

Public Document Pack



RUSHMOOR BOROUGH COUNCIL

CABINET

*at the Council Offices, Farnborough on
Tuesday, 11th February, 2025 at 7.00 pm*

To:

Cllr Gareth Williams, Leader of the Council
Cllr Sophie Porter, Deputy Leader and Healthy Communities & Active Lives Portfolio Holder

Cllr Jules Crossley, Policy, Performance & Sustainability Portfolio Holder
Cllr Keith Dibble, Housing & Planning Portfolio Holder
Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder
Cllr Julie Hall, Economy, Skills & Regeneration Portfolio Holder
Cllr Becky Williams, Finance & Resources 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 - 6)

To confirm the Minutes of the meeting held on 14th January, 2024 (copy attached).

3. **GENERAL FUND BUDGET 2025-26 AND MEDIUM TERM FINANCIAL STRATEGY 2025-26 TO 2028-29** – (Pages 7 - 56)
(Cllr Gareth Williams, Leader of the Council)

To consider Report No. FIN2505 (copy attached), which makes recommendations on the budget, Medium Term Financial Strategy 2025/6 to 2028/9 and Council Tax Requirement, for submission to the Council on 27th February, 2025.

4. **COUNCIL PLAN, PERFORMANCE AND RISK REGISTER QUARTERLY UPDATE OCTOBER TO DECEMBER 2024** – (Pages 57 - 88)
(Cllr Jules Crossley, Policy, Performance and Sustainability Portfolio Holder)

To consider Report No. ACE2503 (copy attached), which sets out performance monitoring information in relation to the Council Plan and Risk Register for the third quarter of 2024/25.

5. **ANNUAL PEOPLE REPORT AND OTHER HUMAN RESOURCE MATTERS** –
(Pages 89 - 126)
(Cllr Becky Williams, Finance and Resources Portfolio Holder)

To consider Report No. PEO2502 (copy attached), which sets out a number of updates in relation to the Council's workforce.

6. **TREE RISK MANAGEMENT POLICY AND TREE MAINTENANCE POLICY** –
(Pages 127 - 180)
(Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder)

To consider Report No. OS2502 (copy attached), which sets out two policies relating to the management of Council owned trees.

7. **RUSHMOOR LOCAL PLAN - LOCAL DEVELOPMENT SCHEME FEBRUARY 2025** – (Pages 181 - 200)
(Cllr Keith Dibble, Housing and Planning Portfolio Holder)

To consider Report No. PG2507 (copy attached), which sets out a recommendation to approve the publication and submission of an updated Local Development Scheme for the new Local Plan to the Ministry of Housing, Communities and Local Government (MHCLG).

8. **FARNBOROUGH LEISURE CENTRE - NEXT STEPS** – (Pages 201 - 286)
(Cllr Sophie Porter, Healthy Communities and Active Lives Portfolio Holder /
Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder)

To consider Report No. REG2501 (copy attached), which sets out the next steps in relation to the provision of a leisure centre in Farnborough.

9. **SERCO CONTRACT EXTENSION** – (Pages 287 - 294)
(Cllr Christine Guinness, Pride in Place / Neighbourhood Services Portfolio Holder)

To consider Report No. OS2503 (copy attached), which sets out recommendations relating to the extension of the SERCO contract and the establishment of a working group to oversee the process.

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CABINET

Meeting held on Tuesday, 14th January, 2025 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council and Finance Portfolio Holder
Cllr Sophie Porter, Deputy Leader and Community & Residents Portfolio Holder

Cllr Abe Allen, Enabling Services Portfolio Holder
Cllr Jules Crossley, Policy, Climate & Sustainability Portfolio Holder
Cllr Keith Dibble, Development & Economic Growth Portfolio Holder
Cllr Christine Guinness, Regeneration & Property Portfolio Holder

An apology for absence was submitted on behalf of Councillor Becky Williams.

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 **27th January, 2025**.

47. **DECLARATIONS OF INTEREST –**

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

48. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 26th November, 2024 were confirmed and signed by the Chairman.

49. **YOUNG PEOPLE PLAN –**

(Cllr Sophie Porter, Deputy Leader and Community & Residents Portfolio Holder)

The Cabinet considered Report No. ACE2501, which set out a Council led plan to deliver structured support and opportunities for young people in the Borough.

