be submitted by 6th July, 2022.

**The Cabinet RESOLVED** that

- (i) the progress in developing a draft UKSPF Investment Plan, as set out in Report No. ACE2204, be noted;
- (ii) the Chief Executive, in consultation with the Leader of the Council, be authorised to approve and submit the Investment Plan, once completed; and

- (iii) the submission of the Levelling Up Fund bid, as set out in the Report, be approved, with the Executive Director and Executive Head of Finance being authorised to sign off the bid in accordance with the fund requirements.

15. **EXCLUSION OF THE PUBLIC –**

**RESOLVED:** That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned item to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the item:

<b>Minute No.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
16	3	Information relating to financial or business affairs

**THE FOLLOWING ITEM WAS CONSIDERED  
IN THE ABSENCE OF THE PUBLIC**

16. **PROPERTY ACQUISITION FARNBOROUGH TOWN CENTRE –**  
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Exempt Report No. REG2205, which set out a proposal to undertake due diligence with a view to acquiring partially vacant office premises in Farnborough town centre, to enable the progression of regeneration in line with the Council's Regenerating Rushmoor Programme.

Members were informed that the necessary funding to progress the due diligence and legal work and to prepare the business case to support a decision by the Council to make the necessary amendments to the 2022/23 Capital Programme was also being requested. Members expressed strong support for the suggested approach to acquiring this premises.

**The Cabinet RESOLVED** that the purchase of the freeholds of both properties, subject to due diligence and as set out in Exempt Report No. RP2015, be approved.

**The Cabinet RESOLVED** that

- (i) the commencement of due diligence on the office premises named in the Exempt Report No. REG2205, with a view to acquisition at the price set out in the Report, be approved;
- (ii) the preparation of a detailed business case, to support the acquisition and the future decision by the Council to make the necessary amendments to the 2022/23 Capital Programme, be approved; and
- (iii) the release of up to £75,000 from the regeneration reserve, to progress the due diligence, legal and other project work associated with the acquisition, be approved.

The Meeting closed at 8.07 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

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**CABINET**  
**09 AUGUST 2022**

**COUNCILLOR PAUL TAYLOR**  
**CORPORATE SERVICES PORTFOLIO HOLDER**  
**REPORT NO. FIN2227**

**KEY DECISION: YES/NO**

## **REVENUE AND CAPITAL BUDGET MONITORING REPORT – P1 2022/23**

### **SUMMARY:**

This report sets out the anticipated financial position for 2022/23, based on initial budget monitoring carried out with Heads of Service and Service Managers during July 2022.

### **RECOMMENDATIONS:**

CABINET is recommended to:

- i. Note the Revenue budget forecast and impact on reserve balances as set out in Section 3 of the report
- ii. Note the Capital Programme forecast as set out in Section 5 of the report
- iii. Approve the Recommended Actions as set out in Section 4 of the report to manage and reduce the level of adverse variation across the Revenue budget.

## **1 INTRODUCTION**

- 1.1 This report provides members with an update on the forecast outturn position and monitoring position statement for the financial year 2022/23. The purpose of this report is to notify members of any significant variations to budgets identified in the initial budget monitor exercise, highlight any key financial issues, and to inform members of options and further action to be taken.
- 1.2 The forecast focuses on the immediate financial pressures as they have been identified and should be seen as an update to the 2022-23 High-Risk Budgets, Financial Reporting Plan and Budget Monitoring Process report [[Report No. FIN2223](#)] considered by Cabinet at their meeting on 05 July 2022. Further validation, scrutiny of forecast assumptions, and analysis will be undertaken over the coming weeks to ensure a robust monitoring position is established. Heads of Service, Service Managers and the Finance Team will continue to work collaboratively to validate forecast assumptions and to enable managers to deliver the Council's services within the approved budget.

- 1.3 Cabinet will receive and updated report with detailed variance analysis and commentary at their meeting on 13 September 2022. This will then underpin the update to the Medium-Term Financial Strategy (MTFS) and Savings and Transformation Programme to inform the budget setting process for 2023/24

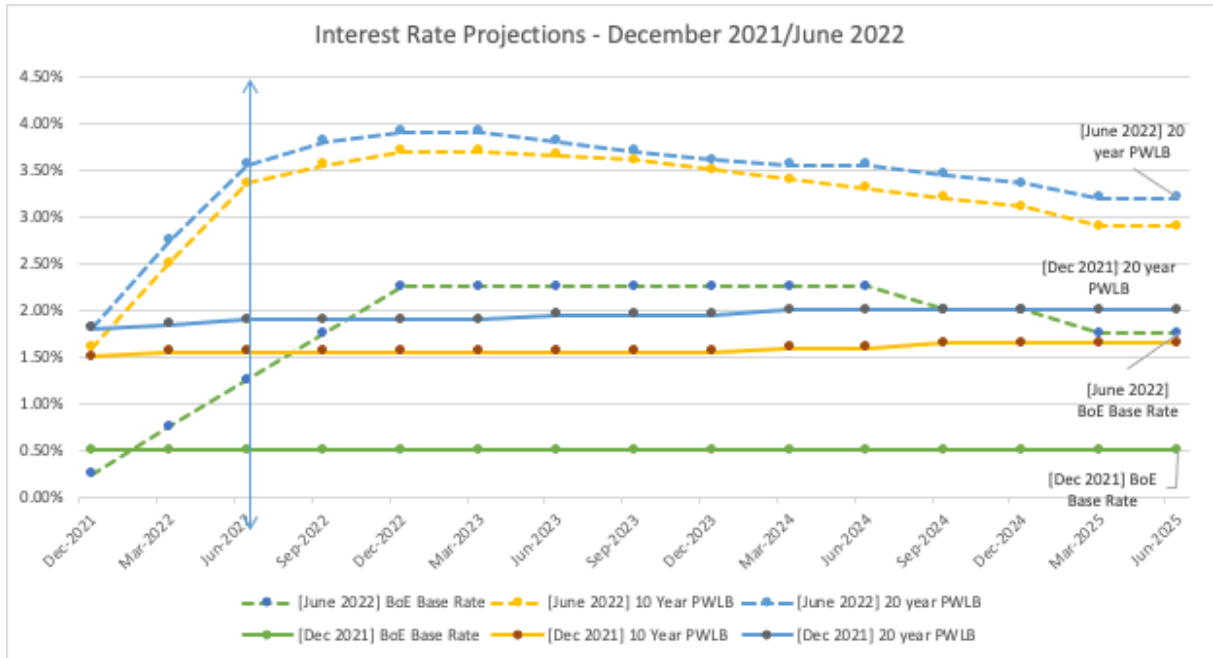
## 2 EXTERNAL ECONOMIC ENVIRONMENT – BUDGET PRESSURES

- 2.1 The Council faces several external budget pressures that will have an impact on the 2022/23 budget and the Council's finances over the medium-term. Whilst these were detailed in the 2022/23 High-Risk Budgets report, these are outlined briefly below.

- **Interest Rates:** Impact of an increase in both short and longer-term interest rates on the Council's external borrowing. Initial estimates indicated an **adverse variation in the range of £0.500m to £0.750m**. The Bank of England base rate is currently 1.25% and is forecast to increase further in response to inflationary pressure. Arlingclose's latest forecast indicates the base rate could reach 2.25% by the end of the calendar year and remain at that level [See Chart 1].
- **Pay Award:** Increasing risk that the Pay Award for Local Government is above the MTFS budgeted level of 2%. In a series of statements on 19 July 2022, the government announced that public sector workers such as NHS, Teachers, Police, and the Armed Forces will receive pay awards below the current level of inflation with the typical award in the range of 3.5% to 5.0%. Local Government Employers (LGE) have made an initial offer to the unions although it is anticipated that negotiations will continue. If Local Government were to agree a similar pay award to the rest of the public sector, this would **increase costs by around £0.500m**.
- **Energy Costs:** The increase in the energy price cap in April 2022 (54%) and the expected increase in October 2022 (a further 42%) will be above the £0.100m provision included in the MTFS for 2022/23 (between 30% and 40% as Electricity and Gas prices were expected to increase by different amounts). With the combined increase in the price cap expected to be 119%, this would give rise to a **pressure of £0.250m**. Further pressure on prices cannot be ruled out given the volatility of Gas supply due to the conflict in the Ukraine.
- **Inflation:** The current level of inflation, as measured by the Consumer Prices Index, is 9.4% (up from 9.1% in May). Although it is not the Government's preferred measure of inflation, the Retail Prices Index is 11.8%. At this stage of the financial year it is difficult to determine the impact on the Council's budgets for 2022/23 but it can be expected that inflationary

pressures will come through over the coming months. Charts 2a and 2b below published by the Office for National Statistics and Bank of England shows how steeply prices have risen over the last 6 months and the projection.

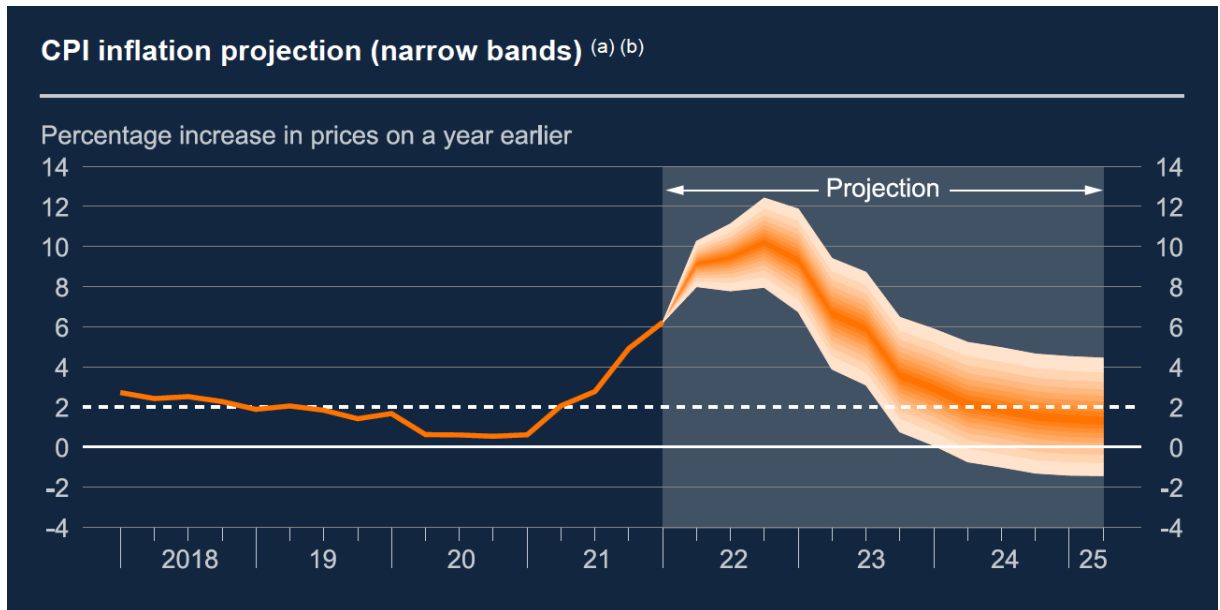
**Chart 1 – Interest Rate projection (December 2021, June 2022)**



**Chart 2a – ONS Inflation Chart (July 2022)**



**Chart 2b – Bank of England Monetary Report (May 2022)**



- 2.2 It is clear from the data and forecasts that external economic factors will have an impact on the Council's revenue and capital expenditure in 2022/23 and will place additional financial pressure over the Medium-Term Financial Strategy period.
- 2.3 When taken in aggregate, there is a potential financial pressure in excess of £1m on the revenue budget in 2022/23.
- 2.4 Therefore, members should take into account the risk to the Council's budget as outlined above when appraising the forecast for Service Revenue Expenditure and Capital Expenditure budgets for 2022/23, and when appraising any further financial commitments in year or over the medium-term.
- 2.5 The above risks and pressures will be kept under review by Heads of Service and reported on throughout the year. Budget monitoring reports, as detailed in Section 3, will report quarterly to Cabinet with updates on the current risks and pressures as at the time of reporting.

### **3 REVENUE BUDGET FORECAST 2022-23**

- 3.1 The original net General Fund Revenue budget for 2022/23 was approved by Council at their meeting in February 2022 of £12.503m.

3.2 Changes have been made to the budget to allocate approved carry forwards from 2022/23, Savings and Transformation Programme items to service budgets and any other estimates agreed by Cabinet and Council. The current budget remains at £12.503m. A reconciliation between the original budget and latest budget is shown in the table below.

**Table 1: General Fund Revenue Budget reconciliation**

<b>General Fund Revenue Budget</b>	<b>2022/23 (£'000)</b>
<b>Original Budget - Council (24th February 2022)</b>	12,503
Add:	
Add:	
Less:	
Less:	
<b>Latest Budget as at 01/07/2022</b>	<b>12,503</b>

3.3 The initial forecast for the General Fund is a net adverse variation of £1.605m (12.84% of the Net Revenue budget) as shown in Table 2.

3.4 In terms of key variations, the initial position on Service Revenue Expenditure is an adverse variation of £0.355m (2.47%) with an adverse variation of £0.750m across non-service income and expenditure (i.e. Corporate Income and Expenditure) and the inclusion of £0.500m as a risk factor in the forecast.

