

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 6th February, 2024 at 7.00 pm*

To:

Cllr G.B. Lyon, Leader of the Council
Cllr M.L. Sheehan, Deputy Leader and Environment & Neighbourhood Portfolio
Holder
Cllr M.J. Tennant, Deputy Leader and Major Projects & Property Portfolio Holder

Cllr A. Adeola, Digital First & Corporate Portfolio Holder
Cllr J.B. Canty, Development & Economic Growth Portfolio Holder
Cllr Sue Carter, Community Portfolio Holder
Cllr P.G. Taylor, Finance Portfolio Holder

Enquiries regarding this agenda should be referred to Chris Todd, Democratic
Support Officer, on 01252 398825 or e-mail: 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 - 4)

To confirm the Minutes of the meeting held on 9th January, 2024 (copy attached).

3. **COUNCIL TAX SUPPORT SCHEME 2024/25** – (Pages 5 - 78)
(Cllr Diane Bedford, Chairman of the Council Tax Support Task and Finish Group)

To consider Report No. FIN2405 (copy attached), which sets out considerations and recommendations in respect of the work undertaken by the Council Tax Support Task and Finish Group to review the Council's Council Tax Support Scheme.

4. **COUNCIL PLAN AND RISK REGISTER QUARTERLY UPDATE OCTOBER TO DECEMBER 2023** – (Pages 79 - 114)
(Cllr Sue Carter, Community Portfolio Holder)

To consider Report No. ACE2401 (copy attached), which sets out performance monitoring information in relation to the Council Plan for the third quarter of 2023/24.

5. **ANNUAL PEOPLE REPORT AND OTHER HUMAN RESOURCES MATTERS** –
(Pages 115 - 154)
(Cllr Ade Adeola, Digital First & Corporate Portfolio Holder)

To consider Report No. PEO2401 (copy attached), which sets out a number of updates in relation to the Council's workforce.

6. **FARNBOROUGH REGENERATION AND LEISURE AND CULTURAL HUB - NEXT STEPS** – (Pages 155 - 166)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. REG2402 (copy attached), which sets the next steps in relation to regeneration in Farnborough and the delivery of a Leisure and Cultural Hub.

7. **GENERAL FUND BUDGET 2024-25 AND MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28** – (Pages 167 - 210)
(Cllr Paul Taylor, Finance Portfolio Holder)

To consider Report No. FIN2406 (copy attached), which makes recommendations on the budget, Medium Term Financial Strategy 2024/5 to 2027/8 and Council Tax Requirement, for submission to the Council on 22nd February, 2024.

8. **EXCLUSION OF THE PUBLIC –**

To consider resolving:

That, subject to the public interest test, the public be excluded from this meeting during the discussion of the undermentioned item to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against such item:

Item No.	Schedule 12A Para. No.	Category
9	3	Information relating to financial or business affairs

9. **THE GALLERIES, ALDERSHOT - UPDATE AND NEXT STEPS –** (Pages 211 - 314)
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Exempt Report No. REG2401 (copy attached), which sets out an update on The Galleries regeneration scheme and seeks approval for the next steps.

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CABINET

Meeting held on Tuesday, 9th January, 2024 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr G.B. Lyon, Leader of the Council
 Cllr M.L. Sheehan, Deputy Leader and Environment & Neighbourhood Portfolio Holder
 Cllr M.J. Tennant, Deputy Leader and Major Projects & Property Portfolio Holder

Cllr A. Adeola, Digital First & Corporate Portfolio Holder
 Cllr J.B. Canty, Development & Economic Growth Portfolio Holder
 Cllr Sue Carter, Community Portfolio Holder
 Cllr P.G. Taylor, Finance 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 **22nd January, 2024**.

41. **DECLARATIONS OF INTEREST**

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

42. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 21st November, 2023 were confirmed and signed by the Chairman.

43. **REVENUE AND CAPITAL BUDGET MONITORING REPORT - Q2 2023/24 –** (Cllr Paul Taylor, Finance Portfolio Holder)

The Cabinet considered Report No. FIN2401, which set out the anticipated financial position for 2023/24, based on the budget monitoring carried out with Heads of Service and Service Managers during October 2023. Members were informed that the Council was facing a number of external budget pressures that were having an impact on the 2023/24 budget and the Council's finances over the medium term. These included higher than expected interest rates and the rate of inflation. It was reported that, at this stage of the financial year, the projected General Fund net adverse variation was £2.352 million. The Report set out the reasons for this variance and it was confirmed that the risks and pressures were being closely monitored by budget holders. The Cabinet was supportive of the approach proposed and expressed appreciation for the work that had been carried out by the Council's financial officers.

The Cabinet RESOLVED that

- (i) the revenue budget forecast and impact on reserve balances, as set out in Section 3 of Report No. FIN2401, be noted; and

- (ii) the Capital Programme forecast, as set out in Section 5 of the Report, be noted.

44. **BIODIVERSITY SUPPLEMENTARY PLANNING DOCUMENT AND RUSHMOOR HABITAT BANK –**

(Cllr Jonathan Canty, Development and Economic Growth Portfolio Holder)

The Cabinet considered Report No. PG2401, which set out the draft Biodiversity Supplementary Planning Document (SPD) and Rushmoor Habitat Bank Procedure Note for adoption.

Members were informed that the Environment Act 2021 had introduced a new mandatory requirement for new development to provide at least 10% Biodiversity Net Gain (BNG). To support the implementation of this requirement and to maximise local BNG delivery, the Council had developed a proposal to establish a 'Habitat Bank' of off-site BNG units. It was reported that the purpose of the Biodiversity SPD and the Habitat Bank Procedure Note was to provide further guidance to applicants. Members were assured that the matter would be brought back to the Cabinet for further consideration should substantive amendments be required to either document.

The Cabinet RESOLVED that

- (i) the adoption of the Biodiversity Supplementary Planning Document be approved, with the Executive Head of Property and Growth, in consultation with the Development and Economic Growth Portfolio Holder, being authorised to make any necessary factual, statutory and/or non-substantive amendments;
- (ii) the collection of a Biodiversity Net Gain monitoring fee be approved, with the Executive Head of Property and Growth, in consultation with the Development and Economic Growth Portfolio Holder, being authorised to set the level of fee charges;
- (iii) the launch of the Rushmoor Habitat Bank be approved, with the Executive Head of Property and Growth, in consultation with the Development and Economic Growth Portfolio Holder, being authorised to approve the pricing of the Biodiversity Net Gain Habitat Units prior to launch; and
- (iv) the adoption of the Rushmoor Habitat Bank Procedure Note be approved, with the Executive Head of Property and Growth, in consultation with the Development and Economic Growth Portfolio Holder, being authorised to make any necessary factual, statutory and/or non-substantive amendments.

The Meeting closed at 7.16 pm.

CLLR G.B. LYON, LEADER OF THE COUNCIL

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CABINET
6th February 2024

COUNCIL TAX SUPPORT TASK & FINISH GROUP
COUNCILLOR DIANE BEDFORD (CHAIRMAN)

KEY DECISION: NO

REPORT NO. FIN2405

COUNCIL TAX SUPPORT SCHEME 2024/25

SUMMARY:

This report sets out the results of the recent public consultation exercise regarding changes to the Council Tax Support Scheme and describes the Council's Council Tax Support Task and Finish Group's considerations and recommendations.

RECOMMENDATIONS:

Cabinet is requested to:

- a) Recommend to Council to increase the maximum Council Tax liability used to calculate Council Tax Support from 88% to 100% to be effective from 1st April 2024 and to apply to all calculations made within the Council Tax Support Scheme relating to liabilities occurring on or after 1st April 2024
- b) Recommend to Council that in all other respects the current Council Tax Support Scheme for working age customers continues unchanged with the addition of the annual uplift to rates used within the calculation mirroring those applied to national housing benefit rates as advised by the Department for Work and Pensions
- c) Endorse the reduction of £20k in budget for Exceptional Hardship during 24/25
- d) Note the deliberations and considerations of the Council Tax Support Task and Finish Group in arriving at recommendations a) through to c) as described in the report and set out in the appendices
- e) Note the outcome of the public consultation exercise as detailed in the report and at Appendix 2

1. INTRODUCTION

- 1.1 On 15th October 2023, Cabinet gave approval to undertake a public consultation exercise in respect of the Council's Council Tax Support Scheme (CTSS) on two points:

Option 1: To increase the maximum Council Tax liability used to calculate Council Tax Support to 100% from 88%

Option 2: To leave the current Council Tax Support Scheme unchanged.

- 1.2 The consultation exercise began on 3rd November 2023 with a promotional

news item on the Council's website and an on-line survey form.

- 1.3 The survey was also promoted via social media (Facebook and X (formerly Twitter)). In addition, Nepali speaking staff went to various community events to promote the survey and assist with responding to the survey on-line.
- 1.4 The survey ran from 3rd November 2023 to 15th December 2023 and the full report of the survey is with the background documents at the end of this report.

2. FURTHER BACKGROUND AND CONTEXT

- 2.1 The CTSS Group has been monitoring the effects of welfare reform changes, the implications of Covid 19 on people's employment and more recently further consequences of the cost-of-living crisis on those residents in receipt of CTS. Regarding this, the Group has now decided to recommend changes to the scheme.
- 2.2 Rushmoor's scheme has proved effective and overall Council Tax Collection rates have remained high (97.9% in 21/22 and slightly down in 97.7% in 22/23). Those in receipt of CTS have been generally meeting their Council Tax liabilities, but in the last two years the Council has seen a reduction in the collection rate within this group. Evidence shows that people are struggling to pay their minimum contribution of 12% towards their Council Tax where they are on the lowest incomes and these small balances are disproportionately costly for the Council to collect.
- 2.3 Prior to recommending a consultation exercise, the Group had weighed up several options for changing the scheme and paid specific attention to the following matters in their discussions:
 - Current collection rate data for Council Tax payments in Rushmoor amongst CTS recipients
 - How the overall collection rate in previous years compares to current year
 - CTS caseload data
 - Comparable data relating to CTS schemes for other local authorities in Hampshire and across England.
 - ONS data and local employment statistics
 - Evidence and data presented by Citizens Advice
 - Changes to national welfare benefits such as Universal Credit
 - Options to change the scheme were presented such as changing the maximum liability % and introducing an income band scheme
 - Other general economic indicators
- 2.4 Data to support consideration in 2.3 was submitted to Cabinet as an appendix to the report previously presented on 15 October 2023.

3. SUMMARY RESULTS OF THE CONSULTATION EXERCISE

- 3.1 In total, 522 on-line survey forms were completed. Of this number:

- 58 respondents identified themselves as being in receipt of CTS.
 - 436 respondents identified themselves as not being in receipt of CTS.
- 3.2 The last time Rushmoor consulted on the CTSS was in December 2018 for the 19/20 scheme, with 392 responses to that survey.
- 3.3 CTS recipients were not consulted separately as a group for this survey to avoid likely response bias as the option 1, using 100% of the Council Tax Liability would in all cases increase the recipients support amount.
- 3.4 The survey was put on the Council's website for any resident to complete regardless of a respondent being in receipt of CTS.
- 3.5 Page 8 of the Survey Report December 2023 sets out the response to the key question as to the degree that respondents support the move from an 88% maximum award to a 100% award for people on the lowest incomes. Whilst the report sets out the detail, in summary, 50.7% of all who responded agreed with the proposal for change, as opposed to 42.5% who disagreed.

4. CONSIDERATIONS AND RECOMMENDATIONS OF THE COUNCIL TAX SUPPORT TASK AND FINISH GROUP

- 4.1 At their meeting on 11th January 2024, the Group gave considerable thought to the consultation response. The Group felt that considering the response, Cabinet should consider recommending to Council that for working age recipients of CTS, the maximum 100% of a person's Council Tax liability be used for the assessment of CTS.
- 4.2 The Group considered the potential financial impact on those who will be directly affected. Data presented to the group included the current actual numbers receiving CTS and the Council Tax Bands that their properties are in and assessed the financial effect based upon assumptions in increases in Council Tax that Rushmoor and other preceptors will most likely set according to the best information available at the present time.
- 4.3 Considering the recommendation to increase most awards, the Group were still keen to mitigate any unforeseen hardship and therefore, also recommend to Cabinet that the Hardship Fund be continued but decreased to £12,000 pa from £32,000 pa with effect from the 2024/25 financial year.
- 4.4 The Group further recommends that should the changes recommended be adopted, further monitoring should continue during 2024/25 to assess the actual impact.

5. LEGAL IMPLICATIONS

- 5.1 The Local Government Finance Act 2012 provided for the introduction of the localisation of CTS by making changes to the Local Government Finance Act 1992. These require that:

- For each financial year, each billing authority must consider whether to revise its scheme or replace it with another scheme.

6. CONSULTATION

6.1 Before final approval of local schemes, Councils are required to consult:

- Major precepting authorities (Police and Fire)
- The public
- Relevant stakeholder groups e.g., Citizens Advice, voluntary bodies

6.2 The current proposal was fully consulted on from 3rd November 2023 to the 15th December 2023. For full details see the Survey Report.

6.3 The major precepting authorities provided the following response to the consultation:

**Hampshire County Council
Hampshire and Isle of Wight Fire and Rescue Authority**

Joint response to council tax support scheme consultation 24/25

Thank you for consulting us about a change to the council tax support scheme.

The change involves making the scheme more generous, with maximum support for working age recipients increased from 88% to 100%. The consultation states that the cost of the scheme is expected to remain about the same, due to only relatively small amounts of council tax being collected from vulnerable people.

We believe that Rushmoor Borough Council, as the authority responsible for running the scheme, will best know the circumstances of existing recipients. This should guide the design of the scheme, so without holding this detailed data we do not wish to comment on exactly where the support threshold should be set. We believe that a good scheme should though follow two general principles. Firstly, support should be prioritised for the most vulnerable. Secondly, the cost of the scheme needs to be carefully managed, as it reduces the amount of council tax income received to fund vital services.

6.4 The local Citizens Advice made the following comment:

“Citizens Advice Rushmoor very much welcomes the proposal to extend 100% Council Tax Support to those on the lowest incomes. With over 50% of our clients with debt issues having “negative budgets” and not being able to make ends meet for absolute essentials, we know that dealing with an additional bill can be a breaking point for people. Cost of living pressures have made it impossible for people to maintain realistic payment schedules, so this change will be a really important improvement for the lives of some of the most vulnerable people in our community.”

7 EQUALITIES IMPACT ASSESSMENT (EIA)

- 7.4 An Equalities Impact Assessment is not needed in this instance for two reasons. Firstly, because these changes mean that there are no individuals detrimentally affected. This is because the only outcomes are to increase an existing or new award of CTS.
- 7.2 Secondly, because the issues that need to be covered in respect of the rest of the scheme are unchanged and have previously been considered by the Council using an EIA completed at that time (2018/19 when the scheme last changed).

8 FINANCIAL AND RESOURCE IMPLICATIONS

- 8.1 The estimated cost of this proposal to alter the CTSS for 2024/25 is included in the estimate for calculating the total amount of Council Tax income for the year included in the budget report (FIN 24/06). The actual impact of any changes will not actually work through into the Council's revenue budget until the collection fund for 24/25 is balanced up at the end of the 24/25 financial year. Therefore, impacting the 25/26 account.
- 8.2 There will be immediate reductions in administrative and associated costs as a result of the change. It is estimated that reliance on the Exceptional Hardship Fund will reduce as those finding difficulty paying their CT balances currently will not have that requirement from 1st April 2024. The associated postage administrative and resource costs can also be adjusted. The whole picture will take over 12 months to fully cost out based on what actually happens and this should be reported regularly to the CTS Task and Finish Group. The estimates provided to the Group suggest that the overall exercise will be cost neutral.

9 CONCLUSIONS

- 9.1 Following careful analysis of the CTSS, by the Council Tax Support Task and Finish Group and a subsequent public consultation exercise, they propose that Cabinet should make recommendations to the Council as set out at the head of this report.

Councillor Diane Bedford
Chairman of Council Tax Support Task and Finish Group

BACKGROUND DOCUMENTS:

Appendix 1:

- 24th July 2023 presentation to Council Tax Support Members Task and Finish Group
- 30th August 2023 presentation to Council Tax Support Members Task and Finish Group
- 26th September 2023 presentation to Council Tax Support Members Task and Finish Group

Appendix 2

- Survey Report December 2023

CONTACT DETAILS:

Report Author:

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Head of Service:

Peter Vickers
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Council Tax Support Scheme Working Group

Monday 24th July 2023

Agenda

- Current data Council Tax, Welfare Benefits and Council Tax Support
- Arrangements to review CTS Scheme for 24/25
- Scope of review
- Options to consider
- Next steps
- Timeline – including next meeting

Overall summary of the data

National changes

- Cost of Living impact and continued Household Support due to impacts of increased energy; food and other living costs
- No core changes to Housing Benefit but uplifted with inflation from April 2023
- Universal Credit continues to migrate naturally with small pilots being carried out to transfer HB caseloads in bulk. No details for this part of the country
- More household support funding 2023/24 via unitary authorities for Food Vouchers and Housing crisis payments

Local issues

- CTS recipients – rates of payments down slightly
- General collection rates remain at around Covid levels
- Likely to continue to be an increased draw on the Exceptional Hardship Fund of £42k. Full amount spent in 22/23 and same budget provision for 23/24
- Discretionary Housing Payment budget fully spent plus £82k Housing Crisis payments

Council Tax Support review of existing scheme

- Focus this year has been on government funding initiatives to support cost of living
- Other LA's report that they are looking at increasing support not taking it away. Some are looking at giving the most vulnerable 100% support. Some of these LAs do have higher minimum contributions than RBC
- A few Hampshire LA's now have an Income Banded Scheme – IOW and Winchester with maximum support at 70% for both schemes
- A few of Hampshire authorities retained the old CTB feature of 100% support for lowest income groups
- Our scheme figures show that many people can pay some or all their council tax after CTS. We do have an Exceptional Hardship Fund to help them and can use the regulations to write-off small debts that are uncollectable.
- Overall evidence continues to show a balanced scheme – however, considerable financial pressure and uncertainty this year.
- Cabinet agreed a review of the scheme to look at simplifying it; option to give 100% support to most vulnerable and make the new scheme more compatible with UC to avoid inequality with people receiving legacy benefits

Council Tax collection rate 22/23

	20/21	21/22	22/23
Overall Collection Rate achieved by end of year	96.8%	97.89%	97.72%

Council Tax Collection Rates – Near Neighbours

Position	Local Authority	Collection Rate 2020/21	Collection Rate 2021/22	Collection Rate 2022/23	Minimum contribution CTS scheme
1	Surrey Heath	98.7%	98.4%	98.60%	Income Banded Scheme
2	Hart	96.9%	98.1%	98.52%	0%
6	Guildford	97.5%	97.5%	97.69%	0%
3	East Hampshire	98.1%	98.3%	98.19%	0%
5	Waverley	97.3%	98.2%	97.71%	0%
7	Bracknell Forest	97.9%	97.3%	97.21%	Income Banded Scheme
4	Rushmoor	96.8%	97.89%	97.72%	12%

Council Tax Collection Rates – Audit Family

Local Authority	Minimum Contribution – CTS scheme	Collection Rate 2020/21	Collection Rate 2021/22	Collection Rate 2022/23
High Peak	Income Banded Scheme	97.8%	98.1%	97.87%
North Hertfordshire	Income Banded Scheme	97.4%	98.4%	97.56%
Wellingborough*	0%	92.6%	96.3%	96.80%
Cherwell	0%	97.5%	98.1%	98.05%
Worcester	0%	97.6%	97.5%	95.02%
Rushmoor	12%	96.8%	97.9%	97.72%
Colchester	20%	97.8%	97.9%	97.81%
East Staffordshire	0%	97%	97%	96.66%
Kettering*	0%	96.4%	96.3%	96.80%
South Ribble	0%	96.8%	96.5%	96.78%
Broxbourne	25%	96.6%	96.7%	97.20%
Dartford	0%	95.9%	96.3%	96.49%
Rugby	15%	95.7%	95.6%	94.83%
Gloucester	0%	95.9%	95.3%	93.51%
Gravesham	20%	94.5%	95.5%	96.08%

Council Tax Support Claims (Working Age only) – Council Tax account balances March 23

Working age	Credit or zero balance	Owe less than £200	Owe between £200 and £500	Owe more than £3000
2804 (59% of total CTS caseload of 4751)	509 (18%) *In July 22 this was 6%	1726 (62%)	369 (13%)	200 (7%)
		1385 owe less than £100 (80%)	203 (55%) owe less than £300	No one owes more than £3000
		341 owe less than £200 (20%)	86 (23%) owe between £300 and £500	4 owe between £2k and £3k (1%)
			80 (22%) owe between £400 and £500	29 owe between £1k and £2k (15%)
CTS recovery rate Working Age				167 owe between £500 and £1k – 84%
18/19 84% 19/20 83% 20/21 85%				
21/22 73% 22/23 Oct 22 78%* recovery rate	* Improved by £150 Energy Rebate where credited to CT account	Calculated by taking into account what is owed to date for current year to end Oct 22		

Exceptional Hardship Payments 22/23

- £22k was base budget. A further £20k was added from the reserves
- We have spent £40,015.11 in 22/23 on 136 applications.
- Average award was £294.23
- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Serious debt issues
 - Cost of Living impact
- 4 Refusals

Discretionary Housing Payments and HSF Housing Crisis Fund payments 22/23

Welfare Reform	Number	£
Not affected by reforms – Financial Hardship	207	88,120
Social Sector Size Criteria ('bedroom tax')	112	21,993
Benefit Cap –	22	10,204
LHA Reform – rent shortfalls	90	39,931

- We have awarded to £160,248 to 431 recipients from the allocated funds of £160,752
- We have also spent £82k from the Housing Support Fund for Housing Crisis cases, given to us by HCC

CTS Caseload Data

Date	Working Age	Pensioner	Total
31 March 2021	2,972	2,003	4,975
31 March 2022	2,905	1,948	4,853
31 Mar 2023	2,848	1,943	4,791

CTS payments

Year	Working Age	Pensioner	Total
2020/21	£2,632,715.46	£2,133,905.47	£4,766,620.93
2021/22	£2,969,372.35	£2,177,330.95	£5,146,703.30
2022/23	£2,917,912.14	£2,215,992.87	£5,133,905.01
The scheme costs are shared with the major preceptors			

Latest Council Tax Support payments by type – cash values

	March 21	March 22	March 23	
Pensioner	£2,133,905.47	£2,177,330.95	£2,215,992.87	Pension age
Working Age - Other	£948,867.35	£1,101,581.69	£1,016,312.16	All out of work benefits or occupational pensions but not pension age
Working Age - Vulnerable	£1,253,632.07	£1,369,479.58	£1,478,607.28	Disability Premiums in play ESA Income Related
Working Age - Employed	£156,021.83	£200,929.26	£141,772.52	Working more than 16 hours
Working Age - Vulnerable Household	£274,194.21	£297,381.82	£281,220.18	Where a child under 5 in the household
CTS Total	£4,766,620.93	£5,146,703.30	£5,133,905.01	

What Cabinet agreed on 17th January 2023

To review the CTS scheme for 24/25

SCOPE

Possibly giving extra support to the most vulnerable

Make it simpler for customers and a better fit with Universal Credit

Reduce administrative costs and time

What are your priorities?

Giving more support to the most vulnerable



Simplifying the scheme for customers by making it work better with Universal Credit



Reducing costs of administration



Giving vulnerable people more support

- Current scheme is stable; no real issues; collection rate for CTS residents is lower than main rate
- Current scheme pays a maximum of 88% liability so there is a 12% minimum contribution which is difficult to collect and resource intensive for smaller debts
- All vulnerable people currently get the maximum 88% support
- Simplest way to give more support would be to use 100% of the liability meaning the vulnerable residents receive 100% CTS
 - There is a cost involved – question of affordability
 - Savings can be identified to off-set
 - Less debt; less provision for bad debts; savings in staff time collecting small amounts which are mostly written off; less administration costs producing multiple bills for small earnings changes
 - Reduction in Exceptional Hardship fund

Example – Award all vulnerable 100% reduction

Model	Sum of Annual CTR	Difference Annual	Affected By Change Count	Wins Count	Loses Count	12% of difference cost to RBC	12% of Annual CTR cost to RBC
Baseline – 23/24 cost @July 23	£5,317,474	-	-	-	-	-	£638,096
Example - @July 23	£5,786,345	£468,871	2,782	2,782	0	£56,264	£694,361
			2,782 active working age claims		No losers		Rushmoor share of total scheme cost

Simplifying the scheme for Universal Credit customers

- If someone on UC has a wage change, which could be a number of times a year, they get a new Council Tax bill every time.
- This causes confusion, they don't know what to pay as each new bill has a different set of instalments
- Costs for the Council in terms of extra bills and time spent on customer queries
- Using 100% liability will reduce the number of bills for some people who have low incomes and Universal Credit

Information required to inform a recommendation

We can show you the impact of making other smaller changes to our scheme

We could model other options including Income bands

Beyond the data what else is needed to achieve our desired outcome?

Next Steps

Information and modelling required



Consultation requirements



Suggested dates for next meeting - ideally

Wednesday 30th August

or

Tuesday 5th September

Council Tax Support Scheme Working Group

Wednesday 30th August 2023

Agenda

- Boom – Community Bank
 - Presentation from Mark Jasper, CEO & Treasurer on the work of Boom
- Council Tax Support Scheme
 - Payment and arrears profile
 - Arrears by Band
 - Exceptional Hardship Payments
- Altering the minimum contribution – a reminder
- Illustrating an income banded scheme
- Next meeting and timeline
 - 26th September at 6pm
 - Timeline – as indicated in Ian's email dated 24th August

Mark Jasper [CEO and Treasurer]
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David Wright OBE [Chair]
01483 222464
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Boom Community Bank
17 Liverpool Gardens
Worthing
BN11 1RY

Joined the Board in 2018 as Treasurer, with responsibility for the oversight of financial governance arrangements, investment decisions, and performance. In 2021 he became Boom CEO, having spent 30 years in local government finance with specific experience in the social housing sector. He has overseen the move to new premises, and with the help of his leadership team built on Boom's achievements, increasing its digital footprint and the use of technology to drive improvement. He is also a Trustee of Seaside Homes Housing Association based in Brighton.

Founding chair of SurreySave and negotiated the merger with West Sussex in 2016, creating Boom. He is a former British diplomat with 50 years' experience of bilateral diplomacy and public service. He was a Borough Councillor for 16 years and used his links to help establish SurreySave. He has chaired the Surrey Hills Area of Outstanding Natural Beauty Board and served on the Boards of Surrey Hills Enterprises and Trust, Surrey Probation, Guildford and Waverley PCT, Guildford CAB, and Oakleaf Enterprises, the mental health charity.





BOOM

COMMUNITY BANK

Financial Solutions

Unsecured personal loans

Debt consolidation

Save-as-you-repay

No Interest Loan Schemes (NILS)

Adult and Junior savings

Corporate savings

Social investments

MY MONEY BOX

BOOM COMMUNITY BANK

Building Finances

Supporting savings and loan repayment via payroll deductions.

MONEY FOCUS

Financial Education and info.

Free-to-use tools, including a benefits checker and savings calculator, and links to external sources of Financial Advice.

BOOM

COMMUNITY BANK

Comprehensive Services: Solutions, education support



Access Loan £300 to £10,000
 Representative 31.7% APR
 For low-income and credit scores.



Family Loan £300 to £5,500
 Representative 31.3% APR
 Repaid from Child Benefit.



Choice Loan up to £15,000
 Representative 19.4% APR
 For good/mid credit scores.



Advantage Loan up to £15,000
 Representative 10.4% APR
 For higher credit scores.



Consolidation Loan
 Reduce outgoings and
 borrowing costs.
 Direct creditor repayment.



No Interest Loan Scheme (NILS)
 Up to £1,500 for those in acute
 financial difficulty who can't
 access/afford alternatives.



57% of loans under £1,000

74% of loans to women

49% to lone parents

87% to social or private rent tenants

91% of loans disbursed have a TransUnion

Score of <550

0 - 550 [Very Poor Credit Score]

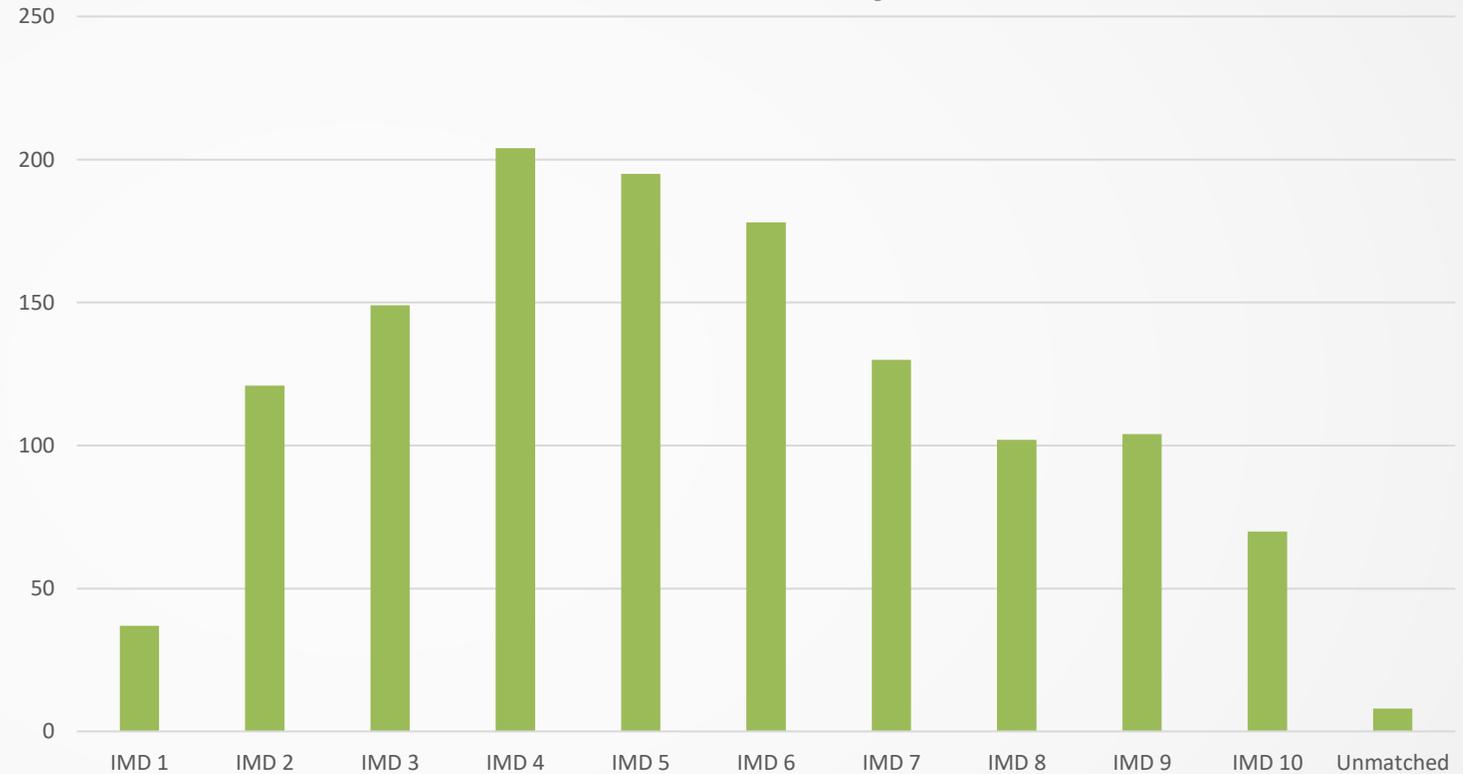
551 – 565 [Poor]

566 – 603 [Fair]

604 – 627 [Good]

628 – 710 [Excellent]

Customer demographics IMD score analysis





Personal, Junior and Payroll Savings

Protected savings for everyone, attracting interest or dividends.



Corporate Savings

Ethical and protected non-personal savings for organisations, including local authorities*, businesses, churches and charities.

*Annual budget of less than £1.5m



Deposits in Boom Community Bank are protected by the Financial Services Compensation Scheme (FSCS).



Current Account and Debit Card
 Available to Boom Community Bank members. No credit checks or lengthy applications.
 Transparent fees and cashback awards with high street brands.



Investment in digital

Member Area Login

Please enter your member number and Date of Birth

MEMBER NUMBER:

[I don't know my Member Number](#)

DATE OF BIRTH:

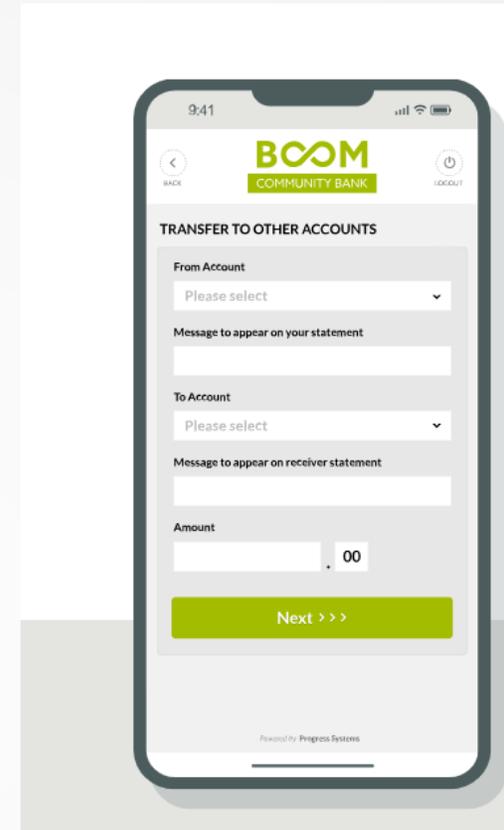
January

Continue

Not a Member? [Register for Online Access](#) Lost your PIN? [Request a new PIN](#)

Online banking

- Deposit savings.
- Repay a loan.
- View account statements.
- Monitor savings and loan repayment progress
- Pay utility bills and suppliers.
- Transfer money.



Mobile App

- Advanced biometric facial verification.
- Independent verification of formal identification.
- Full access to online banking



CUSTOMER EXPERIENCE

What our customers say

“ I have been a member for over 3 years and have found all their staff especially the underwriting team to be patient, understanding of your...



Maria Omosole
view post  

“ Boom has really helped me through some hard times, every person I've spoken to has been incredible. Clear, helpful, non judgemental just...



Willow Moore
view post  

“ Excellent service. Quick turn around time. I want to say thank you to all the staff at Boom. You have been a life saver...



Sherrie Orlando
view post  

“ Amazing company, has helped me a few times when I've struggled and couldn't have done things without there help, fast communication and...



Blue Stevenson
view post  

“ Very easy process and prompt guidelines and most importantly very quick in process.



Sunil Kumar
view post  

“ Excellent customer service, reliable and trustworthy



Mariana
view post  



Physical banners

A vertical banner with a dark grey background. At the top is a large, light grey infinity symbol. Below it, the word "BORROW" is written in white, bold, uppercase letters. In the center is a large QR code. At the bottom, the slogan "FOR YOU. FOREVER." is displayed in green and orange. Small text at the very bottom reads: "Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN 679226)".

A vertical banner with a light green background. At the top is a large, light green infinity symbol. Below it, the word "SAVE" is written in white, bold, uppercase letters. In the center is a large QR code. At the bottom, the slogan "FOR YOU. FOREVER." is displayed in blue and orange. Small text at the very bottom reads: "Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN 679226)".

A vertical banner with an orange background. At the top is a large, light orange infinity symbol. Below it, the word "CONSOLIDATE" is written in white, bold, uppercase letters. In the center is a large QR code. At the bottom, the slogan "FOR YOU. FOREVER." is displayed in white and orange. Small text at the very bottom reads: "Boom Community Bank and Boom Credit Union are trading names of West Sussex and Surrey Credit Union Limited. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN 679226)".

PPC advertising

A screenshot of a Facebook sponsored post. The header shows the Facebook logo and "Facebook Feeds". The post is from "Boom Community Bank" and is marked as "Sponsored". The text reads: "Say goodbye to financial stress with a consolidation loan. Enjoy lower interest rates and flexible repayment options that ...see more". Below this is a photo of a smiling woman in a red top holding a white mug. The text "NEED ROOM TO BREATHE?" is overlaid on the photo in green and white. Below the photo, it says "APPLY FOR A CONSOLIDATION LOAN TODAY" and "WE AIM TO..." followed by a list: "✓ REDUCE YOUR OUTGOINGS", "✓ LOWER YOUR COSTS", "✓ HELP YOU SAVE". At the bottom, there is a "BOOM COMMUNITY BANK" logo, the website "boomcb.org.uk", the text "Consolidation Loan Rates from 8.90% APR", and a blue "Apply Now" button. The bottom of the post shows "Like", "Comment", and "Share" icons.

A screenshot of an Instagram sponsored post. The header shows the Instagram logo and "Instagram". The post is from "boomcommunitybank" and is marked as "Sponsored". The text reads: "CHILD BENEFIT LOAN" in large white and green letters. Below this, it says "Repay your loan conveniently direct from Child Benefit." and "boomcb.org.uk". At the bottom, there is a photo of a man kissing a baby on the cheek. Below the photo, there is a yellow "APPLY NOW" button. The bottom of the post shows "Apply Now" text, a heart icon, a comment icon, a share icon, and the text "boomcommunitybank Could you use a bit of assistance with your family's financial matters? 🤔 ... more".