Members were advised that the plan outlined a proposed approach to supporting young people, up to the age of 24, to help improve opportunities and support them to live happy, healthy and rewarding lives. The plan would focus on four key priorities for 2025/26:

1. Raising young voices
2. Providing safe spaces and trusted relationships
3. Raising aspirations and opportunities
4. Supporting better physical and mental health

During discussion, Members commented on the level of consultation, as set out in Section 3.7 of the Report, and the presence of representatives of Rushmoor Youth Voice (RYV) at the meeting. RYV had requested to ask questions of the Cabinet

around young peoples' engagement with Council initiatives, policy and decisions making and the preferred model for a youth hub in the Borough. In response, it was advised that the Council were looking to consult wider across the Borough, in particular with young people. The Cabinet welcomed ideas from RYV on how to better engage through platforms such as social media and targeted surveys and would provide a space to allow young people to come and be heard. In respect of a youth hub provision, again the Cabinet would welcome input from young people, to ensure any space provided met the needs of the users.

The Cabinet RESOLVED that

- i. the plan and associated approach to supporting and engaging with all young people, with a concerted effort to reach young people who experience disadvantage, be endorsed,
- ii. the longer term approach to developing further iterations of the plan (post 2026) which seeks to increase young peoples' role in influencing the work of the Council, be endorsed, and;
- iii. the exploration of longer term delivery models, specifically the concept of a hub for young people, be supported.

50. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY - CITIZENS ADVICE RUSHMOOR - SERVICE LEVEL AGREEMENT –
(Cllr Halleh Koohestani, Chairman of the Overview and Scrutiny Committee)

The Cabinet considered Report No. ACE2503, which set out recommendations for the Council's Overview and Scrutiny Committee in relation to Citizens' Advice Rushmoor (CAR) and its Service Level Agreement with the Council. The Chairman welcomed Cllr Halleh Koohestani, Chairman of the Overview and Scrutiny Committee, who was attending to report on the Committee's considerations and recommendations.

Members were informed that the Overview and Scrutiny Committee had held a meeting on 12th December, 2024 where Citizens Advice Rushmoor (CAR) had attended and had given a presentation on its 2023/24 Annual Report, in line with the Service Level Agreement with the Council. The Committee had considered the representations made by CAR in respect of the challenges and risks it faced as an organisation. The following were the recommendations of the Committee to the Cabinet:

- To consider a multi-year funding agreement, taking account of any inflationary increase measure from 2025/26 alongside a clear set of KPI's to measure performance, and;
- review the rental and service charges associated with the places occupied by Citizens Advice Rushmoor in both Aldershot and Farnborough.

The Cabinet expressed gratitude both to Citizens Advice Rushmoor for the excellent work carried out by them in the local area and to the members of the Overview and

Scrutiny Committee for their diligence in producing these recommendations. It was confirmed that these would be considered fully during the budget setting process in the following months, taking account of the recent Local Government re-organisation proposals. The Cabinet also committed to engaging with both Rushmoor Voluntary Services and Citizens Advice Rushmoor to consider future working arrangements.

The Cabinet RESOLVED to consider the recommendations of the Overview and Scrutiny Committee, as set out in Report No. ACE2503, as part of the 2025/26 budget setting process.

51. **COUNCIL TAX SUPPORT SCHEME - RECOMMENDATIONS FROM THE COUNCIL TAX SUPPORT GROUP –**

(Cllr Halleh Koohestani, Chairman of the Overview and Scrutiny Committee)

The Cabinet considered Report No. FIN2501, which set out considerations and recommendations in respect of the work undertaken by the Council Tax Support Task and Finish Group to review the Council Tax Support Scheme. The Chairman welcomed Cllr Halleh Koohestani, Chairman of the Overview and Scrutiny Committee and member of the Council Tax Support Task and Finish Group, who was attending to report on the Group's considerations and recommendations.