3.5 This report does not provide a detailed analysis of the variation across Service Revenue Expenditure. As set out in paragraph 1.2, further work will be undertaken over the coming weeks to validate the forecasts provided by Heads of Service and Service Managers to ensure assumptions made in the forecasts are clear and robust. An integral part of this work will be to reduce the level of adverse variation across services. This will involve a review of expenditure and income budgets not yet fully committed, exploration of further savings and cost reduction measures, and to set out other management actions and options that could be taken to reduce the adverse variation.

3.6 Clearly, the initial forecast position across services is of a concern. Cabinet are asked to endorse the proposals outlined in paragraph 3.5.

**Table 2: General Fund Revenue Budget Forecast (P1 2022/23)**

General Fund Revenue Budget	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Forecast Outturn (£'000)	2022/23 Variation (£'000)
Corporate Services	2,854	2,810	2,940	130
Customer Experience & Improvement	26	237	214	(23)
Democracy, Strategy & Partnerships	2,932	2,958	2,878	(81)
ICE Programme	306	55	55	0
Major Projects and Property	(4,267)	(4,267)	(4,168)	99
Operational Services	10,409	10,218	10,416	198
Planning and Economy	2,364	2,361	2,393	32
DS Adj to agree to MTFS	138			
<b>Total Service Revenue Expenditure</b>	<b>14,762</b>	<b>14,373</b>	<b>14,728</b>	<b>355</b>
Less: Reversal of Accounting Entries	(3,142)	(3,142)	(3,142)	0
<b>Net Service Revenue Expenditure</b>	<b>11,620</b>	<b>11,231</b>	<b>11,586</b>	<b>355</b>
Corporate Income and Expenditure	2,189	2,190	2,940	750
Expenditure Pressures	0	0	0	0
Risk Forecast Adjustment	0	0	500	500
Movement in Reserves	(728)	(728)	(728)	0
Savings Plan Delivery	(578)	(189)	(189)	0
<b>Net General Fund Revenue Budget</b>	<b>12,503</b>	<b>12,503</b>	<b>14,108</b>	<b>1,605</b>
<b>Funded by:</b>				
Council Tax	7,196	7,196	7,196	0
Business Rates	4,031	4,031	4,031	0
New Homes Bonus	344	344	344	0
Lower Tier Services Grant/Services Grant	273	273	273	0
Other Funding	(314)	(314)	(314)	0
<b>Total Funding</b>	<b>11,530</b>	<b>11,530</b>	<b>11,530</b>	<b>0</b>
<b>Core (Surplus)/Deficit</b>	<b>973</b>	<b>973</b>	<b>2,578</b>	<b>1,605</b>
<b>Balanced by:</b>				
MTFS Stabilisation/Equalisation Reserve	(973)	(973)	(973)	0
<b>Core (Surplus)/Deficit after Transfers</b>	<b>0</b>	<b>0</b>	<b>1,605</b>	<b>1,605</b>

3.7 As discussed in Section 2 of the report, external economic factors contribute to the £1.250m adverse variation with the non-service element of the General Fund revenue budget. Table 3 below shows the projected variation on Interest Payable and Energy Costs. Whilst these additional costs have not yet been evident/come through in Q1, there is no doubt from the economic data from the Bank of England (Interest Rates) and Ofgem (Energy costs) that these costs will be present in Q2-Q4.

3.8 The cost of borrowing has seen a sharp increase in the first half of the calendar year with both short-term and longer-term interest rates increasing by between 1.50% and 2.00% and above the estimates made within the MTFS. At the time

of writing this report (21 July), the Council has £90m of external debt which is likely to increase to around £135m based on commitments within the approved capital programme.

- 3.9 The revenue budget and MTFS had assumed an increase in the cost of borrowing with short-term rates of 0.80% and longer-term rates of 2.10%. At the time of writing, short-term rates are around 2.25% with longer-term PWLB rates at around 3.30%. Other things being equal, the higher interest rates equate to an additional cost pressure of £0.500m to £0.750m depending on the timing of borrowing decisions and cashflow.
- 3.10 The Council should consider other sources of capital finance. As set out in the Revenue Budget, Capital Programme, and Council Tax Level Report to Cabinet and Council in February 2022, the Council's capital expenditure is predominantly financed from prudential borrowing. To mitigate the increased cost of borrowing the Council will need to consider other sources of finance support the capital programme, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves, and capital receipts).
- 3.11 Arlingclose (the Council's Treasury Management advisers) have been commissioned to set out the wider options available to the Council in light of the current position on interest rates. This is due to be completed within the next few weeks and will help inform capital financing and borrowing decisions.
- 3.12 Members should consider the impact on the Council's financial sustainability of any additional capital expenditure plans. Although schemes may be supported by income streams and promote wider economic benefit to the borough, the increased cost of borrowing will have an impact on the financial viability and will require adequate financial risk mitigation measures.

**Table 3: Corporate Income & Expenditure**

<b>Corporate Income and Expenditure</b>	<b>2022/23 Original Budget (£'000)</b>	<b>2022/23 Revised Budget (£'000)</b>	<b>2022/23 Forecast Outturn (£'000)</b>	<b>2022/23 Variation (£'000)</b>
Minimum Revenue Provision (MRP)	2,657	2,657	2,657	0
Interest Payable	1,250	1,250	1,750	500
Capitalisation of Interest	(250)	(250)	(250)	0
Interest Receivable	(1,250)	(1,250)	(1,250)	0
Service Loans to Housing Company	(210)	(210)	(210)	0
Energy Cost Inflation - Provision	100	100	350	250
Other Corporate Income and Expenditure	342	342	342	0
Cabinet/Council Decisions		0	0	0
Additional Items/Growth		0	0	0
Savings - CREP	(578)	(578)	(578)	0
Savings - Salary Monitoring	(200)	(200)	(200)	0
Flexible Capital Receipts	(250)	(250)	(250)	0
<b>Total Corporate Income and Expenditure</b>	<b>1,611</b>	<b>1,611</b>	<b>2,361</b>	<b>750</b>

#### **4 IMPLICATIONS AND RECOMMENDED ACTION**

- 4.1 At this early stage of the financial year, the projected variance of £1.6m on the revenue budget would pose a significant risk to the Council's financial sustainability. Urgent action needs to be taken over the coming weeks to mitigate and reduce the projected variation. The adverse variation cannot be funded from the MTFs Equalisation reserve as this would reduce the level of the reserve below what is considered to be adequate.
- 4.2 A number of recommendations are outlined below to address the projected variation. Subject to Cabinet approval, these will be implemented immediately and will form the framework for future budget monitoring reports to Cabinet.
- 4.3 **Recommended Action #1:** To adopt the approach as set out in paragraph 3.5 (review of forecast and commitments) and paragraph 3.10 (capital financing)
- 4.4 **Recommended Action #2:** Heads of Service and Service Manager, in consultation with the relevant Portfolio holder, to identify further savings, cost reduction measures and additional income opportunities. These will then be reviewed as part of the in-year strategy to mitigate the adverse financial position as identified in this report.



- 4.5 **Recommended Action #3:** In the event the Council receives one-off income or cost savings, it is proposed this is allocated to the MTFS Equalisation reserve and not committed to fund existing or additional expenditure.
- 4.6 **Recommended Action #4:** As part of the budget setting process for 2023/24 and MTFS update it is proposed that revenue and capital expenditure plans where commitments have not yet been entered into are reviewed to understand the wider risk to the Council's financial position over the medium-term.
- 4.7 **Recommended Action #5:** As part of the Budget Strategy for 2023/24 and the MTFS update, a review of the Reserves and Balances strategy is undertaken to consider the adequacy of reserves in light of the financial risks faced by the Council.

## **5 CAPITAL PROGRAMME FORECAST 2022/23**

- 5.1 The original net Capital Programme estimate for 2022/23 was approved by Council at their meeting in February 2022 of £37.008m.
- 5.2 Cabinet will consider the final outturn report for the 2021/22 financial year at the meeting on 13 September 2022. The capital programme for 2021/22 was significantly underspent at the end of the year and it is likely that slippage of £2.363m will be included in the final outturn report. For reference, the draft proposals are outlined below.

**Table 4a: Capital Programme – Slippage from 2021/22**

<b>Capital Scheme</b>	<b>Proposed slippage from 2021/22 (£'000)</b>
The Meads - Pre-Acq Costs Contract Costs	231
Civic Quarter F'boro Dvlp (Bc) Flc Pre Dev, Demolition	74
Union St East A'shot Regen(Bc) Contract Costs	538
Union Yard Party Wall Contract Costs	262
Improvement Grants - Disabled Facilities Grants	854
Waste Vehicles Contract Costs	235
Southwood Country Park SANG - Contract Costs	58
Southwood Country Park SANG - Visitor Centre Set-Up Costs	47
Southwood Country Park SANG - Cafe Set-Up Costs	64
<b>TOTAL</b>	<b>2,363</b>

- 5.3 Since the approval of the 2022/23 Estimate Cabinet have agreed a number of additions to the Capital Programme. These additions are as follows:

**Table 4b: Capital Programme – Additional expenditure items**

<b>Additional Capital Expenditure considered by Cabinet</b>	<b>(£'000)</b>
Civic Quarter - Additional Demolition costs	628
Union Yard - Extension of Time claim	783
Farnborough Town Centre Regeneration - Due Diligence	75
<b>TOTAL</b>	<b>1,486</b>

- 5.4 The revised Capital Programme for 2022/23 with additional items and the proposed slippage from 2021/22 will amount to £40.857m. This will be formally proposed to Cabinet in September alongside a revised Capital Financing Statement.
- 5.5 The current expectation is that latest Capital Programme estimate of £40.857m will be fully expended in the current financial year even though only £3.6m has been spent or committed in the first quarter to the end of June 2022. Officers will closely monitor spend against approved Capital Budgets with regular updates being submitted to Cabinet in line with the agreed budget monitoring arrangements.

## **6 RISKS AND UNCERTAINTIES**

6.1 The report outlines a number of risks and uncertainties around the wider economic environment. Some further risks are briefly outlined below.

- Assumptions made in the forecast are based on projections for inflation and interest rates. Uncertainty remains around Government policy, weakness of GBP (£) against US Dollar (\$), US interest rates which may lead to higher inflation and interest rates and UK Gilt prices (and hence PWLB rates).
- This report includes initial forecasts for income from fees and charges and this remains a risk to the Council given the impact of higher prices and energy costs on the cost of living. This may lead to reduced demand for council services and hence lower income from fees and charges.
- There is a risk that the Council is Council Tax and Business Rates collection figures – more challenging than during Covid

## **7 CONCLUSIONS**

7.1 This report highlights some of the financial risks that are expected to materialise in the coming months and Members will continue to be updated on these throughout the year.

### **BACKGROUND DOCUMENTS:**

None

### **CONTACT DETAILS:**

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**CABINET  
9 AUGUST 2022**

**COUNCILLOR SUE CARTER  
DEMOCRACY, STRATEGY AND PARTNERSHIP  
PORTFOLIO HOLDER  
REPORT NO. ACE2205**

**KEY DECISION? NO**

**COUNCIL PLAN & RISK REGISTER  
QUARTERLY UPDATE APRIL TO JUNE 2022/23**

**SUMMARY AND RECOMMENDATIONS:**

This paper sets out the performance monitoring information of the Council Plan for the first quarter of 2022/23. The key activities and projects within the Council Plan which aim to deliver the Council's priorities which sit under the themes of People and Place. In addition to the key projects this paper includes the Council Business Performance monitoring information, which are the key indicators and service measures used by the Council to monitor how the Council runs. This paper also includes an update on the Council key strategies and plans that underpin and support the Council Plan.

Factors that could affect the future delivery of the Council Business Plan and Council Business Performance have been identified in the Council's Risk Register.

The Cabinet is asked to note the progress made towards delivering the Council Business Plan.

**1. Introduction**

- 1.1 In February 2022 the Council agreed the updated three-year Council Plan with priorities which reflect the vision for Aldershot and Farnborough 2030 (Your future, your place - a vision for Aldershot and Farnborough 2030). This report sets out performance monitoring information for the Council Plan and the Risk Register for the period of April to June 2022. As it is the beginning of the 2022/23 year this report also includes an update on the Council's key strategies and plans which underpin the Council Plan.

**2. Detail**

- 2.1 Refreshed and updated annually, the Council Plan provides a focus for the Council's activities and services by setting out the short to medium-term steps needed to realise longer-term vision and aspirations. The Council Plan outlines the council's priorities the next three years and in particular the key strategic projects that will contribute to achieving the Council's vision.
- 2.2 The priorities which reflect the vision for Aldershot and Farnborough 2030, are set out under the two themes of People and Place:

**People** –empowering and connecting communities and enabling people to live healthy and sustainable lives and fulfil their aspirations.

**Priorities:**

- Strong communities, proud of our area
- Healthy and green lifestyles
- Opportunities for everyone – quality education and skilled local workforce

**Place** – ensuring our towns are family-friendly, safe, vibrant, and sustainable places - now and in the future.

**Priorities:**

- Housing for every stage of life
- Vibrant and distinctive town centres
- A thriving local economy - kind to the environment

### **3. Delivery of the Council Business Plan**

3.1 The Council Business Plan brings together the key activities/projects across the Council including those that sit under the Property, Major Works & Regeneration Programmes.