Marketing: 'in the ground'



- Expand affordable credit
- Deliver financial resilience
- Increase brand awareness.
- Enhance payroll relationships
- Encourage corporate savings
- Boost regulatory capital



- Straightforward joining process
- ‘Jam-jar’ budgeting and money management tools.
- Save as you borrow or earn.
- Mature systems ideal for delivering tailored schemes
- Digital marketing to reach specific postcodes
- Human to human underwriting



- Investment in regulatory capital to facilitate growth in the form of deferred shares
- Introduction of a NILS scheme.
- “Rushmoor Pledge”
- Backlinks to drive SEO
- Joint communications and marketing campaign.

	Amount	APR	Monthly Commitment
Amex	£4,900	69%	£230
TT Loan	£450	1295%	£139
Fernovo	£750	300%	£144
ML	£400	1290%	£159
Total	£6,500		£672

Any questions?

Council Tax Support Claims (Working Age only) – Council Tax account balances June 23

Working age	Credit or zero balance	Owe less than £200	Owe between £200 and £500	Owe more than £500
2815 (59% of total CTS caseload of 4759)	87 (3%)	2088 (74%)	204 (8%)	436 (15%)
		229 owe less than £100 (11%)	119 (58%) owe less than £300	No one owes more than £3000
		1859 owe less than £200 (89%)	40 (20%) owe between £300 and £500	4 owe between £2k and £3k (1%)
			45 (22%) owe between £400 and £500	184 owe between £1k and £2k (42%)
CTS recovery rate Working Age				248 owe between £500 and £1k (57%)
18/19 84% 19/20 83% 20/21 85%				
21/22 73% 22/23 71% 23/24 72.8% *		* Calculated by taking into account what is owed to date for current year to end June 23, additional £25 awarded this year to each CTS claim		

Arrears by Band Charge

(working age CTS customers) June 2023

BAND	Credit or zero bal	Under £200	£200 to £499	£500 to £999	£1000 to £1999	£2000 to £2999	£3000 to £3999	£4000 to £5000
A	17	224	11	11	4	0	0	0
B	16	1031	65	89	37	0	0	0
C	45	693	83	107	101	1	0	0
D	7	128	36	34	26	1	0	0
E	2	12	6	6	11	1	0	0
F	0	0	3	1	4	1	0	0
G	0	0	0	0	1	0	0	0
H	0	0	0	0	0	0	0	0

Exceptional Hardship Payments 23/24

- Budget is £58K. £20k is base budget and a further £38k has been added from the remaining £25 Council Tax Additional Award
- We have spent £10,668.78 in 23/24 on 33 applications as at the end of June 23
- Average award is currently £323.30
- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Vulnerability
 - Cost of Living impact
- 0 Refusals to date

Example – Award all vulnerable 100% reduction

Model	Sum of Annual CTR	Difference Annual	Affected By Change Count	Wins Count	Loses Count	12% of difference cost to RBC	12% of Annual CTR cost to RBC
Baseline – 23/24 cost @July 23	£5,317,474	-	-	-	-	-	£638,096
Example - @July 23	£5,786,345	£468,871	2,782	2,782	0	£56,264	£694,361
			2,782 active working age claims		No losers		Rushmoor share of total scheme cost

Example of an income banded scheme which we could model

Discount Band	Discount	Single Person	Single Person with One Child	Single Person with two or more children	Couple	Couple with one child	Couple with two or more children
Income Band 1	100%	£0 to £115.00	£0 to £180.00	£0 to £245.00	£0 to £165.00	£0 to £230.00	£0 to £295.00
Income Band 2	80%	£115.01 to £140.00	£180.01 to £215.00	£245.01 - £280.00	£165.01 - £190.00	£230.01 - £265.00	£295.01 to £330.00
Income Band 3	55%	£140.01 to £165.00	£215.01 to £250.00	£280.01 to £315.00	£190.01 to £215.00	£265.01 to £300.00	£330.01 to £365.00
Income Band 4	30%	£165.01 to £190.00	£250.01 to £285.00	£315.01 to £350.00	£215.01 to £240.00	£300.01 to £335.00	£365.01 to £400.00
Nil award	0%	Over £190.00	Over £285.00	Over £350.00	Over £240.00	Over £335.00	Over £400.00

Date of next meeting – 26th September

Council Tax Support Scheme Working Group

Tuesday 26th September 2023

Agenda

- Options for change 24/25
- Current thinking on minimum contributions
- Data and cost/benefits analysis
- Future changes for 25/26 and onwards
- Report to Cabinet
- Consultation
- Next steps

‘Impact of localised council tax support schemes’ – Institute of fiscal studies 2021

- We estimate very high rates of non-collection of the extra council tax liabilities, of around one quarter
- **The over-riding cause of these arrears / non-payment is giving people a council tax bill, not increasing the size of an existing bill**
- Suggests that reducing minimum payment from 10% to 0% would have much bigger effect on arrears than going from 20% to 10%

<https://ifs.org.uk/publications/impacts-localised-council-tax-support-schemes>



Current thinking around minimum contribution CTS schemes



Research shows that minimum payments can have a higher non collection rate sometimes 10 x higher than normal



Citizens Advice say 'The overriding cause of the arrears is giving vulnerable people a council tax bill'



Recent research shows around 130 councils in England currently award a maximum of 100% of council tax liability, This is in contrast to the least generous scheme that awards a maximum of only 50% of council tax liability



Increasing scheme generosity has been shown to reduce arrears and increase collection rates. Recent analysis carried out in 2021 by Policy in Practice for a London borough showed a clear relationship between arrears and the level of Council Tax support, with those receiving the most support having the lowest Council Tax arrears and those with the greatest reduction in Council Tax support compared to the default scheme having the highest Council Tax arrears.



With a minimum payment scheme the repeated recalculations and repeated rebilling's (which can happen to many claimants several times a year) can be confusing for claimants and are administratively burdensome.

Example – Calculate CTS using 100% of the council tax liability for all Working Age claimants

Model	Sum of Annual CTR	Difference Annual	Affected By Change Count	Wins Count	Loses Count	12% of difference cost to RBC	12% of Annual CTR cost to RBC
Baseline – 23/24 cost @Sept 23	£5,335,124		-	-	-		£640,214
Model_1 - @Sep 23	£5,785,094	£449,969	2769	2769		(£449,969 x 12%) = £53,996	£694,211
			2769 active working age claims	2769	0		Rushmoor share of total scheme cost

Cost Benefits Analysis – Remove minimum contribution

Costs	Benefits	Values
<p>Reduction in maximum council tax liability leading to a minimum contribution of 12% by all Working Age claimants</p> <ul style="list-style-type: none"> Disproportionate amount of staff time spent on collecting small balance Poor collection rates No effective enforcement options as balances either small or Bailiffs is not an option due to taxpayer's circumstances Exceptional Hardship Fund of £42k in 23/24 – 100% of this goes to reduce Council tax arrears for CTS recipients Arrears are frequently written off at a cost to the council <p>The migration to UC also has increased CTS administration for councils</p> <ul style="list-style-type: none"> changes in monthly UC awards leads to increased billing if they trigger subsequent changes in CTS awards. This can also lead to confusion among residents, which can in turn contribute to missed council tax payments. Bad Debt provision is calculated against loss of Council Tax in part due to the poor collection levels of the 12% minimum contribution 	<p>The most vulnerable will not have to pay council tax which will mean:</p> <ul style="list-style-type: none"> Staff time can be redirected to more serious arrears cases which will bring in money for the council and improve collection rates for old and current debts No more time spent on recovery of small amounts which currently either get written off against a higher bad debt provision or covered by EHF – have need a £42k budget and all these awards are to people on CTS <p>Reduced financial costs for printing and postage, eliminating the need to issue frequently revised Council Tax support notification letters and multiple revised Council Tax bills throughout the year.</p> <p>Consistent Council Tax instalment payment schedules for customers which will help them budget</p>	<p>Redirected staff time – 22.5 hours per week mix of G3/G5 and G6 3 hours pw for G5 = £4,440 pa and G6 £5,280 pa 16.5 hours pw for G3 = £16,300 pa</p> <p>Staff time notional savings = £26,020</p> <p>Exceptional Hardship Fund can be reduced to £12,000 meaning £30,000 that doesn't need to be taken from reserves</p> <p>Upwards of 10,000 documents per annum are sent due to additional CTS changes and more frequent billing recovery notices</p> <ul style="list-style-type: none"> Printing postage and stationery = actual savings £6,650 pa Staff time 1 hour a day = notional savings £ G2 £3890 pa Bad debt provision reduction = £ 14,300 <p>Total actual and notional savings = £50,860</p>



Exceptional Hardship Payments 23/24

- Budget is £58K. £20k is base budget and a further £38k has been added from the remaining £25 Council Tax Additional Award
- We have spent £10,668.78 in 23/24 on 33 applications as at the end of June 23
- Average award is currently £323.30
- Main reasons for granting an award are:
 - Health issues
 - Financial hardship
 - Vulnerability
 - Cost of Living impact
- 0 Refusals to date

CTS Scheme - Future changes for 25/26

- We know that the on-going migration of UC will accelerate with the government aiming to move all WA benefit claimant to UC by end 2025. Rushmoor has 1841 CTS claims with UC and this number is increasing.
- Most CTS schemes weren't changed in recent years due to the financial climate but now, doing nothing, is probably not an option.
- We might want to consider major changes like income bands or simple discount schemes once caseload has fully migrated to UC and then all claims are treated equally regardless of whether they are getting UC or the legacy benefits
- There are differences between Universal Credit and Legacy benefits due to:
 - A greater retention of earnings for UC households,
 - different treatment for those in receipt of disability benefits
 - the use of the Minimum Income Floor, which reduces support for self-employed households.
- Nationally, the migration of exiting Tax Credit cases to UC is currently causing confusion and loss of benefits. This exercise should be completed before we make any major changes to people's CTS as many of them are receiving less money due to the removal of Tax Credits. Rushmoor has about 250 remaining CTS recipients receiving Tax Credits.

Consultation – Proposed change to Council Tax support Scheme 24/25

Options for change	Option Details
Option 1- Remove the 12% minimum contribution	<p>This option will remove the minimum contribution making it possible to pay council tax up to 100% of the council tax liability</p> <p>This options supports all working age claimants but particularly those who are more financially vulnerable</p> <p>This option would mean the scheme for Working Age people is the same as the scheme for Pensioners meaning those on the lowest income would not pay council tax</p>
Option 2– Leave the current scheme unchanged with a maximum 88% level of support for Working Age residents	
Option 3 -Option 3 – Any other suggestions for scheme changes/design	

What's next members

Key Dates	Actions
Week commencing 2 October 2023	Group clear about what they are recommending to Cabinet
17 October 2023	Cabinet
20 October 2023 to 15 December 2023	Consultation period
First week January 2024	CTS group discussion to analyse the responses
6 February 2023	Cabinet
22 February 2023	Full Council

Council tax support scheme for 2024/25 – we'd like your views

Survey report December 2023

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Characteristics of respondents	4
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Annex A – Copy of the online survey	10
Annex B – Postcards, flyers and posters	15

Introduction

The Council is proposing to change the Council Tax Support Scheme (CTSS) for 2024/25 to support those on the lowest incomes. In the current the CTSS, residents can get up to 88% off their Council tax bill if they are of working age, and up to 100% off the bill if they are a pensioner.

The Council would like to increase the most amount of support they can provide from 88% to 100% for people of working age. This would mean that those residents most in need would no longer pay any Council Tax. Pensioners would carry on getting up to 100% of their Council Tax paid. The change has been assessed as affordable as due to the cost of collecting the relatively small amounts of Council Tax. The proposed change would come in on 1 April.

The survey (annex A) consulted on two options:

- **Option 1 – Increase the amount of help we can give to our most vulnerable residents from 88% to 100%. This would mean people of working age on the lowest incomes would not pay Council Tax.**
- **Option 2 – Keep the CTSS it is. This would mean the most help we could give to people of working age on low incomes would be 88%. Therefore, everyone of working age would pay at least 12% of their Council Tax.**

Method

An online survey (annex A) was developed and shared. In addition, postcards flyers and posters (annex B) advertising the survey were created. The details of the survey were shared via the following means:

- Social media - Facebook, Instagram, Twitter, LinkedIn, Nextdoor
- Email news - to those signed up to receive news, and those who signed up to receive news about consultations
- Website – as a news item and the on current consultations page, plus relevant council tax support pages
- Councillors email news
- Arena magazine
- Rushmoor Voluntary Services shared with their mailing list and they put it on their website
- Shared with Nepali community groups and leaders and asked to share. Details of the survey were also shared via GRNC social media channels
- Article published in Everest Times and Nepali radio were also asked to share
- Posters in all the park and community noticeboards across the borough
- Flyers available at the council offices and Citizens Advice. Flyers were also taken along to the Farnborough leisure and cultural hub event to encourage people to take part in the survey
- Flyers to the Grub Hub in Aldershot
- Sent posters and flyers to libraries, food banks, and The Vine and asked to share

The survey ran from Thursday 26 October to Friday 15 December.

Response rate

There were 522 responses.

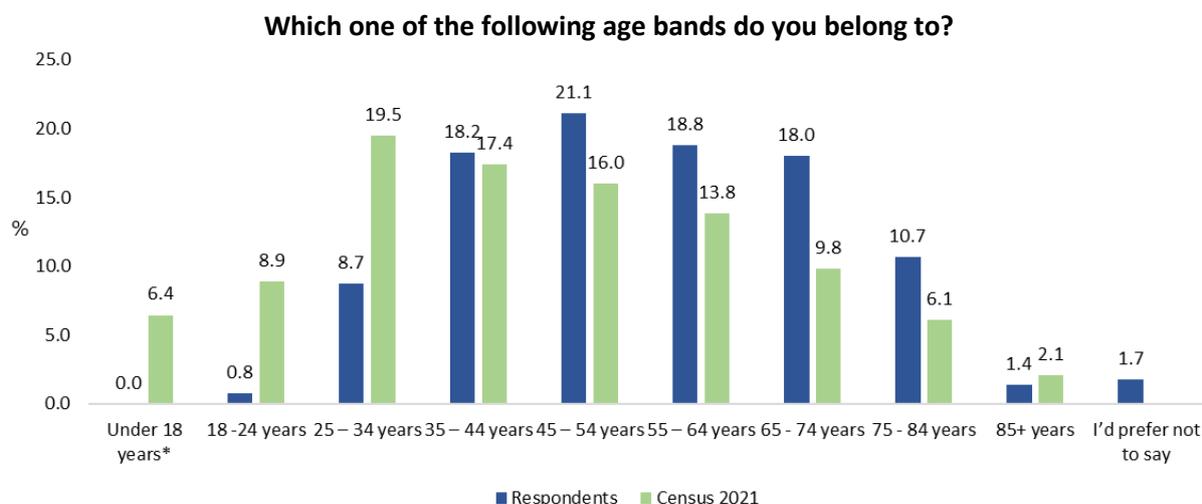
Of these 58 indicated that they were currently in receipt of CTS, 436 indicated that they were not and 15 didn't know. There are around 4,900 households in Rushmoor that receive CTS, the response rate from those currently in receipt of CTS is around 1.2%.

The last time Rushmoor consulted on the CTSS in December 2018 for the 2019/20 scheme, there were 392 responses to this survey.

Characteristics of respondents

Which one of the following age bands do you belong to?

In total 513 respondents completed this question. Those under 34 years of age are under-represented and those over 45 years of age are over-represented.



* As the survey was advertised by social media the 2021 Census age percentage for under 18 years is from 13 years of age, which the minimum age for most social media platforms.

Your gender

In total 511 respondents completed this question. 57.1% (292) of respondents indicated that they were female and 37.8% (193) of respondents indicated that they were male. Females are over-represented in the survey as 49.9% of the population of Rushmoor are female according to the 2021 Census.



What is your ethnic group?

In total 508 respondents completed this question. When compared to the data from the 2021 Census, those who identified as white are over-represented and those who identified in the groups other than white are under-represented. In particular, the Nepali population is under-represented, 5.3% of respondents identified as Nepali, compared to the 10.6% of the population who identified as Nepali in the 2021 Census. Additional work was undertaken to engage with the Nepali community and although underrepresented, this is the best response rate to a Rushmoor survey to date.

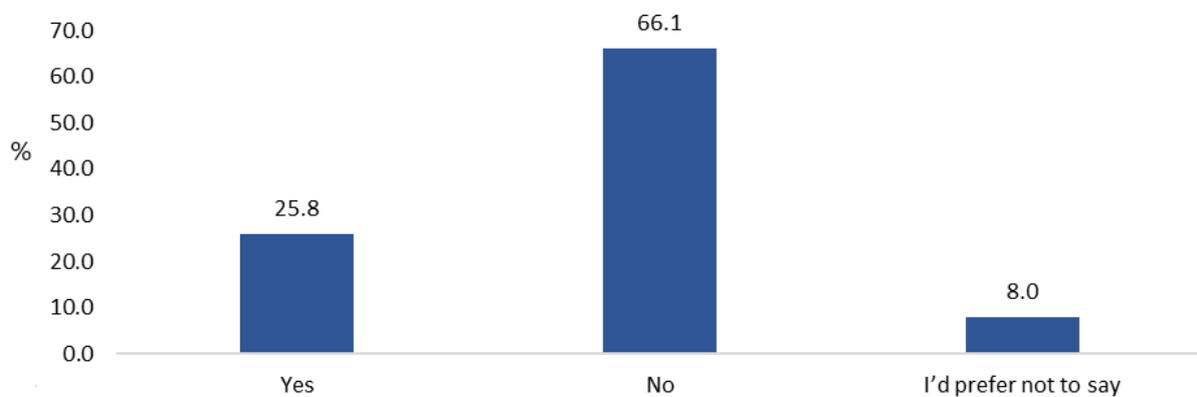
Ethnic group	Number	%	Census 2021
White - British	381	75.0	71.1
White – Irish	5	1.0	0.7
White – Gypsy/Traveller	0	0.0	0.2
White – other	28	5.5	5.4
Mixed - white and black Caribbean	0	0.0	0.7
Mixed - white and black African	1	0.2	0.4
Mixed - White and Asian	1	0.2	0.8
Mixed – other	6	1.2	0.6
Asian or British Asian – Nepali	27	5.3	10.6
Asian or British Asian – Indian	3	0.6	2.1
Asian or British Asian – Pakistani	1	0.2	1.2
Asian or British Asian – Bangladeshi	2	0.4	0.3
Asian or British Asian – Chinese	3	0.6	0.5
Asian – other	2	0.4	1.6
Black or British black – Caribbean	0	0.0	0.7
Black or British black – African	2	0.4	1.5
Black – other	2	0.4	0.4
Arab	2	0.4	0.2
Any other background	8	1.6	1.0
I'd prefer not to say	34	6.7	-
Total identified as white	414	81.5	77.4
Total identified as other ethnic groups	52	10.2	22.6

The majority of respondents who identified as any other background, indicated that they were English or white English.

Do you consider yourself to have any health conditions or disabilities, which limit your daily activities?

In total 511 respondents completed this question. 66.1% (338) of respondents indicated that they did not have any health conditions or disabilities, which limited their daily activities. 25.8% (132) of respondents indicated that they did have health conditions or disabilities, which limited their daily activities. For reference purposes, 14.3% of residents in the 2021 Census indicated that had a long-term health problem or disability that limited their day-to-day activities a little or a lot.

Do you consider yourself to have any health conditions or disabilities, which limit your daily activities?

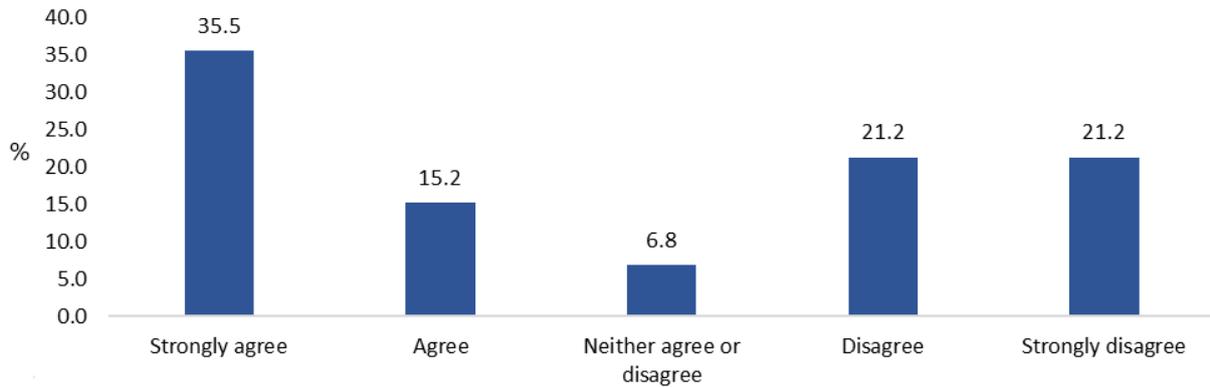


Results

Question 1: How much do you agree or disagree that residents of working age on the lowest income should receive 100% help with their council tax?

There were 522 valid responses to this question (excluding the nine 'don't knows'). Overall, 50.7% (260 respondents) agreed and agreed strongly that residents of working age on the lowest income should receive 100% help with their Council Tax. 42.5% (218 respondents) disagreed and disagreed strongly.

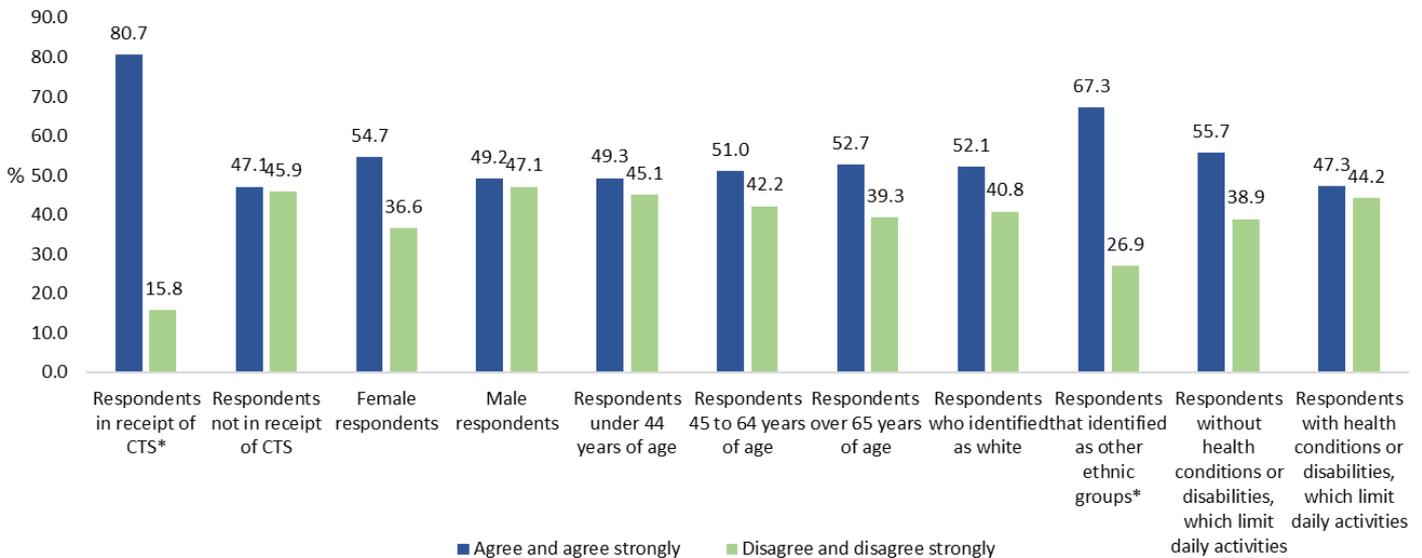
How much do you agree or disagree that residents of working age on the lowest income should receive 100% help with their Council Tax?



Results by different groups

More people in all groups agreed than disagreed that residents of working age on the lowest income should receive 100% help with their Council Tax. The group that agreed the most were those currently in receipt of CTS (80.7%).

How much do you agree or disagree that residents of working age on the lowest income should receive 100% help with their Council Tax, by different groups

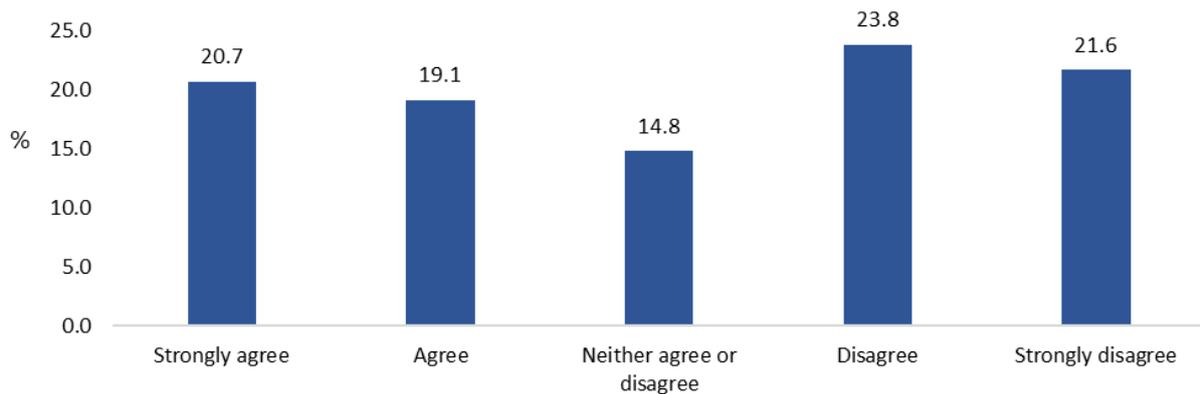


*small sample size

Question 2: How much do you agree or disagree that we should keep the Council Tax scheme as it is?

There were 522 valid responses to this question (excluding the nine 'don't knows'). Overall, 45.4% (233 respondents) disagreed and disagreed strongly that the CTSS should be kept as it is. 39.8% (204 respondents) agreed and agreed strongly.

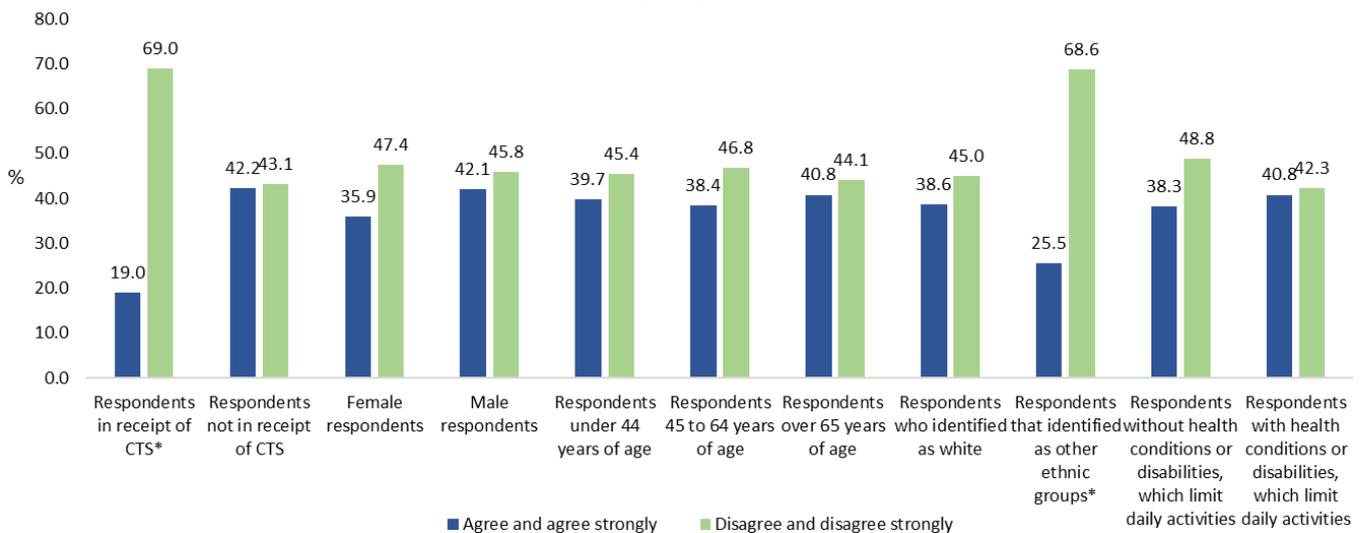
How much do you agree or disagree that we should keep the CTSS as it is?



Results by different groups

More people in all groups disagreed than agreed that the CTSS should be kept as it is. The group that disagreed the most were those currently in receipt of CTS (69.0%).

How much do you agree or disagree that we should keep the CTSS as it is, by different groups



*small sample size

Question 3: Please can tell us why you say this

There were 407 responses to this question. The comments were varied and main themes of the comments were (all those mentioned over 10 times):

- Positive comments about the proposed change (included in around 120 comments). These including comments like: support the change / it's a positive step / positive step in a cost-of-living crisis/ thank you for making this change / the respondents benefiting or know those who will benefit/ all low income should get full support / the respondents stating they could use the money for food or things needed.

- Comments suggesting all should pay or pay something or it teaches responsibility (mentioned in around 75 comments).
- Comments around people playing the system / being better off on benefits / why should people that choose to not work get help (mentioned in around 40 comments).
- Comments around I need help too / others need help (mentioned in around 40 comments).
- Comments around the cost of the scheme to them (including will Council Tax go up) or the cost to the Council (mentioned in around 30 comments).
- Comments suggesting it will take away the incentive to work / get a better job (mentioned in around 20 comments).
- Comments mentioning that people are struggling (mentioned in around 20 comments).
- Comments around agreeing as it is cost neutral (mentioned in around 15 comments).
- Comments around 12% isn't much (mentioned in around 10 comments). Including comments like: it's not much / it is fair / support is too high / people should pay more.

Summary

The response rate was better than the previous CTSS survey. However, only around 1.2% of those on CTS responded.

More respondents agreed (50.7%) to option 1 than disagreed (42.5%).

Option 1 – Increase the amount of help we can give to our most vulnerable residents from 88% to 100%. This would mean people of working age on the lowest incomes would not pay Council Tax.

More responses disagreed (45.4%) to option 2 than agreed (39%).

Option 2 – Keep the CTSS as it is. This would mean the most help we could give to people of working age on low incomes would be 88%. Therefore, everyone of working age would pay at least 12% of their Council Tax.

There was a lot of support for the change from the comments in the open question but also a lot of comments around how important it is to pay (or pay something).

Annex A – Copy of the online survey

Council tax support scheme for 2024/25 – we'd like your views

About council tax support

If you're on a low income, you can get help paying your council tax. This is called council tax support.

Under our current council tax support scheme, you can get up to 88% off your council tax bill if you are of working age, and up to 100% off your bill if you are a pensioner.

Overall, around 4,900 households in Rushmoor receive council tax support at an annual cost of just under £5.5 million. Just under 60% of these are working age claimants and the rest are pensioners. The cost of our council tax support scheme is shared between this council, Hampshire County Council, the police and fire service.

Reviewing our council tax support scheme

We know that many people have been struggling with the cost of living and we want to make sure we are helping the right people with the limited funding we have available.

This year, therefore, we are proposing to change the scheme to support more people, especially those on the lowest incomes.

This change would come in on 1 April 2024 and before we make it, we'd like to hear your views.

The change we are proposing to make

We would like to increase the most amount of support we can provide from 88% to 100% for people of working age.

This would mean that those residents most in need would no longer pay any council tax.

Pensioners would carry on getting up to 100% of their council tax paid.

The cost of the proposed change

Having looked at the cost of collecting relatively small amounts of council tax from the most vulnerable people, we have assessed that this change would cost about the same, so is affordable.

Why your views matter

If you are of working age and receive help through the council tax support scheme, you are going to be directly affected, as the percentage you pay will change. This is because your support will be based on 100% of the council tax bill, rather than 88%.

If you pay council tax, but don't receive support, your views still matter as it is important that we spend the money we receive from government funding and council tax appropriately, and therefore all council tax payers have the chance to give their views.

Please take part in our survey

Our short survey should only take a few minutes to complete, and we will listen to your feedback before we make any final decisions. We will publish the results on our website later this year.

The survey is open until Friday 15 December.

To view our consultation survey privacy notice please visit www.rushmoor.gov.uk/consultationprivacynotice.

Options for council tax support for 2024/25

Below are two options for our council tax support scheme for 2024/25. We would like to know what you would support.

Option 1 - Increase the amount of help we can give to our most vulnerable residents from 88% to 100%. This would mean people of working age on the lowest incomes would not pay council tax.

* 1. How much do you agree or disagree that residents of working age on the lowest income should receive 100% help with their council tax? *(Please tick one)*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Option 2 - Keep the council support scheme as it is. This would mean the most help we could give to people of working age on low incomes would be 88%. Therefore, everyone of working age would pay at least 12% of their council tax.

* 2. How much do you agree or disagree that we should keep the council tax scheme as it is? *(Please tick one)*

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

3. Please can tell us why you say this *(Please write in)*

About you

4. Do you receive council tax support (*please tick one*)

- Yes
- No
- Don't know

As part of the Equality Act 2010, we must make sure our services are open and accessible to everyone, that we treat people fairly and appropriately and in consultations, we hear all views.

The following questions will help us to check that we are doing this and will also help us to understand better the answers we receive. We will treat this information as anonymous and confidential and will not identify individuals.

You do not have to answer these questions if you would prefer not to.

5. Which one of the following age bands do you belong to? (*please tick one*)

- Under 18 years
- 18 -24 years
- 25 - 34 years
- 35 - 44 years
- 45 - 54 years
- 55 - 64 years
- 65 - 74 years
- 75 - 84 years
- 85+ years
- I'd prefer not to say

6. Your gender (*please tick one*)

- Male
- Female
- I'd prefer not to say

7. What is your ethnic group? *(please tick one)*

- White - British
- White - Irish
- White - Gypsy/Traveller
- White - other
- Mixed - white and black Caribbean
- Mixed - white and black African
- Mixed - White and Asian
- Mixed - other
- Asian or British Asian - Nepali
- Asian or British Asian - Indian
- Asian or British Asian - Pakistani
- Asian or British Asian - Bangladeshi
- Asian or British Asian - Chinese
- Asian - other
- Black or British black - Caribbean
- Black or British black - African
- Black - other
- Arab
- I'd prefer not to say
- Any other background (Please specify)

8. Do you consider yourself to have any health conditions or disabilities, which limit your daily activities? *(please tick one)*

- Yes
- No
- I'd prefer not to say

Thank you for completing our survey

We would like to keep you up-to-date with the latest council news and information about events and activities taking place in Aldershot and Farnborough. You can also sign up to take part in council consultations. To sign up please follow the link below:

[Sign up to news from the council](#)



Council tax support
HAVE YOUR SAY!

www.rushmoor.gov.uk/currentconsultations

RUSHMOOR
BOROUGH COUNCIL

Council tax support



HAVE YOUR SAY!

www.rushmoor.gov.uk/currentconsultations

RUSHMOOR
BOROUGH COUNCIL

Council tax support



Please take part in our survey on proposed changes to our council tax support scheme

Closing date:

Friday 15 December

Scan
me



www.rushmoor.gov.uk/currentconsultations

RUSHMOOR
BOROUGH COUNCIL

CABINET
6 FEBRUARY 2024
KEY DECISION? NO

COUNCILLOR SUE CARTER
COMMUNITY PORTFOLIO HOLDER
REPORT NO. ACE2401

COUNCIL PLAN & RISK REGISTER
QUARTERLY UPDATE OCTOBER TO DECEMBER 2023

SUMMARY AND RECOMMENDATIONS:

This report sets out the performance monitoring information of the Council Plan for the third quarter of 2023/24. 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. The report also includes an update on the Council's key strategies and plans that underpin and support the Council Plan.

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

The Cabinet is recommended to note the progress made towards delivering the Council Plan and consider the changes highlighted in the Corporate Risk Register.

1. Introduction

- 1.1 In June 2023, 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 paper sets out performance monitoring information for the Council Plan and the Risk Register for the period of October to December 2023.

2. Detail

- 2.1 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 for 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:

- Housing for every stage of life
- 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:

- Strong communities, proud of our area
- Vibrant and distinctive town centres
- A thriving local economy - kind to the environment



3. Delivery of the Council Plan

3.1 There are 10 key activities/projects in the Council Plan and annex A sets out the progress against these at the end of quarter 3 (31 December 2023). At this time 90% of projects/activities are on track and one (10%) has an amber status. No projects have a red status. This is an improvement on quarter 3 last year (46.2% green/completed, 46.2% amber and 7.8% red).

3.2 The amber status project is Place 3 - Update the facilities at the crematorium in Aldershot. This is due to the fact that there are currently issues with procurement timescale for a new cremator.

3.2 Annex B sets out the Council's Business Performance during Quarter 3. 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 2023-26 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 a six-monthly 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.