The Cabinet were advised that the Group had met on 16th October and 4th December, 2024, where they had considered data regarding Council Tax support and the ongoing impacts of the change to 100% maximum support for those on the lowest incomes, introduced in April 2024. The Group had taken account of several factors, including collection rates, caseload data, scheme costs, comparable data from other local authorities in Hampshire, economic indicators and exceptional hardship support. It was reported that since the schemes introduction, current collection rates were at 72%, for those in receipt of Council Tax Support, compared to 62% at the same time in the previous year. It was also noted that the funds allocated to the Exceptional Hardship Fund, which had been reduced by £20k the previous year, had had very little claim against it during 2024/25. The Group felt that the scheme had worked well and committed to keeping a watching brief on its performance.

It was suggested that during 2025/26 consultation could be done with organisations, such as Step by Step and Citizens Advice Rushmoor, to assess the impacts of the scheme on their services.

The Cabinet **RECOMMEND TO THE COUNCIL** that

- i. the current Council Tax Scheme for working age customers continue for 2025/26, with the annual uplift to rates within the calculation mirroring that applied to national benefit rates,
- ii. the budget for Exceptional Hardship relief be maintained at £12,000, and;
- iii. minor changes, in accordance with the annual uprating amounts applied by the Department of Work and Pension, be made.

52. **RISK MANAGEMENT POLICY –**
(Cllr Jules Crossley, Policy, Climate & Sustainability Portfolio Holder)

The Cabinet considered Report No. ACE2502, which set out the revised and updated Risk Management Policy.

It was advised that the current risk management policy and procedures had been agreed in 2021, and had, since then, been reported on, on a quarterly basis alongside performance management information. Since 2022, the policy and procedures had been reviewed and changes to processes and approaches had been made, to five out of six recommendations from an internal audit. The purpose of the Report was to seek approval for these revisions which incorporated the final recommendation for the Council, to develop an overall strategic risk appetite.

The Council was required to have effective arrangements in place to assess risk. The revised policy and procedures required training for risk owners and managers to provide clarity on reporting. Portfolio Holders would also be required to discuss risk regularly with Service Managers to ensure any issues were identified quickly and mitigated against appropriately.

The Cabinet RESOLVED that the Risk Management Policy, as set out in Annex A of Report No. ACE2502, be approved.

53. **BUDGET MANAGEMENT - MONTH 8 REPORT –**
(Cllr Gareth Williams, Leader of the Council and Finance Portfolio Holder)

The Cabinet considered Report No. FIN2421, which set out the forecasted financial position for 2024/25 as at the end of November 2024.

The Cabinet were reminded that this was the first monthly report received, which provided an update on the forecasted outturn position against approved budget for the current financial year, 2024/25. The Council had set a balanced budget with planned reserve drawdown of £4.639m and a saving target of £740k of net budget reduction in 2025/26, supported by £12.229m of available reserve. The latest forecast, as set out in the Report, showed this had been achieved, however, it was acknowledged that there were still challenges ahead to provide a balanced budget going forward.

The Cabinet RESOLVED that

- i. the revenue budget forecast as set out in Section 3.1 of Report No. FIN2421, be noted, and;
- ii. the virement listed in Section 3.12 of Report No. FIN2421, be approved.

54. **RENEWAL OF BUILDING CONTROL PARTNERSHIP WITH HART DC –**
(Cllr Keith Dibble, Development & Economic Growth Portfolio Holder)

To consider Report No. PG2501, which set out a proposal to renew the Hart and Rushmoor Building Control Partnership.

The Cabinet were advised that Hart District Council had approved the renewal of the Partnership at its meeting in December 2024, following a meeting of the Steering Group who oversaw the working arrangements of the Partnership. The renewal of the Partnership would ensure that the service continued to run well and meet regulatory requirements.

The Cabinet RESOLVED that the renewal of the Hart and Rushmoor Building Control Partnership to provide a shared building control service for a further five years until 31st March, 2031, unless terminated earlier in accordance with the provisions of the agreed Deed, be approved.

55. **MICROSOFT ENTERPRISE LICENSING AGREEMENT –**
(Cllr Abe Allen, Enabling Services Portfolio Holder)

The Cabinet considered Report No. IT2501, which set out an urgent key decision taken by the Corporate Manager – IT Service Delivery, relating to a three-year Microsoft Enterprise Licensing Agreement, for noting.

It was advised that the current licensing agreement for the use of Microsoft products ended on 30th November, 2024. The new agreement needed to be placed by the same date to enable continued use of Microsoft products and services to continue to deliver critical Council services.