3.2 Annex A sets out the detailed progress this quarter against the key projects and activities in the Council Plan at the end of quarter 1 (30<sup>th</sup> June). At this time 53.8% of projects/activities are on track and 46.2% have an amber status. No projects have a red status.

3.3 Annex B sets out the Council’s Business Performance during Quarter 1. The Council Business Performance monitoring information show the key indicators and service measures used by the Council to monitor how the Council runs. This document will continue to evolve over time, to focus on the key data needed to assess how the Council is running.

### **4. Key strategies and plans update**

4.1 The Council Plan 2022-25 draws upon and provides a link between a number of important strategic documents which inform and underpin much of the work of the Council. These strategies and plans sit outside the normal quarterly monitoring process and therefore it is important for Cabinet to be updated on their progress, on at least an annual basis.

4.2 Annex C is an update on the Council’s key strategies and plans. This document includes information on those that have already been agreed or adopted (and therefore provides an update on implementation) and those that are currently being developed.

- 4.3 Activities and projects that were included in last year's Council Plan that are not in this year's plan will now be monitored as part of the key strategies or plan they sit under. This includes:
- The Food Hubs and supporting communities to recover from the pandemic which is included in the Supporting Communities Strategy
  - The equalities work which is included in the Equality, Diversity and Inclusion Action Plan
  - Communicating and engaging with residents and increasing the take up of online services (now the new website has been launched) which will be in the new Communications and Engagement Strategy/Digital Strategy

## **5. Council's Risk Register**

- 5.1 Since the last report to Cabinet in June 2022, the Council has now introduced a new system for managing, recording and reporting its risk management activities. This uses the software programme MS Lists, and is reflected in the visual presentation of the risk register itself.
- 5.2 The launch and use of this new system has been successful across the Council and has received good feedback from key stakeholders. It allows Heads of Service to more easily access and review their risk register entries, as well as allowing the corporate risk management and audit teams to more efficiently interrogate the system and see updates in real time.
- 5.3 The register now includes additional information, such as inherent and target risk ratings. Inherent risk allows the Council to assess the risk prior to any action taken to mitigate it, and so gives a clear indication of the effects of actions to date when compared to the residual risk score. The target, or appetite risk score, ensures that at a risk-by-risk basis the Council can assess the Council's appetite for the exposure to that risk. It allows measurement of success in terms of mitigation, where the risk gap between the residual and target risk can be viewed. This can also assist in the prioritisation of resources.
- 5.4 The key strategic risks within v8.0 of the Corporate risk register continue to be related to the areas that the Council cannot directly influence, including wider community risks such as health outcomes and deteriorating economic conditions. There have been no additional risks identified in this section of the risk register, but there has been further development in the plans to mitigate them.
- 5.5 The Council's key standing corporate risks are generally more operational in nature and relate to the work of the Council. Again, although all these have been updated, there have been no significant changes to this section of the register that need highlighting.
- 5.6 One new risk has been identified in the escalated service risk part of the register, and that is the Council's arrangements for 'Temporary Accommodation'.
- 5.7 The risks in relation to inflationary and fuel cost rises in the UK continue to develop rapidly. This is addressed and reflected in a number of areas of the risk register including within 'Management of external debt - Interest rate/refinancing risk and access to capital finance'. The Council continues to

plan for these increased costs to ensure that the adverse effects can be mitigated appropriately. Work to fully understand and record this risk at a corporate level with the assistance of the risk management team will continue as a priority area of work in the coming months.

## **6. Conclusion**

6.1 Cabinet's views are sought on the performance made towards delivering the Council Business Plan during April to June 2022.

Annex A – Council Plan Quarterly Monitoring Q1 2022/23

Annex B – Council Business Performance Q1 2022/23

Annex C – Key strategy and plans update – July 2022

Annex D – Corporate Risk Register

**COUNCILLOR SUE CARTER**  
**DEMOCRACY, STRATEGY AND PARTNERSHIP PORTFOLIO HOLDER**

### **BACKGROUND DOCUMENTS:**

Council Plan April 2022 to March 2025

### **CONTACT DETAILS:**

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







# Council Plan Quarterly Monitoring – Q1 2022/23

Date produced: July 2022

**People** –empowering and connecting communities and enabling people to live healthy and sustainable lives and fulfil their aspirations.



People key activities/projects	BRAG Status	Direction of Travel	Comment
People 1 - Roll out the second phase of our weekly food waste recycling service to households with shared bins	Green	 No change	Roll out is on track. At the end of quarter one there are approximately 5,500 properties remaining.
People 2 - Help people (especially young people) into employment through training, apprenticeships and upskilling	Green	 No change	The Youth Hub is coming to the end of the existing trial. The Hub has opened 11 times and in addition to the drop-in sessions, it has held five employer/ training events and three online events. The Hub has had 34 visitors attending and the website has had 450 unique visitors. We are currently looking at a different model to ensure the service can continue beyond July. Numbers at the physical job clubs remain low but are steadily increasing. The virtual job club will no longer continue as it was primarily there to offer a covid safe way of support.
People 3 - Develop a walking and cycling plan to encourage sustainable travel and to support our town centre regeneration plans	Amber	 No change	Consultation launched on 20 June 2022 in line with timetable but with an extended close of consultation 18 September 2022. It has been publicised through social media and all members notified. The extension of the consultation taking account of the summer holiday period has meant however it makes concluding of the further stages by December 2022 challenging.
People 4 - Develop a new leisure centre in Farnborough	Green	 No change	Demolition is in progress and additional funding has been approved by Cabinet, which includes a further contingency for further asbestos finds should they occur. The project is now being developed for a Levelling Up Funding Bid which may impact on timescales and scope as it will include a cultural element.

<p>People 5 - Working with partners, encourage more residents to be active and have healthier lifestyles</p>	<p>Green</p>	 <p>No change</p>	<p>Projects on-going including healthy walks, Talk Mental and Whole Systems Approach to Obesity. Action plan being developed (by health partners) for Healthier Communities which will focus on mental health and inactivity.  Several local targeted programmes developed with partners with a focus on inactive people.  Health checks being rolled out via partners, such as the Vine, to support wider health objectives and encourage healthy lifestyles.</p>
<p>People 6 - Support apprenticeships, research and innovation opportunities through the Aerospace Research and Innovation Centre (ARIC)</p>	<p>Amber</p>	 <p>Decline</p>	<p>Farnborough Aerospace Consortium (FAC) has moved into ARIC. This move, supported by RBC, has already seen the building used for a number of events, with businesses and stakeholders making use of the building's facilities. ARIC has hosted delegates from the Ohio Aerospace Institute, meetings between large businesses (e.g. Airbus) and suppliers and facilitated opportunities for companies to meet the Aerospace Technology Institute (ATI). These are positive developments, but RBC is working to ensure that the aims of building in further supporting apprenticeships, research and innovation are fully realised. RBC is represented on a project steering group alongside EM3 LEP, FCoT, Hants CC and others to help the project meet its goals.</p>

**Council Plan key measures baseline data April 2022 -**

- Increase in the % of waste collected by the Council that is reused, recycled and composted – In Q4 of 2021/2022 **41.9%** of waste was reused, recycled and composted
- Decrease in % of working age population claiming benefits because of unemployment – In April 2022 **3.0%** of 16-64 year olds were claiming benefit principally for the reason of being unemployed  
[\(Labour Market Profile - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)\)](#)
- Decrease in % of 18-24 year olds claiming benefits because of unemployment – In April 2022 **4.5%** of 18-44 year olds were claiming benefit principally for the reason of being unemployed  
[\(Labour Market Profile - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)\)](#)
- Increase in % of physically active adults – In 2019/20 **62.6%** of adults in Rushmoor were physically active  
[\(Local Authority Health Profiles - Data - OHID \(phe.org.uk\)\)](#)

**Place** – ensuring that our towns are family friendly, safe, vibrant, and sustainable places now and in the future.



Place key activities/projects	BRAG Status	Direction of Travel	Comment
Place 1a - Aldershot town centre's Union Yard regeneration scheme	Amber	↔ No change	The Council continues to work with Hill Partnerships Ltd to clawback delay associated with issues with the party wall. The council is in receipt of draft Estate Management Strategy and officers are currently undertaking a review of the draft service charge schedule and apportionment across the scheme.
Place 1b - Update the facilities at the crematorium in Aldershot	Green	↔ No change	Final feasibility report received confirming the three build options. Further work is required to explore the construction costs and overall business case position, particularly in relation to achievable income levels for each of the proposed schemes. Also, further work to understand the rationale behind decline in current income is to be carried out.
Place 2 - Progress the regeneration of Farnborough town centre, including the civic quarter	Amber	↓ Decline	Outline planning application for the Civic Quarter was submitted in February 2022. There are matters relating to highways / sustainable transport that require further input and further matters relating to biodiversity and tree loss. The impact of the above is that the planning determination and decision is likely to have been delayed until earliest September
Place 3 - Develop Southwood Country Park, including providing a new visitor centre and improving its access, environment and facilities	Amber	↓ Decline	Construction activity has continued and the grass roof for the café and Visitor centre has been installed. Despite supply chain difficulties particularly with regard to windows and power, completion is still on target. Contract negotiations are underway with the café operator, however progress on this element of the project is behind plan so a number of options are being explored to ensure that the café can open as soon as possible. Environmental works to Cove brook have been put on hold and the procurement process will resume again in January 2023, due to Esso's pipeline replacement works which are later than originally planned and would have clashed. Consultation on the playground design has been carried out and planning approved with completion of the playground in November.

Place 4 - Support the creation of quality, new homes (Rushmoor Homes)	Green	↑ Improvement	Three Properties at 12 Arthur Street have been transferred to RHLtd and let. RHLtd has purchased a property in Cambridge Rd and is currently tendering its refurbishment. Development projects continue to progress with the first expected on site in January 2023. The Business Plan has been reviewed in light of increasing costs, rising rents and changing timescales. The Board will be updated at the July Board meeting and the plan remains robust.
Place 5 - Progress an aerospace heritage project	Amber	↔ No change	The heritage sector is still in recovery from the pandemic and it is considered to be unrealistic to secure the profile of partner required at this stage. It is planned to develop the potential offer further during the autumn and then review the next stages following that process. Five heritage trails are being developed in Farnborough based on the successful trails in Aldershot. Volunteers from FAST and Farnborough Civic Society are helping to develop the routes. The aim is to launch the completed trails in the autumn.
Place 6 - Continue progress towards our goal of becoming a carbon neutral council by 2030 through reducing emissions in our facilities and operations	Green	N/A new to quarterly monitoring	New webpage went live in May and progress is being made with the revised plan and monitoring arrangements

#### Council Plan key measures baseline data April 2022 -

- Increase in residents' satisfaction with our town centres – **18.5%** of residents very and fairly satisfied with town centres – creating good quality town centres  
(RBC resident survey 2021)
- Decrease in the % of vacant and dormant premises in our town centres – In April 2022 **11%** were vacant and **2%** were dormant
- Increase in the number of new homes created by Rushmoor Homes – In April 2021 Rushmoor Homes had not created any new homes but were managing **6** homes.
- Increase in the range of housing across the Borough – There were **41,630** Council Tax properties in Rushmoor as of 31<sup>st</sup> March 2022
  - 3.6% were bungalows
  - 28.8% were flats /maisonettes
  - 26.7% were terraced houses
  - 26.3% were semi-detached houses
  - 13.6% were detached houses

# Council Business Performance

Quarter 1 2021/22

## Points to note

- The number of formal complaints remain low however checks will be undertaken to ensure all formal complaints are recorded
- The new website was launched on the 10<sup>th</sup> May
- The 'Apply for the council tax energy rebate payment' web page, was the page most visited in Q1
- CSU abandoned call rate and wait times were higher this quarter due to additional workload and training of new staff
- A reduction in PCNs issued in Q1 due to staffing levels and annual leave
- In comparison to before the pandemic there have been fewer FPNs issued for littering and dog fouling, the main factors for this are staff retention, staffing levels due to illness, reduced footfall in town centres and people becoming more aware of Rushmoor's zero tolerance enforcement approach to littering.
- The estimated recycling rate for Q4 (in 2021/22) was 40.8% and the estimated recycling rate for Q1 (in 2022/23) is 44%
- There has been a large increase in homelessness enquires this quarter

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### Key Service Indicators





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- Waste and recycling (page 7)
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## Key to Direction of Travel (DoT) arrows





Numbers have increased	Numbers have decreased	Numbers have increased and performance has decreased	Numbers have increased and performance has increased	Numbers have decreased and performance has decreased	Numbers have decreased and performance has increased
					

## Council wide indicators



## Corporate complaints

Number of complaints				% of complaints responded within policy time			
<b>4</b>				<b>75%</b>			
DoT from last quarter (7)		DoT from this quarter last year (5)		DoT from last quarter (29%)		DoT from this quarter last year (50%)	
<p>Comment: The number of formal complaints remains low. In Q1 2021/22 the LGA benchmarking data showed that of the 40 district authorities that returned data the average number of formal complaints that quarter was 78, Rushmoor had 5 formal complaints. Work to make sure all formal complaints are being captured and awareness of the complaint policy and procedure will be carried out.</p>							