5. Council's Risk Register

- 5.1 The Council's key strategic and standing corporate risks have remained relatively unchanged during this period. There has been one risk reclassified from 'escalated service' to 'standing corporate' to better reflect its nature.
- 5.2 As was seen in the last quarter those risks directly relating to the UK economy, particularly high interest rates, continue to be impacted by the recent developments in that risk environment.
- 5.3 The Council's risk management policy and arrangements continue to receive good engagement from all services. Risks are routinely considered and discussed at both a service level and amongst senior management. The risk management system as a whole continues to be an effective tool for risk identification and mitigation. The policy and arrangements are currently in review and proposals to update them are expected to be finalised during the next risk cycle. The public version of the risk register contains information that is redacted due to its sensitive nature. These redacted risks are now made available to Cabinet in a separate document. The full risk register can be made available to Portfolio holders at any time in consultation with the appropriate risk owner/service lead.
- 5.4 The key strategic risks within v14.0 of the Corporate Risk Register (attached as annex D) predominantly relate to areas that the Council often only has partial influence upon, 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 have been updates throughout in the plans to mitigate them. The educational attainment risk has been reviewed following the receipt of updated data as performance concerns are no longer limited to Secondary Schools.
- 5.5 The Council's standing corporate risks are generally more operational in nature and relate to the work of the Council. There has been an update of the mitigation measures in place/planned for the future in the majority of risks. As a result of the continued challenging economic conditions in the UK, those risks relating to the Council's capital projects have seen an increase in both the inherent and residual risk scores.

- 5.6 The risk relating to the overall financial stability of the Council has seen a decrease in the risk score for inherent, residual and target risk, with a reduction in the risk gap itself indicating the Council is tracking well against the target appetite.
- 5.7 The Council has appointed a permanent Section 151 officer and has appointed an experienced Financial Manager joining the team in February. It has also engaged an experienced interim senior technical accountant to focus on financial reporting. These changes have increased the strategic and technical capacity to manage the Council's finances and financial risk.
- 5.8 The financial stability of the council is dependent on a number of significant risks, being exposure to interest on borrowing, inflation of cost base, control of spend against approved budget plans and level of reserves available to manage one off shocks.
- 5.9 Significant due diligence has been completed on the Council's financial position and underlying internal and external drivers. Whilst the Council is experiencing financial challenges, this is specific to its ability to fund its borrowing costs. Management of external debt had been reported in previous quarters as significant risk for the Council to manage. This is no longer a risk, it is now an issue and a Financial Resilience Plan is being proposed. Internal financial controls are reliable, key risks are being managed and the Officer/Member working relationship is robust and constructive. Service costs within the Medium-Term Financial Strategy (MTFS) are in line with other local authority inflationary and expected service pressures. There is a robust financial resilience plan proposal being put to February Budget Council, and a further review of the MTFS at July Council.
- 5.10 Whilst the audit of the Council's accounts is not up to date, key balance sheet risks are managed to minimise the possibility of any adverse impact from an audit perspective.
- 5.11 The Council's escalated service risks are generally more transient in nature and expected to change quicker than others on the register. The risk regarding the property portfolio income has been reclassified as a standing corporate risk due to its long-term nature and potential impact.

6. Conclusion

- 6.2 Cabinet are asked to note the performance and risk reports for Q3 and review the risks set out in the Corporate Risk Register and the content of section 5 of this report.

Annex A – Council Plan Quarterly Monitoring Q3 2023/24
Annex B – Council Business Performance Q3 2023/24
Annex C – Key strategies and plans update – January 2024
Annex D – Corporate Risk Register (public items)
Annex E – Exempt Corporate Risk Register (confidential items)

**COUNCILLOR SUE CARTER
COMMUNITY PORTFOLIO HOLDER**

BACKGROUND DOCUMENTS:
Council Plan April 2023 to March 2026

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Council Plan Quarterly Monitoring – Q3 2023/24

Date produced: January 2024

Key

Green - indicates that the activities are on course	Amber - flags up that achieving the activities is in question. <i>For example, this could be due to not meeting the original timescales.</i>	Red - shows that we have not been able to achieve or achieve elements of the activities	Blue – indicates that project has been completed
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For key activities/project which sit within the Property, Major Works and Regeneration Programme colour coding for the overall project status is used.

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 -Work with public and voluntary sector partners to support our residents	Green	 No change	<p>There have been surgery-style sessions at the Council for Ukrainian families and hosts since October and two families have been supported into housing.</p> <p>There has been on-going cost of living support in this quarter and all warm hubs will be visited in January to identify needs and use.</p> <p>The soft launch of the Rushmoor Link Directory took place on 13th December and the public launch will be in January. The directory is now complete with ongoing updates needed. Branding and communications for the directory are in progress.</p>
People 2 - Support the creation of quality, new homes (Rushmoor Homes)	Green	 No change	<p>The Shareholder Report was approved by the Board.</p> <p>The Risk Log has been updated by the staff team and Board and audit work is being prepared by the council's Audit Manager.</p> <p>Planning approval was granted for the site at Redan Road, subject to s 106.</p> <p>Tendering of Pool and Redan Road sites in December indicate construction costs fall well within the parameters of those which have been modelled. Rent</p>

			<p>levels remain robust and an increase was agreed by Board of 5.7%</p> <p>The portfolio of Rushmoor sites has been re-valued by Carter Jonas to support the council and the company in its decision making related to property disposals.</p> <p>Whilst the council is working through the wider financial context and decisions on disposals/ transfers, the development programme is in a paused position. Work is prioritised on viability testing and securing planning permissions on most sites.</p> <p>The first Local Authority Housing Fund (LAHF) property has been let and a second is completed and will be ready to let in February 2024. The final property purchase expected to complete early in the New Year.</p>
People 3 - Progress the development of a new leisure centre and cultural hub in Farnborough	Green	 No change	<p>Levelling Up Fund approval received January 2023, the Royal Institute of British Architects (RIBA) Stage 0-2 activity complete and Cabinet approval received to confirm brief and RIBA3 and planning as well as approach to sustainability – full Passivhaus Certification (October 3rd and October 17th Cabinet reports).</p> <p>Levelling Up Fund MoU signed and the first payment has been received.</p> <p>A Community engagement event took place on the 22nd November and was very well attended. This created an opportunity to capture feedback on a range of areas including what activities people would like to see in the new cultural space and what we should be doing now to improve the offer in Farnborough.</p>
People 4 - Working with partners, encourage more residents to be active and have healthier lifestyles	Green	 No change	<p>The Steady and Strong classes have been delivered in Cove and the healthy walks commissioned via Rushmoor Voluntary Services is ongoing. There have been two walks organised (Aldershot Park and Southwood Country Park), with a further six planned in 2024.</p> <p>Work has been carried out with health partners and five schools in Rushmoor to reduce sugar intake and increase physical activity.</p> <p>Funding for Whole Systems Approach to obesity (£60K) is available for the Borough for projects which mitigate against obesity.</p>
People 5 – Support key business sectors and help people to access the opportunities that they offer	Green	 Improvement	<p>The Aerospace Research and Innovation Centre (ARIC) building is being used as teaching space and Farnborough Aerospace Consortium (FAC) will temporarily move back into the council offices from January 2024. A small task force has been established, which includes representation from the council, local businesses, universities and FAC, to help galvanise activity on jet zero and to help develop and promote the emerging jet zero cluster in the region. RBC's</p>

			Employment and Skills Officer is supporting a number of Employment and Skills Plans and developing a new plan with Farnborough Airport.
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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 1 – Complete Aldershot town centre’s Union Yard regeneration scheme	Green	 No change	The project is still expected to complete in July 2024. <ul style="list-style-type: none"> Block E (including 18 “affordable” apartments) remains ahead of programme. The façade finishes are almost complete. All 2nd fix stage (includes dry lining and mist coat, kitchens, and tiling) is 90% complete. Blocks C and D (including 82 x private rented apartments, Rushmoor Homes) The brickwork is 65% complete overall. All 2nd fix stage ongoing to Levels 1-4 (there are 5 floors in total). Block S (student accommodation). This block has been prioritised in the programme to pull back in line with other blocks. It is anticipated the shopfronts for commercial unit CX14/16 in Block E will be delivered and installed in December.
Place 2 - Progress the regeneration of Farnborough town centre, including the civic quarter	Green	 No change	The Rushmoor Development Partnership and Rushmoor Borough Council Regeneration Team are progressing the s106 and proposed planning conditions with the Local Planning Authority. Options are being explored regarding the disposal of various plots for delivery by 3rd parties although market conditions are not favourable. A key focus for the Project Team is de-risking the overall site. The team are in discussions with Homes England regarding potential grant funding to deliver the infrastructure work.
Place 3 - Update the facilities at the crematorium in Aldershot	Amber	 Decline	A Selection Question procurement process for the main construction contractor has been undertaken. Six submissions have been received and following evaluation, three will be offered the opportunity to participate in the Invitation to Tender (ITT) process. Dependent on the results of this process, the plan is to appoint a main construction contractor in February, enabling works to commence on site

			at Aldershot Crematorium in April 2024. However, these programme timescales are also dependent on the new cremator, which is a separate contract. There is a potential delay to timescales due to this dependency. Work continues at Redan Road and the focus of refurbishment activity has now moved to the waiting room and office area. The works are on track to be completed by February 2024.
Place 4 – Work with partners to deliver the Rushmoor Cultural Strategy and build on Rushmoor’s rich heritage to both increase community pride and the visitor economy.	Green	 No change	Rushmoor continues to deliver its core events programme with large scale events over recent months including the Aldershot Christmas Cracker and Farnborough Frost Fayre. Additional cultural and arts activities have been added to these events including a community led samba drumming performance at the Aldershot Christmas Cracker. Also, Craft Fayres in Farnborough have seen the addition of live music and craft activities. With Hampshire Cultural Trust, Rushmoor is continuing to build relationships with arts organisations and partners and deliver on the key priority actions in the Rushmoor Cultural Strategy. UKSPF funding will support a number of proposed projects to help support heritage, cultural and arts activities. Rushmoor will also be bidding for additional Arts Council England funding to support arts and cultural development in Farnborough linked to the opening of the leisure and cultural hub.
Place 5 - Continue progress towards our goal of becoming a carbon neutral council by 2030 through reducing emissions in our facilities and operations	Green	 No change	In this quarter, the climate change school outreach programme has been successfully delivered to four schools in the borough and a final evaluation report has been given by Winchester Science Centre.

Council Business Performance

Quarter 3 2023/24

Points to note

- A small improvement in the percentage of invoices paid on time in Q3.
- The abandoned rate (7.4% in Q3) has improved from Q2 (11%). However, demand in Q3 was 20% lower than in Q2.
- At the end of Q3 there were 247 members of staff, which is the lowest number in 5 years.
- Freedom of Information response times in Q3 have dropped below 70% and management action is being taken to address this.
- Council Tax collection rates are slightly down on this quarter last year but this may be due to energy rebates inflating in the collection figure this quarter last year.
- Significantly fewer digital transactions in Q3 compared to previous years is caused by fewer reports of missed, lost, stolen, and damaged bins.
- Due to a reduction in Civil Enforcement Officers and absences, there has been a reduction in Penalty Charge Notices (PCNs) issued.
- Fly-tipping data added to the performance monitoring report.

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Key to Direction of Travel (DoT) arrows

Numbers have increased	Numbers have decreased	Numbers are the same	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			
4				75%			
DoT from last quarter (10*)		DoT from this quarter last year (6)		DoT from last quarter (60%*)		DoT from this quarter last year (100%)	
<p>Comment: three out of four complaints responded within the timescale of the policy. *Figures changed as two complaints have been added to the system that were received in Q2 but not added to the system, both of which are resolved but not within the policy time.</p>							

Health and safety

Violence at work data - incidents				Rushmoor work related accident / incident data			
10				8			
DoT from last quarter (5)		DoT from this quarter last year (6)		DoT from last quarter (3)		DoT from this quarter last year (5)	
<p>Comment: There has been increase in verbal threats and abuse (both by telephone and in person) and one accusation of a physical assault on a Serco waste operative (no injury). The majority of the accidents/incidents were minor in nature and relate to Princes Hall; staff, members of the public and Panto performers.</p>							

Paying externally issued invoices

% of invoices paid on time (within 30 days)	DoT from last quarter	DoT from this quarter last year
97.36%	↑ (96.49%)	↑ (94.7%)
Comment: An improvement in the percentage of invoices paid on time in this quarter.		

Absence rate

Working days lost due to sickness per FTE			Working days lost to short-term sickness per FTE		
1.37			0.62		
DoT from last quarter	↑	DoT from this quarter last year	↑	DoT from last quarter	↓



Year	Q1	Q2	Q3	Q4
2020-21	1.01	0.7	1.24	0.45
2021-22	1.51	1.14	1.44	0.38
2022-23	1.71	1.46	1.05	0.99
2023-24	1.06	0.94	0.87	1.37

Comment: There were 49 sickness episodes in Q3 and 303 working days lost. The most common reason for sickness episodes was Cold, Cough, Flu. The most common reason for sickness days was other known causes & anxiety, stress & depression.
Note: Long term sickness is 20 days or more in a row (four weeks)

Workforce data

Starters and leavers		Turnover			% of employees non-white (22.6% non-white groups in 2021 Census)				
Starters	6	4.05%			5.69%				
Leavers	10	DoT from last quarter (2.78%)	↑	DoT from this quarter last year (3.32%)	↑	DoT from last quarter (4.76%)	↑	DoT from this quarter last year (5.54%)	↑
Comment: At the end of Q3 there were 247 members of staff, which is the lowest number in 5 years.									

Freedom of information requests

Number of requests received				% responded to on time (one month behind)			
162				68%			
DoT from last quarter (162)	↔	DoT from this quarter last year (108)	↑	DoT from last quarter (72%)	↓	DoT from this quarter last year (50%)	↑
Comment: Freedom of Information response times in Q3 have dropped below 70%, management action is being taken to address this.							

Corporate customer contact indicators

Walk-in customers

Number of walk-in customers									
2,487									
DoT from last quarter (2,884)				↓	DoT from this quarter last year (2,883)				↓
Number of walk-in customers each quarter					Quarterly breakdown of walk-in customers for high demand services				
<p>Comment: During Q3 reception there were 2487 walk-in customers and in Q3 22/23 there were 2883. This is a drop of 14%.</p> <p>There are a large number of non-Rushmoor Council enquires. For Q3 this remained the same as Q2 at 34% looking for service with HCC, CA, RVS, the police or housing associations. A further 18% are handing in or collecting paperwork from us and 15% are visitors to RBC for pre-arranged appointments. 10% are seen by an officer from another service, such as licencing, planning or building control.</p>									

Calls to customer services

Number of calls				Average wait time				Call abandoned rate				Average call handle time			
13,307				1 minute 5 seconds				7.4%				6 minutes 48 seconds			
DoT from last quarter (16,774)	↓	DoT from this quarter last year (15,121)	↓	DoT from last quarter (1 min 45 secs)	↓	DoT from this quarter last year (1 min 18 secs)	↓	DoT from last quarter (11.3%)	↓	DoT from this quarter last year (6.2%)	↑	DoT from last quarter (6 min 33 secs)	↑	DoT from this quarter last year (4 min 24 secs)	↑
Comment: In Q3, the Customer Services have been offered 13,307 calls and answered 12,317 calls. This is a decrease of 1,814 offered calls on the same period last year. The abandoned rate has improved from Q2 which was 11%.															

Demand via other access channels

Number of emails				Number of enquires via app				Number of enquires via webforms			
5,114				1,220				619			
DoT from last quarter (6,351)	↓	DoT from this quarter last year (4,658)	↑	DoT from last quarter (1,520)	↓	DoT from this quarter last year (580)	↑	DoT from last quarter (790)	↓	DoT from this quarter last year (773)	↓
Comment: Of the web forms 583 were for Council Tax and 36 were for Environmental Health											

Overall digital uptake

% of transactions through digital services versus other channels (where a digital service is available)	DoT from last quarter	DoT from this quarter last year
76% of 5,958 transactions	↑ (73% of 7,338 transactions)	↑ (73% of 7,662 transactions)
Comment: Significantly fewer transactions in Q3 compared to previous years is caused by fewer reports of missed, lost, stolen, and damaged bins.		

Website

Website session				Top three pages visited	
129,151				1. Bin collection day finder (34,727) 2. Crematorium diary (6,785) 3. Council tax (6,240)	
DoT from last quarter (123,911)	↑	DoT from this quarter last year (134,235)	↓		
Comment: The number of sessions is slightly down on the figures for the same quarter as last year. 134,235 vs 129,151 (or 3.8%). The statistics from this quarter are using Google Analytics' newer 'engaged session' metric for measuring the number of sessions on the website. This is comparable with the metrics for sessions that we have used in previous quarters.					

Social media

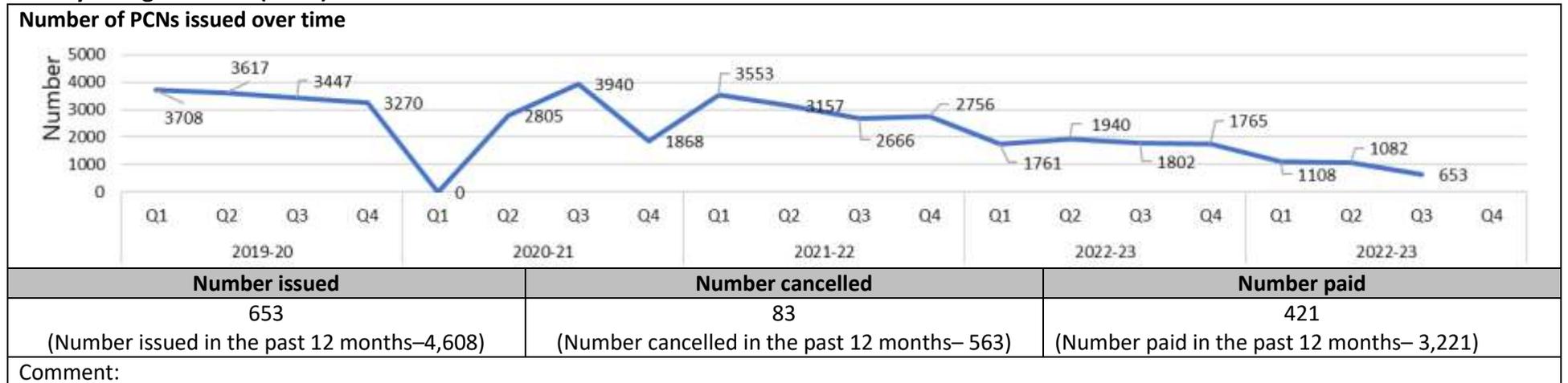


Print media

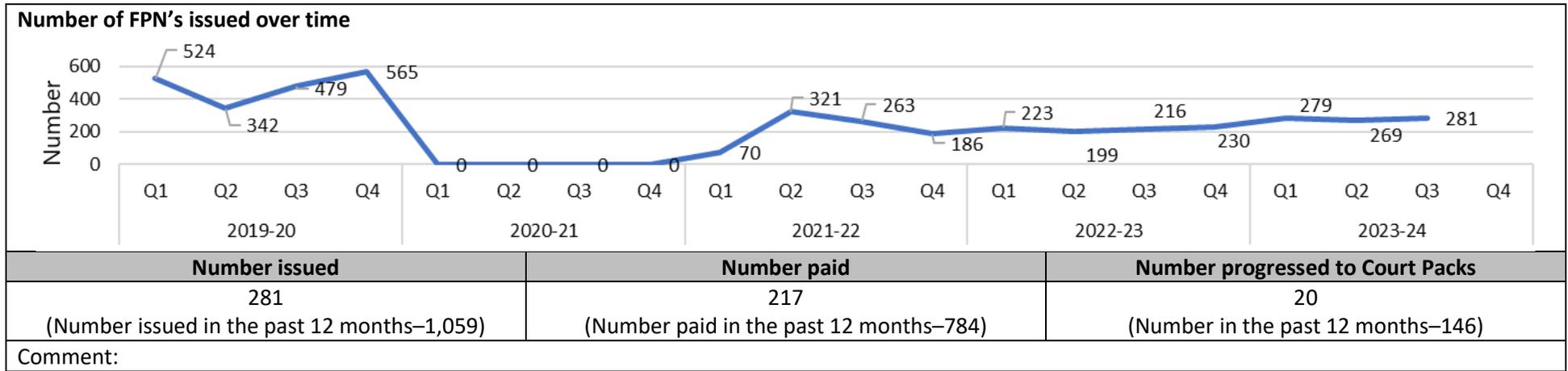
Press releases				Media enquires			
10				23			
DoT from last quarter (5)	↑	DoT from this quarter last year (2)	↑	DoT from last quarter (15)	↑	DoT from this quarter last year (14)	↑
Comment:							

Key Service Indicators

Penalty Charge Notices (PCNs)



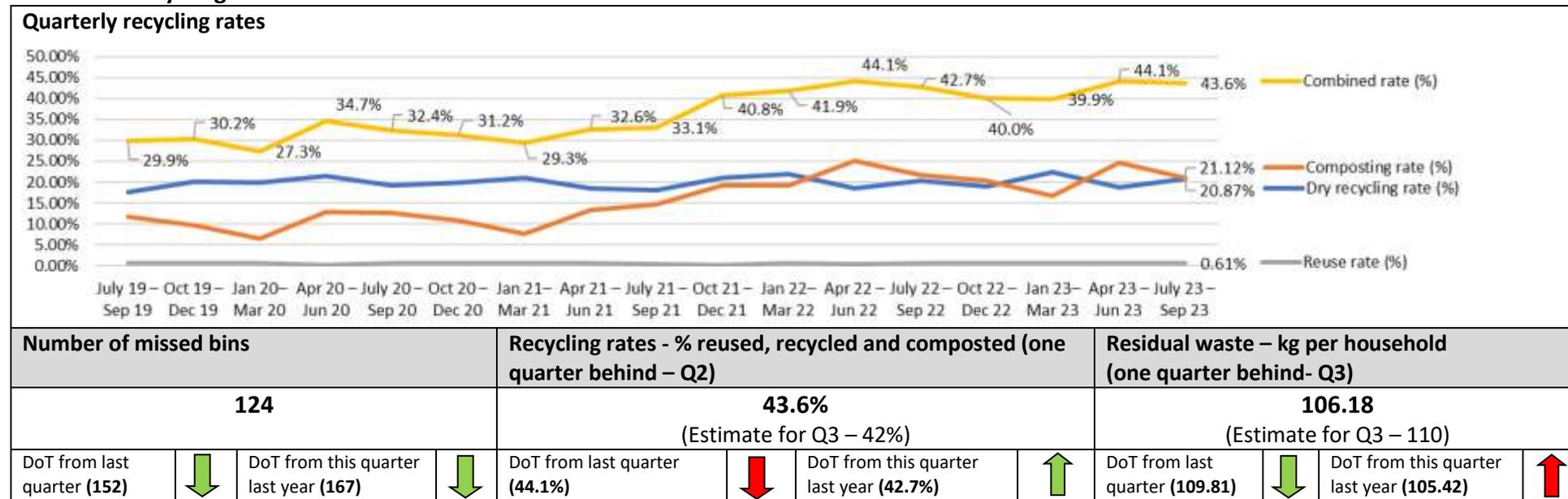
Fixed Penalty Charge Notices (FPN's) Issued for litter



Fly-tipping -



Waste and recycling



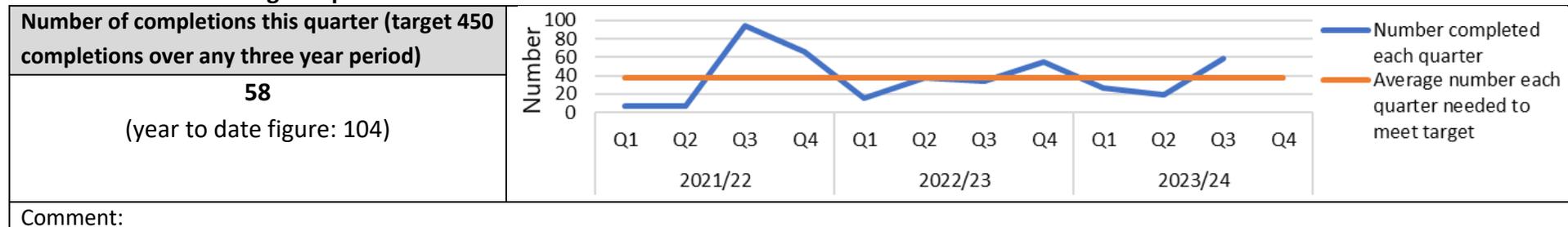
Homelessness

Number of Homelessness enquires				Number placed in B&Bs				B&B costs - gross			
251				31*				Data currently unavailable			
DoT from last quarter (284)	↓	DoT from this quarter last year (334)	↓	DoT from last quarter (20)	↑	DoT from this quarter last year (46)	↓	DoT from last quarter (£26,872 estimate)		DoT from this quarter last year (£36,326)	
Comment: *Severe Weather Protocol (SWEP) period was activated so increase in B&B placements.											

Housing Allocation Pool

Number added to pool this quarter				Number housed this quarter				Total number in the Housing Allocation pool			
149				47				1,950			
DoT from last quarter (146)	↑	DoT from this quarter last year (155)	↓	DoT from last quarter (95)	↓	DoT from this quarter last year (33)	↑	DoT from last quarter (1,864)	↑	DoT from this quarter last year (1,835)	↑
Comment: Due to an upgrade to the system the Pool will be closed to new applicants for two during Q4. 47 tenancies started, 35 households matched to properties but not yet commenced their tenancies.											

Gross affordable housing completions



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%)
185						
DoT from last quarter (283)	↓	DoT from this quarter last year (241)	↓	100%*	95%**	98%***
Comment: **3 of the 6 applications determined in the quarter were outside the statutory period however both were subject to agreed extensions of time and therefore are recorded as 'in time' **11 of the 21 applications determined in the quarter were outside the statutory period however 10 were subject to agreed extensions of time and therefore are recorded as 'in time' ***6 of the 52 applications determined in the quarter were outside the statutory period however 5 were subject to agreed extensions of time and therefore are recorded as 'in time'						

Planning Appeals

Number of planning appeals submitted	Number of appeals allowed	% of appeals allowed (target 40%)
2	1 (3 decisions this quarter)	33%
Details of Planning appeals allowed: The digital advertisement display at the Empire, High St, Aldershot was allowed. The Inspector considered that the advertisement would not appear unduly dominant, would not result in a proliferation of adverts, and conditions can be used to control the level of illuminance. The Inspector considered on this basis that the proposal would not result in harm to the Conservation Area.		

Taxation

% of Council Tax collected				% of Business Rates collected			
93.65%				95.64%			
DoT from last quarter (94.38%)	↓	DoT from this quarter last year (93.92%)	↓	DoT from last quarter (101.41%)	↓	DoT from this quarter last year (98.25%)	↓
Comment: the rate is a fraction below the same period last year due Energy Rebates being posted onto accounts in September 2022.				Comment: The figures are lower than where the Council would like but are skewed due to us holding large credits on accounts – if this wasn't the case, the collection rate would be consistent			
<p style="text-align: center;">Quarterly council tax collection</p>				<p style="text-align: center;">Quarterly NNDR collection</p>			

Benefits

Number of new claims															
<p>* there is currently an issue with the program that provides this data, so the information is not available</p>															

Average number of days to process new claims				Total benefit caseload			
This data is obtained from Gov UK, & the data for Q3 this year is not yet available - Estimate 4 days				5,595			
DoT from last quarter (Last data available is Q41 2023/24 – 4 days)	n/a	DoT from this quarter last year (5 days)	n/a	DoT from last quarter (5,647)	↓	DoT from this quarter last year (5,733)	↓
Comment: The caseload has continued to drop due to migration to Universal Credit							

Electoral Registration

% of registered properties (properties minus 'true' voids)	DoT from last quarter	DoT from this quarter last year
87%	↑ (86%)	↓ (88%)
Comment:		

Key strategies and plans update – January 2024

The Council Plan 2023-26 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 date over two-thirds of the actions have been progressed. The Council has completed work to calculate its carbon footprint for 2021/22 and this was published as part of a Cabinet report in July 2023. A revised action plan was also presented to Cabinet in July 2023 for approval. The revised action plan contains twelve actions and has been developed in light of the latest carbon footprint. An annual report will update on the revised Action plan in March 2024.

- **Cultural Strategy**

The [Rushmoor Cultural Strategy](#) and was approved by the Cultural Compact on 27 June 2022 and endorsed by Rushmoor Borough Council's Cabinet in October 2022. In taking the Cultural Strategy forward the Council is 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 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.

The council is working with a number of partners to enhance the cultural life of the borough. This includes bringing more cultural and arts activities into town centre events such as south Asian dance performers at Victoria Day and samba drumming at the Aldershot Christmas Cracker.

The Strategy is the foundation on which the council is scoping out the cultural elements of the Farnborough Leisure and Cultural Hub. It is also being used to inform bids for further funding from Arts Council England to support arts and cultural development.

- **Customer, Digital & Technology Strategy**

The Cabinet adopted the [Customer, Digital & Technology Plan 2023/24](#) on the 6 June 2023. The plan sets out a direction of travel for the future, with a clear focus on how we will become a more modern, customer focussed organisation. It sets out several activities to deliver more accessible, efficient, and cost-effective services over the next twelve months.

The Council is making good progress on most actions. A small number of projects are taking longer than expected and may not be delivered until 24/25.

A longer term strategy is expected to be developed over the next few months for approval in 2024/25.

- **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.

The Equalities and Diversity Action Plan had envisaged a number of actions being underpinned by Census Data and recent months have seen the publication of this data and this information will provide a foundation for the next phase of work which is due to commence in 2024.

- **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.

- **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.

The intention was, that following the adoption of the Green Infrastructure Strategy, potential projects will be tested for their feasibility and costed through the preparation of a Green Infrastructure Delivery Plan. Instead, due to the urgency relating to new obligations arising from the Environment Act 2021, need to identify new opportunities for the creation of Suitable Alternative Natural Greenspace (SANG) and opportunities arising from potential grant funding, resources have been focussed on the delivery of some of the projects identified in the Strategy.

Work has now commenced on three of the projects, including the Carbon Reduction through Tree Planting Feasibility Project and the Biodiversity Net Gain Off-Site Scoping Project. A further two projects relating to the identification of Suitable Alternative Natural Greenspace (SANG) are current being scoped. Officers will review the progress of the projects on an annual basis and keep under review the need for Delivery Plan and/or update to the Green Infrastructure Strategy.

- **Housing and Homelessness Strategy**

The Housing and Homelessness Prevention Strategy 2023 - 2027 was approved at Cabinet on the 12 September 2023.

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 new strategy was agreed by Cabinet in September 2023 and Council in October 2023. Arrangements for its implementation and ongoing review are being put in place.

- **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 containing new financial arrangements. The inter-authority agreement is being amended by HCC following feedback from partner authorities and is due for approval by spring 2024.

- **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 2024 to reflect the new procurement rules.

- **Strategic Economic Framework**

The [Strategic Economic Framework \(SEF\)](#) was approved by Cabinet in April 2022. It seeks to grow and sustain Rushmoor's strong, resilient economy recognising however that people and businesses were impacted by the pandemic, are impacted by ongoing economic uncertainty and need support to grow and thrive.

UK Shared Prosperity Fund (UKSPF) funding will be used to help deliver on the priorities and actions in the SEF. This includes measures to help businesses in Rushmoor's key sectors grow, project and initiatives to support town centre businesses and programmes to ensure that there are training, employment and education opportunities for all.

- **Supporting Communities Strategy and Action Plan**

The Cabinet approved the [refreshed Supporting Communities Strategy and Action Plan for 2023](#) in January 2023. The Supporting Communities Strategy and Action Plan sets out the Council's approach, alongside key partners, to tackle inequality and deprivation and improve well-being and resilience of the community. It has 4 key priorities: Economic Hardship & Cost of Living, Physical and Mental Health, Connecting Communities and Young People.

- **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 report to Cabinet in January highlighted the recent publication on consultation to changes to the National Planning Policy Framework and implications for the timescales for Local Plans. Due to ongoing delays to the Levelling Up Bill which has only become an Act in December 2023, well beyond the anticipated timescale and consequent delays to any secondary legislation it has not been sensible to commence yet. A report was agreed by Cabinet in November 2023 determining that a full Local Plan Review was required. A further report will be brought to Cabinet once we have the necessary details from Government to confirm a timescale and approach.

- **The People Strategy**

The [People Strategy 2020-23](#) 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. Progress continues to be made in all 4 key areas against set out and evolving priorities including:

- **A positive culture enabling high performance:** Continued embedding of our Values and Behaviours including at Staff Live, Corporate Management/ Service Managers workshops and by recognising team and staff performance in the monthly Rushmoor Roundup! and at the end of the year event.
- **People are developed to realise their potential:** Further modules on the new eLearning System were launched providing mandatory learning and non-mandatory training modules. Delivery of awareness development sessions including neurodiversity and staff continued to access professional development sessions via SeedL.
- **The Council is an employer of choice:** Appointment of apprentices to roles and for some staff who have completed their apprenticeship programmes this has led to new permanent positions within the Council. Attended a careers fair at a local school promoting the interesting and diverse roles held at the Council.
- **Engaged people who feel valued and supported:** Wellbeing events held including a Men's Tea Break and lunchtime walk, menopause drop-in sessions and the signposting and sharing of relevant support resources. Analysis of Health & Wellbeing Survey results, including focus group outcomes, leading to the development of further employee support initiatives.

- **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 was 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 2022.

Funding was confirmed by Government in December 2022 and the funding for 2022/23 was received in January 2023 with funding for 2023/24 expected imminently.

The Council's 2023/24 projects are on track to be delivered in full before the end of the year. PPAB considered the proposed 2024/25 projects at [their meeting on the 29 November](#). Their recommendations will be included in a report to Cabinet in February 2024 alongside the proposed Council Budget.

Strategies and plans in development

- **Aldershot Town Centre Strategy**

A revised Aldershot Town Centre Strategy is due to go to Cabinet during 2024.

- **Car Parking Strategy**

The agency agreement for Rushmoor to provide on-street parking services on behalf of Hampshire was terminated by the County from 1 April 2023, and the transfer of these functions has been successfully completed. Revised internal administrative arrangements are now in place to deal with the back-office administration for Penalty Charge Notices, which are primarily undertaken by the Customer Services. From early 2024, a new team of Place Protection Officers will be in place with a remit of deterring and tackling issues of antisocial behaviour, environmental crime and parking violations. These new roles will incorporate the duties previously undertaken by the Civil Enforcement Officers (CEOs). Once the operational duties and priorities of these new roles have been established, a new parking strategy will be developed (Autumn 2024).

- **Communications and Engagement Strategy**

A communications plan for 2023/24 was shared with the Portfolio Holder in September 2023. This set out the team's communications activities and a campaign plan for the year ahead, based on the council's priorities and individual service plans. The Policy and Project Advisory Board is due to give an initial view on the direction of the new communications strategy at a meeting in 2024.