The Cabinet RESOLVED that the urgent decision taken by the Corporate Manager – IT Service Delivery be noted.

56. **EXCLUSION OF THE PUBLIC –**

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

Minute Nos.	Schedule 12A Para. No.	Category
57	3	Information relating to financial or business affairs

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

57. **LONG LEASEHOLD EXTENSIONS (EXEMPT ITEM) –**
(Cllr Christine Guinness, Regeneration & Property Portfolio Holder)

The Cabinet considered Exempt Report No. PG2502, which sought authority to grant long lease extensions in respect of the Arrow Industrial Estate, Farnborough.

Members were informed that the Council’s Financial Resilience Plan had identified the need for the Council to realise capital receipts whilst minimising income loss. Long leasehold extensions were a means of achieving a capital receipt without

sacrificing income. In the case of this property, there had been a period of negotiation which had now concluded and the Exempt Report set out the resulting proposed terms of the transactions.

The Cabinet RESOLVED that

- i. a new 150-year lease for the Arrow Industrial Estate, on the basis of the terms set out within Section 3 of Exempt Report No. PG2502, be approved, and;
- ii. authority be delegated to the Executive Head of Property and Growth, in consultation with the Legal Corporate Manager, to agree the final terms of the respective leasehold extensions, including modernisation of the leases.

The Meeting closed at 8.23 pm.

CLLR GARETH WILLIAMS, LEADER OF THE COUNCIL AND FINANCE
PORTFOLIO HOLDER

CABINET

COUNCILLOR GARETH WILLIAMS
FINANCE PORTFOLIO HOLDER

11 FEBRUARY

KEY DECISION? YES

REPORT NO. FIN2505

**GENERAL FUND BUDGET 2025-26 &
MEDIUM TERM FINANCIAL STRATEGY 2025-26 to 2028-29**

SUMMARY AND RECOMMENDATIONS:

This report sets out the draft General Fund Budget for 2025/26 and Medium-Term Financial Strategy (MTFS) up to 2028/29. 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.

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. General Fund Revenue Budget Estimates Summary 2025-26 Appendix 1;
3. the Council Tax Requirement of £8,008,377 for this Council;
4. the Council Tax level for Rushmoor Borough Council's purposes of £239.70 for a Band D property in 2025-26 (an increase of £6.96);
5. the Capital Programme as per Appendix 6;
6. The Strategy for the Flexible use of Capital Receipts as per paragraph 3.29 below; and
7. The UKSPF funding allocations at Appendix 7.

Cabinet is recommended to

1. Approve the requested earmarked reserves and delegations as per paragraph 3.12 onwards of this report.
2. Delegate final decisions on specific UKSPF project allocations to the Leader in consultation with the relevant portfolio holder.

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 2025-26 and a medium-term financial forecast.

- 1.2. This is a key decision because it is likely to result in the Council incurring expenditure or making savings which are significant in as much as they will have a material effect on the level of council tax, balances or contingencies in relation to the Council's overall budget.

2. BACKGROUND AND EXECUTIVE SUMMARY

- 2.1. In February 2023 the council approved a balanced budget without the need to draw on reserves for 2023-24 and forecasted a balanced budget for the following year, 2024-25. However, these forecasts significantly underestimated the interest payment on the £167m of short-term borrowing (February 2023 bank rate 4% vs budgeted 1.66%) and the borrowing was fully exposed to further interest rate rises in the coming year. Inflation had also been underestimated at circa. 2.5% vs inflation of 10.4% as at February 2023 and projected to reduce gradually. Consequently, the revised 2024-25 budget approved on 22nd February 2024 projected a £5.4m deficit before savings and a cumulative £16.6m MTFS deficit to 2027-28 with £10.7m of available reserves to cover the deficit (increased to £12.22m in July 2024 by the 2023-24 outturn surplus).
- 2.2. At the 22nd February 2024 Budget Council, a financial recovery plan was agreed requiring a total recurrent net budget reduction of £4m by the end of 2027-28 to balance the budget without any further reliance on reserves beyond the MTFS period. The plan acknowledged that interest on the £167m of short-term borrowing (i.e. property investment and regeneration projects were funded by borrowing maturing in less than one year where rates were below 1% compared to longer term where rates were 2-3% higher) was the ongoing cause of the deficit, and therefore required £40m of asset sales over the MTFS period to repay borrowing and consequently reduce annual interest and principal (minimum revenue provision - MRP) repayments by £2.04m per year. In addition, whilst ever inflation is above 2%, service expenditure inflation outpaces the council's ability to increase income, resulting in a need for a £500k per year reduction in cost of services to achieve a recurrent £2m per year reduction by the end of the MTFS period.