## Health and safety

Violence at work data - incidents				Rushmoor work related accident / incident data			
<b>2</b>				<b>2</b>			
DoT from last quarter (12)		DoT from this quarter last year (12)		DoT from last quarter (0)		DoT from this quarter last year (3)	

## Paying externally issued invoices

% of invoices paid on time (within 30 days)	DoT from last quarter		DoT from this quarter last year	
<b>96.68%</b>		<b>(94.56%)</b>		<b>(98.16%)</b>

### Absence rate

Working days lost due to sickness per FTE				Working days lost to short-term sickness per FTE				
<b>1.05</b>				<b>0.76</b>				
DoT from last quarter	↓	DoT from this quarter last year	↓	DoT from last quarter	↓	DoT from this quarter last year	↑	
Comment: There were 51 sickness episode in Q1 and 188 working days lost. The most common reason for sickness episodes and the most common reason for days lost was Covid <b>Note: Long term sickness is 20 days or more in a row (four weeks)</b>								

### Workforce data

Starters and leavers		Turnover				% of employees non-white (15.2% non-white groups in 2011 Census)			
Starters	<b>13</b>	<b>5.0%</b>				<b>6.1%</b>			
Leavers	<b>14</b>	DoT from last quarter (6.4%)	↓	DoT from this quarter last year (4.3%)	↑	DoT from last quarter (5.7%)	↑	DoT from this quarter last year (5.4%)	↑

### Freedom of information requests

Number of requests received				% responded to on time (one month behind)			
<b>155</b>				<b>62%</b>			
DoT from last quarter (166)	↓	DoT from this quarter last year (142)	↑	DoT from last quarter (71%)	↓	DoT from this quarter last year (58%)	↑

## Corporate customer contact indicators

### Overall digital uptake

% of transactions through digital services versus other channels	DoT from last quarter	DoT from this quarter last year
<b>74%</b>	<b>↑</b> (67%)	<b>↓</b> (75%)

### Walk-in customers

Number of walk-in customers				Comment: During Q1 3,298 customers arrived at reception, this is up from Q4 2021/22 11% (338 customers) This increase can be attributed to customers seeking help with claiming their Council Tax Energy Rebate, where during Q1 345 customers presented, accounting for 10% over the quarter. (In June alone 24% of all customers were seeking support with their energy rebate claim), 18% presented with a non Rushmoor enquiry, looking for service with Citizens advice, Hampshire County Council or other authorities. 13% were collecting or dropping off paperwork. A further 15% were corporate visitors attending meetings, interviews, welcoming new starters or arriving contractors. 1,784 customers were actively seeking service from the Council, the highest services being energy rebate, Benefits, housing, and Council Tax.
<b>3,298</b>				
DoT from last quarter (2,960)	<b>↑</b>	DoT from this quarter last year (1,435)	<b>↑</b>	

### Calls to customer services

Number of calls		Average wait time				Call abandoned rate			Average call handle time						
<b>19,595</b>		<b>1 minute 24 seconds</b>				<b>7.0%</b>			<b>4 minutes 16 seconds</b>						
DoT from last quarter (15,604)	<b>↑</b>	DoT from this quarter last year (15,263)	<b>↑</b>	DoT from last quarter (50 seconds)	<b>↑</b>	DoT from this quarter last year (28 seconds)	<b>↑</b>	DoT from last quarter (4.1%)	<b>↑</b>	DoT from this quarter last year (2.8%)	<b>↑</b>	DoT from last quarter (3 min 27 secs)	<b>↑</b>	DoT from this quarter last year (3 min 23 secs)	<b>↑</b>
<p>Comment: In the last quarter, the Customer Services have answered 18,234 calls. This is an increase of 22% on the same period this year. From 11<sup>th</sup> April, Customer services have been providing front end service for housing, via a triaging service. This has resulted in 1,528 calls to customer services. During Q1 there were two new starters in quick succession, which in turn takes a senior officer out of the work to train them. The council tax energy rebate has also caused additional, unexpected demand, which has had to be managed within existing resource. Abandoned rate and wait times are higher this quarter. Different calls have different handling times, for example calls coming through on the payment line have quicker handling time than calls received on the Council tax line, which average at 4 minutes. With the introduction of housing calls we have seen call handling time increase.</p>															








## Demand via other access channels

Number of emails				Number of enquires via app				Number of enquires via webforms			
<b>5,598</b>				<b>1,238</b>				<b>852</b>			
DoT from last quarter (5,351)	↑	DoT from this quarter last year (3,104)	↑	DoT from last quarter (1,281)	↓	DoT from this quarter last year (1,472)	↑	DoT from last quarter (903)	↓	DoT from this quarter last year	n/a
Comment: Of the web forms 780 were for Council Tax and 72 were for Environmental Health noise and smoke											

## Website

Website sessions				Top three pages visited	
<b>165,755</b>				1. Apply for the council tax energy rebate payment (29,534)	
DoT from last quarter (135,466)	↑	DoT from this quarter last year (249,337)	↓	2. Bin collections (16,717)	
				3. Aldershot Lido (13,060)	
Comment: On 10 May, the new, fresh-look council website was launched, aimed at making it easier for our customers to find out about and to use our services. Since December there has been a reduction in the number of sessions reported on our website and it is related to the work to comply with the <a href="#">Privacy and Electronic Communications Regulations</a> . These regulations mean that the council needed to be clearer to customers about what cookies are being set on the website and allow our customers to 'opt-in' to be able to share their usage statistics					

## Social media

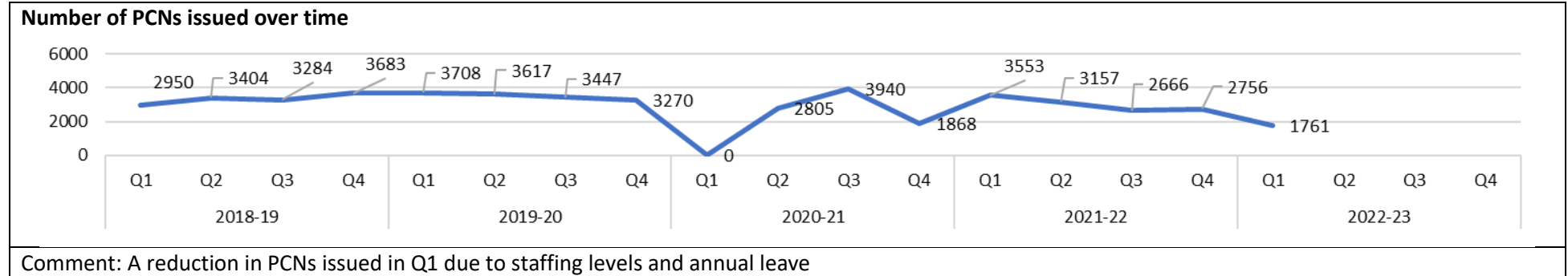
Facebook	Instagram	Twitter	LinkedIn	Next Door
 Followers: <b>11,836</b> (up 331) Posts: <b>131</b> Reach: <b>586,272</b> Avg reach per post: <b>4,475</b> Engagement: <b>52,804</b> Engagement rate: <b>9%</b>	 Followers: <b>1,616</b> (up 26) Posts: <b>114</b> Reach: <b>29,263</b> Avg reach per post: <b>256</b> Engagement: <b>946</b> Engagement rate: <b>3.2%</b>	 Followers: <b>5,778</b> (up 45) Tweets: <b>348</b> Impressions: <b>122,300</b> Avg impressions per tweet: <b>351</b> Engagement: - Engagement rate: <b>2.4%</b>	 Followers: <b>1,527</b> (up 67) Posts: <b>21</b> Reach: <b>6,418</b> Avg reach per post: <b>305</b> Engagement rate: <b>8.1%</b>	 Service area size: <b>15,902 residents</b> (up 684) Posts: <b>67</b> *Impressions: <b>72,946</b> Avg impressions per post: <b>1,008</b> <small>*post views, daily digest clicks, and email notifications opened</small>

## Print media

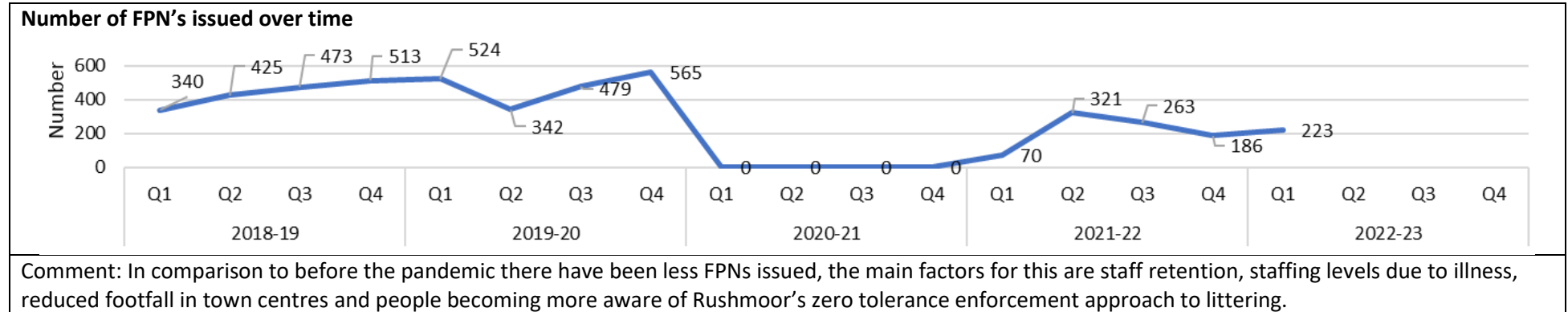
Press releases				Media enquires			
<b>12</b>				<b>23</b>			
DoT from last quarter (13)	↓	DoT from this quarter last year (13)	↓	DoT from last quarter (11)	↑	DoT from this quarter last year (18)	↑

## Key Service Indicators

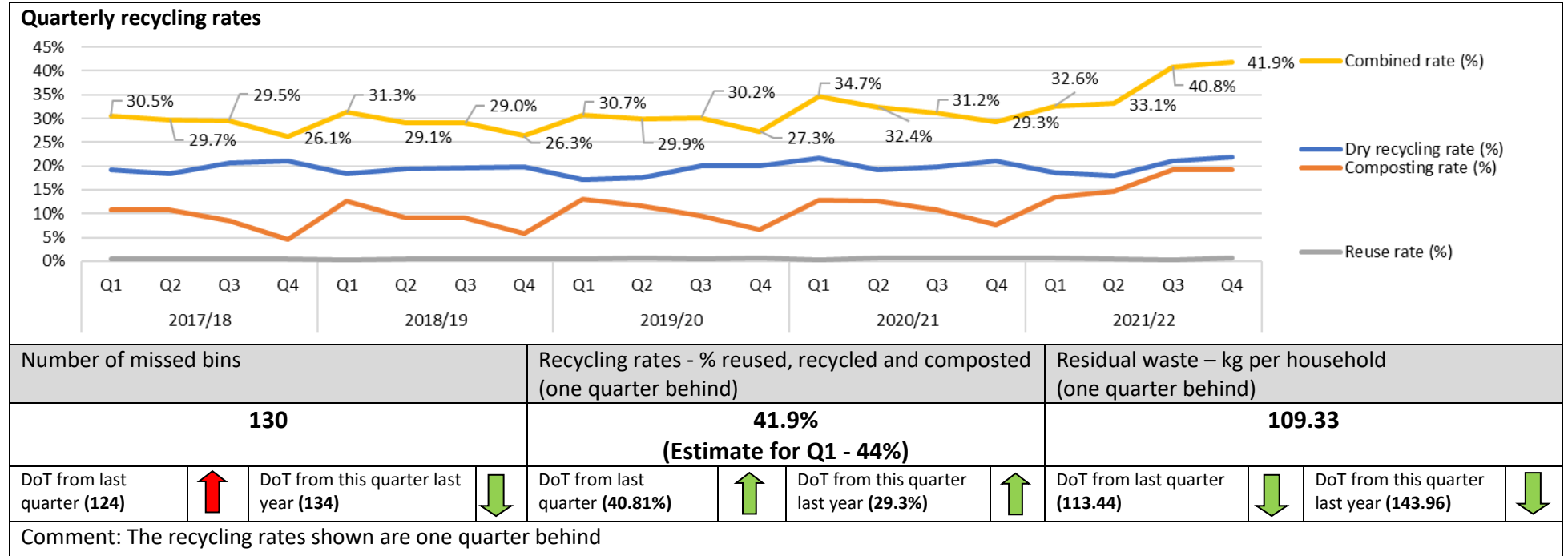
### Penalty Charge Notices (PCNs)



### Fixed Penalty Charge Notices (FPN's) Issued by East Hants District Council for litter and dog fouling



## Waste and recycling



## Homelessness

Number of Homelessness enquires				Number placed in B&Bs				B&B costs - gross			
<b>313</b>				<b>14</b>				<b>£47,500 estimate</b>			
DoT from last quarter (215)		DoT from this quarter last year (200)		DoT from last quarter (33)		DoT from this quarter last year (36)		DoT from last quarter (£54,147)		DoT from this quarter last year (£61,986)	

Comment: There has been a large increase in homelessness enquires this quarter, the reasons why could include Landlords slow response to changes on extended notice periods, cost of living issues affect both landlords and tenants and it is first quarter free of all covid restrictions. The final B&B cost figures for 2021/22 were £220,963 gross and £140,477 net after housing benefit.