Rushmoor Borough Council - Corporate Risk Register v14.0 18/01/24 (CMT PUBLIC)

Risk Title	Risk Owner	Risk Type	Risk Description & Potential Outcomes	Inherent Risk Score	Inherent Risk Rating	Inherent Risk Trend	Existing Controls / Mitigation	Residual Risk Score	Residual Risk Rating	Residual Risk Trend	Additional Mitigation Planned	Target Risk Score	Target Risk Rating	Target Risk Trend
Strategic Risks (ST) - Total 8 (+/- 0)														
Financial sustainability of public sector partners	Paul Shackley	ST	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. This could have negative repercussions for health, education, community outcomes and economic outcomes identified in the Council Business Plan 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.	12	High	↔	Close partnership working at a senior officer and political level with the Council's public sector partners. Members and Officers are well briefed on potential implications/risks arising from decisions taken by other public sector partners	8	High	↔	Continued horizon scanning/monitoring of the broader policy context. Respond to HCC Budget consultation.	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 and consumer confidence. Low business confidence is impacting on investment decisions inc. business lettings. 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.	12	High	↔	Partnership working with other organisations around support for the economy and local businesses. Engagement with businesses and business networks. 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. Strategic Economic Framework agreed in April 2022.	12	High	↔	Revised package of business support being delivered from September 2022 onwards: Inclusive enterprise support SeedL - training Regular business surveys to understand business needs. Business support element of UKSPF. Strategic Economic Framework implementation.	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 Announcements of CVAs by Wilko and Prezzo and store closures by Boots demonstrate the potential further retrenchment of large retail chains. Further bank closures.	12	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.	9	High	↔	Close engagement with and ongoing provision of business support to town centre businesses. Ongoing development of the Aldershot Town Centre Task Force. Work with police to tackle increased or perceived increase in ASB/Crime particularly in Aldershot More town centre events and markets planned. More activity at the Meads. Union Yard now being marketed.	6	Medium	↔
Poor Educational Attainment	Rachel Barker	ST	Educational attainment 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	9	High	↔	Ongoing dialogue with headteachers of key educational establishments. Engaging with young people relating to skills, development and opportunities in line with the supporting the communities strategy and action plan.	6	Medium	↔
Securing infrastructure investment	Nick Irvine	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.	12	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. Continue to secure support from local stakeholders for projects - including residents, HCC and MP.	6	Medium	↔
Poor Health Outcomes within Borough (eg obesity, mental health etc)	Rachel Barker	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	12	High	↔	Supporting Communities Strategy and Action Plan adopted Joint working with partners, particularly with the ICS, HCC and the PCNs with a range of initiatives and plans in place or being developed. Projects to include increased physical activity and reducing obesity in the Borough. 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 ICS and HCC) and then overall approach to delivering the Council's ambitions (Q3 2023/24).	6	Medium	↔

Changing external policy context	Rachel Barker	ST	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. Reputational risk if the Council is unable to sufficiently adapt to the changing environment.	12	High	↔	Service level risk assessments to consider impacts of potential policy changes on individual Council services. Policy, Strategy, and Transformation team to support ELT and CMT with 'horizon scanning' which will assist the Council in identifying and where possible responding to some changes.	6	Medium	↔	Continued engagement with Government officials and other partners.	6	Medium	↔
Demographic change	Rachel Barker	ST	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. 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.	6	Medium	↔	Community engagement work may identify some changes ahead of them being reported in data sets. Review and analyse publicly available datasets, alongside those held by the Council. Work with partners to understand trends that exist at a larger geography and potential implications (e.g. aging populations) Presentation to CMT in April 2023 on census data. Census information reviewed and shared widely across the Council and with partners so that trends and their implications are understood.	4	Medium	↔	None at this time	2	Low	↔

Standing Corporate Risks (SC) - Total 17 (+1 Moved from ES Register) 2 Not suitable for Public Register/Removed, 5 Redacted

Threat of Cybercrime & Data Loss	Ian Harrison	SC	Threat of outside malicious forces attempting to breach RBC's network. Breach could lead to data loss, loss of service(s) & potential unknown financial loss and possible enforcement action by the ICO. Inability to operate in whole or in part until the breach is addressed Inability to source goods and services to manage IT estate due to pressure on world wide supply chain which could result in unsupported infrastructure/software or inability to move forward End user / insider risk of inadvertent actions that could result in cyber issue Non-managed IT presents a greater risk of data loss and fraudulent access without appropriate access and duties segregated.	16	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	12	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	12	High	↔
Major Data Breach – non-technical (human and physical)	Ian Harrison	SC	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.	12	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	8	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	8	High	↔
Leisure and Cultural Hub - Major Project	Karen Edwards	SC	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	16	High	↑	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	16	High	↑	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	4	Medium	↑
Management of external debt - Interest rate/refinancing risk, access to capital finance	Peter Vickers	SC	Council debt portfolio (cannot be refinanced at affordable interest rates/within resources set aside in MTFS). Increase in Bank of England Interest Rate and Gilts leading to higher interest costs. Contraction of inter-authority lending market. Increased borrowing costs could reduce the scope of the capital programme. The increase could also reduce the resources available to fund other expenditure.	12	High	↔	Continual monitoring of debt position and market interest rates Engagement with Arlingclose (Council's Treasury advisors). Treasury Management Strategy sets borrowing limits and interest rate exposure limits. External borrowing - refinancing risk mitigated through planned move to both some longer term borrowing and appropriate short term borrowing. Financial Strategy amended to reduce the need to borrow long term by the disposal of assets to generate capital receipts, which will be used to fund the capital programme. Arlingclose advise sought and gained. Continual review of debt portfolio and refinancing opportunities as part of BAU.	12	High	↔	S151 leading management of capital programme to focus on peak debt, affordability and revenue impact of borrowing. Target risk likely to remain high given current borrowing level and forecasts.	4	Medium	↔
PCI DSS compliance	Peter Vickers	SC	Council is not currently fully compliant with PCI DSS which may lead to a data breach and withdrawal of service by the merchant acquirers handling credit card transactions resulting in a significant loss of a major channel for the public to transact with the council.	12	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	8	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	4	Medium	↔
Lack of employee alignment, engagement and development will reduce organisational performance	Belinda Tam	SC	A high performing organisation 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. Due to the age profile there is a risk of losing knowledge and experience in coming years.	16	High	↔	Developmental activities: •Annual Development Reviews May-Aug, with learning needs feeding into the corporate Learning and Development plan, and individual service L&D needs/CPD identified •My Learning e-platform for compliance and developmental training, with reminders when training due •Bespoke leadership development, ongoing internal 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. Regular review of people engagement opportunities and attract, recruit and retention policies.	8	High	↔	Review of corporate succession planning (2023)	4	Medium	↔

Insufficient funding to proceed with projects	Karen Edwards	SC	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. The recent increases in interest rates makes affordability of funding more challenging. In addition, build costs remain high and there are little to no incentives in the buyer's market e.g. help to buy to generate interest in development.	16	High	↔	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 programme is being drafted to manage the wider financing needs and timing of receipts.	12	High	↑	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. Expedite actions to enable disposal of identified assets. Work with members to establish priorities for commitment of available funding against regeneration programme Consider the further prioritisation, slowing and reprofiling of the programme.	4	Medium	↔
Regeneration of town centres does not deliver economic, community and financial benefits - see major projects	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	↔	Comprehensive regeneration programme governance process implemented. (Board meets 6-weekly) Regular Cabinet and Member reporting External due diligence engaged External grant funding secured Wider Town Centre Strategy for Farnborough completed and adopted by Cabinet in Summer 2022	9	High	↔	Further public/market engagement planned. Programme / scheme viability to be reviewed regularly. Seek further external grant funding to reduce Council financial exposure - LEP / Homes England / High Street Fund etc. Engage with the market to establish a new development partner/delivery route.	6	Medium	↔
Civic Quarter, Farnborough - Major Project	Nick Irvine	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.	9	High	↔	Comprehensive regeneration project governance process implemented - RBC Board meets monthly Regular Cabinet and Member reporting. External due diligence engaged. Public engagement undertaken in September 2021. Planning application approved (subject to s106) in February 2023.	9	High	↔	Programme / scheme viability to be reviewed regularly. Seek further external grant funding to reduce RBC exposure - LEP / Homes England / High Street Fund OPE funding bid for £2m submitted in March 2023 to assist with early enabling works - awaiting outcome. Engage with the market to establish a new development partner/delivery route.	6	Medium	↔
Union Street, Aldershot - Major Project	Karen Edwards	SC	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	9	High	↑	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	9	High	↑	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	2	Low	↔
Loss of Accommodation/ Building (temporary & permanent)	Rachel Barker	SC	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)	8	High	↔	Business continuity plan & 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 Most staff are able to work from home in the event of the Council offices being unavailable, this is assuming IT isn't affected. Prince Hall could be set up as a temporary front of house service.	6	Medium	↔	Business continuity plan and IT Disaster recovery plan to be tested – NS/RS/AM	6	Medium	↔
Climate Change – Failure to deliver ambition for a carbon neutral Council by 2030.	Rachel Barker	SC	Risk of not delivering high profile organisational objective due to insufficient resources or lack of support because of other priorities	9	High	↔	Development of an action plan and assessing resourcing requirements. This is kept under review. Allocation of ringfenced resource to deliver project. Projects incorporated within Service Business Plans as part of the Review of the Climate Change Action Plan. Climate Change Action Plan 2023 - 26 agreed by Cabinet in July 2023.	6	Medium	↔	Develop arrangements to deliver projects with partners.	6	Medium	↔

<p>Governance and Decision Making – Not meeting statutory deadlines. Legal challenge to a high profile regeneration related, or high value decision made by the Cabinet, Committees or under delegated powers.</p>	<p>Ian Harrison</p>	<p>SC</p>	<p>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.</p>	<p>9</p>	<p>High</p>	<p>↔</p>	<p>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. Independent Person recruited as a member of CGAS, offering independent oversight, particularly from an audit perspective. Constitution kept under review in liaison with a subgroup of CGAS (the Constitution working group). 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. Senior Managers deliver Corporate Induction on Constitution for staff. Training and development of CGAS members provided as part of annual suite of training. Change of membership/CGAS carried out following each electoral cycle. Members receive training by end of July in each civic year.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>	<p>Continue to integrate risk management in corporate governance arrangements - continual improvement. Ensure horizon scanning continues within sector. Noted continued relevance/importance in light of recent s114 activity at NCC and associated governance weaknesses reported widely in the media.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>
<p>Reduced Income from Property Portfolio (Moved from ES Register)</p>	<p>Tim Mills</p>	<p>SC</p>	<p>Significant loss of income from the Council's property portfolio arising from a variety of reasons including deteriorating economic conditions, downturn in the property market and changing consumer or business habits.</p>	<p>9</p>	<p>High</p>	<p>↔</p>	<p>Establishment of a Capital Programme and Property Advisory Group (CPPAG) 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. Prudent budgeting on Meads and Property Budget and early securing of key rents allows room for level of deterioration</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>	<p>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. Production of Asset Management Plans to enable 7 year forecasting including ensuring all reviews etc. are undertaken pro-actively and increased focus on debt management</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>
<p>Financial Sustainability</p>	<p>Peter Vickers</p>	<p>SC</p>	<p>Interest on borrowing is currently more than budget within the MTFS. Council cannot afford to deliver services on current cost configuration. The risk is therefore: Lack of engagement from officers and members with the financial challenge. Savings Program does not deliver required savings. Poor decision making on financial commitments. Decisions taken in isolation and do not form part of wider strategy. Inflationary pressures and increase in PWLB/Other LA interest rates places additional pressure on the Council's finances</p>	<p>6</p>	<p>Medium</p>	<p>↓</p>	<p>MTFS planning process identifies strategy to manage the impact of such an occurrence built into future spending plans. Detailed budget proposal presented to February 2024 Full Council with an action plan to bring costs back to a sustainable level, including use of reserves. CIPFA have been engaged to provide an independent review and due diligence on the capacity for the Council to deliver the required actions.</p>	<p>6</p>	<p>Medium</p>	<p>↓</p>	<p>Detailed action plan is being consulted on with officers and members prior to Full Council. Short term savings will be identified put in place from April 2024 to ensure in year savings target is achieved. Temporary external experienced financial management capacity will be recruited to support the Council in delivery of its financial recovery plan. Review of MTFS assumptions due to July 2024 Full Council.</p>	<p>6</p>	<p>Medium</p>	<p>↓</p>
<p>External Audit opinion</p>	<p>Peter Vickers</p>	<p>SC</p>	<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 VIM opinion External auditor recommendations are not considered by the Council Council cannot complete Annual Statement of Accounts by statutory deadline Council cannot amend draft Statement of Accounts due to lack of suitably qualified/experienced staff and loss of staff through absence Council does not prioritise asset valuation work or responding to audit queries leading to EY to lose confidence in the authority.</p>	<p>4</p>	<p>Medium</p>	<p>↓</p>	<p>Finance team resourcing being addressed, Permanent Head of Service is in post, experienced finance manager recruited, year end technical closure capacity in place. Closure project plan in place Property, Insurance & Finance information with respect to properties is now aligned & information now freely passes between property & finance team</p>	<p>4</p>	<p>Medium</p>	<p>↓</p>	<p>Review of long terms skill capacity due to be completed in March 2024.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>

Escalated Service Risks (ES) - Total 8 (-1 Total, 1 Moved to SC Register 1 New 1 Removed) 1 Redacted

<p>*New* Major Planning Appeal (Airport)</p>	<p>Tim Mills</p>	<p>ES</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>12</p>	<p>High</p>	<p>N/A</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>9</p>	<p>High</p>	<p>N/A</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>6</p>	<p>Medium</p>	<p>N/A</p>
<p>Failure to reprovide temporary accommodation</p>	<p>Tim Mills</p>	<p>ES</p>	<p>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. The economic climate causes increased demand and potential losses of landlords. North Lane Lodge has now been re provided and the council now needs to prioritise the re provision of Clayton Court by the end of 2024/25. In addition to the lease ending, the building is of poor quality.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>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. Working with SSJ to continue market search. Suitable property to replace NLL is now in place.</p>	<p>9</p>	<p>High</p>	<p>↔</p>	<p>Extended timescales with Grainger beyond end 2023 for at least one of the buildings.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>

Changes to the immigration system	Rachel Barker	ES	Changes to the asylum system result in reduced levels of community cohesion. Increased service demand Associated funding position is complex and uncertain and may not meet demand. Proposals can come on stream swiftly and may cause pressure on resources.	12	High	↔	Close working with relevant teams across the Council (community, housing, comms, community safety) and with regular briefings to staff and Members. Close working with external stakeholders including police, SMP, County Council, Home Office and their provider Clear Springs	12	High	↔	Attendance at relevant multi agency forums. Additional communications and community engagement work.	4	Medium	↔
LEP absorption into County leads to loss of services and funding	Tim Mills	ES	LEP will end 31/3/24 and functions will be a HCC responsibility. Potential diversion of funding to other purposes or areas. HCC less responsive to the economic needs of Rushmoor.	12	High	↔	Engagement with HCC and remaining LEP officers to ensure strong relationships.	8	Medium	↔	Enhance engagement with economic team at HCC	4	Medium	↔
Changing priorities and outcomes from either RDP partner	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 Exec Director and CE) and Council Members kept informed of progress and key decisions.	6	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 approval of outline planning for Civic Quarter.	1	Low	↔
Inaccurate reporting of financial position	Peter Vickers	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 Inflationary pressures not fully identified 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 Decisions are taken on an ad-hoc basis without understanding or consideration of wider financial position	6	Medium	↔	Financial Regulations Budget monitoring process and quarterly reporting BH access to Integra Finance team is almost at full complement enabling full review of transactions and support to BH Head of Finance provides additional High-Risk financial information to HoS OBB process resulted in budget training to staff outside the Finance Team	6	Medium	↔	Improvement plans (see above) to Integra to provide user friendly/budget holder focussed reporting Further training on Integra use and budget training planned 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	↔

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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CABINET
6TH FEBRUARY 2024

COUNCILLOR ADE ADEOLA
DIGITAL FIRST & CORPORATE
PORTFOLIO HOLDER

KEY DECISION: YES/NO

REPORT NO. PEO2401

ANNUAL PEOPLE REPORT AND OTHER HUMAN RESOURCES MATTERS

SUMMARY AND RECOMMENDATIONS:

This report brings together a number of updates for Cabinet in relation to the Council's workforce. It provides updates on implementation of elements of the Council's People Strategy and provides key data on the Council's workforce for 2023. The report seeks Cabinet's approval of a new Health and Wellbeing Statement of Intent and also for a Code of Practice relating to Health, Wellbeing and Stress management.

The report also provides the latest Pay Policy Statement and Gender Pay Gap calculations which will be considered by the Corporate Governance, Audit and Standards Committee and Full Council.

Recommendations:

That Cabinet

- i. Note the Annual People Report
- ii. Approve the proposed Health and Wellbeing Statement of Intent and note the approach to implementation.
- iii. Approve the Health, Wellbeing and Stress Management Code of Practice
- iv. Note the Pay Policy Statement and Gender Pay Gap Report as set out in the report to Corporate Governance, Audit and Standards Committee

1. INTRODUCTION

- 1.1 The Council has a People Strategy agreed in 2021 (which provides the framework for human resources or, the more current terminology of people management and development for the Council). The implementation of the People Strategy is monitored by the Council's Transformation Task and Finish Group. Some limited workforce data is included in the quarterly monitoring but the annual report included at Appendix A brings together a wider perspective alongside some key updates for consideration by Cabinet.
- 1.2 In addition, this report includes a proposed Health and Wellbeing Statement of Intent and a new Health, Wellbeing and Stress Management Code of Practice.
- 1.3 Alongside the above the Council needs to agree and publish a Pay Policy Statement and Gender Pay Gap Report. These are considered by the

Corporate Governance, Audit and Standards Committee and are summarised in this report for noting by Cabinet.

2. ANNUAL PEOPLE REPORT

- 2.1 The Annual People Report at Appendix A provides an update on the People Team activities, data of workforce composition and data trend analysis during 2023.
- 2.2 Key projects this year have included: Procurement and implementation of a new eLearning platform, completion of the first stage of the procurement process for a new Applicant Tracking System (ATS), design and launch of a Corporate Learning & Development Programme, Pensions auto-enrolment (every 3 years), Pay and Reward Policy revisions, wellbeing initiatives including the bi-annual Health and Wellbeing Survey and increased staff communication and engagement via surveys and the introduction of the monthly Rushmoor Roundup! newsletter.
- 2.3 Cabinet are invited to note the progress and key data for 2023.

3. HEALTH AND WELLBEING STATEMENT OF INTENT

- 3.1 It is proposed to implement a Wellbeing Statement of Intent to demonstrate Rushmoor's commitment to organisational wellbeing. The sickness absence data and employee assistance programme data indicates that anxiety, in particular, is a reason for absence and seeking counselling support. Other reasons include stress and depression.
- 3.2 The Health and Wellbeing Statement of Intent describes the Council's four wellbeing areas to develop a healthier, happier, more resilient and productive workforce. The four areas of wellbeing are Mental Wellbeing, Physical Wellbeing, Social Wellbeing and Financial Wellbeing.
- 3.3 The proposed Health and Wellbeing Statement of Intent is attached at Appendix B

4. HEALTH, WELLBEING AND STRESS MANAGEMENT CODE OF PRACTICE

- 4.1 Linked to the Health and Wellbeing Statement of Intent is the proposed implementation of a Health, Wellbeing and Stress Management Code of Practice which can be found at Appendix C.
- 4.2 This Code of Practice states the responsibilities for the Council, Line Managers, the People Team and employees to proactively and reactively manage and minimise the impact of stress-related issues within the Council.

5. PAY POLICY STATEMENT AND GENDER PAY GAP

- 5.1 The report to CGAS containing the Council's Pay Policy Statement and Gender Pay Gap report is enclosed at Appendix D. The Pay Policy Statement sets out

the framework within which pay is determined in Rushmoor Borough Council and it provides an analysis comparing the remuneration of the Chief Executive with other employees of the authority.

- 5.2 The comparisons included within the paper, look at the ratio between the Chief Executive and the full-time equivalent salary for a permanent member of staff employed in the lowest grade within the structure. The ratio for 2024/25 is 1:5.9.
- 5.3 The Gender Pay Gap Report contains the Gender Pay Gap calculations for both mean and median values. The mean gender pay gap equates to 12.69 % with the female average salary being lower than the male average salary. The median gender pay gap equates to 9.52% with the female median rate being lower than the male median rate.

6. RISKS

- 6.1 There are no risks associated with the consideration of this report.

7. LEGAL IMPLICATIONS

- 7.1 There are no legal implications associated with the consideration of this report. The Council People Management policies and procedures and provisions within the constitution provide framework for decision making associated with employees.

8. Financial and Resource Implications

- 8.1 There are no additional financial implications associated with this report that are not within existing budgets.

9. Equalities Impact Implications

- 9.1 There are no equalities impact implications directly associated with this report. The papers attached with this report are considered against the three progress levels of the Diverse and Engaged Workforce module of the Equality Framework for Local Government.

CONTACT DETAILS:

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Director: Karen Edwards, Executive Director
(karen.edwards@rushmoor.gov.uk)

APPENDICES

- A - Annual People Report
- B - Health and Wellbeing Statement of Intent
- C - Health, Wellbeing and Stress Management Code of Practice
- D - Pay Policy Statement and Gender Pay Gap Report

APPENDIX A

ANNUAL PEOPLE REPORT 2023

1. Introduction

- 1.1 This first annual report seeks to provide a consolidated update on the Council's people related activities including implementation of the [People Strategy](#) and providing data and information relating to the Council's workforce.

2. People Team

- 2.1 The Council's human resource functions are delivered through the People Team who provide a cross council service which includes: recruitment and selection, reward, remuneration and benefits, organisational design and development, learning and development, apprenticeships and work experience, wellbeing and payroll. The current establishment headcount of the People Team is 7 (6.36 FTE) which was reduced in May 2023 from a headcount of 8 (6.81) because of savings required from the Outcomes Based Budgeting (OBB) project.
- 2.2 Key projects this year have included: procurement and implementation of a new eLearning platform, completion of the first stage of the procurement process for a new Applicant Tracking System (ATS), design and launch of a Corporate Learning & Development Programme, Pensions auto-enrolment (every 3 years), Pay and Reward Policy revisions, wellbeing initiatives (including the bi-annual Health and Wellbeing Survey), increased staff communication and engagement via surveys and the introduction of the monthly Rushmoor Roundup! newsletter.

3. Workforce profile

3.1 Headcount

A breakdown of the headcount for the council is provided in the table below. Headcount continues to fall as efficiencies are made and changes to how services are delivered. There was a significant reduction in headcount during 2023 which was due mainly to changes in the provision of services and the OBB savings requirements.

Year	Headcount	FTE
Jan – Dec 2021	287	256.63
Jan – Dec 2022	271	243.23
Jan – Dec 2023	247	220.65

A further breakdown of the headcount/FTE by service is provided below as of **31st December 2023**. Please note that yearly comparison data cannot be provided due to the in-year reorganisation of some teams.

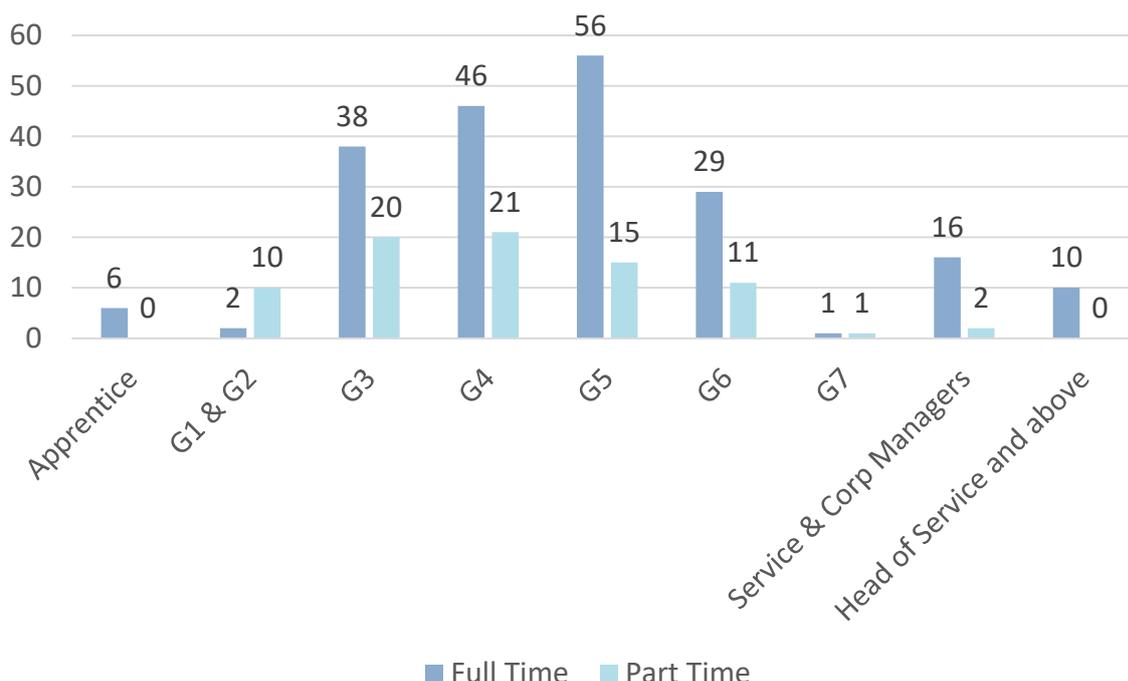
Service	Headcount	FTE
Chief Executive Office (CEX)	5	5

Assistant Chief Executive (ACE), Communications, Partnerships, Risk, Performance and Procurement (RPP), Policy, Strategy & Transformation (PST)	27	24.28
Operational Services	75	63.68
Regen & Development	6	6
Customer Services & Facilities	23	20.38
Information Technology	13	12.41
Finance	34	30.85
Democracy	7	5.38
Property & Growth	42	39.6
Legal Services	8	6.71
People Team	7	6.36
Total	247	220.65

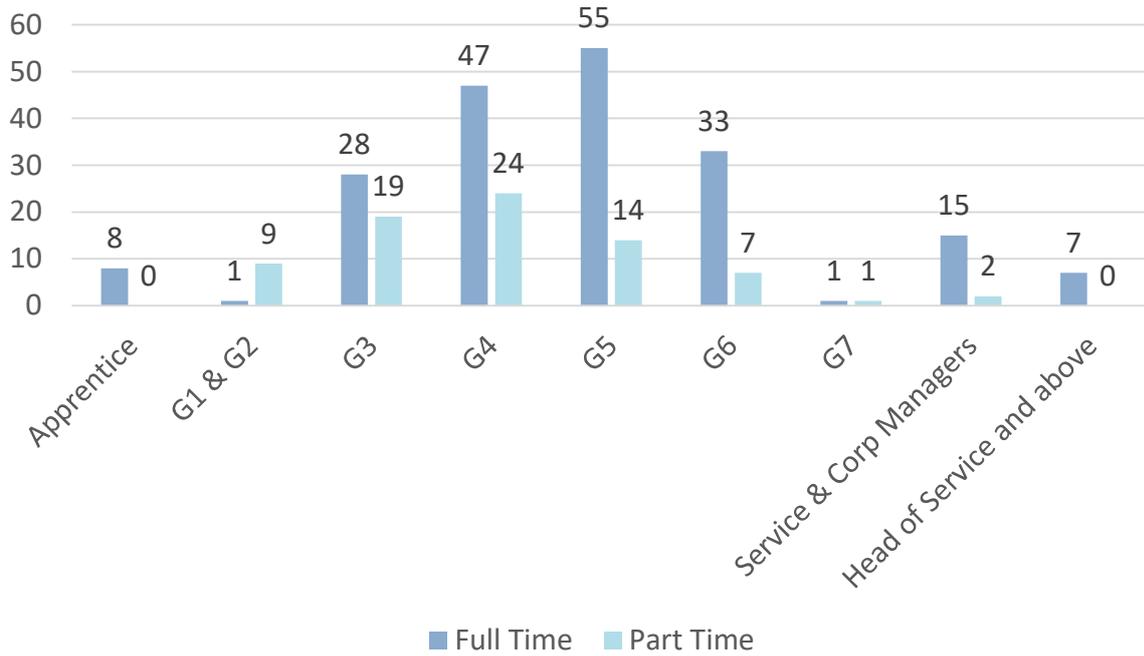
3.2 Full time (FT) and part time (PT) grade breakdowns

The percentage of the Council's workforce contracted to work less than 37 hours a week is 28.36%. Of this percentage, females make up 93.15% indicating that more females than males work less than 37 hours a week. Further details of the grade breakdowns are provided in the graphs below and the highest percentage of part time workers during the years are in a Grade 4 (G4) role. There is an increase in the number Service Managers (SM) and Corporate Managers (CM) in 2023 who are working part time and or/flexibly which is providing greater gender diversity at these levels. However, there are less staff working part time at Head of Service and above levels which will be further explored by reviewing job design at these levels.

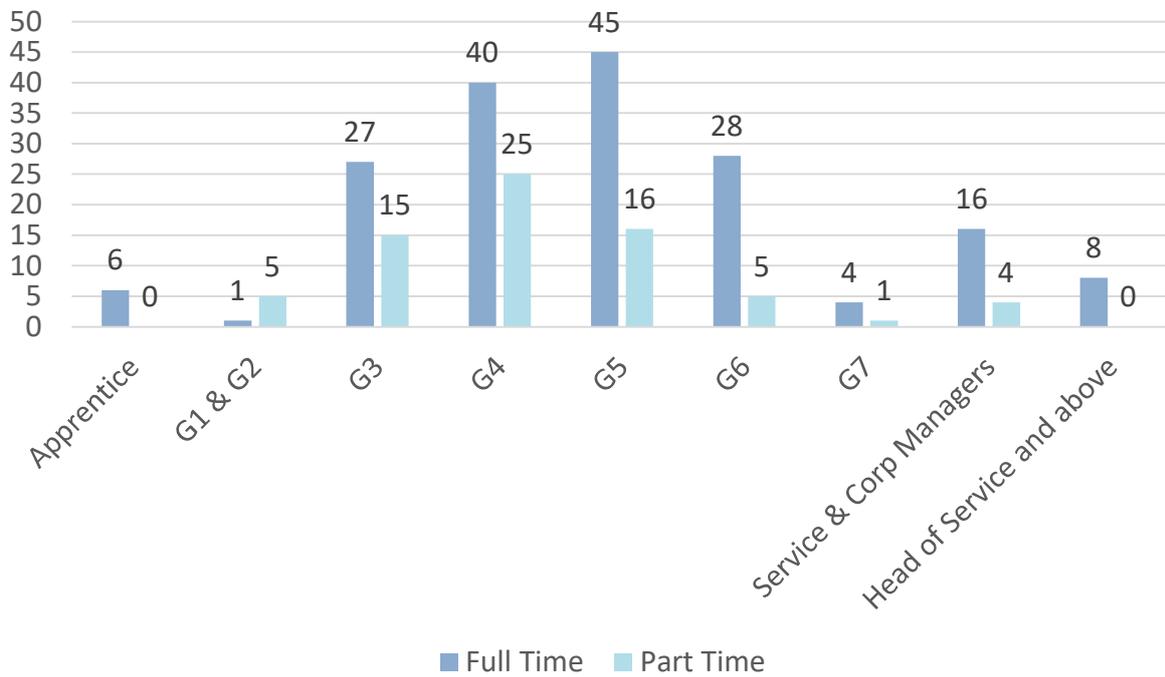
Grade breakdown - Full & Part time 2021



Grade breakdown - Full & Part time 2022



Grade breakdown - Full & Part time 2023



3.3 Workforce Turnover (T/O)

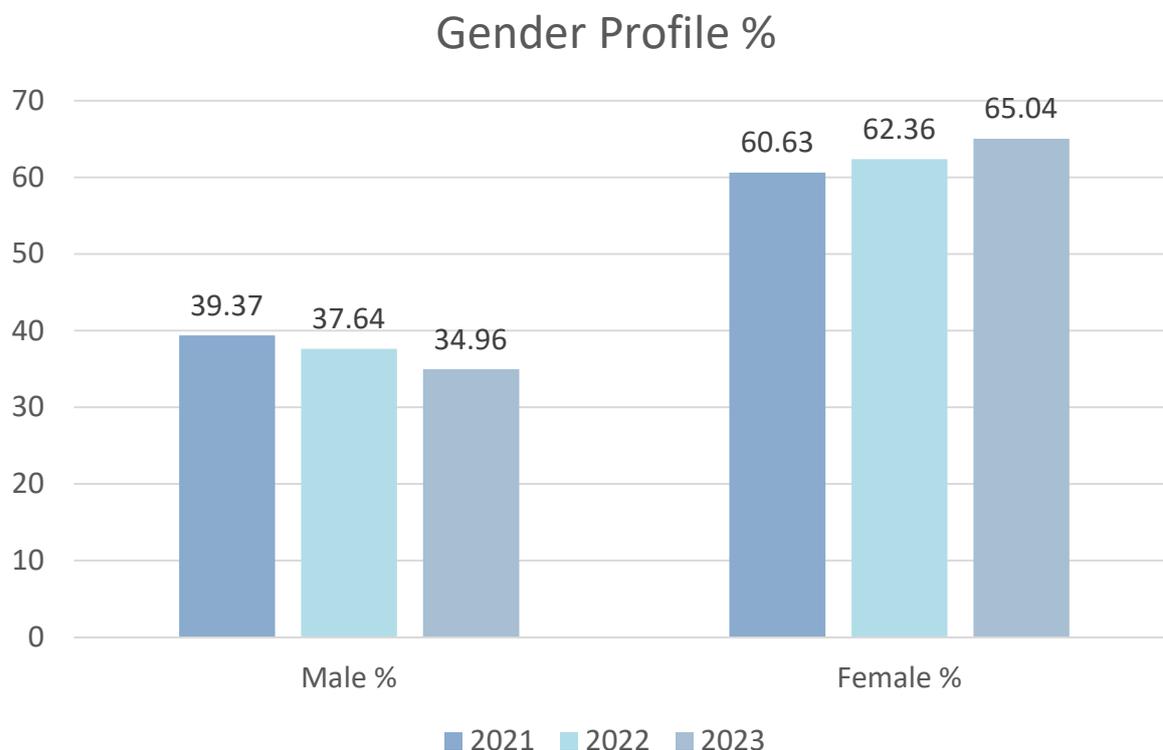
The workforce turnover for the last three years is provided below presenting voluntary turnover and involuntary turnover separately:

Year	Voluntary T/O	Involuntary T/O
Jan – Dec 2021	9.11%	2.12%
Jan – Dec 2022	19.26%	2.18%
Jan – Dec 2023	12.71%	8.27%

The voluntary turnover for 2022 was highest for Rushmoor as the council suffered from losing skilled staff such as legal professionals due to the national skill shortages at this time which also carried over into 2023. The involuntary turnover for 2023 was due to the changes in the provision of services and the OBB savings requirements. The Local Government median labour turnover rate for 2020/21 was 14%¹. Further analysis will be undertaken to review the Council's turnover rates compared to other local authorities.

3.4 Gender profile

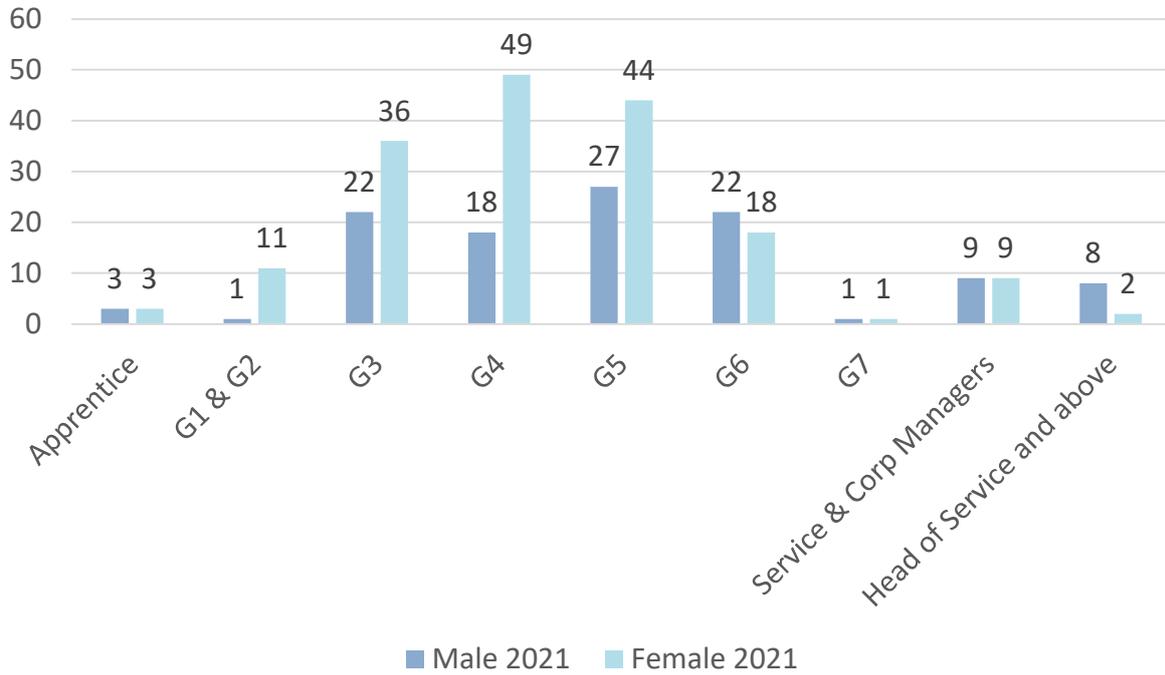
Over the past three years there has been a gradual reduction in the number of male employees and a gradual increase in the number of female employees. These changes are illustrated in the graph's below:



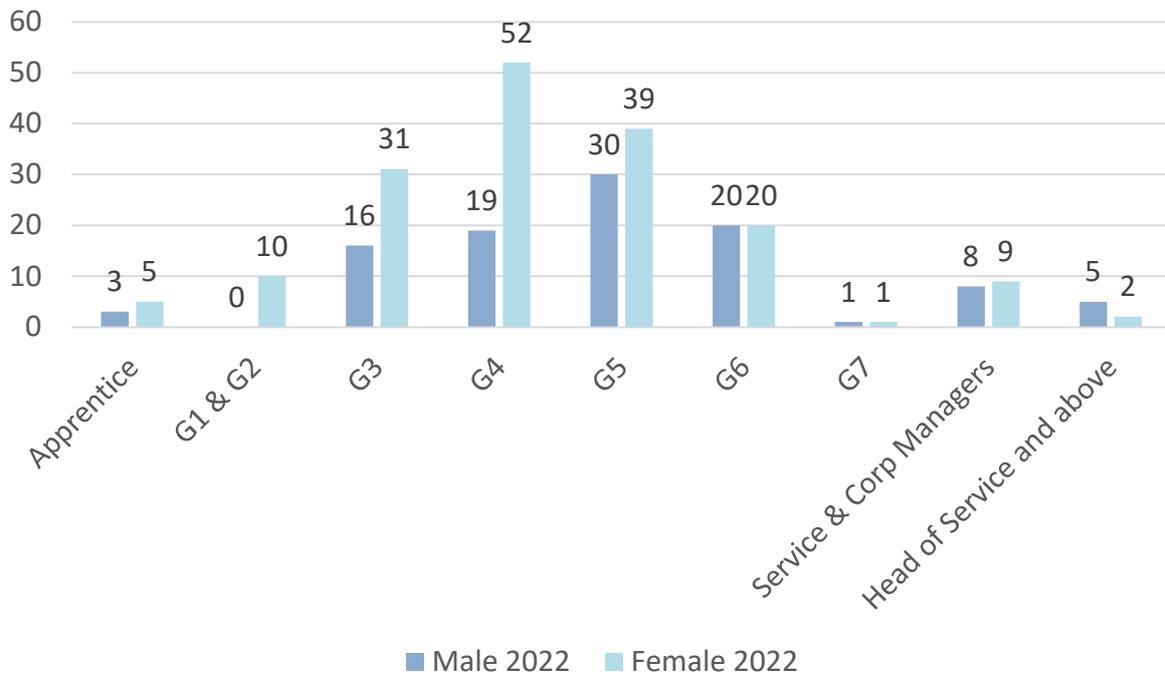
¹ [PowerPoint Presentation \(local.gov.uk\)](#)

Further gender breakdowns are provided by grade below:

Gender Profile by Grade 2021



Gender Profile by Grade 2022



Gender Profile by Grade 2023



The percentage of females employed in the workforce has increased slightly to 65.04% (160 females). The number of females employed in Service Manager and Corporate Manager grades has now surpassed the number of males. However, there are still more males in the Head of Service and above roles despite a higher percentage of females in the workforce. As stated previously this will be reviewed and analysed. Local authority sample comparator data below shows a similar percentage of female staff:

Year	Local Authority	Females %
31 st March 2022	Surrey Heath BC	64%
31 st March 2023	Waverley BC	64%
31 st March 2023	Runnymede BC	57.4%

3.4.1 The gender pay gap for Rushmoor as at 31st March 2023 ('snapshot date') equates to a **12.69%** difference (or 'gap') in pay rates, with the female average salary being lower than the male average salary. The median pay gap has decreased for the third year to **9.52%**. Rushmoor's gender pay gap data for 2021, 2022 and 2023 are detailed in the table below:

Year	Mean	Median
2021	11.7%	11.3%
2022	13.8%	10.9%
2023	12.69%	9.52%

3.4.2 According to the Office for National Statistics (ONS) in April 2023 the median gender pay gap for all employees will have decreased to 14.3% from 14.4% in 2022². The mean and median gender pay gap calculations for other local authorities can be found in the table below:

Council	Year	Mean Gender Pay Gap	Median Gender Pay Gap
Basingstoke & Deane*	2022	-5.8%	-27.4%
Test Valley	2022	-19.3%	-5.2%
Woking	2022	16.37%	15.81%
Waverley	2022	13.69%	9.17%
Surrey Heath	2022	13.66%	13.07%

* Please note that the mean gender pay gap of zero represents less than 1% of the workforce

3.4.3 There is a higher proportion of men who occupy the lowest paid jobs at Test Valley BC and there are more women occupying the middle of the organisation's pay scale. Similarly at Basingstoke and Deane BC the highest proportion of men at the council occupy the lowest paid jobs and there is a larger percentage of women in the lower middle and upper middle pay quartiles. These gender quartile splits help to explain why the gender pay gap calculations are more favourable to women at these councils.