February 2024 savings profile	2024-25 '000	2025-26 '000	2026-27 '000	2027-28 '000
Interest and MRP (£40m assets)	(240)	(1,558)	(2,040)	(2,040)
Cost of services reduction	(500)	(1,000)	(1,500)	(2,000)
Total Savings:	(740)	(2,558)	(3,540)	(4,040)

() implies improvement

- 2.3. The agreed savings profile required £740k (£240k interest/MRP and £500k cost of services) in 2024-25, acknowledging that it would take time for asset sales to be actioned resulting in £4.6m of the £5.4m deficit to be funded from reserves.

February 2024 planned use of reserves	2024-25 `000	2025-26 `000	2026-27 `000	2027-28 `000	Total `000
Savings requirement:	(740)	(2,558)	(3,540)	(4,040)	(10,878)
Deficit prior to savings:	5,379	4,127	3,504	3,641	16,651
Deficit/Surplus net of savings funded by reserves	4,639	1,569	(36)	(399)	5,773
Available reserves:	(10,679)	(6,040)	(4,471)	(4,507)	(4,906)

() implies improvement/surplus

The savings profile projected £4.9m (of the £10.7m, increased to £12.2m in July) reserve remaining to mitigate changes in underlying key budget assumptions and risks and ensure the council remains able to set a legally balanced budget.

- 2.4. Although £3.3m income from sale of assets is due in March 2025, it is too late to achieve the £240k 2024-25 interest and MRP required reduction. Despite this, the £740k 2024-25 savings target has been fully met of which £342k is recurrent (i.e. ongoing in future years) and £398k will carry forward to contribute to the 2025-26 savings target.
- 2.5. A significant amount of progress has been made in identifying savings for 2025-26 onwards. Whilst these are incorporated into the 2025-26 budget estimates, several of the key risks in the February 2024 MTFS have materialised resulting in a 2025-26 estimated deficit of £5.2m (£4.1m projection in February 2024). The table below provides headlines, and a detailed explanation is given on **Appendix 2**.

Explanation of budget changes	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Lines of enquiry	(1,667)	(782)	49	(113)
Domestic waste ERP income	(615)	0	0	0
Union Yard sale of 82 PRS units	(418)	(408)	(5)	(5)
Finance Settlement	(228)	134	355	364
Earmarked Reserve movements	(74)	148	24	(13)
Civic Quarter capital receipt	0	0	0	(1,111)
Union Yard holding costs	221	(221)	0	0
Staff Pay award	319	480	489	498
Contract Inflation	362	218	220	227
Net interest and MRP	926	(690)	(162)	(93)
Pooled funds provision one off	1,000	(1,000)	0	0
Net change in deficit	(174)	(2,120)	969	(246)
Prior year deficit	5,379	5,205	3,085	4,054
Current deficit	5,205	3,085	4,054	3,808
Net change	(174)	(2,120)	969	(246)

- 2.6. Excluding some significant one-off costs in 2025-26 and fluctuations in commercial property income, the cumulative MTFs deficit has remained similar in comparison to the February 2024 projection, despite the progress on savings. This emphasises the importance of protecting reserves to mitigate risks.