### Housing Allocation Pool

Number added to pool this quarter				Number housed this quarter				Total number in the Housing Allocation pool			
<b>130</b>				<b>32</b>				<b>1,571</b>			
DoT from last quarter (91)	↑	DoT from this quarter last year (122)	↓	DoT from last quarter (82)	↓	DoT from this quarter last year (43)	↓	DoT from last quarter (1,524)	↑	DoT from this quarter last year (1,560)	↑
Comment: 35 housed (a further 41 properties have nominations but not yet housed)											

### Taxation

% of Council Tax collected				% of Business Rates collected			
<b>95.45%</b>				<b>117.40%</b>			
DoT from last quarter (97.80%)	↓	DoT from this quarter last year (95.38%)	↑	DoT from last quarter (98.50%)	↑	DoT from this quarter last year (88.00%)	↑
Comment: Collection rates are increased on the same quarter for the last 2 years but around 2% down on pre-covid years				Comment: NNDR collection rates are always high at this time of year due to advance payments at the start of the year			

### Benefits

Number of new claims –421 in Quarter 1											
Average number of days to process new claims						Total benefit caseload					
This data is obtained from Gov UK, & the data for Q4 last year and Q1 this year are not yet available - Estimate 4-5 days						<b>5,854</b>					
DoT from last quarter (Last data available is Q3 – 4 days)	n/a	DoT from this quarter last year (5 days)	n/a	DoT from last quarter (5,989)	↓	DoT from this quarter last year (6,300)	↓				
Comment: The HB & CTS caseload numbers continue to be affected by the move from Housing Benefit to Universal Credit											

### Gross affordable housing completions

Number of completions this quarter (target 450 completions over any three year period)	
<b>16</b> (year to date figure: 16)	

### Planning applications

Number of planning applications this quarter				Major and small scale major Applications determined within 13 weeks (target 60%)	Minor (Non householder) Applications determined within 8 weeks (target 65%)	‘Other’ (Including Householder) Applications determined within 8 weeks (target 80%)
<b>225</b>						
DoT from last quarter (260)	↓	DoT from this quarter last year (294)	↓	100%*	94.7%**	90.4%
Comment:* The sole case was determined outside the statutory period but subject to an agreed extension of time and therefore recorded as in time **8 of 19 cases were determined outside the statutory period but were subject to agreed extensions of time and therefore recorded as in time.						

### Planning Appeals

Number of planning appeals submitted	Number of appeals allowed	% of appeals allowed (target 40%)
<b>2</b>	<b>1</b> (3 decision this quarter)	<b>33%</b>
Details of Planning appeals allowed: Refurbishment and amalgamation of existing Units 2A & 3 Blackwater Shopping Park, revised car parking and servicing arrangements to allow a food store.		

### Electoral Registration

% of registered properties (properties minus ‘true’ voids)	DoT from last quarter	DoT from this quarter last year
<b>86.8%</b>	↓ (87.4%)	↓ (86.9%)
Comment: The percentage is what was expected and very similar to this time last year. The canvass has just started so some property classifications have been stripped out, so there are more explained empty (void) properties.		

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## Key strategies and plans update – July 2022

The Council Plan 2022-25 draws upon and provides a link between a number of important strategic documents which inform and underpin much of the Council's work. These strategies and plans sit outside the normal quarterly monitoring process and therefore it is important for Cabinet to be updated on their progress, at least on an annual basis.

This update on the Council's key strategies and plans, this includes those that have already been agreed or adopted and those that are currently being developed.

### Strategies and Plans

- **Climate Change Action Plan 2020-2030**

The original Action Plan 2020-2030 was approved in November 2020 and since that time 10 actions have been completed and 32 actions started. The actions have focussed on a number of key priority areas in particular the introduction of the food waste scheme, awareness/engagement, improving the environment and energy efficiency measures.

The Council has also received its Carbon Footprint which it is using to inform a review of the Action Plan which is currently underway. The revised Action Plan will focus on priorities to assist the council to meet its key climate change targets.

- **Supporting Communities Strategy and Action Plan**

The Cabinet approved the Supporting Communities Strategy and Action Plan for 2021-23 in January 2021. This sets out the Council's approach, alongside key partners, to tackle inequality and deprivation and improve the well-being, strength and resilience of the community.

Key achievements since the start of the plan include: Opening of the Grub Hub supporting over 100 people per week with food; climate change project engaging young people; Covid response and health related projects such as Talk Mental and Be Healthy be You.

The Plan is undergoing a refresh in September.

- **Equality, Diversity and Inclusion Action Plan**

The Equality, Diversity and Inclusion Action Plan was approved by Cabinet in April 2021. The Action Plan set out the proposed action to be taken by the Council on a phased basis over three years, in response to the Equalities Peer Challenge.

Whilst good progress has been made since the approval of the Equality, Diversity and Inclusion Action Plan, work to implement actions from the plan has slowed due to resource pressures, including responses to Afghan and Ukrainian resettlement. Key success includes the appointment of a Cabinet champion for Equalities, a residents' survey to better understand the views of different groups of residents and the roll out of training for Council staff, with completion levels currently standing at 91%.

The Equalities and Diversity Action Plan had envisaged a number of actions being underpinned by Census Data and it is estimated that the first census data will be published between in summer 2022 and will provide a foundation for the next phase of work.

- **The Local Plan**

The council adopted the Rushmoor Local Plan on 21 February 2019. The plan provides the overarching spatial strategy for Rushmoor, guiding the location, scale and type of future development to 2032, as well as providing detailed development management policies. A review of the plan will be carried out this autumn to determine whether it is necessary to undertake a new Local Plan.

- **Strategic Economic Framework**

The Strategic Economic Framework (SEF) was approved by Cabinet in April 2022. The Strategic Economic Framework seeks to grow and sustain Rushmoor's strong, resilient economy recognising however that people and businesses have been impacted by the pandemic and need support to recover.

The Strategic Economic Framework has been used to inform the Shared Prosperity Fund Investment Plan (see below). Actions in the Framework are being delivered including business support provision and regular business surveys to help ensure that the Framework is responsive to business needs.

- **Joint Municipal Waste Strategy**

The Joint Municipal Waste Management Strategy was adopted by Cabinet in February 2022. The new strategy has been developed collaboratively with Hampshire local authorities to reflect local and national changes since 2012 and to ensure the Project Integra Partnership is working to meet the requirements of the Environment Bill. It aims to deliver waste collection, treatment and disposal options that are best value financially, whilst minimising environmental impact. The Strategy will be implemented by a revised Inter Authority Agreement and new financial arrangement, both of which are currently being drafted for approval in autumn 2022.

- **Procurement Strategy**

The Procurement Strategy 2020-2024 was adopted by the Cabinet in August 2020. The Procurement Strategy clearly defines the Council's strategic objectives and builds upon the National Procurement Strategy, and also incorporates legislation and best practice. The strategy is expected to be refreshed in 2023 to reflect new procurement rules.

- **The People Strategy**

The People Strategy was approved by Cabinet in January 2021. It aims to ensure that the council has the right people with the right skills, attitude and behaviours



going forward to deliver its priorities and turn ambitions into reality. Good progress has been made in all 4 key areas against Year 1 priorities including:

- **A positive culture enabling high performance:** A new set of organisational values were created after engaging with staff at all levels in the organisation, setting out what the organisation stands for and what is important to us collectively. Since their launch, work has started to align some of the Council's key frameworks and practices to ensure effectiveness. Steps have been taken to develop everyone's skills in seeking, giving and receiving honest and timely feedback, through 360 feedback and coaching for CMT and Service managers, with a similar approach being rolled out to staff in the summer.
- **People are developed to realise their potential:** A Service Manager development programme was launched creating opportunities to connect, share experiences and introduce key leadership theories. The launch of a new People Portal has allowed the creation of a Learning and Development page, giving access to a variety of tools and resources. The Council has also continued to support staff with professional development using funds from the apprenticeship levy.
- **The Council is an employer of choice:** Refreshing the induction approach to make this employee-centered experience that starts from the job offer and ensure new starters understand how the organisation works and can quickly become effective in their roles. Encouraging young talent through continued investment in Apprenticeships and T Levels.
- **Engaged people who feel valued and supported :** Several surveys have been available to staff including, but not limited to a Health and Wellbeing Survey, Engage 24/7, Easing of Covid Restrictions, all as ways to encourage employee voice and feedback. An active Wellbeing Group is in place, helping us to help ourselves, through wellbeing days/week and an evolving library of online mental health resources. Alongside further promotion of the Council's Employee Assistance Programme and 121 3/6 monthly new starter check in conversations.

- **Green Infrastructure Strategy**

The Cabinet adopted the Green Infrastructure Strategy on the 5 July 2022. The Green Infrastructure Strategy is evidence-based and shows how the Council will deliver commitments both in the Local Plan and in the Council's Plan 2022 to 2025. It provides a comprehensive review of the green infrastructure in and around the borough; identifies its strengths and weaknesses, as well as the opportunities and threats it faces. The strategy identifies 12 projects the council will work on over the next ten years to enhance it.

- **Farnborough Town Centre Strategy**

The Cabinet adopted the Farnborough Town Centre Strategy on the 5 July 2022. As with most town centres across the country, Farnborough faces challenges which have accelerated following the pandemic and particularly through the lockdowns. The strategy is a high-level strategy which sets the overall direction of travel and work required to secure a sustainable and vibrant town centre for Farnborough through five key themes.

## Strategies and plans in development

- **Aldershot Town Centre Strategy**

A revised Aldershot Town Centre Strategy is due to go to Cabinet before Christmas.

- **Communications and Engagement Strategy**

On hold awaiting the outcomes and identified actions from the LGA Peer Review.

- **Customer, Digital & Technology Strategy**

The Customer, Digital & Technology Strategy, will set out a direction of travel for the future, with a clear focus on how the Council can help people access the services they need, meet customers expectations through modern processes, cultures, business models whilst taking advantage of new digital technologies.

Scoping work is underway. A timeline for consultation is to be finalised with Cabinet.

- **Car Parking Strategy**

The Council has been served with notice to end the agency agreement for on-street parking functions on behalf of Hampshire County Council. This work will be transferring back to HCC ready for the start of the 2023/24 financial year. Work is underway to plan for the transition of this work, including impacts on staff, contracts and the implications for the Council's off-street car parks. A new strategy will be developed to manage the Council's car parks once the work to transfer on-street parking functions has been successfully completed.

- **Cultural Strategy**

The draft Rushmoor Cultural Strategy and was endorsed by the Cultural Compact on 27 June 2022. In taking the Cultural Strategy forward the Council will be working closely with Hampshire Cultural Trust, Arts Council England, Hampshire County Council and other public and private sector partners through a Cultural Compact (partnership) tasked with delivering the vision and the action plan.

The Rushmoor Cultural Strategy aims to maximise the role of the arts and culture in Rushmoor and reflects opportunities presented by the diversity and distinctiveness of the borough's places, communities and heritage.

- **Housing and Homelessness Strategy**

The Housing and Homelessness Strategy provides a comprehensive review of provision in the Borough and provides details of the Council's policies and action plan to address those key issues going forward. The existing plan runs until 2022 therefore a new plan is currently being developed.

Consultation to gain input from residents on strategic housing priorities was carried out from Thursday 19 May until the Friday 24 June 2022. There were 365 responses.

PPAB will be asked to agree the key objectives and structure of the document based on the themes shared at PPAB on 24<sup>th</sup> November 2021:

- Set out a clear approach to delivering housing which met a range of housing needs and aspirations in the borough
- Support the Council in its corporate objectives and to support the delivery of the Climate Change and Supporting Communities strategies
- Demonstrate transparency in the way in which the Council met its statutory housing duties
- To ensure that the borough's most vulnerable residents have access to accommodation and support appropriate to their needs

Data sets will be completed from the Census, the council's internal system, local partners and agents at the end of the summer the findings will be reported to PPAB in September before the strategy document is drafted.

- **UK Shared Prosperity Fund Investment Plan**

The UK Shared Prosperity Fund was announced in April 2022 and an Investment Plan detailing how Rushmoor Borough Council must be submitted to Government by 1 August 2022. PPAB were briefed on the approach to develop the Investment Plan on 8 June 2022 and a draft of the plan went to Cabinet on 5 July.