3.4.4 Rushmoor's gender pay gap data for 2022 is similar to Woking BC, Waverley BC and Surrey Heath BC. The Rushmoor gender pay gap quartile data demonstrates that the highest percentage of females occupy the lower paid roles than males. However, the upper quartile demonstrates a more balanced representation of females and males in these roles.

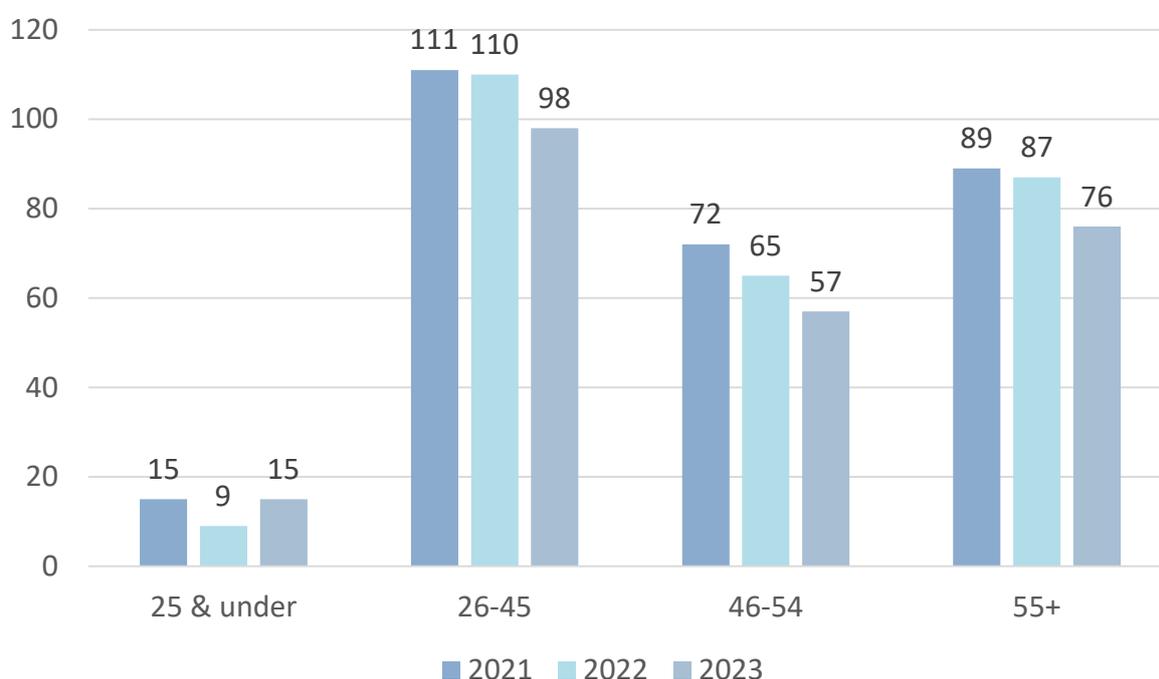
3.4.5 In line with the People Strategy the Council will continue to promote secondments, cross council project working, encourage the personal development of employees, and those with the potential to progress into senior roles and continue to encourage flexible working, to facilitate positive shifts in the Council's gender pay gap.

3.5 Age Profile

The graph below highlights the age profile of the workforce at the Council. The age range of staff between 26 and 45 continues to be the highest (39.84%, 98 members of staff) and the next highest age group (30.89%, 76 members of staff) is the 55 and over age group. The 25 and under age group (6.1%, 15 members of staff) has increased in 2023. Further age profile analysis by service teams has been conducted for succession planning discussions with Heads of Service and Service Managers where there are particularly high numbers of staff in the second largest age group. There is also further work to be undertaken to attract and retain more young people (T Levels, Apprenticeships and Graduates).

² [Gender pay gap in the UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Age Profile - Headcount



3.6 Ethnicity Profile

The ethnic data for the workforce in December 2023, compared to the Rushmoor Population (2021 Census) data is detailed in the table below:

	Council workforce	Rushmoor Population (2021 Census)
White	79.27 %	77.5%
Black and Minority Ethnic (BAME)	5.69%	22.5%
Not stated/Not Known/Prefer Not to Say	15.04%	N/A (all questions need to be answered in the Census)

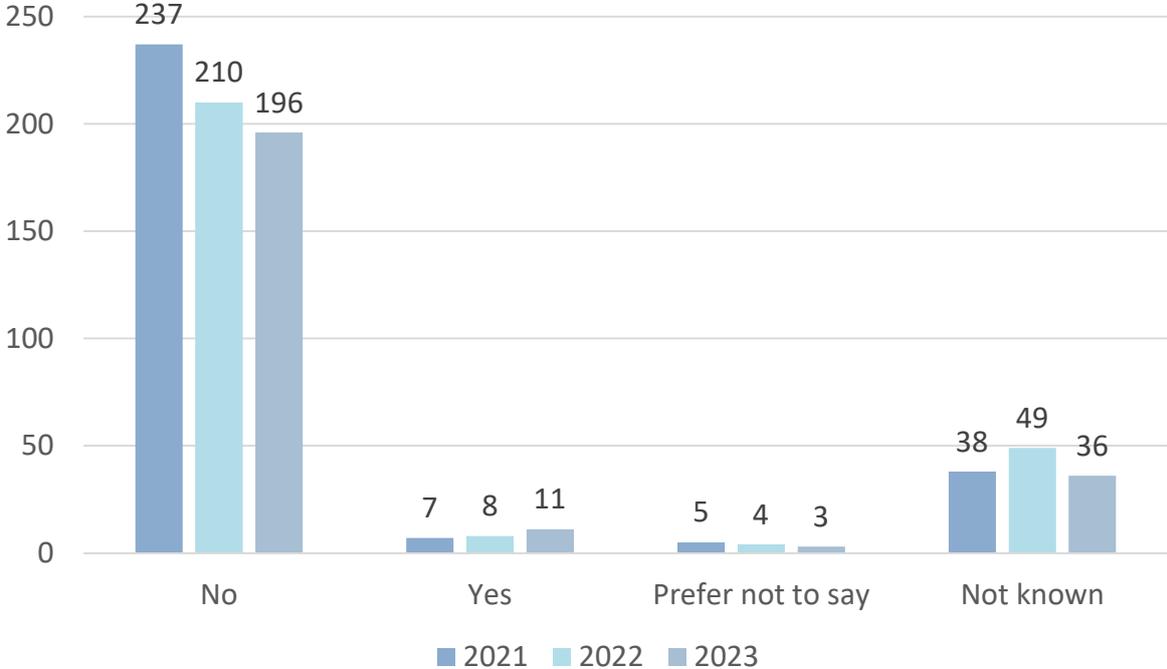
A key challenge for the Council is to develop initiatives to further encourage a diverse and inclusive workforce from the local community and wider. This will be a feature in the development of the revised People Strategy.

3.7 Disability Profile

The disability profile at Rushmoor shows that there has been a slight increase in the number of staff declaring they have a disability. It is important for the council to understand how to best support staff with a disability in the workplace. The

Council will continue to encourage staff to update their personal records and reduce the 'not known section' (36 members of staff) in particular. Further work will also be undertaken to review the Council's recruitment and selection processes in line with Equality, Diversity and Inclusion (EDI).

Disability - Headcount



3.8 Religion and Belief Profile

The religion and belief profile in the graph below shows a decline in the number of council staff not updating the religion and belief section of their personal

Religion & Belief Profile



records. There is a slight change in the remaining data other than a very small increase in staff selecting 'other' under this section. The People Team have recently encouraged all staff to update their records.

4. Sickness

4.1 The table below shows sickness absence data at Rushmoor for the last three years:

	Days lost per FTE	Short term absence - days lost per FTE	Long term absence - days lost per FTE
2021	5.8	1.99	2.82
2022	4.56	3.08	1.48
2023	4.23	2.41	1.85

NB: Long term absence is absence that extends beyond 4 weeks

4.2 The average number of working days lost per annum due to sickness absence in local government is 8.7 days per FTE as reported in the LGA Workforce Survey, England 2022/23³.

³ [2022 Local Government Workforce Survey | Local Government Association](#)

- 4.3 Short term absence at Rushmoor has reduced to 2.41 days lost per FTE in 2023 from 3.08 days lost per FTE in 2022. Long term absence has increased slightly to 1.85 days lost per FTE from 1.48 days lost per FTE.
- 4.4 During 2023, the most common reasons for the number of episodes for sickness absence were coughs, colds, flu and gastrointestinal problems. The most common reason for the number of days lost were due to Covid, anxiety, stress and depression.
- 4.5 The data demonstrates slight changes in sickness absence over the years with the reasons for absence continuing to be anxiety, stress and depression. Recognising the need to address these reasons for absence and to demonstrate Rushmoor's commitment to organisational wellbeing, the Council is proposing to implement a Wellbeing Statement of Intent. This statement includes the Council's support of mental, physical, social and financial wellbeing initiatives to 'create a healthy, content, resilient and productive workforce who are able to work to the best of their ability and collectively maximise the impact of the borough of Rushmoor'. It is also proposed that a Health, Wellbeing and Stress Management Code of Practice (recommended by the HSE) is implemented which complements the Council's commitment to the wellbeing of staff.

5. Health and Wellbeing

The Council already undertakes a number of initiatives that focus on health and wellbeing, including the support of an Employee Assistance Programme (EAP), the services of an Occupational Health provider and participation at the Council's Health and Wellbeing Group. The People Team promote and lead on health and wellbeing events, designed to raise awareness of the importance of both physical and mental health.

5.1 Employee Assistance Programme (EAP)

5.1.1 The Employee Assistance Programme offers support to employees and their families with health and wellbeing, via telephone counselling, face to face counselling, a Health Portal and a 24-hour help/advice line. Monthly newsletters from the Council's EAP provider are published on Viva Engage and the People Portal.

5.1.2 The annualised EAP utilisation for the Council in 2023 was 10.5%, calculated as counselling and advice calls. During this time a total of 34 calls were logged and of these 32 were counselling calls. The online portal received a total 49 hits within this reporting year. There were slightly more males than females accessing EAP. Mental health issues are still the highest category of calls. Anxiety was the most common reason, followed by bereavement and partner related reasons. As previously mentioned, anxiety continues to be a reason for sickness absence. The EAP data will be further analysed to shape the health and wellbeing support the Council provides staff.

5.2 Health and Wellbeing initiatives during 2023

There were a number of health and wellbeing initiatives held during 2023 which are detailed below:

- Launch of the Health and Wellbeing Survey 2023. A biannual survey used to understand where the Council is as an organisation and compare this with previous surveys to identify trends and where we can improve the working environment. Focus groups were held to discuss three key areas highlighted in the feedback.
- Events and Celebration days marked, e.g. Mental Health Awareness week, International Men's Day, International Women's Day, World Suicide Prevention Day, Time to Talk Day etc.
- In person and virtual 'Tea Breaks' arranged monthly to create time and space for colleagues to connect.
- Wellbeing Walks run monthly and linked to wider events where appropriate
- Launch of a Menopause Framework as part of International Women's Day celebrations to support staff.

6. Recruitment and Selection

6.1 Recruitment continues to be a challenging area particularly for hard to recruit to skilled roles such as legal professionals, audit and investigation professionals and property professionals.

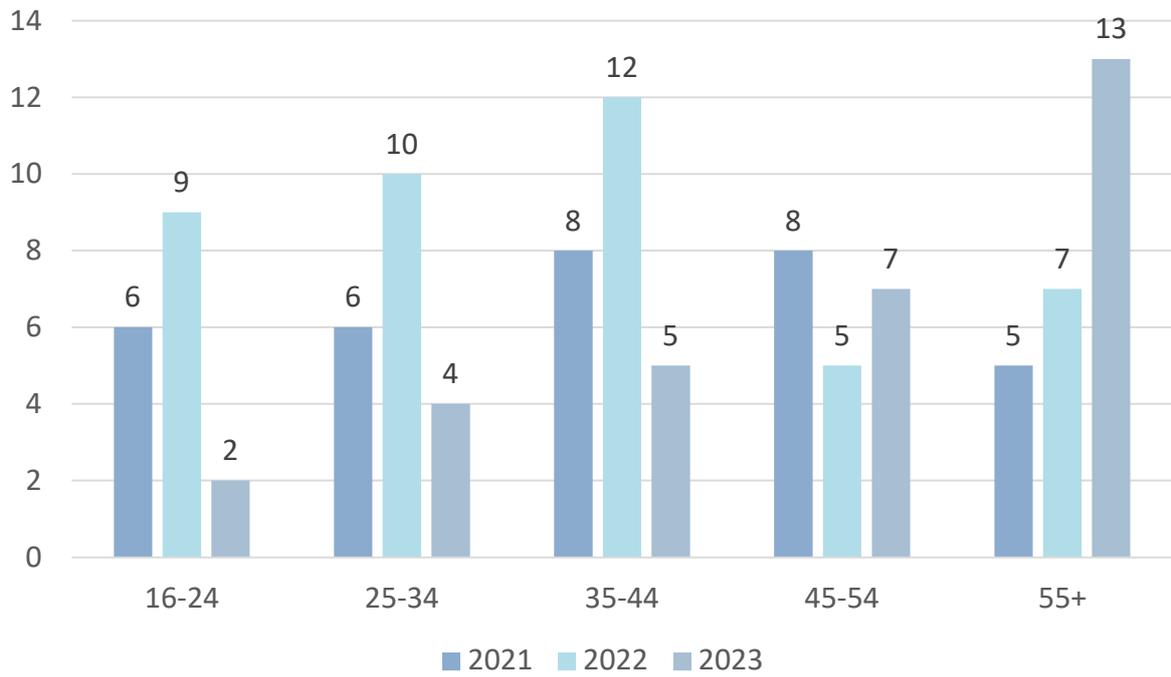
6.2 Rushmoor uses the Jobs Go Public (JGP) recruitment advertising and applicant tracking system (portal). The current extended contract with JGP ends in June 2024 and the Council has commenced a procurement process for a new applicant tracking system.

Between 1st January and 31st December 2023 there were **53** vacancies advertised on the JGP portal:

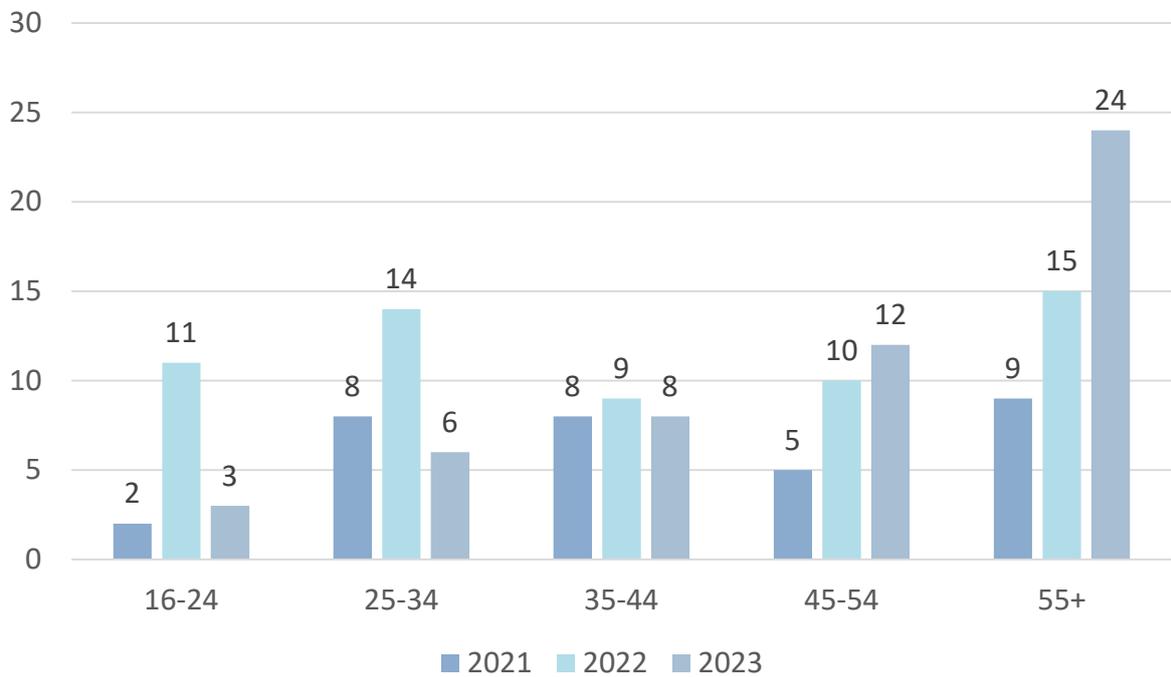
- **44** of these vacancies have an appointed candidate for the role
- **9** vacancies were not filled (including Principal Property and Commercial Lawyer, Principal Planning and Regulatory Solicitor, Paralegal, Internal Audit and Investigations Officers, Compliance and Marketing Assistant).

6.3 The age profile of starters and leavers for the last three years is detailed in the graph below:

Age Profile - Starters



Age Profile - Leavers



For 2023 the highest number of starters and leavers were in the 55+ age group. Further analysis of this data will be undertaken alongside the corporate succession planning project.

7. Apprentices and the Apprenticeship Levy

- 7.1 Since the introduction of the apprenticeship levy in April 2017, the Council has been able to utilise 76% of available funding for the provision of apprenticeship training. The funding can be used for training for new apprentice contracts and for upskilling existing staff. In the reporting period 2023, the apprenticeship levy has been used to fund the following apprenticeships:

New Apprentice Contracts			
Apprenticeship	Service	Start	End
Creative Venue Technician Level 3	Operations	Sep 2023	Sep 2025
Software Developer Level 4	Office of the Assistant Chief Executive	Apr 2023	Oct 2024
Events Assistant Level 3	Economy, Planning and Strategic Housing	Oct 2022	Oct 2024
Business Administrator Level 3	Finance	Apr 2022	Apr 2024
Associate Project Manager Level 4	People	Oct 2021	Mar 2024
Installation electrician / maintenance electrician L3	Property, Estates and Technical Services	Jan 2021	Jan 2025
Apprentice Upskilling for existing staff			
Associate Project Manager Level 4	Operations	Oct 2021	Mar 2024
Associate Project Manager Level 4	Office of the Assistant Chief Executive	Oct 2021	Mar 2024
Chartered Town Planner Level 6	Economy, Planning and Strategic Housing	Sep 2022	Mar 2029
Payroll Administration Level 3	People	Jun 2022	Mar 2024

- 7.2 The Council has two tiers for salary for new apprentice roles. Those studying towards an entry level qualification, up to Level 3 have a starting salary of £13,631 and those studying towards a Level 4 or above have a starting salary of £21,350.

8. T Level Placements

- 8.1 T Levels are another route of study to support young people. T Levels are relatively new courses which follow on from GCSEs and are equivalent to three A levels. Students are required to complete a 45 day / 9-week industry placement to gain experience of a working environment and to be able to put the theory they're learning into practice. This equates to 80% in the classroom and 20% in the workplace. The student is supported by the college where they are studying throughout, with joint objectives set at the beginning and reviewed over time to ensure value is there for the student and for the organisation.
- 8.2 T Level students are a great way of attracting young people to work in local government and can act as an entry route and the beginning of an exciting career pathway.
- 8.3 The Council has supported two students during 2023 from Farnborough College of Technology, within the IT and Policy, Strategy and Transformation service and will seek to support further students where possible.

9. Communication and Employee Engagement

- 9.1 Over the last year, more focus was placed on how the Council communicate and engage staff in the organisation, through multiple channels that offer choice and accessibility, with clear, frequent, and timely messaging on key issues. Providing staff an opportunity to voice diversity of opinion and have a say in the decisions that affect their work.
- 9.2 Key communication strategies and engagement activities led on and/or contributed towards during 2023 included:
- 'Engage 24/7' an anonymised survey open throughout the year for staff to share their experiences of working at Rushmoor which provides a temperature check on how staff are feeling.
 - OBB support for communications, FAQ documents, Focus Group sessions.
 - Cost of Living page created with signposting.
 - Contribution at Staff Live sessions
 - Creation of a survey for front line staff to share their views on how the reception area is working and any improvements that could be made.
 - Rushmoor Round Up! A monthly staff newsletter launched in March.
 - Christmas Event, Advent Calendar and 'Rushmoor Christmas Angels' for staff to show appreciation for a colleague.
 - Communication plan for launching a new eLearning platform including engagement with subject matter experts in the organisation to review the course content and the creation of 'how to guides' and documentation for staff.

- Launch and continued publishing of the SeedL learning platform as a way to access a variety of development topics.
- Long Service Awards for staff who have worked at Rushmoor for 20 years or more.
- Careers Fair attendance at Alderwood School.
- 'Equal Opportunities' focus on review and updating records held to better understand the composition of the workforce.
- Development of the People Portal, updates and new pages added.

9.3 Pensions, Election payroll and Pay Award

9.31 Auto enrolment

The deadline for the re-declaration for auto enrolment was 30th June 2023 for the Rushmoor Borough Council main payroll. There were 7 members of staff to re-enrol, from this 6 opted out and 1 opted into the scheme.

9.3.2 Re-declaration for the Election payroll

The date of re-declaration for the Election payroll was 7th August 2023. The Returning Officer is the only member of staff eligible for a workplace pension and is already in the scheme.

9.3.3 Pay Award

The Local Government Pay Award covering the period 1st April 2023 to 31st March 2024 was agreed by the Unions at the beginning of November. Employees up to and including NJC scale pay point 43 received a flat increase of £1,925 on base salary. Employees on locally determined pay points above pay point 43 and below Chief Officers received a 3.88% increase on base salary. The uplift was processed and paid in the December payroll. The increase for local authority Chief Executives was 3.5% on base salary. The pay award for Chief Officers was agreed and applied in June 2023 with a 3.5% increase on base salary.

10. Induction

10.1 All new starters complete mandatory eLearning modules as part of the induction activities when they join the council. New starters are also invited to attend the corporate induction sessions including a Tour of the Borough, Meet the Directors and other short and informal introductions to Health and Safety, Finance, Democracy and the People Team. A member of the People Team will check in with each new starter at three months and six months to see how they are settling in and provide advice and guidance as appropriate. Managers will also meet regularly with their new starters providing an induction programme and also checking to see how they are doing and what support and information they need to help perform in their work and to settle into the organisation.

11. Learning and Development

- 11.1 Corporate and individual learning and development needs are identified during the Development Review process (May to August).
- 11.2 Learning needs identified during this process contribute to the development of the Corporate Learning and Development plan which supports delivery of the Council Plan and People Strategy.
- 11.3 Service and role specific learning and development needs are also identified through the Development Review process. These are prioritised and organised by each service area.
- 11.4 The corporate training learning and development budget was reduced as part of the OBB work from £26K to £13K. This has led to more resourcefulness with the budget allocated, pulling on internal/external resources and collaborating with networks to deliver the Corporate Learning and Development activities for 2023/24.
- 11.5 Corporate Learning and Development opportunities and events delivered during 2023 included:
- Learning at work week
 - Managing Budgets for budget holders
 - Employing Contractors (IR35)
 - Viva Insights
 - Climate Change
 - Political Awareness
 - Dementia Awareness
 - Neurodiversity training
 - Menopause drop in events
 - CMT and Service Manager Workshops
- 11.6 In total 181 (74%) members of staff attended at least one corporate funded learning and development opportunity in 2023 (not including on demand digital learning opportunities).
- 11.7 In addition to these corporate learning and development activities, the council procured a new eLearning platform, SkillGate, with a saving of £39K over the length of the contract. The system successfully launched in August 2023 and has seen an increase in compliance across the organisation, rising from 76% to 94% from August to December 2023.
- 11.8 Alongside mandatory training, staff also have access to a wide selection of self-development courses on a range of topics, published through internal communication channels. The Council have partnered with a local company, SeedL to provide a learning platform for local businesses delivering live webinar style training. This learning platform is open for all staff to access.
- 11.9 The People Team have delivered training both 'face to face' and remotely depending on the subject. The challenge for the People Team in 2024/25 will be

to further develop a range of delivery options available to staff, whilst simultaneously increasing engagement levels and delivering learning outcomes.

12. Conclusion

- 12.1 The People Strategy is developed to align with the council plan to design initiatives to build on the strengths of the workforce for the delivery of the council's priorities. The current People Strategy concludes at the end of this financial year and will be reviewed and shaped to underpin and reflect the forthcoming new Council Plan.

APPENDIX B

Health and Wellbeing Statement of Intent

To work together at the Council to enable the right environment and behaviours for individual, organisational and community health and wellbeing to be embedded in everything that the Council does.

Develop a healthier, happier, more resilient and productive workforce and create the conditions which enable people to work to the best of their ability and collectively deliver the Council's priorities and quality services for the communities of Rushmoor.

This can be achieved by focusing on four areas of Wellbeing:

1) Mental Wellbeing

- Create a culture of open discussion around stress and mental health - communications, events, notable awareness events/dates.
- Provide access to support, advice and signposting – employee assistance programme, Employee Support Team.
- Understanding of work demands - Job design, job roles, job quality, workload, working hours, job satisfaction, work-life balance.

2) Physical Wellbeing

- Create an environment where people feel empowered and are educated about their physical wellbeing.
- Create a working environment and new ways of working which support the physical wellbeing and supports safe working practices for all.
- Encourage participation in physical activity, walking, yoga, volunteering opportunities.

3) Social Wellbeing

- Build healthy, collaborative, nurturing and supportive relationships with colleagues which includes good leadership.
- Create an environment which seeks to improve the relationships across and throughout the organisation, encouraging collaborative working and consultation.

4) Financial Wellbeing

- Ensure reward and benefits policies allow opportunities to support employees at all stages of their lives.
- Financial Support – access to debt counselling, signposting to sources of free advice sought through Citizens Advice etc .
- Retirement planning – understanding Pensions, pensions and access to courses and information.

Health, Wellbeing and Stress Management Code of Practice

December 2023

Rushmoor Borough Council Health, Wellbeing and Stress Management Code of Practice

1. Introduction

The Council is committed to protecting the health, safety and welfare of its employees. The Council recognises that workplace stress is a health and safety issue and acknowledges the importance of identifying and reducing workplace stressors.

The Council also recognises that employees can be affected by stress outside of the working environment and where possible will offer support through appropriate resources to employees to address this.

This Code of Practice will provide a framework to enable managers and employees to proactively and reactively manage and minimise the impact of stress-related issues within the Council.

This Code of Practice applies to all employees of the Council.

2. Definition

The Council has adopted the Health and Safety Executive (HSE) definition of stress, which is:

'the adverse reaction people have to excessive pressure or other types of demand placed on them'

This makes an important distinction between pressure, which can be positive if managed correctly and stress, which is likely to be detrimental to physical or mental health if it is prolonged.

To work together at the Council to enable the right environment and behaviours for individual, organisational and community health and wellbeing to be embedded in everything that the Council does.

Develop a healthier, happier, more resilient and productive workforce and create the conditions which enable people to work to the best of their ability and collectively deliver the Council's priorities and quality services for the communities of Rushmoor.

Establishing an effective and consistent approach to the prevention and management of work-related stress and to provide supporting services where cases are identified.

The Council will:

- Consider the guidance provided within HSE Stress Management Standards and work towards the adoption of all appropriate controls.
- Develop a risk assessment, which is promoted to all managers and staff, to identify all workplace stressors and eliminate or controls the risks from stress. This risk assessment will be regularly reviewed, in line with other risk assessments, at least annually by the health and wellbeing group.
- Consult with union representatives on proposed actions relating to the prevention of workplace stress.
- Provide appropriate training and awareness sessions for all employees.
- Provide an Employee Assistance Programme (EAP) through which employees can access support, counselling and advice on all matters including stress experienced in or outside of work.
- Provide suitable resources to enable the identification and management of workplace stressors.

4. Responsibilities

Line Managers will:

- Implement recommendations made as a result of risk assessments.
- Ensure good communications particularly where there are organisational and procedural changes.
- Ensure staff are adequately trained to perform their duties.
- Ensure staff are provided with meaningful developmental opportunities where possible.
- Monitor workloads to ensure that people are not overloaded or underutilised.
- Discourage work-related contact with staff outside normal working hours or whilst on holiday unless there are exceptional circumstances.
- Monitor working hours and overtime to ensure that staff are not overworking.
- Monitor annual leave to ensure that staff are taking their entitlement in a timely manner.
- Ensure that bullying / harassment is not tolerated.
- Be vigilant and offer support to staff experiencing stress outside work e.g.: bereavement or separation.
- Ensure all sickness absence is recorded and reported as per the Sickness Absence Management Policy and returns to work appropriately supported.

- Allow and encourage staff to take part in corporate health and wellbeing initiatives during work time (e.g.: Wellbeing Day activities).

The People Team will:

- Help monitor the effectiveness of measures to address stress by collating sickness absence statistics, exit interview data and EAP statistics – follow up with managers and staff on absence levels.
- Provide continuing support to managers and individuals in a changing environment.
- Arrange training and awareness sessions for managers and staff.
- Ensure the provision of an occupational health service and other related support services.
- Give guidance to managers on this policy.
- Arrange and attend the Corporate Health and Wellbeing Group.
- Promote health, wellbeing and stress management policy, including risk assessment, to all staff and ensure it is understood.

Employees will:

- Participate in regular risk assessments as directed by their manager or council policy.
- Monitor their workloads to ensure that they are not overloaded or underutilised and inform their line manager.
- Monitor their working hours and overtime to ensure that they are not overworking.
- Regularly book annual leave throughout the year to ensure a good work life balance.
- Manage their working day to ensure they take regular short breaks.
- Raise issues of concern with their Line Manager, the People Team and/or union representative.
- Not engage in work-related contact with colleagues outside normal working hours or whilst on holiday unless there are exceptional circumstances.
- Report or take action, if they are subject to or witness any bullying / harassment behaviour.
- Take an active part in the process of assessing the risk e.g.: completing surveys or providing honest feedback when requested.
- Engage and participate with opportunities offered for training, awareness, support, advice, and counselling when recommended.
- Be supported to participate with mediation / group facilitation when required.

PAY POLICY STATEMENT / GENDER PAY GAP**SUMMARY AND RECOMMENDATIONS:****SUMMARY:**

Under the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year. The statement requires a recommendation to Council for the statement covering 2024/25.

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the council are also required to publish gender pay gap calculations annually based on a data as at 31 March 2023. This information is for noting by the Committee.

RECOMMENDATIONS:

- (1) The Council be recommended to agree the Pay Policy Statement for 2024/25 as set out in Appendix A
- (2) The Gender Pay Gap calculations for 2022/23 be noted.

1. BACKGROUND & INTRODUCTION

- 1.1 Under the Localism Act 2011, the Council is required to consider and approve a pay policy statement for the financial year. The Council's pay policy statement for 2024/25 is set out in Appendix A.
- 1.2 The Act requires that taxpayers can access information about how public money is spent on their behalf. It translates this into a requirement for improved transparency over both senior council officer pay and that of the lowest paid employees. To support this, the Act requires publication of an annual pay policy statement.
- 1.3 The Act sets out specific information that must be included in the Pay Policy Statement as follows:
 - the pay framework, level and elements of remuneration for Chief Officers
 - the pay framework and remuneration of the 'lowest paid' employees
 - the relationship between the remuneration of the Chief Officer and other officers

- other policies relating to specific aspects and elements of remuneration such as pay increases, other allowances or payments, pension and termination payments.

1.4 Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, the council are also required to publish gender pay gap calculations annually. The Council's Gender Pay Gap Report is set out in Appendix B.

2. DETAILS OF THE PAY POLICY STATEMENT

2.1 The Pay Policy Statement contains two main components. It sets out the framework within which pay is determined in Rushmoor Borough Council and it provides an analysis comparing the remuneration of the Chief Executive with other employees of the authority.

2.2 The comparisons included within the paper look at the ratio between the Chief Executive and the full-time equivalent salary for a permanent member of staff employed in the lowest grade within the structure. The ratio for 2024/25 is 1:5.9.

2.3 The second ratio included within the analysis, looks at the relationship between the median remuneration of all staff compared to the Chief Executive. The ratio for 2024/25 is 1:3.5.

2.4 The recommendation of the Hutton Report (2010) is that public sector organisations should comply with a maximum multiple of 1:20. Rushmoor is well within this multiple.

2.5 The Pay Policy Statement is forward looking and based on pay as anticipated for the following financial year.

3. DETAILS OF THE GENDER PAY GAP

3.1 The Equality Act requires the publication of the Council's Gender Pay Gap (mean and median values), Gender Bonus Gap (mean and median values), proportion of men and women receiving bonuses, proportion of men and woman in each quartile of the organisations pay structure. The council does not pay Bonus payments and therefore there is nothing to report in those categories.

3.2 The mean gender pay gap equates to 12.69 % with the female average salary being lower than the male average salary. The gap has decreased from 13.8% in the previous year.

3.3 The median gender pay gap equates to 9.52% with the female median rate being lower than the male median rate. The gap has decreased slightly from 10.9% reported in the previous year.

3.4 The proportion of men and women in each quartile has changed slightly with a notable increase in the number of women in the upper quartile.

3.5 The Gender Pay gap is reported retrospectively as at the 31 March in any year.

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Executive Director:

Karen Edwards (karen.edwards@rushmoor.gov.uk)

APPENDICES

Appendix A: Pay Policy Statement 2024/25

Appendix B: Gender Pay Gap Report 2023

BACKGROUND DOCUMENTS:

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

Communities and Local Government Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act Supplementary Guidance

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85886/Final_Supplementary_Pay_Accountability_Guidance_20_Feb.pdf

Rushmoor Borough Council
Pay Policy Statement for the Financial Year 2024-2025

1. Purpose and Definitions

- 1.1 The purpose of this pay policy statement is to set out Rushmoor Borough Council's (RBC's) policies relating to the pay of its workforce for the financial year 2024 - 25, in particular:
- a) the remuneration of its Chief Officers
 - b) the remuneration of its "lowest paid employees"
 - c) the relationship between
 - the remuneration of its Chief Officers
 - the remuneration of its employees who are not Chief Officers

Definitions

- 1.2 For the purpose of this pay policy statement, the following definitions will apply: -

"Chief Officer" refers to the following roles within RBC:

- Chief Executive, as Head of Paid Service*
- Assistant Chief Executive
- Executive Directors
- Executive Heads of Service
- Heads of Service

The **"lowest paid employees"** refers to permanent or fixed-term staff employed at Grade 1 of the pay scale. Grade 1 is the lowest grade.

An **"employee who is not a Chief Officer"** refers to all permanent or fixed-term staff who are not within the "Chief Officer" group above, including the "lowest paid permanent employees" i.e., staff on Grade 1.

2. Remuneration of the "lowest paid employees" and "all other employees who are not Chief Officers"

Pay framework

- 2.1 Pay for the "lowest paid employees" and "all other employees who are not Chief Officers" is determined by the National Joint Council for Local Government Services and in line with the council's Pay and Reward Policy.