Change in deficit prior to savings:	2024-25	2025-26	2026-27	2027-28	2028-29	Total
	`000	`000	`000	`000	`000	`000
February 2024	5,379	4,127	3,504	3,641	3,641	20,292
2025-26 estimates	5,379	5,205	3,085	4,054	3,808	21,531
Change:	0	1,078	(419)	413	167	1,239

() implies improvement

- 2.7. Work on the February 2024 £40m asset sales target has identified potential sales estimated at £11.9m, of which £3.3 will be received by the end of 2024-25 and a further £8.6m in 2025-26. In addition, Farnborough International Ltd is due to repay £6.7m of loans, £2.1m in 2026-27 and £4.7m in 2028-29. The interest and MRP savings generated are included in the budget projections. Whilst the total asset sales estimate is lower than target, the overall £2.04m annual interest and MRP saving will be achieved by 2029-30, 4 years later than anticipated. This achievement from a lower sales value is made possible by a higher interest rate (4.78% vs 3.1% in February 2024) and complying with the MRP policy that allows income from the sale of assets that are not linked to borrowing to reduce MRP over ten years (i.e. 1/10) compared to the budget assumption of 2% (50 years: 1/50 = 2%) due to not knowing which assets would be sold. The 4-year delay in achieving the full £2.04m interest and MRP reduction will require further cost of service reductions to be identified to compensate. It is not certain that sufficient additional asset sales will be achieved in time to close the gap by the end of 2026-27. In addition to the £18.7m projected income, the budget includes a projected £12m income in 2028-29 from sale of some of the Civic Quarter land, in addition to the numbers in the table below.

Interest and MRP savings requirement	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	`000	`000	`000	`000	`000	`000
February 2024 £40m	(240)	(1,558)	(2,040)	(2,040)	(2,040)	(2,040)
2025-26 estimates £18.7m		(434)	(1,354)	(1,596)	(1,763)	(2,070)
To be funded from cost of services/reserves	240	1,124	686	444	277	(30)

- 2.8. The deficit in 2025-26 includes some significant one-off (i.e. not ongoing in future years budgets) costs and the MTFs experiences some fluctuations in commercial property income. These one-off changes are best resolved by drawing upon reserves. Therefore, the underlying need for recurrent savings of £2.8m in 2025-26 broadly remains the same as the £2.6m forecast in February 2024. This is a significant number to achieve from a standing start and it is proposed to draw an extra £1m from reserves in 2025-26 to enable a stepped increase i.e. £1.8m in 2025-26 in the savings requirement, which then steps up

annually by £1m to a total recurrent saving of £3.8m in 2027-28. Achieving this savings profile, and assuming all budget assumptions remain equal, the final projected reserves balance will be £3.6m (£4.9m February 2024) to cover the uncertainty in later year projections. Unless additional assets are identified, the full annual recurrent required savings of £3.8m is now predominantly focused upon cost of services and building up the commercial income.

2025-26 planned use of reserves	2024-25	2025-26	2026-27	2027-28	2028-29	Total
	`000	`000	`000	`000	`000	`000
Deficit prior to savings:		5,205	3,085	4,054	3,808	16,152
Required Savings:		(1,784)	(2,784)	(3,781)	(3,781)	(12,130)
Net deficit funded by reserves		3,421	301	273	27	4,022
Available reserves:	(7,568)	(4,102)	(3,801)	(3,528)	(3,501)	

() implies improvement

- 2.9. The 2025-26 budget and MTFs has been projected in the context of the current Local Government Reorganisation on the basis that the council will continue in existence and is able to balance its budget and MTFs without external financial assistance. There is a high degree of uncertainty in several of the assumptions in the 2025-26 MTFs, and it is therefore crucial that the council achieves a minimum £1.8m net budget reduction (i.e. the 2025-26 required savings) and strives to make significant inroads into the additional £1m increase the following year. The 2025-26 MTFs projects an additional £2.9m drawdown of reserves compared to 22nd February 2024 to a level of £3.6m and therefore has no flexibility for any unplanned draw on reserves in addition to the identified risks around the budget assumptions if the council is to be able to set a balanced budget each year of the MTFs.

Change in planned use of reserves	2024-25	2025-26	2026-27	2027-28	2028-29	Total
	`000	`000	`000	`000	`000	`000
February 2024	4,639	1,569	(36)	(399)	0	5,773
2025-26 estimates	4,639	3,421	301	273	27	8,661
Change in estimate	0	1,852	337	672	27	2,888
Remaining Reserves after funding	planned	deficit:				
February 2024:	(6,040)	(4,471)	(4,507)	(4,906)	(4,906)	
February 2024 restated in July:	(7,588)	(6,019)	(6,055)	(6,454)	(6,454)	
2025-26 estimates	(7,588)	(4,167)	(3,866)	(3,593)	(3,566)	
Change in reserves projection	0	1,852	2,189	2,861	2,888	

() implies improvement

February 2024 £10.679m was improved by £1.550m with 2023-24 surplus (i.e. £12.227m)

- 2.10. The 2025-26 MTFs assumes several high-risk significant value assumptions underpinned with unknown certainty of likelihood of occurrence but high impact.