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**Rushmoor Borough Council - Corporate Risk Register - V8.0 06/07/22 (CABINET)**

Risk Title	Risk Owner	Risk Type	Risk Description & Potential Outcomes	Inherent Risk Score	Inherent Risk Rating	Existing Controls / Mitigation	Residual Risk Score	Residual Risk Rating	Additional Mitigation Planned	Target Risk Score	Target Risk Rating
<b>Strategic Risks (ST) - Total 8 Risks (+/- 0)</b>											
Securing infrastructure investment	Karen Edwards	ST	Inability to attract infrastructure investment through the public and private sector to support priorities and projects identified in the Council Business Plan.  In particular, failure to secure investment in the area could lead to a decrease in Rushmoor's competitiveness and attractiveness and put at risk the stated aim for a "thriving Rushmoor economy, vibrant town centres and strong communities who are proud of the area"	8	High	Work with public and private sector infrastructure providers and funders.  Horizon scanning in relation to the levelling up agenda and its implications for Rushmoor.  Horizon scanning by Policy Team for future funding opportunities	6	Medium	Engage effectively with the 'County Deal' processes and other opportunities to access Government funding, including UK Shared Prosperity Fund and the Levelling Up Fund (Q1 2022/23)  Continue to secure support from local stakeholders for projects - including residents, HCC and MP.	6	Medium
Decline in the retail sector/town centre uses and subsequent impact on town centres	Tim Mills	ST	Economic and social changes have a significant negative impact on Farnborough and Aldershot Town Centres and therefore reduce the ability to deliver the Council Plan priority of delivering vibrant town centres. This could result in empty retail units, a loss of facilities and amenities for residents and a possible increase in crime and anti-social behaviour. A decline in retail will also have an impact on Business Rates income for the Council. Changes to Permitted Development undermine Town Centre regeneration	9	High	Programmes of town centre regeneration in both Aldershot and Farnborough which give consideration to future economic and social trends.  Dedicated resource within economy team, working with retail sector and other town centre uses e.g. culture and arts.  Activity in both town centres to maintain/increase footfall.	6	Medium	Review of engagement with and ongoing provision of business support to Town Centre businesses. Role of the Aldershot Town Centre Task Force being reviewed.  Article 4 directions to be confirmed once no intervention from SoFS seems apparent. Ensuring that Government support for business in the retail, hospitality and leisure sectors is distributed as swiftly as possible – Jan/ Feb 22.	6	Medium
Deteriorating economic conditions	Tim Mills	ST	Adverse changes to the economy could result in the loss of major employers within the Borough and/or impacts on particular sectors of the economy. This could result in increasing levels of unemployment and higher levels of deprivation and inequality. Impact of rising inflation on the cost of living, supply chain issues, mismatch of labour supply and fuel shortages have slowed growth and are limiting the strength of the recovery, including on the high street. Changes of this nature have potential implications for the Council in terms of increased demand for services and adverse financial impact. There is also a reputational risk if the Council is not seen to be adequately responding to economic changes or shocks.	9	High	Partnership working with other organisations around support for the economy and local businesses. Engagement with Ward Councillors. Maintaining an understanding of local economic conditions – tracking economic indicators at a local level. Ensuring that key issues/events are escalated to CMT/ELT at the appropriate time. Ensuring that relevant Government support for business is distributed as swiftly as possible Strategic Economic Framework agreed in April 2022.	6	Medium	Procurement or revised package of business support to be delivered from September 2022 onwards.  Regular business surveys.  Consideration of best approach to Business Support element of SPF as part of development of Investment Plan.  Development of future spend of ARG to support specific businesses and deal with hardship in the hospitality, leisure and retail sectors (up to March 22) Strategic Economic Framework being developed Informal Cabinet – August 21 Consultation Nov – Dec 21 Cabinet March 22	6	Medium
Poor Educational Attainment - Secondary schools	Andrew Colver	ST	Educational attainment at secondary education level continues to present challenges. This may have an impact on deprivation, unemployment etc. Impact on the area's local reputation. May impact on service demand.	9	High	HCC responsible for Education, RBC supporting role - Priorities set out in the Supporting Communities Action Plan – focus on increasing aspirations.  Joint work on supporting families with Hampshire Children's Services  Educational Improvement Group established under the Overview and Scrutiny Committee	6	Medium	Ongoing dialogue with headteachers of key educational establishments e.g. Farnborough 6th Form.  Engaging with young people relating to skills, development and opportunities.	6	Medium
Poor Health Outcomes within Borough (e.g. obesity, mental health etc)	Andrew Colver	ST	Rushmoor has areas where there are health inequalities and health deprivation. Additional stress and burden on local services – including partner agencies.  Aging population. Areas of deprivation have poorer health outcomes and higher demands associated.  Diabetes, highest smoking rate in Hampshire, high instance of obesity and inactive adults.  Mental Health and wellbeing – lack of funding available at local level to	12	High	Supporting Communities Strategy and Action Plan adopted  Joint working with partners, particularly with the CCG, HCC and the PCNs with a range of initiatives and plans in place, or being developed.  Projects to increase activity and inclusion in the Borough.  CPE response group established.  New recovery and service structure to be put in place.  Identified as a priority for the Council. Executive Director is a member of the ICS Board.	6	Medium	review approach to resourcing (in conjunction with partners, in particular the CCG and HCC) and then overall approach to delivering the Council's ambitions – to assess resources etc..  (EL/AC – underway)  Development of long-term plans  (EL/TM – 2021/22)  Programme of mental and physical health support to be developed for 2021 - EL.  Focus on Healthy lifestyles – linked to deprivation and work of the food partnership.  2021/22	6	Medium

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<b>Financial sustainability of public sector partners</b>	Paul Shackley	ST	<p>The financial sustainability of a wide group of public sector partners is negatively impacted, resulting in reduced service provision by all. In this scenario, the range and quality of services available to residents could be affected.</p> <p>This could have negative repercussions for health, education, community outcomes and economic identified in the Council Business Plan</p> <p>It is possible that the Council would be expected to meet some of this 'gap' in provision thus exposing the Council to potential financial and reputational risk.</p>	9	High	<p>Close partnership working at a senior officer and political level with the Council's public sector partners.</p> <p>Members and Officers are well briefed on potential implications/risks arising from decisions taken by other public sector partners</p>	6	Medium	Submission of Levelling Up Fund bid and preparation of UKSPF Investment Plan.	6	Medium
<b>Demographic change</b>	Rachel Barker	ST	<p>Changes in Rushmoor's demography could impact on services required or expected by residents as well as how they engage with the economy or society more generally.</p> <p>Any sudden shifts in demography may not be visible to the Council for a period of time which could result in services not being delivered effectively or efficiently and could impact on the Council's ability to deliver its aim of having strong communities who are proud of their area.</p>	9	High	<p>Community engagement work may identify some changes ahead of them being reported in data sets.</p> <p>Review and analyse publicly available datasets, alongside those held by the Council.</p> <p>Work with partners to understand trends that exist at a larger geography and potential implications (e.g. aging populations)</p>	6	Medium	Review census information and share widely across the Council and with partners so that trends and their implications are understood – May – July 2022.	3	Low
<b>Changing external policy context</b>	Rachel Barker	ST	<p>Significant fast track change which can have significant impact on services, levels of available resources or the Council's financial position all of which could adversely impact on the Council's ability to deliver its priorities.</p> <p>The long-term picture with regard to recovery remains uncertain. Reputational risk if the Council is unable to sufficiently adapt to the changing environment.</p>	12	High	<p>Service level risk assessments to consider impacts of potential policy changes on individual Council services.</p> <p>Policy and Communications service to support ELT and CMT with 'horizon scanning' which will assist the Council in identifying and where possible responding to some changes.</p>	6	Medium	Continued engagement with County on County Deal and Devolution Agenda.	6	Medium

**Standing Corporate Risks (SC) - Total 16 Risks (+/- 0)**

<b>Management of external debt - Interest rate/refinancing risk, access to capital finance</b>	David Stanley	SC	<p>Council debt portfolio (£100m as at 01/04/2022) cannot be refinanced at affordable interest rates/within resources set aside in MTFS</p> <p>Volatility in capital/money markets due to political uncertainty</p> <p>Contraction of inter-authority lending market</p> <p>Ability to manage debt portfolio significant resource and skill requirement</p> <p>Changes to PWLB Lending Terms announced 25/11/2020 by Government with further clarification in August 2021</p> <p>Council is unable to access PWLB borrowing due to non-compliance with lending rules</p> <p>Council does not consider refinancing or interest rate risk on debt portfolio</p> <p>PWLB rates increase more than Arlingclose forecasts due to economic pressures</p> <p>Increase in BoE base rate in March 2022 to 0.75%</p> <p>Lack of clarity on Council's capital expenditure plans may lead to sub-optimal borrowing decision making</p> <p>Asset Management Plan does not provide clear indication of asset holding period making TM decision making more difficult</p> <p>PWLB rates have been increasing since January 2022 and are above MTFS forecasts</p> <p>May 2022 – provisions in the Levelling Up and Regeneration Bill propose ministerial intervention powers on capital finance</p>	12	High	<p>Continual monitoring of debt position and market interest rates</p> <p>Engagement with Arlingclose (Council's Treasury advisors)</p> <p>Treasury Management Strategy sets borrowing limits and interest rate exposure limits</p> <p>External borrowing - refinancing risk mitigated through planned move to longer term borrowing</p> <p>PWLB Lending terms - compliance through TMS and Capital Strategy for 2022/23</p> <p>Lending from other LAs is available but rates have increased from 0.10% to &gt;1.10%.</p> <p>Arlingclose advise sought and gained</p> <p>Continual review of debt portfolio and refinancing opportunities as part of BAU</p> <p>Development of Asset Management plans including asset disposal to inform debt position</p> <p>MTFS (February 2022) included forecast of higher interest rates on debt</p> <p>Improved cashflow forecasting/future borrowing need tied to Union Yard contract sums</p> <p>Proactive monitoring of metrics to ensure financial risk is mitigated/contained</p>	9	High	<p>Utilising revenue savings of capital receipts to repay debt</p> <p>Further budget and efficiency savings to offset increased borrowing costs</p> <p>Reduce borrowing for future schemes (i.e. risk on existing debt is high so can't take on additional debt)</p> <p>S151 leading management of capital programme to focus on peak debt, affordability and revenue impact of borrowing</p> <p>Target risk likely to remain high given current borrowing level and forecasts</p> <p>Divestment of commercial property assets</p>	4	Medium
<b>Financial Sustainability</b>	David Stanley	SC	<p>Government funding declines putting financial sustainability at risk</p> <p>Business Rates base reduces due to lower economic activity</p> <p>Council cannot afford to deliver services on current cost configuration</p> <p>Lack of engagement from officers and members with the financial challenge</p> <p>Savings Programme does not deliver required savings</p> <p>Poor decision making on financial commitments</p> <p>Decisions taken in isolation and do not form part of wider strategy</p> <p>Council does not have adequate reserves to mitigate financial risks</p> <p>June 2022 - Inflationary pressures and increase in PWLB/Other LA interest rates places additional pressure on the Council's finances in 2022/23. Little prospect of Government support</p>	16	High	<p>MTFS (February 2022) indicates scale of funding gap with regular updates to ELT and Cabinet</p> <p>Positive level of balances (CIPFA FR Index)</p> <p>Revised Savings Programme (CREP) already commenced with ELT sponsorship</p> <p>Council Tax increase maximised for 2022/23 and assumed in MTFS</p> <p>CREP identified a number of savings opportunities</p> <p>Further challenge through STP budget setting process</p> <p>Provisional Local Government Finance Settlement for 2022/23 - rollover with additional funding</p> <p>£1m Challenge with engagement from SMs</p> <p>Balances and Reserves Strategy 2023/24 to consider how reserve balances will be maintained at adequate level.</p> <p>June 2022 - Cabinet report on High Risk budgets being considered on July 5th.</p>	16	High	<p>Delivery of £3m of savings/cost reduction by 2023/24 critical</p> <p>Reserves held for risk (Commercial Property) and long-term liabilities (Pension)</p> <p>Asset disposals for commercial property where cost of holding is high</p> <p>Review of service delivery options</p> <p>Review of Capital expenditure plans</p> <p>Capitalisation direction could be sought</p> <p>S114 notice consideration</p> <p>Future of NHB Consultation</p> <p>Transitional arrangements likely</p> <p>Reprioritisation of resources to ensure financial sustainability can be maintained.</p> <p>June 2022 - Further work planned for P1 Budget Monitoring and additional savings to be identified to mitigate risk</p>	9	High
<b>Threat of Cybercrime &amp; Data Loss</b>	Nick Harding	SC	<p>Threat of outside malicious forces attempting to breach RBC's network. Breach could lead to data loss, loss of service(s) &amp; potential unknown financial loss and possible enforcement action by the ICO.</p> <p>Inability to operate in whole or in part until the breach is addressed</p>	16	High	<p>Full remediation plan in place</p>	12	High		12	High