- 2.2 Not included in the definitions referred to above, there is a small and fluctuating number of 'casual' staff, some of whom receive lower salaries in accordance with minimum wage legislation.
- 2.3 The employment of casual staff recognises the need to have a small team of trained and available workers who can be deployed at short notice to assist with seasonal and emergency requirements. This approach enables the organisation to have an efficient and economic response to workload demands but without the need to incur unnecessary costs or to rely upon employment agencies. The use of casual contracts is regularly reviewed and staff engaged in this way are encouraged to apply for permanent roles when they become available.
- 2.4 The only other group employed by the Council who are excluded from the pay comparison data are apprentices. The apprentices are employed for a designated period during which time they are provided with on and off job training alongside the opportunity to gain valuable experience within a working environment. For this reason, the salary comparison would not be relevant.
- 2.5 The Pay and Reward Policy was last updated in 2023. The policy is in line with National guidance, with the grade for each role being determined by a consistent job evaluation process.
- 2.6 The Council's grading structure is based on the NJC terms and conditions using the national spinal column points with the addition of a number of spinal column points at the top of the scale. There are 9 Employee and Manager grades (1 – 7, Service Manager and Corporate Manager) and 4 Chief Officer grades (Head of Service, Executive Head of Service, Executive Director and Chief Executive) in the pay framework, grade 1 being the lowest and Chief Executive being the highest. Each employee is allocated a grade based on the job evaluation of their role.
- 2.7 Each grade has a number of incremental steps and employees can progress along the salary range to the maximum of their grade, subject to assessment of their performance.
- 2.8 Pay awards for those staff up to and including Corporate Manager are determined directly from the negotiations held between the Local Government Employers and the recognised Trades Unions under the NJC agreement. Pay Awards at Chief Officer level are determined by the negotiations held between Local Government Employers and recognised Trade Unions under the JNC for Chief Officers and similarly the pay awards for the Chief Executive is negotiated nationally with ALACE (Association of Local Authority Chief Executives).
- 2.9 The NJC negotiated pay award for 2023/24 was £1,925 for grades up to and including NJC SCP 43. For grades above and below Chief Officer grades an increase of 3.88% was awarded.

2.10 The analysis used for this report draws upon the pay rates as expected at 1st April 2024.

2.11 The remuneration of the “lowest paid employees” includes the following elements:

- Salary
- Any allowance or other contractual payments in connection with their role

Salary

2.12 Each “lowest paid permanent employee” is paid within the salary range for Grade 1. Details of the Council’s grades and salary ranges are available on the website. The normal starting salary for new employees will be at the entry point for the grade. However, at the appointing managers discretion, based on their assessment of skills and experience employees may commence at a higher-grade point.

Other payments and allowances

2.13 Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Pay and Reward Policy. In a small number of roles where significant recruitment difficulties are experienced, a market supplement is paid. Market supplements are reviewed every three years to ensure they are still required. Further details of such allowances and payments are available on request.

Progression within the salary scale

2.14 The Council has a performance management and development review scheme in place. This embraces a number of elements including a joint review of performance, sharing organisational/team goals and agreeing future plans. Progression through the incremental scale appropriate to the grade is dependent upon performance being assessed as satisfactory by the staff member’s line manager.

2.15 In exceptional cases where staff members have consistently delivered exceptional performance, more than one incremental point may be awarded, with the approval of the relevant Chief Officer.

Pension

2.16 All Rushmoor Borough Council staff are eligible to join the Local Government Pension Scheme. There is automatic enrolment procedure in place to encourage membership of the scheme.

Severance Payments

- 2.17 Any severance payments will be in line with the Council's adopted policies on Organisational Change and MARS (Mutually Agreed Resignation Scheme). Further details are available on request.

3. Remuneration of Chief Officers

Pay framework

- 3.1 "Chief Officers" refers to the Chief Executive, Assistant Chief Executive, Executive Directors, Executive Head of Service and Heads of Service.
- 3.2 As set out above this group of "Chief Officers" are paid on locally determined pay scales outside of the NJC agreement. These pay scales were created by extending the NJC spinal column points, in the financial year 2023/24 the pay award for all Chief Officers was agreed at an increase of 3.5% on the base salary.

Progression within the salary scale

- 3.3 Progression through the incremental scale appropriate to the grade is dependent upon performance being judged as satisfactory or higher at the end of the review year.

Pension

- 3.4 All employees are eligible to join the Local Government Pension Scheme, but the value of these benefits has been excluded from the figures used for pay comparison purposes.

Severance Payments

- 3.5 Any severance payments will be in line with the Council's policy for Organisational Change or MARS scheme and further details are available on request.
- 3.6 Salaries of all the Council's Chief Officers are published on the council's website in line with statutory requirements. The Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234) 2 3 (A&A regs) require local authorities to publish the following information about staff whose annual remuneration is at least £50,000:
- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
 - details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
 - employees whose salaries are £150,000 or more must be identified by name.

4. Other allowances or payments

- 4.1 Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the Council's Pay and Reward policy.
- 4.2 The Chief Executive is appointed by the Council to act as the Returning Officer at the election of councillors for the Borough and as acting Returning Officer at Parliamentary Elections. The additional fees associated with these functions will be paid in accordance with those set nationally or locally through the Hampshire and Isle of Wight Elections Fees Working Party.
- 4.3 Within the fees structure for elections, provision is made for payments to staff for specific duties. These payments are also made in accordance with nationally set rates or locally through the Hampshire and Isle of Wight Election Fees Working Party. Details are available on request. Further details of such allowances and payments are available on request.

5. The relationship between remuneration of highest and lowest paid employees of the Council.

- 5.1 There are a number of different ways of presenting this information to provide a rounded picture of pay comparisons within the organisation. The lowest, median and highest FTE salaries as at 1st April 2024 are as follows:

Lowest: £22,366

Median £38,223

Highest £132,480

- 5.2 By taking the salary of those permanently appointed employees paid on the lowest grade of the council's pay structure and comparing this with the Chief Executive a pay ratio of **1:5.9** emerges. This is a slight reduction on the previous year's ratio which was 1:6.1.
- 5.3 The Hutton Report (2010) that looked at the relationship between pay levels in the public sector recommended that organisations should comply with a maximum pay multiple of **1:20**. Rushmoor is well below that ratio.
- 5.4 An alternative approach is to compare the Chief Executive's salary against the median salary. This equates to a ratio of **1:3.5** which is the same as previously reported.

6. Conclusion

- 6.1 There has been no significant movement over the last 12 months. These results indicate that there is no cause for concern regarding the ratio between the pay rates for staff and the Chief Executive.

Rushmoor Borough Council Gender Pay Gap Report 2023

1. BACKGROUND

- 1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, requires employers with 250 or more employees to publish statutory gender pay gap calculations annually. This includes the following:
- Gender pay gap (mean and median values)
 - Gender bonus gap (mean and median values)
 - Proportion of men and women receiving bonuses
 - Proportion of men and women in each quartile of the organisation's pay structure.
- 1.2 The Council is required to publish this data on its website and the governments dedicated page for Gender Pay Gap reporting - <https://gender-pay-gap.service.gov.uk>. The report must be published by 30th March 2024.
- 1.3 The legislation requires the organisation to choose a 'snapshot' date and base the Gender Pay Report on all relevant employees employed at that date. Rushmoor Borough Council's Gender Pay Gap is based on analysis of data as at 31st March in a year. This year's calculations are based on data as at 31st March 2023.
- 1.4 Using a common calculation formula, organisations can determine whether there is a difference in pay for its male employees when considered against its female employees. The calculation takes account of all allowances paid to staff as recommended under the regulations, but excludes all overtime pay, whether at flat or enhanced rates.
- 1.5 This exercise provides organisations with an opportunity to consider whether they have a gap in the average pay rates for male and female employees and allows the organisation to consider how that has occurred and to put in place actions to address this. The difference between the pay rates for male and female employees is referred to as the 'Gender Pay Gap'.

2. RUSHMOOR DATA

- 2.1 Based on the data snapshot date of 31st March 2023, there were 256 permanent employees and 44 casual employees included in the data. Therefore, the total number of 300 employees has been used for the data source for this year's calculation.
- 2.2 The gender breakdown of Rushmoor's workforce is 185 female employees (62%) and 115 male employees (38%).

Average Pay Calculations:

- 2.3 The average female hourly rate is £18.43 per hour. The average male hourly rate is £21.11 per hour. This means that on average male employees within Rushmoor Borough Council earn £2.68 per hour more than female employees. The calculation method that is used to calculate Gender Pay Gap is as follows:

$$\frac{(\text{£highest rate}) - (\text{£lowest rate})}{\text{£highest rate}} \times 100 = \text{Gender Pay Gap \%}$$

Divided by (£highest rate) = x 100 = Gender Pay Gap %.

For Rushmoor Borough Council the following applies:

$$\frac{\text{£21.11 (male average)} - \text{£18.43(female average)}}{\text{£21.11}} \times 100 = \text{£2.68}$$

£21.11 x 100 = 12.69 % difference between male salaries and female salaries

This equates to a 12.69 % difference (or 'gap') in pay rates, with the female average salary being lower than the male average salary.

Comparison with 2022 data:

- 2.4 In 2022, the average female hourly rate was £17.60 per hour and the average male hourly rate was £20.41 per hour.

This equated to a percentage difference of 13.8%, with the average female salary being lower than the male average salary.

The difference / gap has decreased from the previous year which represents a small improvement.

Median Pay Calculations:

- The female median hourly rate is £18.34 per hour.
- The male median hourly rate is also £20.27 per hour.
- Using the above method, the difference in median wages is:

$$\frac{\text{£20.27} - \text{£18.34}}{\text{£20.27}} \times 100 = \text{£1.93}$$

£20.27 x100 = 9.52 %

Comparison with 2022 data:

- 2.5 In 2022, the median female hourly rate was £17.34 per hour and the median male hourly rate was £19.46. This year we see an increase in both of these figures. The gap has decreased slightly from 10.9% to 9.52%

- 2.6 **Distribution of male & female employees within Rushmoor Borough Council across 4 quartiles:**

	Total Count	Female Actual	Male Actual	Female %	Male %
Quartile 1 – Lower	75	52	23	69% (65%)	31% (35%)

Quartile 2 - Mid Lower	75	52	23	69% <i>(71%)</i>	31% <i>(29%)</i>
Quartile 3 - Mid Upper	75	46	29	61% <i>(60%)</i>	39% <i>(40%)</i>
Quartile – Upper	75	35	40	47% <i>(42%)</i>	53% <i>(58%)</i>
Total Workforce	300	185	115	62% <i>(59%)</i>	38% <i>(41%)</i>

*(*figures shown in italics are the % figures for 2022 to enable easier comparison).*

Bonus Pay:

- 2.7 Rushmoor Borough Council does not have payments such as performance related pay, one off incentive payments for recruitment and retention or monetary payments for long service awards, therefore within the guidelines for Gender Pay Gap reporting there are no payments within the “bonus” categorisation.
- 2.8 No bonuses were paid in Rushmoor Borough Council during this period, so there is no pay gap to report in relation to bonus payments.

3. CONCLUSION

- 3.1 At Rushmoor Borough Council the average difference (or ‘gap’) in pay rates between male and female salaries has decreased from 13.8% to 12.69%. The number of female employees has increased in Quartile 4 which is the highest pay quartile. As last year both the median female hourly rate and the median male hourly rate has increased and the median gap has again decreased slightly from 10.9% to 9.52%.

How we are continuing to reduce the gender pay gap

- 3.2 The Council’s People Strategy sets out a range of actions that supports the ongoing reduction of the gap. This includes promoting secondments, cross council project working and the development of employees with the potential to progress into senior roles. The Council will continue to actively promote learning and development opportunities, including working with external partners, to encourage knowledge sharing and personal development. All staff have access to virtual, live and interactive learning and development modules. The Council will continue to actively support work/life balance including part time working, hybrid working, working compressed hours and job shares and there is the opportunity to purchase additional annual leave.

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CABINET 6th February
2024

COUNCILLOR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER

REPORT NO. REG2402

KEY DECISION? YES

**FARNBOROUGH REGENERATION AND LEISURE AND CULTURAL HUB –
NEXT STEPS**

SUMMARY AND RECOMMENDATIONS:

In January 2023 the Government announced that the Council's bid for £20m Levelling Up funding to support the delivery of a Leisure and Cultural Hub in Farnborough had been successful. In March 2023 Cabinet considered a report (REG2303) which identified the next steps in the project, authorised allocation of funding to enable work to commence and confirmed that Council should enter into a Memorandum of Understanding with Government to enable the drawdown of funding. That report also provided budget to enable the project to procure a Leisure Operator to commence.

In October 2023 Cabinet approved the final project scope, schedule of accommodation and the forecast budget required to complete the pre-construction phases of the project and to submit the planning application. That report also set out the proposed funding strategy for the project.

This report provides an update to the Cabinet on the project and operator procurement. It then considers options for the next stages of the project taking into account the work undertaken since October, impacts of inflation and implications for the current funding strategy given the position relating to the Council's future capital programme as set out in the 2024/25 budget report.

It is **Recommended** that Cabinet:

- 1) Notes the revised costs of the current stage of planning and design work (RIBA stage 3) of £386,855 and agrees an initial £50,000 towards potential redesign work and Recommends that the Council agrees to an increase in the Capital budget for 23/24 of £255,000 funded by a further draw down from the Levelling Up grant.
- 2) Agrees that a costing exercise be undertaken by Willmott Dixon on the RIBA 3 designs to provide market tested costs for consideration before the decision to move the next stage of design and development (RIBA Stage 4)
- 3) Agrees pre-planning public consultation be undertaken in March on the designs at the conclusion of the RIBA 3 design process.
- 4) Notes the adjustment in the overall project timeline to take into account the market cost exercise and to provide a period for any necessary design revisions as a result of the report and the pre-planning public consultation.

- 5) Notes the work being undertaken as part of the Council's Financial Resilience Plan to address the affordability of the current and future capital programme and the links to the decision to move fully to the next stage of design and development (RIBA stage 4).
- 6) Notes the revised funding strategy for the project given the position set out in 2024/25 budget report and supporting Financial Resilience Plan
- 7) Recommends that Council agrees to the inclusion of the £1.725m One Public Estate Brownfield Land Release Fund grant in the 23/24 and 24/25 capital programme, as appropriate, to enable the demolition of the Pinehurst car park and site preparation and utilities work across plots established by the Civic Quarter masterplan.
- 8) Notes the approach to the demolition of the Pinehurst Car Park and the temporary relocation of the Council's Car Boot sale to the High Street multi-storey car park in Aldershot.
- 9) Agree that any slippage on the Civic Quarter capital budget in 2023/24 be used to progress elements of the Civic Quarter regeneration programme where this could lead to improved land values in line with the Financial Resilience Plan

1 INTRODUCTION AND BACKGROUND

- 1.1 Since 2019, the site of the former Farnborough Recreation Centre, Plot B on the Civic Quarter Masterplan (See Figure 1 below) has been identified for the development of a new leisure centre.



Figure 1 Civic Quarter Development Plots

- 1.2 In January 2023 confirmation was received that the Council's application for £20million funding had been successful. Cabinet reports during 2023 confirmed the scope of the project and received approval for funding for the design development stage (RIBA stage 3). The Memorandum of Understanding was entered into with the Department of Levelling Up, Housing and Communities for the levelling up funding and drawdown from the levelling up grant is now made on a quarterly basis.
- 1.3 The project will deliver co-located Leisure, Library and Cultural facilities. The Leisure offer includes a 6-court sports hall, 8-lane swimming pool, intermediate pool with moveable floor, large fitness suite, studios, soft play and a health suite. The Library and Cultural spaces include dedicated library areas, a digital lab and a range of multi-purpose community rooms. It includes dedicated gallery and community gallery space as well as collaborative spaces for art projects. Spaces will wherever possible be flexible and multipurpose. A large café will also be located on the ground floor. In October it was agreed that the Council offices should also be co-located in the Hub, releasing the existing site for sale and redevelopment in accordance with the Civic Quarter Masterplan parameters.
- 1.4 Alongside the Hub, the project will deliver a car park (mobility hub), skate park and play area as part of the public realm elements of the Masterplan.
- 1.5 The purpose of this report is to provide Cabinet with an update on the detailed design stage (to RIBA Stage 3 and planning submission) and the forecast project costs. It highlights potential cost pressures due to increases in materials costs and inflation generally and proposes an approach to gain more certainty prior to moving forward to the next stage of the project whilst still maintaining progress in line with the Levelling Up grant requirements.
- 1.6 The report also provides an update on the leisure operator procurement process and updates the procurement timetable in line with the changes to the main project.
- 1.7 The report then considers the funding strategy for the project in the light of the 2024/25 budget report being considered by Cabinet, the revised medium term financial strategy and the Council's Financial Resilience Plan.
- 1.8 Finally, this report sets out next steps for the enabling elements of the Civic Quarter Master Plan overall which can be externally funded from the One Public Estate Brownfield Land Release Fund grant and recommends the inclusion of these works in the Capital Programme.

2 Design Stage (RIBA 3) Update

- 2.1 A full design team was appointed with GT3 Architects as lead consultant to progress design to the end of RIBA Stage 3. The output from this stage is a spatially coordinated design and all documentation to support a planning application.
- 2.2 The project is overseen by the Leisure and Cultural Hub Project Board and work has progressed well and in line with the timetable agreed in October. A

public engagement event was held in November where the initial designs were shared and views sought on these and how the proposed spaces in the new building would be used.

- 2.3 The spatial design will be ‘frozen’ during February to allow the technical consultants to undertake their detailed work and preparation for the supporting planning/technical documents to commence.
- 2.4 The working project budget is currently £68.265m. The October report explained that at the end of RIBA stage 3 we would expect to have a more accurate view of construction costs. The Council’s cost consultant, Artelia, has raised the risk of cost pressures resulting from both materials price increases and also the underlying level of inflation. Tender costs being received on other Levelling Up and regeneration projects across the country would support this view.
- 2.5 To help mitigate this risk, and to ensure the project does not move forward with an unrealistic cost estimate, it is proposed that we seek to gain greater cost certainty through a contractor market testing exercise (market tested cost plan) based on the designs at the end of RIBA stage 3. The cost of this will be an additional £38.4k plus VAT which can be funded from the Levelling Up funding.
- 2.6 The Project Board were advised of this position and have agreed that Cabinet should be recommended to undertake this additional work at the end of RIBA stage 3. This requires some amendment to the current project timelines which are set out in paragraph 2.11 below.
- 2.7 Due to the inclusion of the Council Offices and the decision to design to Passiv Haus and the market testing exercise there are some increases to design fees for RIBA stage 3 as set out in table 1 below:

Table 1 - Design Fees adjustments following October Cabinet report	Cost
Uplift associated with PassivHaus	£88,016
Uplift associated with inclusion of Council office accommodation	£125,405
Planning costs	£85,050
WDC market tested cost plan and design review at RIBA stage 3	£38,384
Site surveys (brought forward from RIBA stage 4)	£50,000
Total	£386,855
Estimated variation from current RIBA 3 budget allocation (£1,240,000 LUF)	£205,000
Estimate for additional redesign following market cost exercise	£50,000
Total additional drawdown from Levelling Up funding (LUF) for RIBA stage 3	£255,000

Table 1 also includes £50,000 to enable site survey work to be undertaken early, again to provide more certainty on implications for future groundworks. The table also includes a further £50,000 to provide an additional budget for limited redesign activities to support the preparation of the planning application if required, after consideration of the Willmott Dixon report. Use of this budget would be agreed with the Project Board. If changes to the current project budget arising from the market cost report were to be very significant then this would be the subject of a further report to Cabinet. All these costs can be met from the Levelling Up grant and the Cabinet is requested to recommend that the Council increase the 23/24 Capital programme by £255,000.

- 2.8 It is proposed that pre-planning public consultation be undertaken in early March based on the completed RIBA 3 designs. The outcomes from this consultation can then be taken into account alongside any redesign work arising from the market testing report.
- 2.9 The next stage of the design work is known as RIBA stage 4. Detailed technical design commences at RIBA Stage 4, preparing all design information required to manufacture and construct the project. This information will be costed by the Contractor and a detailed set of Contractors Proposals and costs are submitted at the end of RIBA Stage 4. Following review and agreement of this information and a contract sum, the Council would then enter into a construction contract and the build will commence.
- 2.10 The October report identified that Cabinet would be asked in February 2024 to give final approval for the appointment of Willmott Dixon under a Pre-Construction Services Agreement (PCSA) to progress design to the end of RIBA Stage 4. Upon appointment the current design team would novate to Willmott Dixon. Approval to procure Willmott Dixon using the Procurement Hub was given by Cabinet in Cabinet report RP2102 and re-validated in March 2023 (REG2303). At the end of RIBA Stage 4 a detailed suite of Contractors Proposals would be submitted for review by the technical team. This information would form the basis of the build contract and final contract sum. Once outstanding matters have been resolved, a Final Business Case would be prepared for approval by Cabinet and Council to secure agreement to enter the build contract. It was anticipated that this would take place in early 2025.
- 2.11 Given the market cost exercise and allowing time for resulting redesign work and subsequent submission of a planning application, the project timeline has been updated. The timeline has also been adjusted to bring the final decision to progress to RIBA stage 4 in line with work being undertaken as part of the Council's Financial Resilience Plan.

Revised Project Timeline

- RIBA Stage 3 concludes February 2024
- Pre-planning public consultation early March 2024
- Market tested cost plan received early May 2024
- Design review/cost engineering May-June 2024
- Planning submission June 2024
- Approval to appoint contractor (PCSA) July 2024
- Commence RIBA Stage 4 July 2024

- Planning approval September 2024
- Contractor Proposals February 2025
- Contract Award May 2025
- Construction 24 months (practical completion May 2027)

3 Cultural Offer

- 3.1 Discussions are underway with Arts Council England on a Rushmoor bid for a Place Partnership Project Grant. This revenue grant is aimed at projects which aim to make a step change in cultural and creative opportunities in places and a long-term difference to the cultural life of the community. A bid of up to £1 million is being scoped to fund a three-year programme of cultural activity which will help to enhance the cultural offer of Farnborough before the opening of the Leisure and Cultural Hub. UK Shared Prosperity Funding, already allocated for arts and cultural activities, will be used to match investment from the Arts Council.
- 3.2 Rushmoor's bid has the potential to bring high quality arts and culture into the heart of the community. With community engagement and co-creation at its heart it will seek to engage residents in the development of the cultural offer available through the facilities the Leisure and Cultural Hub provides.
- 3.3 Subject to discussions with Arts Council England, the aim is to submit an expression of interest for a grant over the next few weeks. Should the council be invited to submit a full application, the bid will be submitted by June 2024.
- 3.4 This grant would be in addition to any future bid to Arts Council England for the Cultural Development Fund. This fund could help support the capital cost of the Leisure and Cultural Hub.

4 Operator Procurement

- 4.1 The October 2023 Cabinet report set out the need to procure a partner who shares the Council's vision for the new Leisure and Cultural Hub and will operate flexibly with the key users to optimise participative opportunities and benefits for the local community. The new Leisure and Cultural Hub should play a significant role in reducing health inequalities, (physical and mental), increasing levels of physical activity and providing a wide range of cultural activities in a vibrant setting.
- 4.2 It is the Council's view that the contractual arrangements under the current commercial and operational model, are classified as a service concession contract under the Public Concessions Regulations (2016) and furthermore, fall under the scope of the Light Touch Regime services listed under Schedule 3 of the regulations. This allows the Council to determine with a little more flexibility, the specifics of the procurement process that is undertaken. The Council is undertaking a fully advertised procurement process which encompasses aspects of Competitive Dialogue and Competitive Procedure with Negotiation processes as set out within the Public Contracts Regulations (2015).

- 4.3 The individual stages of the procurement process, along with proposed timescales, were outlined in detail in the October 2023 Cabinet Report.
- 4.4 The operator procurement process commenced on 17 November with the issuing of the Contract Notice on the *Find a Tender Service* and *Contracts Finder* portals. On the same day, the Supplier Selection Questionnaire (SSQ) and accompanying documents were issued via the *Pro-Contract / SEBP* portal.
- 4.5 The deadline for submission of the completed SSQ was 11 December, with six major leisure operators responding. Evaluation of the responses assessed various criteria, (legal standing, financial standing, insurance, H&S, relevant experience, etc), to ensure that only operators with sufficient experience and scale were taken forward to the next stage. Following evaluation, results were issued on 19 December. All six suppliers were shortlisted and informed they had progressed to the next stage of the process.
- 4.6 Suppliers were also advised at this stage that the issuing of tender documentation would follow on from a period *'to allow the council the time needed to properly review and finalise the operational, procurement, commercial and contracting strategies'*. This allows the Council sufficient time to review the wider Leisure & Cultural Hub project build delivery timescales and make sure that the suppliers have good certainty on the project that is being submitted for planning as the basis for their bids. This period also provides an opportunity to seek external advice on the implications of HMRC's recent changes to VAT rules for the provision of leisure services by local authorities.
- 4.7 HMRC recently announced that, as local authority leisure services are provided under a statutory framework, they can be treated as *non-business* for VAT purposes. This decision has important implications for local authorities on how they deliver such services. A new 'agency route' – whereby the leisure operator acts as an 'agent' of the Council, rather than as the 'principal' – may provide significant financial benefits, and public service tax experts, PSTAX, have been engaged to advise on whether this model should be considered. They concluded that *'an agency model has the potential to provide VAT-related financial benefits - but it is too early to quantify these or any non-VAT related implications in detail (e.g. leases and NNDR)'*.
- 4.8 The proposed 'Full Market Test Cost Plan' to be commissioned by Willmott Dixon is due to be completed early May 2024 and, in line with the revised timescales above, the bid process will be realigned with the submission of planning and the commencement of RIBA Stage 4. On this basis, and assuming any subsequent redesign work takes 6 to 8 weeks, tender documents could be issued in July 2024.
- 4.9 Implications of HMRC's recent changes to VAT rules for the provision of leisure services by local authorities, and any possible benefits of utilising an agency agreement, may also become clearer during this period.
- 4.10 With the procurement process from this point likely to take around five months, this would mean an operator appointment recommended to Cabinet for

approval in December 2024, (earlier, should a final period of negotiation with best and final offers not be required), with the contract awarded early January 2025. Mobilisation of the contract could commence at the Aldershot site from 1 April 2025.

- 4.11 The timetable for the operator procurement runs beyond the existing contract with Places Leisure for the operation of the Aldershot facility which ends on 31 March 2024. Cabinet have already approved an extension to the existing agreement with Places Leisure on the same terms for a period of up to 12 months.

5 Funding Position and Revised Approach to Project Financing

- 5.1 As stated above the working project budget for delivery of the Leisure & Cultural Hub is £68.625m. This includes PassivHaus accreditation, delivery of the Mobility Hub, Skate Park and Play Area as follows.

Leisure, Cultural and Council Offices	Mobility Hub	Skate Park	Play Area	Total
£57,649,000	£9,690,000	£375,000	£550,000	£68,265,000

- 5.2 £20m funding is from the Levelling Up grant funding and will be used to fund the early phases of the project. Based on the current outline delivery programme, funding from the Council is currently forecast to be required during financial years 25/26 and 26/27. It is possible that further grants will become available which would be used as early as possible which could defer the point at which the council is required to provide funds. Depending on any additional grants received the Council will be required to secure funding for circa £48.2m to enable delivery of the whole project, with around £38m required for the Leisure and Cultural Hub building based on the current estimate.

- 5.3 Work has been underway to develop the options for the long-term financing of the assets delivered by this project. The Council's current 'capital first' approach to financing the Council's capital projects was set out in the Budget Strategy report in November 2022 and reiterated when the 23/24 budget was set by the Council in February 2023. The high-level financing strategy for this project based on this was as follows;

- £20m Levelling Up funding
- £3-5m Arts Council/additional grants
- Capital receipt from sale/redevelopment of Council Offices site
- Capital receipts from 'enabling plots' and serviced Civic Quarter plots
- PWLB Borrowing – assumed £20m in the Levelling Up fund approval – funded in part by income from operator procurement/hub income

- 5.4 Due to the current and forecast level of interest rates, assumed Government funding levels and the wider economic forecast, a revised Medium Term Financial Strategy (MTFS) was prepared to support the 2024/25 budget report.

That report identifies a need to significantly reduce the current debt held by the Council before any further borrowing is undertaken. This means that, in the short-term, capital receipts will be prioritised to reduce existing borrowing.

- 5.5 This has an impact on this project as the programme of land and asset disposals that would have supported investment in the Hub and the wider regeneration programme will now first be deployed against debt in line with the approach set out in the budget report. Until there is a sufficient reduction in debt and the Council has confidence in both the level and deliverability of a pipeline of future capital receipts it will not be possible for the Council to undertake further borrowing for this project. As set out in the budget report, a Financial Resilience Plan is now in place and work is underway to provide more certainty on the pipeline of capital receipts. The decision to move to RIBA stage 4, given the intention at the end of that stage to award the construction contract, will now appropriately take place alongside an updated MTFS position in July. This consideration will also benefit from 6 months progress on delivery of the Financial Resilience Plan. This decision is likely to take the form of a Cabinet report setting out project affordability linked to the revised MTFS and financing strategy for the construction and ongoing running of the new building and services.
- 5.6 The project will continue to use estimates of the likely income to be received from the operator when assessing future net running costs of the building until the operator procurement is completed. The cost implications of the move of the Council offices, forecasts of income from tenant rent and the costs of the new 'cultural offer' also need to be estimated during the next stage of the project.

6 Civic Quarter enabling works - One Public Estate Brownfield Land Release Fund

- 6.1 In March 2023, the Council submitted a One Public Estate Brownfield Land Release Fund (BLRF) bid of approx. £2m for funding to facilitate a package of enabling works including the demolition of the Pinehurst Roundabout decked car park alongside site preparation and utilities diversions across Plot I, H1 and H2. The outcome of this bid was successful and a funding allocation of £1.725m was confirmed. The fund timescales dictate that the necessary works need to be in contract by March 2024 and land released for housing by 2027.
- 6.2 In respect of the decked car park demolition, Ridge multidisciplinary consultants have been working alongside the internal regeneration team and Portsmouth procurement team to prepare the tender documentation and this was issued on the ProActis portal on the 8th January 2024. The open tender required contractors to attend a site visit and respond to the tender by early February. Tender returns will be reviewed, and contracts executed by 31st March 2024 to comply with the One Public Estate BLRF deadline.
- 6.3 It is anticipated that the contractor will be in a position to take possession of the Pinehurst car park from mid-May. The work programme will be confirmed as part of the tender process, but the demolition is anticipated to take up to 6 months. Contractors will submit detailed method statements and risk

assessment as part of the tender process. It has been requested that pedestrian access will be maintained throughout. It is likely that a small area of Queensmead Car Park will be used for site set up and welfare although this will be confirmed once the tenders are returned and the preferred bidder identified.

- 6.4 Cabinet will be aware that the Pinehurst car park hosts a popular car boot sale, particularly during the winter months as it benefits from being covered. The last car boot sale will be held in Pinehurst car park on 12 May 2024, after which it will temporarily relocate to Aldershot in the High Street multi-storey car park. This will be communicated to the public closer to the time with regular stall holders being made aware earlier.
- 6.5 The anticipated tender value is £600,000-£750,000 and the final agreed sum will be paid from OPE funding. The remainder of the £1.725m will be allocated to other Farnborough Civic Quarter enabling works including utilities diversions. Topographical and Ground Penetrating Radar surveys are currently underway which will assist with informing the extent of these works.
- 6.6 Outside the parameters of the OPE funding, the Council continues to have positive dialogue with Homes England on options to support and unlock the delivery of wider infrastructure including the highway changes that will maximise the value of a number of the Civic Quarter plots. Cabinet approved a capital budget in August 2023 to assist with progressing these tranches of work. It is not anticipated that the full allocation of Capital will be expended within the current financial year (23/24). In order to enable the Council to progress conversations with Homes England, it is proposed that any shortfall in expenditure in the current year be carried forward into 24/25 to allow for such items as design feasibility to progress as and when required.

7 Alternative Options

- 7.1 There is an option not to deliver a new facility and use the land for other purposes. This is not in line with Masterplan or Council priorities. Alternative uses for the site have not been assessed but could include use as public open space or other commercial or housing uses. All of these alternative 'exit strategies' would have associated costs and budget implications which would need to be assessed in line with the MTFs. Reinstatement costs for the land would need to be absorbed in the revenue budget if there was no capital project proceeding.
- 7.2 Not providing a new facility would have a significant impact on the leisure procurement and reduce the attractiveness of the current offer to the market.
- 7.3 Re-design of the buildings can also be considered as part of the design process as described above.

8 Consultation

- 8.1 A comprehensive statement of consultation undertaken to date was set out in the October report to Cabinet on this project. Since then, a Public engagement

event and significant engagement with end users has been undertaken as part of the design processes. The next stage of public consultation will be in March as part of the pre-planning application process.

9 IMPLICATIONS

Risk management

- 9.1 The Council will be accepting a number of risks in proceeding with delivery of this project. These include the usual risks associated with the development and delivery of a capital project of this scale and the associated stakeholder management. While the Council have secured £20,000,000 funding towards the scheme, the Council will be accepting the risk of identifying the remaining funding for the project and the wider scheme as well as the wider revenue implications of delivering the cultural offer.
- 9.2 A detailed project and technical risk register are in place for the project. This is a live document which has been developed during feasibility with input from the Project Team, Technical Advisor and Wilmott Dixon Construction. This will continue to be managed and updated throughout project delivery with risks being closed out as the scheme progresses.
- 9.3 Procurement risks have been mitigated with public procurement compliant frameworks with core project, contractor, and design team appointments already in place.
- 9.4 The top five risks are reviewed at fortnightly project team meetings as well as Programme Board with any significant changes to risk or new risks arising being escalated between meetings if necessary.
- 9.5 Alongside the Risk Register, the Council have an established change management procedure in place. This will document any changes requested during the design phases of the project, assess the cost impact of this and assess the impact to the programme. Any change requests will need formal sign off through a change control form by the Client before any of these can be implemented.
- 9.6 The highest scoring wider project risks include:
- Insufficient funding available to proceed with the project results in decision not to progress or change of scope and abortive costs.
 - Grant funding dependent of project delivery and any costs incurred will need to be covered by the Council if the scheme does not go forward.
 - Lack of resource and capacity across the Council to support delivery of the project.
 - Wider Civic Quarter delivery alignment and dependencies unresolved delaying the scheme.
 - Significant ground contamination or other issues.
 - Supply chain, labour and materials shortages resulting in price and programme uncertainty.

Legal Implications

- 9.7 External legal assistance and budget will be required on various aspects of the project, including property, planning and contractual matters. Work will include (but is not limited to) reviewing of consultancy appointments, carrying out necessary due diligence and drafting contractual agreements.

Equalities Impact Implications

- 9.8 The project addresses significant Health and Cultural inequalities as set out in the case for change. An Equality Impact Assessment will be produced during the next phase of the project and updated it as the project progresses.

10 CONCLUSIONS

- 10.1 This project is a significant priority for the Council, and it is important that all reasonable actions are taken to ensure the project can be delivered in line with the Levelling Up timelines. Given the Council's current budget pressures the proposals in this report provide the opportunity to review project costs and revise the approach to project funding in line with the Financial Resilience Plan. The focus of the project over the next year remains to complete the design phase and to develop options for funding based on the delivery of the Civic Quarter Masterplan.

BACKGROUND DOCUMENTS:

Report Nos. REG2307 and REG2308

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CABINET
6 February 2024

COUNCILLOR PAUL TAYLOR
FINANCE PORTFOLIO HOLDER
REPORT NO. FIN2406

KEY DECISION: YES

**GENERAL FUND BUDGET 2024-25 AND MEDIUM TERM
 FINANCIAL STRATEGY 2024-25 TO 2027-28**

SUMMARY:

This report sets out the draft General Fund Budget for 2024/25 and Medium-Term Financial Strategy (MTFS) ending 2027/28. The MTFS sets out the key work streams for the Council to focus on over this period which, collectively, aim to address the projected significant shortfall in the General Fund budget. This report includes:

- Appendix 1: Financial resilience plan
- Appendix 2: Detailed MTFS 2024-25:2027-28
- Appendix 3a: Income analysis
- Appendix 3b: Base budget growth analysis
- Appendix 4: draft General Fund Revenue Budget Summary 2024-25
- Appendix 5: Budgeted Earmarked Reserve movement
- Appendix 6: schedule of UKSPF projects

Cabinet is requested to consider and approve for recommendation to Council:

1. the Medium-Term Financial Strategy & the strategy set out in this report to resolve the MTFS deficit;
2. draft General Fund Revenue Budget Estimates Summary 2024-25 Appendix 4
3. the Council Tax Requirement of £7,683,131 for this Council
4. the Council Tax level for Rushmoor Borough Council's purposes of £232.74 for a Band D property in 2024-25 (an increase of £6.76)
5. the Capital Programme 8.5 below
6. The Strategy for the Flexible use of Capital Receipts 9.2 below
7. The UKSPF project list at Appendix 6

Cabinet is recommended to approve:

1. To earmark £250,000 of the Stability and Resilience Reserve during 2024-25 to provide capacity to address and deliver the financial recovery plan to enable the Chief Finance Officer to continue to engage with expert external assistance and advice as per paragraph 5.8 of this report.

1 INTRODUCTION

- 1.1 The Budget is a major decision for Rushmoor Borough Council (The Council) and setting a balanced budget is a statutory requirement. Scrutiny of these budget proposals demonstrate transparency and good governance. This report provides a summary of the revenue and capital budget proposals for 2024-25 and a medium-term financial forecast.

2 MEDIUM-TERM FINANCIAL STRATEGY (MTFS)

- 2.1 The role of the Council's financial planning process, underpinning the MTFS, is to support the achievement of the Council Plan. The adopted Council Plan is the medium-term strategic policy document which sets out the general direction, key priorities and activities for the Council and informs the use of its resources.
- 2.2 The MTFS also supports all other Council strategies, such as the Capital Strategy and the Treasury Management Strategy. It acts as the framework linking the Council's more detailed service plans, asset management plans and capital plans with the longer term, to help ensure that the Council's plans are financially achievable.
- 2.3 The MTFS is set within the context of the national economy, and the public expenditure plans detailed in the government's Spending Review and national legislation. The Council needs to plan over the medium term for an increase in financial risk and year on year volatility. The economic outlook remains unclear, and it remains important that the Council has a level of reserves that allows it to withstand unanticipated financial impacts of future developments at a local and national level.
- 2.4 The Council's MTFS ending 2027-28 has been updated to include the latest General Fund assumptions and projections, including for the reserves earmarked for specific purposes that may have to be drawn upon to meet the MTFS budget shortfall. This report sets out the ongoing material financial pressures, risks and uncertainty which remain on a significant scale. As described below, the latest MTFS projections show an estimated total cumulative gross budget shortfall, before compensating measures, over the four-year period of £19.152million. The report discusses the strategies for

addressing the financial challenges to protect vital services and to put the Council in a sustainable financial position. The MTFS is set out below.

2.5 The key financial issues for the Council are:

- The Council has £167million of short-term external borrowing (repayment within one year) and current interest rates are more than double the MFTS 2023-24 budgeted assumption of 1.67%, resulting in a significant overspend, if not mitigated.
- A significant proportion of the borrowing has supported regeneration and operational asset provision, with limited and long-term payback, resulting in direct pressure on the revenue budget as interest payments are treated as revenue expenditure.
- There are limited reserves to mitigate the impact of the additional interest rate costs. Without significant mitigation in 2024-25 the Council will not be able to set a balanced budget in 2025-26.
- The Council has limited assets that can be disposed of to generate capital receipts to reduce borrowing without a detrimental impact on the revenue account.
- The Council has limited ability to increase its revenue income. Inflation of the service cost base outstrips the ability to raise income from fees, charges, and rental income. Council tax increases are limited to below inflationary rises by the Council tax referendum principles.
- Income that the Council can directly influence is subject to wider economic factors e.g., where cost of living pressures leads to reduced demand neutralising the effect of inflationary level fee increases.
- The Council underwent a comprehensive outcome-based budget savings exercise last year. This reduces the opportunity to find significant additional savings without fundamental changes such as defining a new operating model and reprioritisation of services.
- The Council tax base growth is low due to a slowdown in housing development, impacting on New Homes Bonus.
- Government funding is likely to further reduce after 2024-25.

2.6 The table below shows the MTFS - Summary

Medium Term Financial Strategy - Summary	2023-24 Original Budget £'000	2024-25 Draft Budget £'000	2025-26 Projected £'000	2026-27 Projected £'000	2027-28 Projected £'000
	Feb 2023 Gross	Changes from 2023/24 base	Changes from 2024/25 base	Changes from 2025/26 base	Changes from 2026/27 base
Base Budget:	11,076	7,448	13,085	11,920	11,567
Anticipated Budget Variations:		Incremental changes			
Portfolio Budget Changes:					
Pay award 5%,4%,3%,3%	-	699	560	420	420
Salary Increment drift - vacancies set mid scale	-	143	100	100	100
Establishment net other adjustment	-	116	-	-	-
Increase in Fees, Charges and other income	-	(293)	(860)	(284)	(290)
Net other changes in base cost:	-	(79)	(589)	(124)	(44)
Contractual inflation	-	780	400	300	300
Earmarked Reserves	(1,124)	1,243	(185)	-	-
Total: Portfolio changes	(1,124)	2,610	(574)	412	486
Corporate Income & Expenditure changes:					
Interest receivable from treasury investment	(1,600)	(750)	220	490	-
RHL interest	(522)	(523)	(241)	143	-
Minimum Revenue Provision (MRP)	2,170	(412)	428	6	40
Interest payable on borrowing	3,002	5,673	(2,229)	(1,269)	-
Capitalised interest	(600)	219	381	-	-
Total: Corporate Income & Expenditure	2,450	4,207	(1,441)	(630)	40
Central Government Funding changes:					
Retained Business Rates	(4,087)	(1,013)	(174)	(135)	(139)
New Homes Bonus	(658)	274	384	-	-
Services Grant	(96)	81	15	-	-
Funding guarantee	-	(514)	514	-	-
Revenue Support Grant	(104)	(7)	111	-	-
Total: Central Government Funding	(4,945)	(1,179)	850	(135)	(139)
Total: Budget requirement	7,458	13,085	11,920	11,567	11,954
Less Collection Fund (Surplus)/Deficit	(10)	(23)	23	-	-
Less Council Tax	(7,448)	(7,683)	(7,816)	(8,063)	(8,313)
Net (Surplus)/Deficit	0	5,379	4,127	3,504	3,641
Note - figures showing in () indicate a favourable change from budget					
Cumulative reserve requirement if zero mitigation:	2,500	7,879	12,007	15,511	19,152
Estimated reserve balance:					
Opening balance	(13,060)	(10,560)	(5,300)	(1,106)	2,398
Budgets service movement	1,124	(119)	66		
Forecast deficit	1,376	5,379	4,127	3,504	3,641
Closing balance	(10,560)	(5,300)	(1,106)	2,398	6,039
Working Balance: minimum required £2m:	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)

2.7 The assumptions included in the MTFS are discussed below.

Establishment – Cost of employing staff

2.8 The Council’s cost of employing staff (Salary, National Insurance and Pension contribution) is budgeted at £14.9million in 2024-25. Pay award was budgeted at 5% in 2023-24, negotiations were concluded in November and whilst the actual increases were not a uniform 5%, the overall average increase equated to the budget. The assumption is that whilst inflation is forecast to decrease in the MTFS term, it is likely to result in a similar budget requirement as 2023-24. The MTFS has allowed pay award at 5% for 2024-25, decreasing to 3% in 2026-27 in line with the reduction in the inflation forecast. A 1% increase in pay award equates to £149,000. An allowance has also been made for contractual pay scale incremental increases. Other changes in staffing costs will be found from within existing budgets unless externally funded and not permanent in the base budget.

Fees and Charges and Other Income

2.9 Fees and Charges have been reviewed in accordance with the approved methodology for the annual review of fees and charges made for Council services (FIN1624) and agreed in the 2023-24 budget setting report. Budget holders reviewed fees and charges as part of the budget setting process to ensure they are set at an appropriate level and that charges are transparent and show a clear methodology for their increase. The MTFS shows a net increase of £239,000. This is net of the estimated £454,000 reduction in cremation fees whilst the Crematorium is undergoing redevelopment. Therefore, excluding the cremation reduction from the schedule, the gross increase in fees and charges is £693,000. The Council has approximately £6.5million of fees and charges of which only £3.4million as shown in the table below is not directly subject to cost recovery or other statutory control. There is also £13million of other income that is not directly available to the Council’s discretionary annual inflationary increases due to being limited by lease/licence, statutory or cost recovery limitations. Therefore, the Council has a limited ability for its income to maintain pace with inflation. A schedule of changes in income is provided in **Appendix 3a** – Income analysis.

Discretionary fees and charges	£	1%
Green Waste collection	(566,720)	(5,667)
Cemeteries	(212,350)	(2,124)
Car Parks	(1,249,000)	(12,490)
Crematorium	(1,246,700)	(12,467)
Markets And Car Boot Sales	(113,875)	(1,139)
	(3,388,645)	(33,886)

Other changes to base cost

- 2.10 Net other changes in base cost are the contractual or unavoidable changes that cannot be found from within existing service budgets and is therefore growth in the base budget. A detailed schedule with explanations is included in **Appendix 3b** – Growth analysis.

Inflation

- 2.11 Contractual Inflation: budget estimates have only been amended where the impact is unavoidable such as contractual inflation. Budgets for utilities have been aligned to usage along with price inflation expectations. All other expenditure budgets are cash limited and not subject to inflationary increase. Contractual inflation affects approximately £9million of the Council's cost base equating to £90,000 increase per 1% inflation, although this is a broad average.

Expenditure subject to inflation	Budget 24/25	Inflation 24/25
Business Rates	896,030	23,750
Council tax and NNDR billing	9,900	4,100
Council Tax Collection postage	18,000	4,500
Domestic Refuse	1,034,680	105,570
Gas	124,520	19,650
Grounds Maint Contracts	979,410	61,770
Insurance contracts	333,153	120,923
IT systems support	926,463	106,893
Member Allowance	371,650	30,000
Pension strain	281,400	16,400
Recycling	1,845,040	168,610
Street Cleansing	1,304,880	67,880
Tree maintenance contract	98,120	8,020
Vehicle costs	24,800	22,050
Water rates	41,840	(840)
Car Park contract	121,190	6,320
Public Conveniences contract	92,350	4,660
Electricity	522,260	3,500
CCTV contract inflation	103,100	6,395
Grand Total	9,128,786	780,151

General Fund Reserves within the scope of the MTFS

- 2.12 A summary of the budgeted movement in earmarked reserves is provided in Appendix 5. This table builds on the latest monitoring position and takes account of the Council approvals in the 2023-24 budget. The schedule shows that there are forecasted £10.56million of earmarked reserves available to

support the MTFs and forthcoming Financial Resilience plan, in addition to the minimum General Fund working balance of £2million. This is not sufficient to cover the MTFs unmitigated deficit of £19.152million, although it is sufficient to set a balanced budget for 2024-25. A comprehensive reserves review will be completed as part of the 2023-24 outturn. Reserves will be aligned to the updated Financial Resilience plan, with reserve transfer proposals put forward to Full Council in July 2024.

The future financial resilience of the Council is dependent upon the availability of reserves to manage financial shocks such as the pandemic and current global economic crisis. Ideally, the use of reserves should be limited, as far as possible, to mitigating the temporary impact of these one-off shocks. Therefore, it is important to ensure sustainable solutions are found wherever possible and, if necessary or appropriate, temporary measures are considered (such as a vacancy freeze to limit the need to call upon reserves, which should always be a last resort).

Interest receivable

- 2.13 Interest receivable from treasury investments consists of three distinctly different elements as shown in the table below. Money Market Funds are the investment of surplus short term cashflow from service delivery, representing the timing differences between money coming into the Council and payment for services and staff etc. Interest receivable is directly affected by changes in the projected trajectory of interest rates and available surplus cash. Pooled funds are a long-term investment of cash representing the Councils reserves. More detail on these funds is provided in the Treasury Management Strategy. The loan to Farnborough International is due to be fully repaid in 2025-26.

Interest Receivable from Treasury Investment:	Original Budget £'000	2024-25 Draft Budget £'000	2025-26 Draft Budget £'000	2026-27 Draft Budget £'000
Money Market Funds	(31)	(820)	(600)	(400)
Pooled Funds	(1,279)	(1,240)	(1,240)	(1,240)
Farnborough International Loan	(290)	(290)	(290)	0
	(1,600)	(2,350)	(2,130)	(1,640)

Interest receivable from RHL

- 2.14 The Council has a wholly owned subsidiary, Rushmoor Homes Limited (RHL). The Council lends RHL money to fund development and receives interest as income on the loans. The Council makes two kinds of loans to RHL for which interest is due, consisting of the value of land transferred to the company,

called loan notes, and cash (borrowing) to fund property development. RHL borrowing is funded by the Council from the Council's own borrowing(debt) and is subject to HM Treasury Capital rules. This budget assumes that the 82 private rental units in the Council's Union Yard development will transfer to RHL as a loan note as per Cabinet Report (REG2201 Cabinet 08/02/2022) and that RHL borrowing is at 3% premium on the Council's cost of borrowing. RHL does not have sufficient cash to settle the interest due each year and therefore the council has agreed hold the interest due as a debtor balance on the Council's balance sheet until RHL is generating sufficient cashflow to settle the debtor position. This will have a small impact on the Council's cashflow position.

RHL Interest	Original	2024-25	2025-26	2026-27	2027-28
	Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
	£'000	£'000	£'000	£'000	£'000
Interest on loan notes	(56)	(968)	(1,220)	(1,085)	(1,085)
Interest on borrowing	(64)	(78)	(67)	(59)	(59)
Total Interest:	(120)	(1,045)	(1,287)	(1,144)	(1,144)
Loans notes	780	17,780	17,780	17,780	17,780
Borrowing	970	970	970	970	970
Interest rate (TM+3%)	6.10%	7.22%	7.99%	6.86%	6.10%

Minimum Revenue Provision

- 2.15 The Council borrows to fund its significant regeneration programme. When the Council borrows, it has a statutory duty to put aside an amount of money each year to enable the eventual repayment of the borrowed sums. This is known as Minimum Revenue Provision (MRP) and is charged to the General Fund revenue account. The calculation of MRP is in accordance with the MRP policy set out in the Capital and Investment Strategy. The amount included in the MTFS is determined by the Capital Financing Requirement, forecast for the MTFS term. Increase in MRP is a cost pressure on the revenue account when the underlying capital expenditure funded from borrowing does not generate a new income stream sufficient to cover all ongoing revenue costs, such as MRP.
- 2.16 The table below provides a breakdown by scheme of the MRP charged to the revenue account. A full review of MRP has been completed by Arlingclose, the Councils treasury management consultants to ensure that the MRP charge is prudent and not overstated. The calculation of a prudent MRP charge is based upon the adopted MRP policy within the Capital Strategy, this basis has been changed from straight line to annuity from 2024-25 onwards, resulting in a significant reduction in MRP. The £2.17million MRP charge in the 2023-24 original budget as shown in the table below will be £1,572million, a saving of £0.6million. The £0.428million increase in 2025-26 is the effect of Union Yard

becoming operational in 2024-25, MRP is chargeable one year after. This increase is split between Union Yard and RHL, reflecting the transfer of the private rented units from Union Yard to RHL.

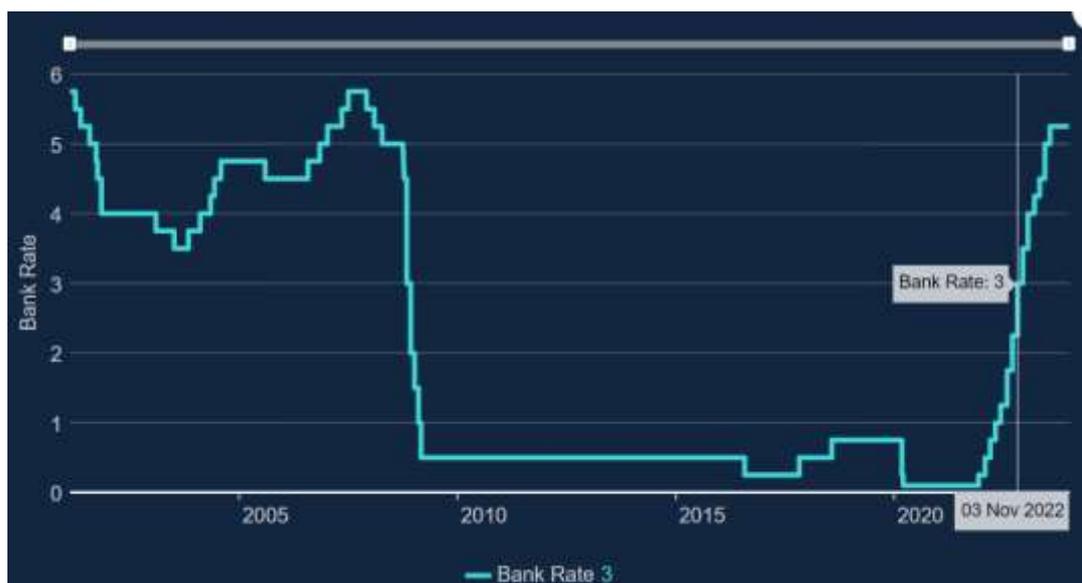
Minimum Revenue Provision by Scheme	Expenditure funded by borrowing £'000	Minimum Revenue provision				
		2023-24 Original Budget £'000	2024-25 Draft Budget £'000	2025-26 Projected £'000	2026-27 Projected £'000	2027-28 Projected £'000
1. Investment Properties	91,908	1,911	1,299	1,101	1,093	1,113
2. The Meads	10,561	0	142	120	119	121
3. Union Yard	33,246	0	0	380	377	384
4. RHL Ltd	17,970	25	19	211	209	213
5. Crematorium	5,324	12	18	98	103	105
6. Civic Quarter	7,637	68	6	7	7	7
7. Operational Assets	16,827	154	273	271	284	289
Grand Total	183,474	2,170	1,758	2,186	2,192	2,232
Year on year change in MRP			(412)	428	6	40
Funded by:						
External borrowing	167,000					
Internal Borrowing	16,474					
Total borrowing	183,474					

Interest payable on the Council's borrowing (Debt)

- 2.17 The MTFS includes estimated borrowing costs determined by the level of external borrowing (i.e. from other local authorities) incurred to fund the capital financing requirement over the term of the MTFS. In addition to external borrowing the Council utilises some of the cash surpluses flowing through its bank (this is called internal borrowing). Using surplus cash usually saves loan interest on external borrowing. The Council must carefully manage its surplus cash available to minimise interest costs whilst not running out of cash.
- 2.18 The 2023-24 budget included £3million of interest payable on an assumed £165million borrowing capped at that level for the period of the MTFS in line with the capital receipts first policy. The interest assumption was based on short-term borrowing of £45million at 0.75% and £120million of long-term Public Works Loan Board (PWL) borrowing at 2%, plus an additional annual interest charge of £372,000 for the Meads, acquired in March 2023. The Meads borrowing was due to be repaid over several years from ringfencing its net rental income, due to the significant cost of borrowing this has not been possible.
- 2.19 The planned long-term borrowing in the 2023-24 budget assumptions was delayed due to the rapid increase in interest rates and market predictions of this being a short-term spike, with the intention to borrow long-term when the rate reduced closer to the assumed rate in the 2023-24 budget. The Council cannot afford to borrow at rates beyond 2% at its current level of borrowing, without finding compensating budget adjustments and/or a reduction in the

level of external borrowing (technically, applying capital receipts from the sale of assets to reduce the Capital financing requirement) by using capital receipts to pay back borrowing as it falls due.

- 2.20 Since the drafting of the 2023-24 MTFS for approval at Budget Council in February 2023, the Bank of England has raised the Base Rate from 3% in November 2022 to currently 5.25%. There have been 14 consecutive interest rate rises between December 2021 and August 2023 with the rate being held since. This can be seen in the graph below from the BoE website.



- 2.21 All borrowing has remained short term (one year or less) inter-authority. The advice received in September 2023 from Arlingclose was to transfer 60% of the short-term debt to longer-term PWLB. However, although the advice to lock in long term borrowing would mitigate further interest rate rises, at this time PWLB rates are unaffordable at more than double the 2023-24 budget assumption and an alternative mitigation is now needed. The table below demonstrates the borrowing assumptions and interest rates included in the 2024-25 MTFS update.

Interest on External Borrowing	2023-24 Original Budget £'000	2023-24 Forecast £'000	2024-25 Draft Budget £'000	2025-26 Draft Budget £'000	2026-27 Draft Budget £'000
1. Investment Properties	1,562	3,391	4,371	3,229	2,591
2. The Meads	363	789	502	371	298
3. Union Yard	669	1,452	1,552	1,168	937
4. RHL Ltd	15	33	855	631	507
5. Crematorium	6	14	239	187	150
6. Civic Quarter	128	278	363	268	215
7. Other Operational Assets	258	560	793	591	479
Total interest on external borrowing	3,002	6,516	8,675	6,446	5,117
Weighted average interest rate	1.67%	3.90%	5.17%	3.86%	3.10%
Short term borrowing	45,000	167,000	167,000	167,000	167,000
Long Term borrowing	120,000	-	-	-	-
Total external borrowing	165,000	167,000	167,000	167,000	167,000
Internal borrowing	-	7,746	15,409	16,474	16,474
Total borrowing	165,000	174,746	182,409	183,474	183,474

Central Government Funding

2.22 Central Government Funding represents the income from government through the Finance Settlement. Key components are retained business rates, New Homes Bonus and other smaller grants.

2.23 The key headlines announced in the settlement on the 18th December 2023 by DLUHC were:

- No new additional support for the sector was announced outside of already stated commitments
- The Council Tax Referendum limit was confirmed at 2.99% or £5 on a Band D property for district councils with an additional 2% Adult Social Care levy for Upper Tier authorities
- All councils to receive a minimum 3% increase in their overall core spending power, taking into account all government funding sources but before taking into account any Council Tax increases
- The New Homes Bonus was confirmed as operating to the same formula as had been applied for 2023-24
- No guarantees were made for any future New Homes Bonus
- The Business Rates multipliers (the figure that rateable values are multiplied by to arrive at the rates charge) were increased by CPI
- Any Revenue Support Grant (RSG) was increased by CPI
- It was confirmed that Business Rates would not be reset (that is the way in which business rates are distributed between different tiers of government) in 2024-25

Reaction and response to the settlement

2.24 The finance settlement is always announced at the start of a period of consultation by DLUHC. The District Council's Network (DCN) represents

district councils as a collective body and has responded on behalf of the sector to the consultation, making the following key observations:

- The total increase in core spending power falls short of the level needed to allow councils to tackle the budget gaps that have developed in the past 2 years, primarily due to inflationary pressure
- District councils have been hit harder in funding changes since 2015-16 (15% in real terms compared to 5 – 15% for other councils) – more needs to be done to redress this
- Disappointed that Council Tax Referendum level is the same as previous years - DCN is lobbying for 4.99% or £10 on a Band D property for Districts (District's CT revenue has increased by 10% in real terms since 2015-16, compared to 25% for other councils)
- Welcomed the confirmation of no Business Rates reset
- DCN to respond to Government requesting an additional 1% increase in core spending power for Districts plus greater freedom on Council Tax

The DCN lobbying has had some effect and on 24th January 2024 the Government provided an additional 1% on core spending power, equating to around £108,000 for the Council.

- 2.25 The settlement and reaction from the DCN was discussed with the Council's Budget Strategy Working Group on 11th January 2024 and the Group endorsed the DCN commentary and recommended that the Portfolio Holder for Finance respond to the consultation, along similar lines.

Retained Business rates

- 2.26 Retained business rates remains an integral and important part of the Council's income. As the rating authority, Rushmoor is required to maintain business rates records, bill and collect rates due from all local businesses and then arrange for distribution of the shares of rates to other preceptors and government, based on a complex formula, advised by DLUHC.
- 2.27 As well as allowing for the accurate billing of all sums due, the Council is required to apply reliefs to business rates, set out in Legislation, and also to allow for any significant foreseeable changes to sums due. This could be due to changes in rateable value because of business reconfiguration or as a result of successful appeals against rateable value by ratepayers. There will also be considerable churn across the Borough as businesses come and go throughout the year and periods of void or reduced rates need also accounting for. Given the size of the local rates take (circa £62m in 2023-24), changes and adjustments can be considerable for which the Council needs to allow and provide.
- 2.28 Due to favourable location, Rushmoor has a healthy business rates base with a number of national and international businesses based within the Borough. Whilst this is currently extremely valuable, considerable risk is attached to any

business rates estimate due to the disproportionate effect of a relatively small number of rate payers. For example, of around 2,600 businesses in the local rates list, around 24% of all rates collected are paid by just 10 rate payers (around 0.4%).

- 2.29 From the 1st April 2023, a new rating list came into force which provided all local businesses with a revised rateable value. This in turn has increased the total rates retained by Rushmoor in 2023-24.
- 2.30 As there are no changes proposed to the way rates are retained, it is reasonable to assume that this higher level of retained rates will continue into 2024/25 and a CPI uplift factor will also be applied. Taking these changes into account and making allowance for the various risk factors set out in 2.27, this leads to a figure of £5.1million to be included in the budget proposed for 24/25 (up from circa £4.1million in the original 2023/24 budget). This figure will be finalised on completion of the official form NNDR1 due by the 31st January 2024. Delegation is sought from Cabinet to amend the figure in these papers once the NNDR1 has been finalised.
- 2.31 The long-term government commitment to apply a reset to rates does represent an enduring risk for the Council. Whilst no certainty is currently known to be able to quantify this risk, this matter will be kept under review and the MTFs adjusted accordingly in light of future announcements.

New Homes Bonus (NHB)

- 2.32 New Homes Bonus (NHB) is paid on the increase in the Council Tax base as of October of the prior year, i.e., 2024-25 NHB is based upon tax base as of October 2023. There was very little growth between 2022 and 2023 compared with 2021-22 and the overall NHB has decreased accordingly. This money is only awarded for one year and there is no guarantee that it will continue in the MTFs. The full allocation of NHB is included within the base revenue budget, any decrease puts pressure on service delivery resources.

Council Tax

- 2.33 The share of Council Tax that the Council can rely on is the balance of all Council Tax collected from local residents, less payments out to preceptors (Hampshire County Council, Police, Fire and Rescue).
- 2.34 To determine the Council Tax Band D figure (which is the headline Council Tax figure declared during the setting process), the Council must first determine and set its Council Tax Base for the year. This process has been undertaken and set out in a separate delegated report (report no FIN 24/03). The tax base for 2024-25 has been determined as 33,011.65, which is up from 32,959.11 set for 2023-24. This is a modest increase representing the relatively low level of new building completion in the last 12 months and reflecting the changes proposed to the Council Tax Support Scheme for 2024-25 (set out in detail in report no FIN 24/05).

- 2.35 Whilst the formal setting of Council Tax takes a statutory form and will form part of a separate paper to Council at the budget setting meeting, the total amount of the Council's share of Council Tax included in the proposed 2024-25 budget is £7.683million, up from £7.448million in the original 2023-24 budget. This reflects a Council Tax increase up to the maximum allowable under current referendum limits and will represent a Band D Council Tax of £232.74 up from the current year's £225.98.

UK Shared Prosperity Fund

- 2.36 The UK Shared Prosperity Fund (UKSPF) aims to build pride in place and increase life chances across the UK. Launched in April 2022, UKSPF is the replacement for the European Structural Fund and Investment Programme. Part of a suite of complementary funding, the UKSPF is a central pillar of the Government's Levelling Up agenda and a significant component of its support for places across the UK. Rushmoor has been allocated up to £1million from the fund, with £898,000 remaining available to the Council in 2024-25.
- 2.37 Cabinet considered Report No. ACE2204 at its meeting on the 5 July 2022, setting out the development of the Council's UKSPF Investment Plan. The detail of the investment plan is included in full in Appendix 6. Cabinet is asked to approve the schedule of projects, subject to the full receipt of the funding and the 2024-25 budget will be adjusted accordingly.

3 REVENUE BUDGET FORECAST 2023-24

- 3.1 The General Fund Revenue budget for 2023-24 was approved by Council at their meeting in February 2023. The forecast position reported to Cabinet in January 2024 indicated that service budgets were showing some financial pressure with overspends on establishment, and reduced income. Interest rates are a significant issue in line with the position projected in the MTFS above.

4 BALANCING THE BUDGET

- 4.1 The Council is legally required to set a balanced budget for the following financial year, and it must remain balanced including with the use of available reserves. Projections show that this is possible for 2024-25 but no future years without significant mitigation i.e., savings. The most significant challenge is the interest on borrowing and the mitigation must be focussed on reducing the cost of debt (i.e., a capital solution) to minimise the impact on the service delivery budget. The position set out in this report is based upon an assumption that the interest rate and inflation are reducing (as projected by the Bank of England), and the funding gap will be impacted by changes in either projection as described in 2.11 and 2.21 above.

4.2 The profile of the MTFS deficit is set out in the table below.

Medium Term Financial Strategy - Summary	2023-24	2024-25	2025-26	2026-27	2027-28
	Original Budget £'000	Draft Budget £'000	Projected £'000	Projected £'000	Projected £'000
Estimated reserve balance:					
Opening balance	(13,060)	(10,560)	(5,300)	(1,106)	2,398
Budgeted service movement	1,124	(119)	66		
Forecast deficit	1,376	5,379	4,127	3,504	3,641
Remaining reserve	(10,560)	(5,300)	(1,106)	2,398	6,039
Working Balance: minimum required £2m:	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Note - figures showing in brackets () represent available reserve					

4.3 As seen in the report above, inflation is forecast to return to 2% within the next three years and, excluding increased interest rates, identified service cost pressures can be managed within the overall cost of service provision through a new transformation strategy. The overall mitigation of the budget deficit will require a capital solution and reduction in the cost of services over the MTFS period.

4.4 The biggest challenge is the interest on borrowing. This can be seen in Appendix 2: detailed MTFS, which demonstrates how each of the seven capital schemes supported by borrowing adds to the bottom-line deficit. It should be noted most assets generate income to support service provision, disposal of income generating assets to generate capital receipts will not resolve the deficit due to the impact of the lost income.

4.5 Financial markets are forecasting interest rates to reduce back to 3% within the MTFS term. This has been factored into the MTFS and does help alleviate the deficit position in the MTFS term. Ultimately, the Council must reduce each year's deficit to minimise the drawdown of reserves and ensure sufficient reserves are available to maintain a balanced budget the following year, including withstanding timing delays and cost shocks.

4.6 There are two significant levers within the Council's control to resolve the deficit. The most controllable lever is the Council's cost base, the second lever is the reduction of interest and MRP through reduction in debt (i.e., a capital solution), however disposal of assets to generate capital receipts is a medium-term action as this takes time to achieve.

4.7 Measures can and will be taken very quickly to reduce costs on a temporary basis with a targeted approach to minimise unintended consequences such as pressure on staff and council services. Measures must be taken carefully with appropriate consultation, especially focussing on services for the vulnerable and homeless. Savings must ultimately be permanent reductions in base

budget, this will be achieved through a transformation and efficiency strategy described in section 5 below.

- 4.8 The table below demonstrates the level of permanent reduction required in the Council's budget to bring the revenue account back into balance and maintain sufficient reserves each year to set a balanced budget across the MTFS term. The capital solution requires £40million reduction in borrowing (i.e., the Capital Financing Requirement) through the generation of capital receipts (or other external funding) by September 2025 and service budget reduction of £2million over 4 years, from £32million cost base, 1.6% per year.

Savings Target effect on reserves	Year saving achieved	2024-25	2025-26	2026-27	2027-28
		Draft Budget £'000	Projected £'000	Projected £'000	Projected £'000
In year saving permanently out of base					
Interest and MRP reduction	2024/25	(240)	(1,172)	(1,020)	(1,020)
Interest and MRP reduction	2025/26		(386)	(1,020)	(1,020)
Services cost reduction	2024/25	(500)	(500)	(500)	(500)
Services cost reduction	2025/26		(500)	(500)	(500)
Services cost reduction	2026/27			(500)	(500)
Services cost reduction	2027/28				(500)
Total recurrent savings:		(740)	(2,558)	(3,540)	(4,040)
In year deficit/outturn before mitigating savings		5,379	4,127	3,504	3,641
Revised deficit/outturn		4,639	1,569	(36)	(399)
Revised opening reserve balance:		(10,560)	(6,040)	(4,470)	(4,506)
Budgeted service movement		(119)	66		
Revised deficit/outturn		4,639	1,569	(36)	(399)
Revised reserve annual closing balance		(6,040)	(4,470)	(4,506)	(4,905)
Working Balance: minimum required £2m:		(2,000)	(2,000)	(2,000)	(2,000)
Incremental savings required by year		(740)	(1,818)	(982)	(500)

- 4.9 The savings target table above shows the timing of savings delivery is critical. A ¼% interest rate equates to £420,000 full year effect at the current level of debt. Some interim temporary cost control will inevitably be required as described in 4.7 above until the longer-term solutions are in place.

5 APPROACH TO ADDRESSING THE DEFICIT

- 5.1 The level of savings required over the medium term is significant. A strategy to ensure that the Council's debt is reduced, and the necessary level of savings achieved is broad and will consist of;
- I. Reducing debt through consideration of;
 - Disposals of Council owned land and property to generate capital receipts to reduce overall debt
 - Approach to the operation of Union Yard and transfer of elements of the scheme to Rushmoor Homes Ltd

- The extent and timing of projects in the Rushmoor Homes business plan
 - II. Maximising the benefit of the Council's existing treasury investments and use of cash to minimise external borrowing
 - III. Minimising the revenue impact of existing borrowing including through effective capital accounting and reconsideration of prudent MRP provision
 - IV. Reviewing the future capital programme and particularly the approach to regeneration of the Civic Quarter. To include;
 - Assessment of opportunities to add value prior to disposal of land to maximise future capital receipts
 - Working with Homes England on opportunities for grant and other support
 - Reconsidering the scope and timing of significant capital projects
 - V. Developing options to address the long-term cost of services through a Council wide transformation plan
 - VI. Increasing income by
 - Improving the net income from the Council's property portfolio
 - Maximising fees and charges
 - VII. Management and use of reserves
- 5.2 The Executive Leadership Team have been working with Cabinet to develop a detailed Financial Resilience Plan which includes a range of medium- and shorter-term actions to deliver the above strategy over the next 18 months.
- 5.3 The work on delivering the Financial Resilience Plan has commenced and current key actions and delivery arrangements are set out in Appendix 1 MTFS – Financial Resilience Plan
- 5.4 The Financial Resilience Plan will develop over the next few months and will need to be jointly owned by officers and councillors. It will be a priority for the Council moving forward to drive the change and transformation required to support financial recovery.
- 5.5 This type of work is not easy and will require significant change to the Council's current operating model. Over the duration of the plan, Members should expect to receive proposals to manage the budget shortfall that:
- (a) Recognise the Council may no longer be able to afford to deliver the current range of services or maintain some services at existing levels
 - (b) Prioritise services that deliver statutory obligations as a borough council
- 5.6 The Council's Budget Strategy Group will continue in its role of overseeing the Council's delivery of savings and move to financial sustainability.
- 5.7 To support the delivery of the plan, an amount of capital receipts will be required to fund service redesign using the government "Strategy for the

Flexible Use of Capital Receipts” directive. This will be an early call on any capital receipts secured.

- 5.8 The development of the Financial Resilience Plan, management and delivery of the short-term savings will require additional capacity from a range of specialisms and experienced professionals to compliment the current officer capacity. It is vital the Council does not lose sight of its core purpose delivering services in business as usual. To ensure sufficient capacity can be called upon as required in a timely way, it is proposed that £250,000 is earmarked for this purpose from the Stability and Resilience Reserve during 2024-25. This ‘invest to save’ funding is required to enable the Council to realise the targets for balancing the budget over the MTFS term.

6 ROLE OF THE CHIEF FINANCE OFFICER

- 6.1 The Council's Chief Finance Officer (Section 151 Officer) has a statutory duty to consider issuing a Section 114(3) Notice, where in his view, the current **or future** expenditure of the authority incurred (including expenditure it proposes to incur) in a budget year is likely to exceed resources (including sums borrowed) available to it to meet that expenditure. A S114(3) Notice is extremely serious and has far-reaching implications for the Council. It requires the Council to cease all non-essential expenditure and reduce operational and service delivery costs immediately. That said, the Council cannot go into Administration or Liquidation as it is backed by government and taxation. This means all contracts in flight and creditors are secure, staff will continue to be paid and deliver statutory services, particularly to the vulnerable and homeless.
- 6.2 As proposed in this report, the Council can balance the 2024-25 General Fund budget, with the use of reserves, avoiding the issuing of a S114(3) in this financial year. However, the ability to resolve the MTFS deficit is also a S114(3) consideration in respect of the wider financial sustainability and reserves position, and this is much more challenging to assess in respect of the key significant financial assumptions. This report sets out a short-term and longer-term Financial Resilience Plan which will be updated at Full Council in July.

7 OTHER CONSIDERATIONS

- 7.1 On 19 December, the Department for Levelling Up, Housing and Communities (DLUHC) opened a consultation on several capital flexibilities and borrowing. The intent is that any use of the flexibility must be part of an overall plan to move back to financial sustainability within the MTFS term. If these flexibilities come into regulation, it may be possible to use capital receipts to cover some MRP for a period (MRP for 2024-25 £2.6million, 2025-26 £3.8million) until the base budget is permanently reduced, an approach that is not allowed under the current rules.

7.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) has been engaged as a critical friend to support the Council by providing constructive challenge, advice, and insight, as appropriate, through a financial resilience review with a formal report due in March 2024. The review will focus on 5 key areas:

- Financial Management/Sustainability: An assessment of the Council's financial management and management of risk, financial pressures, deliverability of savings plans and efficiency in delivering services.
- Commercial Assets/Debt: An assessment of the Council's assets and investments including dependence on commercial income, debt costs and other risks.
- Capital Programme/RHL: An assessment of the Council's capital programme and management of related risks including arrangements with the wholly owned RHL and recommendations on how the Council could use the proposed new flexibilities to address its financial challenges.
- Governance: An assessment of the Council's governance/management processes, leadership, operational culture, whether it has the appropriate governance procedures in place, and the capability and capacity to make any necessary transformation.
- An Improvement Plan: Recommendations to provide the Council with tangible actions to guide design, and implementation of an Improvement plan to address identified risks and issues. Assist in the development the improvement plan.