External Audit opinion	David Stanley	SC	<p>Inability to publish Statement of Accounts by statutory deadline Council is not able to secure an unqualified opinion of the financial statements Significant governance issues across the authority results in a qualified VFM opinion National position shows 76 audit opinions from 2019/20 audit have not yet been finalised (Q2 2021) 90% of audit opinions for 2020/21 were not provided by the statutory date (Sept 2021) Inadequate record keeping or documentation to support key financial statements and accounting judgements External auditor recommendations are not considered by the Council Council cannot complete Annual Statement of Accounts by statutory deadline</p> <p>Council cannot amend draft Statement of Accounts due to lack of suitably qualified/experienced staff and loss of staff through absence Property unable to find records or respond adequately to EY queries may lead to a limitation of scope opinion or a qualified opinion Council does not prioritise asset valuation work or responding to audit queries leading to EY to lose confidence in the authority.</p>	12	High	<p>Additional support from key interim staff over next 6-12 months Recruitment of Capital Accountant and Principal Accountant (T&amp;T) to provide adequately resourced, qualified, experienced team FIP restructure identifies resource requirements within finance Review of Integra over longer-term to produce accounting information PSAA aware of local audit performance but remains difficult to address supply-side issues Audit opinion fatigue - gap between audit is required to ensure learning from previous year can be actioned Statutory deadlines extended for next 2 audit periods Delay in implementation of new Accounting Standards</p>	12	High	<p>Improved working/information sharing between finance and property given focus on PPE valuations Increase awareness at HoS and SM level around service responsibilities for final accounts Impact from 2019/20 onto 2020/21 and 2021/22 process EY Resourcing not improved No real prospect of significant improvement over short-term. Significant risk that 2020/21 audit opinion is not available Autumn 2022 with 2021/22 audit opinion being received after statutory deadline Improvement in management of information across the Council – Concerto, Property team, finance</p>	6	Medium
Major Data Breach – non-technical (human and physical)	Nick Harding	SC	<p>Loss/accidental destruction of/ alteration of/unauthorised access to personal data caused by ineffective processes or lack of training or understanding of training. Shared office space. Home working/hybrid working has additional risks.</p>	12	High	<p>Mandatory training for all; encouraging breach reporting and continuing communication on training and lessons learned from data breaches that have occurred. Access controls – council offices/systems/archive management.</p>	8	High	<p>Corporately follow-up to ensure staff are up to date with the mandatory training</p>	8	High
PCI DSS compliance	David Stanley	SC	<p>Council is not currently fully compliant with PCI DSS which may lead to data breach Fines and investigatory costs from regulator Lack of understanding of PCI DSS options Lack of knowledge and skills across IT, Finance to implement changes that mitigate</p>	12	High	<p>Full remediation plan in place</p>	8	High		4	Medium
Lack of employee alignment, engagement and development will reduce organisational performance	Belinda Tam	SC	<p>A high performing organisations requires employees to be engaged, aligned and developed – significant risk of performance targets not being achieved if these areas are not developed. Increased risk of inability to recruit - and retain.</p>	12	High	<p>Development and implementation of People Strategy</p>	8	High	<p>Developmental activities: •Annual Development Reviews May-Aug, with learning needs feeding into the corporate Learning and Development plan, and individual service L&amp;D needs/CPD identified •My Learning e-platform for compliance and developmental training, with reminders when training due •Bespoke leadership development – Service/Corporate Manager and Corporate Management team – ongoing Communications via Staff Live, Yammer, People Portal, email, team meetings, 121s Regular and ongoing engagement activities e.g. around savings/transformation and other priority areas. Further people engagement projects to be scoped.</p>	6	Medium
Loss of Accommodation/ Building (temporary & permanent)	Nick Harding	SC	<p>The councils main building may be lost to natural causes, unforeseeable events of crisis, outside malicious forces or fire  The loss of the building would prevent the council operating at 100% capacity until such time as a secondary building(s) could be set up for officers to work  The financial costs would be extreme, albeit partially if not wholly covered by insurance policies  There is a risk of loss of life for any officers or member of public who may be in the building at the time of said event(s)</p>	8	High	<p>Business continuity plan &amp; IT Disaster recovery plans in place  Contract with Daisy Recovery Services Ltd in place.  Multiple copies of BC/DR Plans have been disseminated also available on Resilience Direct  Fire risk assessments undertaken regularly  Building condition survey undertaken with recommendation</p>	6	Medium	<p>Business continuity plan and IT Disaster recovery plan to be tested – NS/RS/AM  Review BC plans following improvements made due to Covid-19 – NS/AM/RS - 2022  Condition survey review complete</p>	6	Medium
Insufficient funding to proceed with projects	Karen Edwards	SC	<p>The Council cannot commit to fund the programme of projects, within the regeneration and property programme.  Failure to deliver the schemes as a result of a lack of funding and team resources will not meet the overarching strategy objective as stated in the Council Business Plan to deliver additional income or capital and regenerate our town centres.</p>	12	High	<p>Secured some external grant funding to assist with bridging funding gaps. Review of capital and investment position overall and mindful of CIPFA consultation on debt funding. Ensuring finance colleagues are kept up to date with both current / forecast project spending and potential sales of assets. A capital and investment strategy is being drafted to consider the wider financing needs and timing of receipts.</p>	6	Medium	<p>Seek additional grant funding to mitigate the risk to the Council. Obtain detailed expert advice and carry out due diligence on major projects and capital commitments. Consider joint ventures and other methods of delivery in order to share the risk/reward. Continue to review financial position in order to determine capacity to support regeneration and property projects. Review opportunities for receipts in the context of income received from these assets.</p>	4	Medium
Climate Change – Failure to deliver ambition for a carbon neutral Council by 2030.	Andrew Colver	SC	<p>Risk of not delivering high profile organisational objective due to insufficient resources or lack of support because of other priorities</p>	9	High	<p>Development of a plan and assessing resourcing requirements. This is kept under review  Allocation of ringfenced resource  Driven by Cabinet Member and Working Group  Annual review of plans and inclusion in quarterly monitoring  Establishment of Programme Officer and Apprentice Roles to deliver action plan support.  System of targets and measures being established</p>	6	Medium	<p>Focus on the issues that make the most difference by identifying priority areas.  Develop arrangements to deliver projects with partners.  Incorporate projects within Service Business Plans as part of the Review of the Climate Change Action Plan.</p>	6	Medium

<b>Park Edge 46</b> Governance and Decision Making not meeting statutory deadlines. Legal challenge - high profile, or regeneration related, or high value decision made by the Cabinet committees or under delegated powers.	Ian Harrison	SC	Risk of non-compliance with legal requirements. Financial loss from costs of defending, or costs of halting development works. Reputational risk Risk of delay in delivering key organisational objectives.	9	High	Governance Group meets weekly to consider more complex decision-making matters including Interests and Member engagement. Delegated decision making is monitored by the Governance Group. Strengthening of the governance arrangements with improvements to understanding, learning and development for Members on the CGAS committee. Recruitment of Independent Person (Audit). Constitution kept under review and training on decision making provided to CMT/Service Managers. There is a guidance note for Executive Decision Making. Timetables and reminders for deadlines provided by meeting administrators. Support Corporate Induction on Constitution for staff	6	Medium	Governance Group participation in on-line seminars and reference to PI Reports – e.g. learning from what can go wrong at other Local Authorities, Training during 2022/23 to improve CGAS committee's oversight of corporate governance and audit matters and training offered for OSC. Training on Contracts and Financial Standing Orders for planned for CMT and Service Managers (JS to co-ordinate arrangements in consultation with DS/procurement 2022/23)	6	Medium
	Karen Edwards	SC	Anticipated project expenditure of circa £300m expected to require RBC borrowing / rental guarantees / external funding to fulfil. High levels of public and political interest in both town centre major projects. Reputation for delivery will be tested. High intensity of resource required with many interdependent parts - leisure, civic, public realm, retail, hotel, highways etc Publicly, politically and financially RBC's regeneration interventions are deemed a failure negatively impacting the Council.	9	High	JV Partnership with Hill Group (Rushmoor Development Partnership) - share risk/reward approach Comprehensive regeneration programme governance process implemented. (Board meets monthly) Regular Cabinet and Member reporting External due diligence engaged External grant funding secured	4	Medium	Further public/market engagement planned. Wider Town Centre Strategy commissioned for Farnborough Programme / scheme viability to be reviewed regularly. Seek further external grant funding to reduce Council financial exposure - LEP / Homes England / High Street Fund etc.	4	Medium
	Karen Edwards	SC	Anticipated project expenditure of circa £40m expected to require RBC borrowing / rental guarantees / external funding to fulfil. High levels of public and political interest in scheme. Reputation for delivery will be tested, particularly as the Council is undertaking development of the scheme. Financial modelling builds in assumptions relating to income that are yet to be secured by way of pre-lets. Publicly, politically and financially RBC's regeneration intervention is deemed a failure negatively impacting the Council.	6	Medium	External grant funding secured (£6.5m) Comprehensive regeneration project governance process implemented. (Board meets 2 monthly) Regular Cabinet and Member reporting. External due diligence engaged. Employers agent appointed to review and approve costs and specifications. Commercial advisors appointed to develop leasing strategy for commercial element of scheme Additional resource appointed (Development Manager) to oversee the scheme Entered into main JCT Design and Build contract with Hill Partnerships at end of October.	4	Medium	Engage commercial advisors to assist with pre-let opportunities Currently soft market exercise to identify a management company to oversee student element of the scheme on behalf of the Council Rushmoor Homes Limited to purchase the market rent units from RBC. Consider funding profile in order to best manage risk exposure Engaging the market to confirm end user for the affordable housing element of the scheme	2	Low
	Karen Edwards	SC	Anticipated project expenditure of circa £250m expected to require RBC borrowing / rental guarantees / external funding to fulfil. High levels of public and political interest in scheme. Reputation for delivery will be tested. Publicly, politically and financially RBC's regeneration intervention is deemed a failure negatively impacting the Council.	6	Medium	JV Partnership with Hill Group (Rushmoor Development Partnership) - share risk/reward approach Comprehensive regeneration project governance process implemented. (Board meets monthly) Regular Cabinet and Member reporting. External due diligence engaged. Public engagement undertaken in September 2021. Planning application submitted in March 2022 in order to establish development parameters for the site.	4	Medium	Programme / scheme viability to be reviewed regularly. Seek further external grant funding to reduce RBC exposure - LEP / Homes England / High Street Fund	2	Low
	Paul Shackley	SC	Political ambitions exceed organisational capacity and resources resulting in priorities not being delivered and day to day services becoming poor	4	Medium	Business Plan process identifies corporate priorities and objectives & the service planning process dealing with day to day services. Informal Cabinet briefings, Portfolio Holder briefings and shadow portfolio arrangements all in place. Regular meetings between the Leader and the Executive Team to raise any strategic issues or issues of concern. Member Scrutiny and Policy functions in place. Regular meetings of the cross party budget strategy working group in place to give advice / views on the financial challenges facing the Council.	2	Low	Continued use of "all member" briefings using TEAMS to update and keep all elected members briefed	2	Low
	Paul Shackley	SC	New administration changes overall policy direction of Council Main risk to Organisational Objectives - which in turn may have impact on major projects etc.	2	Low	Horizon scanning - position of projects etc kept under review in relation to upcoming elections. Election by third makes immediate change of overall control less likely.	2	Low		2	Low
	<b>Escalated Service Risks (ES) - Total 9 Risks (+1)</b>										
Escalating building costs as well as materials and skilled labour shortages will increase costs and cause delays to projects	Karen Edwards	ES	Data on building material costs indicates there will be significant cost inflation on building materials. There are also reports of delays from supply chains being disrupted through logistical issues and, as building projects recommence or begin after Covid related delays, shortages of key skills in the construction industry.	16	High	Specialist construction advisors have been engaged to support the projects and this includes cost consultants	12	High	Advise members of the emerging issue and impact upon delivery Look at alternative design and delivery options Review the criticality of timelines Agree increases in budget and borrowing	8	High