8 CAPITAL PROGRAMME

8.1 The Council's Capital Strategy and Capital Programme are considered over a five-year period. The Strategy provides the framework for the Council's capital expenditure and financing plans to ensure they are affordable, prudent, and sustainable over the longer-term.

8.2 The capital programme is focussed on delivering against the Council's key priority of Town Centre Regeneration, with further schemes focused on enhancing the delivery of core services through improvement and enhancement of assets. The programme also includes support for the provision of local housing and the Council's statutory duties in respect of Disabled Facilities Grants.

8.3 The Council's capital expenditure is, for projects already committed, predominantly financed from prudential borrowing. Based on the current budget forecast, the Council does not have the financial capacity take forward any more projects resulting in a net cost to the revenue account without identifying a corresponding equal reduction in cost elsewhere. Going forward any new projects will need to be funded from other sources of external finance

such as government grants and other contributions, until the MTFS has been brought back into balance without a drawdown of reserves. If additional resources become available, projects that meet the Council's strategic capital objectives could be brought forward for approval.

8.4 The Council was awarded £20million Levelling up Capital funding in 2023 towards the Leisure and Cultural Hub project. The overall cost of this project and the associated mobility hub is currently forecast at circa £67million. Based on the current financial forecast, estimated running costs and income projections for the project once complete, there would be a funding gap which was intended to have been met by prudential borrowing in 2026-27. Given this report, the Council cannot today rely on being able to take additional borrowing at that point. The project is therefore not currently included in the Capital programme beyond the end of the current stage of costing and design (RIBA 3). The costs of progressing to the next stage (RIBA 4) of circa £1.7million can be fully met from the Levelling Up grant funding, however, a decision will be made on this when the revised MTFS is produced in July. A separate paper covering the next steps of this project is also being considered by cabinet at this meeting.

8.5 The Capital Programme is set out in the table below for the period 2023-24 to 2027-28 based on the principles of the current Capital Strategy.

Capital Programme	2023-24 Forecast £'000	2024-25 Draft Budget £'000	2025-26 Projected £'000	2026-27 Projected £'000	2027-28 Projected £'000
Capital Expenditure					
Union Yard	16,966	5,384	603	-	-
The Meads	10,456	-	-	-	-
The Galleries	3,400	-	-	-	-
Temporary Housing	2,883	-	-	-	-
Disabled Facilities Grants	1,868	1,632	1,111	1,111	1,111
Civic Quarter	1,550	-	-	-	-
Asset Management R & M	849	671	50	50	-
Section 106 funded projects	827	658	-	-	-
Crematorium	446	4,418	305	-	-
CCTV	300	-	-	-	-
Redan Rd	289	-	-	-	-
ICT Services system upgrades	252	582	-	-	-
Housing PRS Delivery via RHL	169	-	-	-	-
Refuse Bins	127	127	127	127	-
Total Capital Expenditure	40,383	13,473	2,196	1,288	1,111

8.6 The table below sets out the financing of the capital programme from 2023-24 to 2027-28.

Capital Financing	2023-24 Forecast £'000	2024-25 Draft Budget £'000	2025-26 Projected £'000	2026-27 Projected £'000	2027-28 Projected £'000
Developer contribution to Wheeled bins	(20)	(20)	(20)	-	-
Homes Infrastructure Funding	(5,012)	-	-	-	-
S106 funding	(713)	(658)	-	-	-
LAHF Funding + Ukraine +S106 Commuted	(2,883)	-	-	-	-
LTA Grant	(114)	-	-	-	-
Leveling Up Funding	(1,240)	-	-	-	-
Disabled Facilities Grants	(1,868)	(1,632)	(1,111)	(1,111)	(1,111)
Borrowing	(28,532)	(8,663)	(1,065)	(177)	-
Capital receipts - Vivid Union Yard	-	(2,500)	-	-	-
Total Financing	(40,383)	(13,473)	(2,196)	(1,288)	(1,111)

8.7 Cabinet considered the revised position for 2023-24 where slippage and additional items approved at meetings on the 8th August and 12th September resulted in a revised Capital Programme for 2023-24 of £50.8million.

8.8 The latest forecast position now indicates that the expected out turn in 2023-24 will amount to £40.383million - a reduction of £10.4million

8.9 The main areas of forecast relate to the following schemes:

Items anticipated to slip into 2024-25: £4.6million

- Frimley and Hawley site development schemes - £562,000
- Disabled Facilities Grant - £236,000
- Section 106 funded schemes - £112,000
- IT related Schemes - £77,000
- Union Yard - £3.6million

True underspend items: £5.9million

- Housing PRS – schemes supporting RHL site development - £5.724million
- The Meads Acquisition - £162,000
- Telephony Replacement project - £27,000

Overspend item: £99,000

- Southwood Visitor Centre - £99k additional works / snagging repairs etc.

8.10 All the above anticipated slippage and underspend items have been reflected in the revised programme for 2023-24 and the proposed programme for 2024-25.

Summary of Key projects

8.11 Union yard

The Capital Programme, as set out in this report, includes the forecast contract expenditure estimates for the construction and development of the Union Yard scheme that Council approved in July 2021. It is anticipated that the whole of the budget approved to date will be fully spent by 2024-25 during which period the scheme will reach completion. Forecast expenditure set out above in 2024/25 also includes an allowance for fit-out of units to enable lease. A small amount of capital funding is held back for 2025/26 to cover the contracted retention fee.

8.12 Rushmoor Homes Limited

As set out above, whilst there is no direct capital project funding for RHL in 2024-25, the Council will be financing the acquisition of elements of the Union Yard scheme by the company. In line with the RHL funding agreement, any loans will be at a rate of circa 3% above the Council's cost of funds.

8.13 Crematorium

The Aldershot Crematorium is a key operational asset that contributes to the General Fund. Refurbishment of the Aldershot Crematorium was approved by Cabinet in September 2023 (Report No: OS2313). The report sets out the full business case and requested capital funding to progress the scheme through to development. Accurate assessment of refurbishment costs will become available once a Main Contractor has been appointed.

Most of the works are planned to take place in 2024-25, which subsequently impacts the achievable revenue income during this period (as demonstrated in Appendix 2). To minimise the revenue impact, Redan Road Chapel has been restored, enabling services to continue.

As most of the supplies from the Crematorium are VAT exempt the Authority's partial exemption status relating to VAT is affected by the proposed Capital expenditure. As a result, it is likely that the VAT relating to the costs of the works, estimated at £800k, will not be able to be reclaimed and have therefore been included within the current Capital estimates.

8.14 The Meads

Purchase of the Meads was approved by Cabinet in April 2023 (Report No. REG2302). The report set out the final business case with regards to the acquisition of Block Nos. 1- 4 The Meads and Kingsmead Shopping Centre, Farnborough. There is currently no capital budget for this scheme in 2024-25 as it was intended necessary capital investment would be revenue funded in the business case. Any requirements that are necessary will come forward with a business case justifying the return on investment and/or the necessity for the

investment. This includes any capital expenditure which can be financed as envisaged within the original business case to ensure value for money.

8.15 **Civic Quarter**

The Civic Quarter was granted outline planning approval in February 2023. During 2023-24, work has continued to progress detailed planning for the scheme and optimise plot potential. As detailed in 8.3 above, further Council investment in the Civic Quarter is not included in the capital programme for 2024-25 beyond some limited enabling works primarily funded by approved grants which are included within 2023-24 programme. In the meantime, the regeneration team will continue to seek external support from government agencies and undertake funded work to increase the value of council land assets.

8.16 **Other**

While disabled facilities grants represent £1.6million of the 2024-25 capital programme, this activity is fully funded by Government. Some of the capital programme supports 'enabling' sites where investment is made to increase the value of the land or property. The remainder are capital costs associated with ongoing service delivery.

9 RISKS AND UNCERTAINTIES

9.1 There are a range of risks associated with the delivery of the MTFS and achievement of the Financial Resilience Plan to address the budget shortfall, these are particularly important to identify given the ongoing uncertainty in the estimates and economy. A summary of the key risks over the MTFS period are included below:

- Financial Statements audit backlog to 2020-21 carries risk around impact on available reserves.
- Capacity to resource the work required to achieve a balanced budget and support the Council through the MTFS challenge.
- Timing and value of capital receipts
- Assumptions on interest rates and inflation reductions do not materialise as planned.
- Pooled funds capital deficit does not recover before March 2026 dispensation is removed, requiring the deficit to be included in the revenue account.
- Latent liabilities within the substantial property portfolio crystallise.
- Cost of defending planning appeals will be an unbudgeted call on reserves.

Flexible use of capital receipts

9.2 In 2022 the Government issued a new directive under the Local Government Act 2003 which allows flexibility regarding the use of capital receipts from sale of non-housing assets to fund revenue costs of service reform. This applies to

capital receipts that meet the statutory definition and have been received since April 2016.

- 9.3 The Council will have to make significant changes to its service provision including efficiencies. It is sensible to alleviate pressure on revenue reserves using capital receipts and make the required council resolution to enable this to be done. It is the Council's proposed strategy for 2024-25 to use capital receipts for certain revenue costs where these directly lead to the delivery of an ongoing revenue budget saving or efficiency gain, including business transformation.
- 9.4 The current consultation on additional capital financing freedoms may widen the scope of this directive, this will be assessed and considered within the overall financial recovery plan as more detail emerges.

Legal Implications

- 9.5 Section 151 Local Government Act 1972 requires the Council to make arrangements for the proper administration of their financial affairs and to secure that one officer has the responsibility for those affairs (the s151 officer).
- 9.6 The Council's legal duty to set a balanced budget is set out in section 31 Local Government Finance Act 1992, which provides that the Council must balance its expenditure with its revenue.
- 9.7 Section 114(3) Local Government Finance Act 1988 requires that: "The Chief Finance Officer of a relevant authority shall make a report under this section if it appears that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure."
- 9.8 The Council appears to be able to balance the 2024-25 General Fund budget, with the use of reserves, and therefore the Chief Finance Officer is not making a report under s114 at the current time. However, the MTFS projects a £19.2million deficit in the period to 31 March 2028. The position of the MTFS is more challenging to assess whether the Chief Finance Officer's statutory obligation will become relevant and whether there will be a requirement to report in accordance with s114 in due course.
- 9.9 The process for the issuing of a s114 report is set out in the Local Government Finance Act 1988. Section 115 provides that the Chief Finance Officer must consult in preparing such a report with the Council's Head of Paid Service and the Monitoring officer. The Chief Finance Officer must provide a copy of their s114 report to the Council's auditors as well as to every elected member of the Council. The Act provides that the Council must meet within 21 days and decide whether it agrees or disagrees with the views contained in the report and what action it proposes to take, including financial controls. There is a prohibition of incurring any expenditure under any new agreement, other than

in respect of funding statutory services, between the date of the report and the Council meeting without the authority of the Chief Finance Officer.

- 9.10 The Council must continue to act lawfully in making decisions on service delivery, regardless of any s114 report. There continues to be a requirement to conduct needs assessments, undertake consultation where appropriate, assess and have regard to equalities implications, and consider all other relevant considerations to inform their decisions about service delivery.

Human Resource Implications

- 9.11 As this report notes, the Council will need to review its services and how they are provided through the Financial Resilience Plan. There may be human resource implications arising from this work.

Equality and Diversity Implications

- 9.12 This report sets out several actions that will lead to changes to the services and provisions the Council provides for residents across the Council. These proposals are subject to further work and decisions in relation to the budget are reserved for Council.

- 9.13 As a public body, the Council is required to comply with the Public Sector Equality Duty (PSED), as set out in the Equality Act 2010. The PSED requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the Council being exposed to costly, time consuming and reputation damaging legal challenges.

- 9.14 The Council must, therefore, ensure that it has considered any equality implications prior to decisions taken on proposals that will arise from the actions in the Financial Resilience Plan.

Consultation

- 9.15 All Members of the Council were invited to a budget briefing seminar on 24th January 2024 to discuss the budget proposals and the full budget report is available online.

- 9.16 The Budget Strategy Working Group (BSWG) met on 11th January to review the detailed assumptions and proposed budget estimates. The remit of BSWG will be reviewed to incorporate the additional diligence and member consultation required to deliver the strategies proposed in this report.

10 CONCLUSIONS

- 10.1 The Council can set a balanced budget with the use of reserves. There is a £19.152million deficit over the MTFS term and a Financial Resilience Plan is

in place to address the challenge. To achieve this, the budget will require the implementation of cost reduction, efficiency savings and capital receipts to reduce capital costs whilst drawing down reserves.

BACKGROUND DOCUMENTS:

Cabinet - Tuesday, 9th January 2024, Revenue and Capital Budget Monitoring Report - Q2 2023/24

Council - Thursday, 23rd February 2023,

1. Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2023/24
2. Revenue Budget, Capital Programme and Council Tax Level
3. Annual Capital Strategy 2023-24

CONTACT DETAILS:

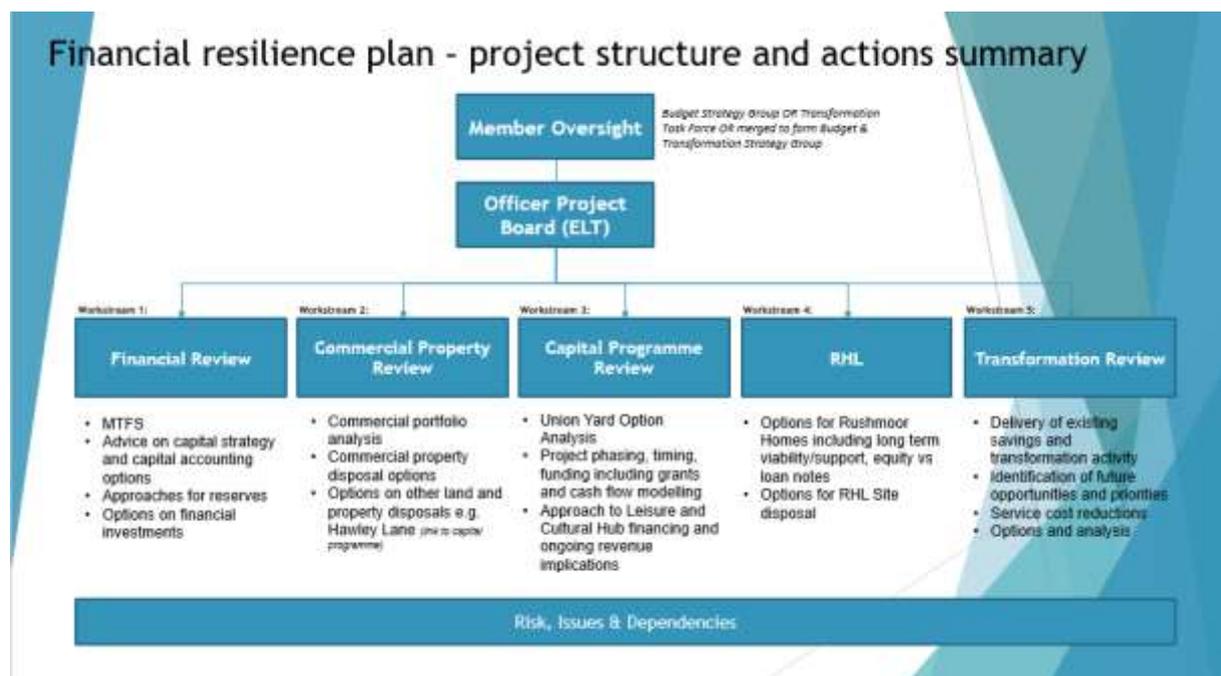
Report Author/Head of Service: Peter Vickers – Executive Head of Finance, S151
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Appendix 1: MTFS - Financial Resilience Plan

The aims of the Financial Resilience Plan are to achieve financial sustainability and enable service optimisation within the MTFS period without significant impact on Council Plan priorities and deliver the Financial Resilience Strategy set out in the budget report.

The Financial Resilience Plan will be delivered through a number of workstreams that will define and deliver actions to enable the Council deliver the strategy. The workstreams cover the following five areas:

- Finance
- Commercial Property
- Capital Programme
- Rushmoor Homes Limited (RHL)
- Transformation



The principal actions for each workstream are currently as follows:

Finance workstream	<ul style="list-style-type: none"> a) Definition of the Minimum Revenue Position, to be adopted for financial accounting and planning purposes. b) Revision of a regular timetable for financial reporting and budget setting and review. c) Review of treasury operations. d) Review of capital planning methodology. e) Maintenance and improvement of suitable expenditure controls into the medium term. f) Management of the Council's balance sheet. g) Improvements in the quality of working papers, documents, and reconciliations through establishment of new standards for these materials. h) Development of financial skills within the Council. i) Design and consultation on the structure of the finance service at a suitable juncture. j) Review of the Council's management of insurance.
Commercial Property Review	<ul style="list-style-type: none"> a) Review of existing commercial investment property portfolio b) Development of an asset sales strategy and a property income optimisation strategy, with external advisors LSHM, to support and to deliver the best return for the "public purse and leave the council with a balanced portfolio" c) Implementation of the resulting disposal programme
Capital Programme Review	<ul style="list-style-type: none"> a) Continued analysis of the capital programme, including phasing and financial commitments b) Analysis of options pertaining to the future operation and ownership of Union Yard following practical completion c) Review of the Leisure and Cultural Hub project including scope, delivery timescales and funding strategy d) Pursuit of further grant and other funding opportunities that can support delivery of the capital programme
RHL	<ul style="list-style-type: none"> a) Review the development schemes supported to reduce the impact on the Council's revenue budget and minimise risk to the Council
Transformation Review	<ul style="list-style-type: none"> a) Delivery of existing savings and transformation activity b) Development of a new transformation strategy which ensures services can be delivered within the financial resources available. This work could include; <ul style="list-style-type: none"> I. Development of options and supporting analysis II. Design and implementation of a revised target operating model III. Design and implementation of revised service designs and associated objectives IV. Design and consultation for proposed organisational changes

External support will be sourced to support delivery of the Financial Resilience Plan and advise on financial recovery, service redesign and transformation. Additional resources will be funded from earmarked reserves and replenished over a two-year period. This must be seen in the context of the need to reduce the debt burden and potential S114(3) position. This 'invest to save' funding is required to enable the Council to realise the targets for balancing the budget over the three-year period.

Appropriate delivery and governance measures will be implemented and agreed with Executive Leadership Team and Cabinet Members to approve actions, implementation plans and track progress against proposed targets. Currently oversight on budget, savings and transformation is undertaken by both the Budget Strategy Working Group and the Transformation Task and Finish Group and members will be invited to consider appropriate oversight arrangements for the Financial Resilience Plan.

Appendix 2: Detailed MTFS 2024/25 – 2027/28				
Detailed Medium Term Financial Strategy	2023-24 Original Budget £'000	2024-25 Draft Budget £'000	2025-26 Projected £'000	2026-27 Projected £'000
Corporate Services	3,710	3,716		
Customer Experience & Improvement	(421)	(287)		
Democracy, Strategy & Partnerships	2,505	2,670		
Major Projects & Property	2,334	2,537		
Operational Services	9,824	9,976		
Planning & Economy	1,910	1,737		
Net Service Revenue Expenditure	19,863	20,426	21,235	22,319
Projects related to Cap Exp/borrowing:				
Investment Properties:				
Net rental income	(8,013)	(7,901)	(7,901)	(7,901)
Operational costs	660	614	610	610
MRP	1,911	1,299	1,101	1,093
Interest on Borrowing:	1,562	4,371	3,229	2,591
Net Revenue Impact	(3,880)	(1,616)	(2,961)	(3,607)
The Meads:				
Net rental income	(1,843)	(2,085)	(2,085)	(2,085)
Operational costs	1,468	1,868	1,868	1,868
MRP	9	142	120	119
Interest on Borrowing:	91	502	371	298
Net Revenue Impact	(275)	427	274	199
Union Yard:				
Net rental income	-	(470)	(871)	(957)
Operational costs	-	327	139	102
MRP	-	-	380	377
Interest on Borrowing:	669	1,552	1,168	937
Capitalised interest/operating costs	(600)	(388)	0	0
Net Revenue Impact	69	1,022	816	459
RHL Ltd:				
Interest Income - Loan Notes	(522)	(968)	(1,220)	(1,085)
Interest Income - Loans		(78)	(67)	(59)
Operational costs recovered	(70)	(70)	(70)	(70)
Operational costs	-	-	-	-
MRP	25	19	211	209
Interest on Borrowing:	15	855	631	507
Net Revenue Impact	(552)	(241)	(515)	(498)
Crematorium:				
Operating income	(1,615)	(1,248)	(1,858)	(1,858)
Operational costs	879	977	977	977
MRP	12	18	98	103
Interest on Borrowing:	6	239	187	150
Net Revenue Impact	(718)	(14)	(596)	(628)
Civic Quarter				
Operating income	-	-	-	-
Operational costs	-	-	-	-
MRP	68	6	7	7
Interest on Borrowing:	128	363	268	215
Net Revenue Impact	196	369	275	222
Other Operating assets:				
MRP	145	273	271	284
Interest on Borrowing:	258	793	591	479
Net Revenue Impact	403	1,066	862	763
Interest Receivable from Treasury Investment	(1,600)	(2,350)	(2,130)	(1,640)
Earmarked Reserves	(1,124)	119	(66)	(66)
Net General Fund Revenue Budget	12,383	19,208	17,194	17,524
Funded by:				
Council Tax	(7,448)	(7,706)	(7,793)	(8,063)
Business Rates	(4,077)	(5,100)	(5,274)	(5,957)
New Homes Bonus	(658)	(384)	-	-
Funding guarantee	-	(514)	-	-
Services Grant	(96)	(16)	-	-
Revenue Support Grant	(104)	(111)	-	-
Total Funding	(12,383)	(13,829)	(13,066)	(14,020)
Net (Surplus)/Deficit	0	5,379	4,127	3,504

Note - figures showing in () indicate a favourable change from budget

Appendix 3a – Income analysis			
Service	Description	£'000	
Corporate Services			
Finance - Revenues	NNDR admin grant increase	(4)	
	VEP grant	(23)	
	Housing Benefit Admin grant reduction	19	
Legal	Land charges search fees	29	
	Legal cost recovery on tenant leases	5	
Customer Experience & Improvement			
Facilities Management	Council Office lease income	(26)	
Major Projects & Property			
Investment Property	Industrial Estates rent increases	(14)	
Other Highways	Car boot sales pitch charges budget correction	8	
	HCC contributions	(14)	
	Market stall fees	(5)	
Property	Increased viability assessments	(4)	
Operational Services			
Commercial Services	Car Parking	(140)	
	Cemeteries fees	(15)	
	Community Hall fees	(2)	
	Princes Hall	(92)	
Crematorium	Crematorium fees	(98)	
	Crematorium Fees reduction - refurb impact	454	
Housing	Houses In Multiple Occupation licensing	(10)	
	Rough Sleepers Initiative Grant	(101)	
Place	Allotments rents	(2)	
	Bulk waste collection charge	(3)	
	Car Parking	(19)	
	Green Waste charge	(13)	
	Health Food Safety fees	(7)	
	Health Licensing fees	(3)	
	Pest control contract referral fee - contract ended	2	
	Recreation ground licenses	(21)	
	Refuse waste bin charge	8	
	Serco contract guaranteed minimum sum	(6)	
	Place Protection	HCC contributions	(3)
		Health Licensing fees	(3)
		Taxi Licensing cost recovery	(5)
Planning & Economy			
Planning	Building control	(37)	
	Development management application fees	(126)	
	Increase Grainger contribution for Implementation Officer	(20)	
Grand Total		(293)	

Appendix 3b – Base Budget Growth analysis		
Service	Description	£'000
Corporate Services		
Finance	Borrowing brokerage fees	65
	Audit support contract adjustment	(27)
Customer Experience & Improvement		
IT	IDOX and Pay360 cloud one off costs in 2023/24 from base budget	(124)
Major Projects & Property		
Investment Property	Kings Mead rent adjustment	124
	168 High Street Guildford - net	41
	Optrex Business Park - net	(27)
	Ashbourne House - net	117
	Frimly Business Park - net	(33)
	Victoria rd - net	(124)
Property	35/39 High Street Aldershot, 1st floor let including of Business rates, RBC liability	21
Property The Meads	The Meads Blocks 1&2	(226)
	The Meads Shopping Centre	(156)
	The Meads Multi Story Car Park additional costs	488
Regeneration	Digital Games Hub lease cessation	(105)
	RDP cost recharge ceased in 2022/23 budget removed	132
Union Yard	Union Yard Mobilisation	(143)
Operational Services		
Commercial Services	Loss of 2 car parks, community centre and Ordnance rd, cost saving	(17)
Housing	Release budget provision for North Lane and Airport lodge	(323)
Place	Glass Recycling, it is likely that HCC will keep the glass income	24
	Extended Producer Responsibility income	200
	Materials Recovery Facility income	90
	Redan road depot business rates no longer RBC liability	(7)
	Public Conveniences contract reduction	(42)
Planning & Economy		
Economy	Gulf Stream one off grant in 2023/24 removed from base	(100)
Planning	Local Plan review	73
Grand Total		(79)

Appendix 4: draft General Fund Revenue Budget Summary 2024/25

Drafty General Fund Budget Summary	2023-24	2024-25	Change £'000
	Original Budget £'000	Draft Budget £'000	
Corporate Services	3,380	3,703	323
Customer Experience & Improvement	(421)	(294)	127
Democracy, Strategy & Partnerships	2,505	2,674	168
Major Projects & Property	(5,393)	(5,109)	284
Operational Services	9,087	9,722	635
Planning & Economy	1,909	1,738	(171)
Net Service Revenue Expenditure	11,067	12,433	1,366
Corporate Income & Expenditure changes:			
Savings to be identified	-	(1,440)	(1,440)
Interest receivable from treasury investment	(1,600)	(2,350)	(750)
RHL interest	(522)	(1,125)	(603)
Minimum Revenue Provision (MRP)	2,170	2,590	420
Interest payable on borrowing	3,001	8,675	5,674
Capitalised interest	(600)	(381)	219
Total: Corporate Income & Expenditure	2,450	5,969	3,519
Use of reserves:			
Transfers to and from earmarked reserves	(1,124)	119	1,243
Use of reserves - General Fund deficit	-	(5,312)	(5,312)
Total: Use of reserves	(1,124)	(5,193)	(4,069)
Central Government Funding changes:			
Retained Business Rates	(4,087)	(5,100)	(1,013)
New Homes Bonus	(658)	(384)	274
Non Ring Fenced Grant	(96)	-	96
Revenue Support Grant	(104)	(152)	(48)
Total: Central Government Funding	(4,945)	(5,636)	(691)
Total: Budget requirement	7,448	7,573	126
Less Council Tax	(7,448)	(7,574)	(126)
Net (Surplus)/Deficit	-	(0)	(0)
Earmarked Reserve balance:			
Opening balance	(13,060)	(10,560)	
Budgeted Earmarked reserve movement	1,124	(119)	
Forecast 2023/24 deficit	1,376	-	
Budgeted 2024/25 deficit	-	5312	
Closing balance	(10,560)	(5,367)	

Appendix 5: Budgeted Earmarked Reserve movement

MTFS: Budgeted Earmarked Reserve movement	2023/24	2024/25
Homeless funding		(49,622)
Homes for Ukraine	(350,000)	(26,652)
Climate Change post reserve drawdown		(45,685)
Maintenance Amenity Areas		(17,515)
A331 Air Quality Project		(42,890)
SANG maintenance		(31,520)
Interest on SANG balances		297,613
Mercury Abatement Levy		35,400
Digital Team Funding	(250,000)	
Commercial Property Income Recovery	(400,000)	
Contribution from Reserves	20,000	
Transfer to Reserves for Regen, Prop & Major Projects	(100,000)	
Saving that couldn't be met - Change of Address Scheme	(44,000)	
Total Earmarked Reserve drawdown	(1,124,000)	119,128
Change in EMR on the face of the MTFS		1,243,128
Appendix 5b: Budgeted Earmarked		
Reserves:	as at 31/3/2023	
Earmarked reserves	(10,807,303)	
Risk reserves	(2,252,797)	
Total Earmarked Reserves	(13,060,100)	
SANG/Developers Reserves Sub Total	(6,076,128)	
Total Reserves:	(19,136,228)	

Appendix 6 UKSPF projects

The UK Shared Prosperity Fund (UKSPF) aims to build pride in place and increase life chances across the UK. Launched in April 2022, UKSPF is the replacement for the European Structural Fund and Investment Programme. Part of a suite of complementary funding, the UKSPF is a central pillar of the Government's Levelling Up agenda and a significant component of its support for places across the UK. Rushmoor has been allocated up to £1 million from the fund, with the majority (£898,000) of the funding allocated in the final year of the programme (2024-25).

Cabinet considered Report No. ACE2204 at its meeting on the 5 July 2022, setting out the development of our UKSPF Investment Plan. It was agreed that the Investment Plan would centre on delivery of local interventions falling under these themes:

- Communities & Place
- Public realm improvements (for example, wayfinding, cycling and pedestrian access opportunities)
- Town centre events & promotions (including town centre management, events & support for town centre businesses)
- Practical support for place and businesses during town centre transition (including small scale adjustments and changes to support wider regeneration programmes)
- Heritage, Culture & Arts activities
- Health (to address priority needs (e.g., hypertension, childhood obesity and mental health) in areas of deprivation (e.g. Active modes, access to green space etc))
- Local & neighbourhood support (to incorporate smaller scale, more local projects)
- Supporting Local Business
- Sector Support (including Aerospace, Digital & Creative and Incubator Hubs)
- People & Skills
- Apprenticeships, Training & Skills Development

It was also agreed that interventions should meet these criteria:

- A priority in the Council Plan or an action in any other existing Council strategy

- Visible and will deliver tangible benefits for the residents of Rushmoor
- Sustainable within the confines of the fund (i.e., will not incur additional costs or resource demands for the Council (now or in the future)).

Cabinet gave delegated authority to amend and submit the plan, taking into account feedback from technical advisors, PPAB, and the local MP. Policy and Projects Advisory Board (PPAB) considered the Investment Plan at its on 13 July 2022.

Officers reviewed the original investment plan projects and proposed a revised project list for 2024-25. This review considered validity and relevance one year on (including consideration of the Council's financial context), to ensure projects will have a lasting impact, can be self-sustaining, and to minimise the use of fixed term contracts.

PPAB considered the health projects for 2024-25 at its [meeting on the 26 September 2023](#). PPAB recommended to Cabinet that a series of mental health prevention activities are supported through the Council's allocation of UKSPF. Cabinet accepted the recommendation at its [meeting on the 21 November 2023](#). PPAB considered the remaining shortlist of UKSPF projects for delivery in 2024-25 at its [meeting on the 29 November 2023](#).

The total expenditure within the revised project list is £1,000,000. This represents a potential over-programming of 10%. This isn't unusual at this stage of the process. It is likely that this will be further refined as more detailed project plans are developed. Over-programming can be a helpful tool in mitigating against any risk of programme underspend.

PPAB endorsed the project shortlist and recommended approval to Cabinet. PPAB also recommended that:

- A range of options are considered for the enhancement of public realm in Farnborough to reflect the longevity of the site and value for money.
- Place branding work follows established best practice.
- The project to provide wrap around skills support and an enhanced North Hampshire Employment and Skills Zone website could benefit from additional funding.

Project List :

Project ID	Project Title	Project Description	Cost £
CP1	Arts and Events Apprentice and admin support	Continuation of an existing temporary post. The post supports activity across the town centres, markets and events. This intervention could be matched against a potential ACE Place Partnership bid.	25,000
CP2	Farnborough Hoardings	Direct commissioning and/ or community project(s) to animate hoardings in Farnborough.	20,000
CP3	Support and commission organisers to deliver heritage, culture and arts delivery, including free parking in the town centre to support event attendance	Linked to the Cultural Strategy this will enable more creative and cultural activity to animate the town centres. The funding will support groups, organisations and partners to run events and activities which engage communities and support the shared priorities in the Cultural Strategy. Projects will also meet wider corporate objectives such as vibrant town centres.	110,000
CP4	Farnborough heritage trail totems.	The virtual heritage trails will be supplemented with physical totems to highlight each route. These would match the existing totems in Aldershot. Scope will include promotion of the existing virtual apps.	20,000
CP5	Union Yard animation	Encourage further footfall through installation of projector to display procured artwork on blank facade and temporary artwork/ shop front vinyl's.	20,000
CP6	Enhancement of public realm to enable events programme in Farnborough	Creation of a temporary town square. Use of unutilised space to create events space and increase footfall into the town centre. Supports CP3.	300,000
CP7	Developing a place brand for Farnborough	To develop a place brand for Aldershot and Farnborough to proactively promote the offer of both towns. This will aim to increase footfall in the town centres and give more visibility to the regeneration that will transform both places.	60,000
CP8	Town centre footfall counters	Review, renew and combine two contracts that expire in Spring 24 providing additional benefits and efficiencies in monitoring footfall in Farnborough and Aldershot.	6,000
CP9	Shop Front Improvement Grants	A grant fund for independent town centre businesses to apply for funding for shopfront improvements. These will be small grants to support minor improvements to shop fronts. They will improve the overall environment of the town centres.	20,000

Project ID	Project Title	Project Description	Cost £
CP10	Aldershot Town centre promotion and improvement	Small scale enhancements to improve the environment of the town centre. Shop front vinyls, banners, wayfinding, street furniture and other materials to promote Aldershot and improve areas of the town centre linked to Union Yard opening.	10,000
CP11	Town Centre Transition Fund 2024/25	Funding to support events, arts and town centre activities in Aldershot and Farnborough. The funding will support RBC's existing core events programme including Christmas light switch Ons, the Rushmoor Heritage Festival (September) and Playfest (August).	29,000
CP12	North Camp business support	Match funding to support initiatives to boost footfall and trade in North Camp. To be matched by HCC (2:1). This match is not confirmed.	10,000
CP13	Lighthouse Project - Aldershot Park	Emmas Rd. has secured use of the Vivid community base on Andover Way in Aldershot Park to establish a Lighthouse Project from the site. The project will host a range of activities for the local community in Aldershot Park, focused on supporting and/or improving multiple aspects of residents' lives through connecting them to each other and to services/support.	10,000
CP14	Youth Cafe - Aldershot	Development and delivery of regular provision for young people in Aldershot. The Youth Cafe will provide a safe space for local young people aged 11-16 to come once a week after school, to spend time with their peers, take part in youth-led activities and access support independently from their school and home environments. UKSPF budget will be used to bring in external expertise to deliver mental health workshops and participant-led activities over the year with two age groups over different evenings.	30,000
CP15	Farnborough and Aldershot Health Inequalities Support	Range of support to reduce Aldershot and Farnborough Health Inequalities. Physical activity programmes, Weight Management and healthy eating programmes, healthy walks programme, health checks and smoking reduction, support to men's mental health, art therapy and provision of mental health training and support to youth providers	15,000
CP16	Youth Club – Farnborough	Prospect Youth Club is an established youth provision in Farnborough which offers a safe space for local young people aged 13-17 to come once a week after school, to spend time with their peers and take part in youth-led activities. The allocation of UKSPF will help provide mental health workshops and sport coaches.	5,000
CP17	Cost of Living Support in Targeted Deprived Areas	Last year we created cost of living information pages on the council website. This includes advice and support with bills and heating, food, clothing and warm spaces. Partners are providing a variety of warm spaces around the borough and supporting the most vulnerable across the borough. As more open, we will be contacting them to find out what support they need, such as refreshments or warm boxes.	10,000

Project ID	Project Title	Project Description	Cost £
CP18	Funding for neighbourhood level interventions to increase pride in place	A £70k fund to support small-scale neighbourhood projects to improve resident's pride in place at a local level, complementing the proposed measures in Aldershot and Farnborough Town Centres. This would be a fund that groups and organisations could bid to in order to receive grant funding allocations.	70,000
CP19	Post to encourage community ownership of civic quarter/leisure and cultural hub	To appoint a Community Engagement Officer. This is a new and dynamic role funded by UKSPF focussed on increasing and improving community involvement in Farnborough. It will involve extensive community engagement, ongoing communication activities that are inclusive for the Farnborough population, event planning and management and overall project management.	60,000
SLB1	Farnborough Airshow 2024 and aerospace proposition	RBC's participation at the Farnborough Airshow 2024 - To include an investment proposition and marketing material to promote Farnborough as a great place to locate to. Linked to RBC/EM3/SQW jet zero commission.	20,000
SLB2	Future Flight Incubation Support	Support the development of a Future Flight Incubator. The Hub would support 6-7 early-stage businesses over an 18-month to 2-year period, developing technology to contribute to sustainable aviation. Support would take the form of subsidised office space, advice, technology support and mentoring. Proposition to be developed with Farnborough Aerospace Consortium, FCoT, HCC and others.	20,000
PS1	Digital and creative industries upskilling + mentoring programme	Programme focused on digital and creatives industries skills development and upskilling. Creating a vibrant network of creatives ready to support the cultural hub, meeting local business needs, and filling skills gaps.	60,000
PS2	Promoting STEAM careers	A series of activities across the borough, working with local businesses and skills providers to promote STEAM careers, including a 'STEAM' festival.	20,000
PS3	Wrap around skills support and enhanced NHESZ website	Wrap around skills and employment support in person and through virtual channels. Maintain, improve and enhance existing NHESZ website. This project could be linked to CP13 and CP14.	30,000
	Management / Admin Costs	To undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.	20,000
		Total UKSPF funding allocation:	1,000,000

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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