<b>Reduced Income from Property Portfolio</b>	Tim Mills	ES	Significant loss of income from the Council's property portfolio arising from a variety of reasons including but not limited to Covid, deteriorating economic conditions, downturn in the property market and changing consumer or business habits.	12	High	Establishment of a Property Investment Advisory Group (PIAG) to monitor performance and advise on necessary actions alongside the appointment of LSH Investment Management (LSHIM) to asset manage part of the portfolio and support current in-house skill, knowledge and capacity. Also, the establishment of a Commercial Property Reserve to act as a buffer for any significant in year loss of income.	9	High	Managing income through payment plans, where necessary. Increased emphasis by the service in managing debts. Working with tenants directly and with LSHIM to identify issues and actions and reporting to PIAG. Implementation of asset management system under way. Identifying additional resource to underpin this important source of income by working on options to re-occupy vacant properties and identifying funds for improving the properties for quicker lettings and reducing the rent-free periods. Evaluating opportunities to create additional income to support the Council's financial position and bring forward where possible. This includes repurposing existing assets and adopting an agreed commercial approach to new ground leases.	6	Medium
<b>Financial System</b>	David Stanley	ES	Integra Financial System is not able to support Council requirements Lack of knowledge and skills within Finance and IT Patch Management of Integra weak leading to unsupported release Lack of development of Integra system within RBC means not fit for purpose Poor engagement from RBC HoS/SM/BH Link to risk - inaccurate financial reporting Reliance on external support from CAPITA may be weakened with focus on CENTROS Alternative financial records are maintained by services bypassing Integra	9	High	finance and IT are able to maintain current system ICE Programme has identified Integra/Financial system as requiring modernisation	9	High	Business Process Review with Capita Systems Accountant post – successful recruitment Additional resources bid or wider support from Digital Team	4	Medium
<b>Failure to reprovide temporary accommodation *NEW*</b>	Tim Mills	ES	Failure to reprovide temporary accommodation leads to increased street homelessness with significant impact on Town Centres, much poorer outcomes for homeless people, increased costs for the Council through use of Bed and Breakfast and reputational damage due to impacts on individuals and towns	12	High	Temporary Accommodation project seeking to identify, purchase and repurpose accommodation to replace North Lane Lodge and Clayton Court. Partner to provide turnkey solution identified and in place. Surveyor retained to continue market search.	9	High	Seek to extend timescales with Grainger beyond end 2023 for at least one of the buildings	4	Medium
<b>Inaccurate reporting of financial position</b>	David Stanley	ES	Financial reports to Cabinet provide inaccurate financial information leading to poor decision making Budget holders provide finance with either inaccurate forecasts or unrealistic estimates of future expenditure and income Budget holders do not engage with finance Budget holders unaware of budget and spend position Difficulty in assessing ongoing financial impact from Covid-19 Remote working/working from home may make budget monitoring more difficult Financial information held in Integra is not reviewed by budget holders Basis of forecasts/estimates does not take into account relevant financial information Decisions are made on income/expenditure that Finance are not made aware of Decisions are made on incorrect assumptions	6	Medium	Financial Regulations Budget monitoring process and quarterly reporting BH access to Integra Finance team review of transactions and support to BH Head of Finance provides additional High-Risk financial information to HoS	6	Medium	Improvement to Integra to provide user friendly/budget holder focussed reporting High-risk reporting through ELT and CMT Finance Improvement Plan Wider discussion on Corporate Priorities Enforcement of budget monitoring processes Follow-through of revised budget monitoring process (as per April 2022 Cabinet Report	4	Medium
<b>Changing priorities and outcomes from either RDP partner</b>	Karen Edwards	ES	RBC and Hill Investment Partnership each represent 50% of the Rushmoor Development Partnership. Decisions must be unanimous, any inability to arrive at a decision results in deadlock and delay. Decisions are often time sensitive, any tension/disagreement/conflict may cause delays. The Council sees no return on its investment in the RDP if shared outcomes and values cannot be agreed or conflict is not resolved and fails to deliver on its regeneration aspirations.	9	High	Members Agreement sets out conflict procedures and arbitration process. Regular meetings between partners scheduled at both Investment Team and Board level to discuss decisions. Projects are jointly developed and agreed via a project plan setting out project outcomes and expected financial position of both parties post development Portfolio holder is on the RDP Board (With Ex Director and CEx) and Council Members kept informed of progress and key decisions.	4	Medium	Opportunities for relationship building exercises and different working practices now that Covid restrictions have eased. Informal discussions at RDP Board level to consider business plan and where the RDP can add most value to both partners. Increase effort on bringing forward project plans swiftly for consideration following submission of outline planning for civic quarter	1	Low
<b>Failure to identify the full extent of asbestos risk as part of property and major works programme</b>	Karen Edwards	ES	number projects have identified additional costs attributable to the removal of asbestos These include Farnborough Leisure Centre and Union Yard	9	High	Intrusive surveys were carried out in some cases, but the additional asbestos was found during on site works were not detailed in these asbestos surveys.	4	Medium	A review of method statements, the liability of advisors, the scope of work and recommend what changes can be made to reduce the likelihood of this re-occurring	2	Low

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**CABINET  
9TH AUGUST 2022**

**COUNCILLOR MAURICE SHEEHAN  
OPERATIONS PORTFOLIO HOLDER**

**KEY DECISION: NO**

**REPORT NO: DEM2201**

**ALDERWOOD LEISURE CENTRE  
TRANSFER OF FACILITIES TO ALDERWOOD SCHOOL**

**SUMMARY AND RECOMMENDATIONS**

As part of a community schools project with Hampshire County Council in the early 1990s, new community facilities and leisure facilities were introduced at Wavell School and the then Oak Farm and Connaught Schools. The facilities were run by the Council and, whilst this is not the case now at Wavell and Oak Farm, the Council continues to run Alderwood Leisure Centre at Alderwood Senior School. Since the Leisure Centre was introduced, a number of changes have been made to the operational arrangements to meet the needs of the School, particularly to ensure that there is no conflict between users of the School and the Leisure Centre.

Over the past few years, discussions have been held with the School Governing Body and the Headteacher of the School regarding the possible transfer of the facilities so everything can be managed by the School. This has been a complex process and has been undertaken against the backdrop of the facility not being able to match expenditure with income in recent years, the impact of the pandemic and balancing the requirements of the School and Leisure Centre.

The discussions with the School have now just about been completed and it is the intention that the transfer of the facilities takes place in the Autumn.

It is recommended that the Cabinet:

- (1) Approves the transfer of the Alderwood Leisure Centre facilities to the Alderwood Senior School, subject to the conclusion of the necessary legal and financial arrangements; and
- (2) Note the estimated accumulated deficit and transfer costs (detailed in 6.1 – 6.3) and agree that the costs of future 3G artificial pitch replacement are to be drawn from existing S106 funding. Alterations to the Council's General Fund Balances and Earmarked Reserves will be amended as detailed in 6.1 – 6.3 of the report.

**1 INTRODUCTION**

- 1.1 This Report seeks approval to transfer the operation of the Alderwood Leisure Centre to Alderwood Senior School. It will provide the background to and

history of the operations and the issues that have led to the proposal to transfer the operations.

- 1.2 The transfer will mean that the facilities will still be available for community use and provide the opportunity for the School to integrate them more with School activities. It will also mean that a key leisure asset in one of the Borough's deprived wards is retained.

## **2 BACKGROUND**

- 2.1 In 1990, the Council with Hampshire County Council invested in new community buildings. In the case of the Connaught School (now Alderwood), Rushmoor contributed to the major share of the capital costs of the new facilities (£640,000). The Leisure Centre opened in the early 1990s as part of a formal agreement with the County Council with a range of improvements to the sports hall and a new building that provided the School with drama and dance facilities as well as space for a fitness room. Hampshire County Council agreed to repay its shortfall through a contribution to the operating budget each year for a period of 60 years (£28,000).
- 2.2 During the 1990s and into the 2000s, this Council invested a further £100,000 to provide a state of the art fitness suite that was not only popular with the community but also became an integral part of the School's physical education curriculum and other School activities. Further investment was made to provide a dance studio which supported community, curriculum and after school club use.
- 2.3 In 2011, following the 2008/09 financial crisis and subsequent comprehensive funding review, Hampshire County Council withdrew the annual funding contribution which amounted to a loss of £48,000 from the Leisure Centre's annual budget at that time. The Council did however negotiate with Hampshire County Council a one-off compensatory sum of £359,000 that was paid in lieu of the forgone £48,000 per annum. The Council decided at that time to re-invest the £359,000 into the site in the form of a significant contribution towards the provision of a 3G artificial surface sports pitch. The Council, in partnership with the County Council, also secured a further £200,000 from Sport England towards this project through an agreement lasting 35 years. Under the grant arrangements with Sport England for the £200,000, the recipient of this funding was Hampshire County Council as the landowner.
- 2.4 The income generated from the opening of the 3G artificial pitch in 2013/14 went some way to mitigating the withdrawn Hampshire County Council annual funding and during this time there was clear evidence that, based on the existing operating arrangements, it would meet the financial targets in the business case to make the Leisure Centre more sustainable. In the first couple of years this was achieved.
- 2.5 In 2016, following a request from the School (Cabinet Report COMM1612), based on safeguarding concerns, the Leisure Centre reduced its operating hours to just evenings and weekends. This had a dramatic effect on income as

the majority of fitness suite members went elsewhere. Furthermore, although this adjustment reduced the operational leisure time on site by up to 45%, there was no tangible reduction in premises costs payable to the School.

### **3. 2016-2022 – INCREASED CHALLENGES**

3.1 Whilst initially it was considered that additional bookings could be secured to enable the Leisure Centre to meet its financial targets following the 2016 changes, it has faced further challenges to its operational arrangements which have impacted on its ability to work as a going concern. These have included:

- Restrictions on the building use has resulted in the loss of some key hirers, including Aldershot Town Academy, Aldershot Boxing Club and the Capricorn Club.
- An increase in premises costs and competition from other sites, especially in relation to gym use.
- Impact of the pandemic which has seen a significant drop in income for a two-year period, although bookings are now recovering.
- The needs of a growing School, particularly relating to use of space for examinations and other activities.

3.2 As a result of these changes, the Leisure Centre has been under significant financial pressure. As a result, there is now a substantial accumulated deficit on the Leisure Centre Fund.

### **4. DISCUSSIONS WITH THE SCHOOL**

4.1 Since 2019 there have been active discussions with the School regarding the potential transfer of the Leisure Centre. The School has been keen to do this for some years and, certainly in the current climate, there are some distinct advantages:

- With the Leisure Centre under the control of the School, it will be able to more effectively manage and integrate the operations with the other School activities.
- Staffing costs and other costs (eg cleaning) are likely to be reduced because the School will be able to manage their provision more effectively.
- Through the School's curriculum and other activities, it is likely that other bookings could be generated which will be complementary to existing users.

- The School will be able to work with the wider community to encourage use, with support from the Council, and maximise the use of outside facilities and other parts of the School.

4.2 A series of meetings have been held with the School regarding the transfer, particularly to discuss staffing, bookings and working arrangements. The main issue has related to the 3G artificial pitch which has an expected life of around ten years. This means that the pitch will need renewing in about two years' time and the School has requested, as a condition of the transfer, that the cost of a replacement pitch (estimated to be around £135,000) is included. This has been an issue for negotiation between the parties but the School is adamant that, in order to make the leisure operation work financially, it would need to have a commitment from the Council to replace the pitch. It is a very well used facility which provides substantial benefit to the local community and also helps to meet the Council's objectives relating to the improvement of health and well being of its residents. For these reasons, the principle is felt to be acceptable and would be funded from a contribution of Section 106 monies allocated for sports pitches in Aldershot (£112,000) with the balance being sought from the Council's sinking fund for replacing the pitch (£9,000) and a contribution from Hampshire County Council (£15,000).

4.3 Financial modelling carried out by the School does show that the Leisure Centre, when integrated within its operations, can make a small surplus in a full year.

4.4 Apart from the issue of the 3G artificial pitch replacement, the School is broadly comfortable with the arrangements for the transfer. As part of the process, two members of Rushmoor staff could be made redundant (including the current Centre Manager). Discussions are also underway regarding the bookings for 2022/23 – these are looking good at present and should help the School meet its financial projections, with a few additional ad hoc bookings.

## 5. **ALTERNATIVE OPTIONS**

5.1 Two other possible options have been looked at relating to the facility:

- **Retain operation of the site by the Council** – whilst this could be done, the costs of operating as a separate entity coupled with the requirements of the School are very likely to result in the accumulated deficit increasing
- **Close the facility** – Over the years, the Leisure Centre has provided a range of facilities that have been enjoyed by the community, the majority of which are residents of one of the Council's most deprived communities. Were the Leisure Centre to close, an important range of facilities that help to improve the health and well being of residents in the Ward and beyond, would be lost. In addition, there would be other costs involved to include additional redundancy costs and the likelihood that a substantial contribution would need to be repaid to Sport England for the original grant for the 3G artificial pitch.

## **6. FINANCIAL IMPLICATIONS**

6.1 The financial implications for the Council of transferring the Leisure Centre are significant and reflect the difficult situation which has grown since 2016. The main costs to the Council will be in three areas:

- Replacement 3G pitch (£136,000), for which the School would be asked to recognise the Council's contribution
- Cost of transfer, mainly redundancy costs for those staff who will not transfer to the School (estimated at £80,000)
- Meeting the cost of the accumulated deficit up to 31 March 2022 (£317,159) plus dealing with the 2022/23 trading position (estimated at a further deficit of £30,000 up to the point of transfer). The accumulated trading deficit from Alderwood is recognised on the Council's balance sheet with the trading deficit (negative balance) matched against a contra balance on the Council's available reserves and balances (positive balance)

6.2 Once the transfer of Alderwood has been completed, an adjustment will be made to these balances at the end of the financial year to ensure the deficit is formally netted-off against available reserves and balances.

6.3 No additional resources are required as the Council's balance sheet already correctly state/reflects the net position.

## **7. OTHER IMPLICATIONS**

### **7.1 Risks**

There is a risk that the transfer will be delayed and the agreement does not get finalised with the School. The Council has made a substantial commitment to make the transfer work and the School does appear to be satisfied with the terms.

### **7.2 Legal Implications**

A formal agreement will need to be drawn up between the parties to regularise the position but this is likely to be straightforward. Arrangements will also need to be made with the Leisure Centre staff, three of which are likely to TUPE across to the School.

### **7.3 Equalities**

There are no direct equalities implications arising from this report. However, the facilities provided at the Leisure Centre provide a wide offer right across the community. Ensuring residents and groups retain access would be an important priority for the Council in its discussions with the School regarding community use.

## **8. CONCLUSIONS**

- 8.1 The Alderwood Leisure Centre has provided many benefits to the community since 1991 and has been enjoyed by many local clubs and residents. It also provides a range of facilities that are not readily available elsewhere in the Borough. However, in recent years, a combination of factors has meant that it is no longer sustainable for the Council.
- 8.2 The proposed option to transfer the Leisure Centre is, on balance, the most suitable option in terms of ensuring that a well-used range of facilities remains, the contribution to the Council's health and well being objectives and is the most acceptable option financially, albeit there is still a significant cost to the Council. Subject to the necessary processes being completed, the transfer will take place during September/October and liaison will still take place with the School to ensure that the maximum community benefit is achieved and reflects the principles in the Council's Supporting Communities Strategy and Action Plan.

## **BACKGROUND PAPERS**

Community Use Agreement – Hampshire County Council and Rushmoor Borough Council (2013)

## **CONTACTS**

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