The most significant risks and opportunities that could affect the £3.6m projected reserve are listed below.

- Interest on borrowing is the highest risk due to the volatility of interest rates. Half a percent increase equates to an additional annual £600k interest and c. £2m over the MTFS period drawdown of reserves. The financial markets are settling and this could also provide an opportunity to reduce interest costs.
- A delay in the sale of the identified commercial assets beyond 2025-26 will delay a £636k reduction in MRP and forgo £300k interest saving. A one-year delay will impact reserves by £1m.
- The government has stated an intention to rebase Retained Business Rates in 2026-27 to redistribute funding to councils with higher levels of deprivation. The council has £1.9m retained growth above its £3m baseline funding level at risk. This budget assumes there will be transition relief of 1/3rd per year of the assumed £1.9m reduction. We may not get clarity until the December 2025 Provisional Finance Settlement.
- Underachievement of the 2025-26 £1.8m required net cost of services reduction will have a knock-on effect over the MTFS period and require additional drawdown from reserves.
- The government is being lobbied to continue the Pooled Funds accounting dispensation that is due to end in 2024-25 and required the current £1m book loss to be accounted for as a one-off cost in the revenue account. This will be adjusted each year as the value changes until such time as the pooled fund are cashed in. A continuation of the dispensation will avoid a £1m drawdown of reserves.
- Disposal of some of the Civic Quarter land is currently being negotiated. The budget assumes a £12m sales receipt that will equate to £1.1m per year budget saving on interest and MRP in 2028-29. Earlier receipt will benefit the MTFS by £1.1m per year.

2.11 The above risks are potential pressures on the remaining reserve, assuming that they cannot be managed in year, and therefore have an implication on the council's statutory duty to set and maintain a balanced budget. To achieve this, the council must ensure that it retains sufficient reserve to manage the in-year, and the following years projected deficit, based upon realistic savings achievement and risks. Ultimately, targeted spend controls are the last resort tool available to manage the in-year budget position to bring the budget back within the boundaries of the MTFS and available reserves. A full schedule and analysis of risk is given on **Appendix 2**.

2.12 A Financial Recovery Plan was approved at 15th October Cabinet establishing three separate workstreams; (1) Revenue Savings, (2) Capital Receipts, and (3) Financial Service capacity and capability. The revenue savings workstream has identified over 30 lines of enquiry (**Appendix 3**) and associated actions and progress to date is reflected in the budget, including progress on capital receipts. The lines of enquiry have been an effective lens to enable a systematic and objective review of the councils' services from several angles and as expected have led onto new lines of enquiry that will continue to be pursued.

- 2.13 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 borrowing. Therefore the course of action the council will be taking in 2025-26 as a result is to:
- a. Continue working through the lines of enquiry
 - b. Complete a detailed commercial property review and review of portfolio management to drive up income and reduce costs from the portfolio (aim for net £750K improvement) by 2027-28 at the latest.
 - c. Bring forward the Civic Quarter capital receipt to gain the benefit earlier than 2028/29 (assuming £12m disposal value benefit is Circa £1.1m per year)
 - d. Identify further asset sales with zero underlying debt to benefit from 1/10th MRP reduction and interest saved on borrowing, outweighing lost income.
- 2.14 Achieving the full £1.8m required cost of services reduction in 2025-26 is a significant challenge. In recognition of this challenge an immediate project is underway to identify a schedule of actions to deliver a budget reduction this year. Services managers have been asked to review specific services, activity and costs which:
- Could stop – i.e. not already contracted or contract not renewed in year
 - Expenditure to temporarily stop for current or next year
 - Could be carried out in a different way/scaled back to take account of devolution and/or local government reorganisation at reduced cost
 - Service development projects/IT upgrades that can be on hold until local government reorganisation is progressed.

The list is due to be reviewed with Cabinet before February Budget Council.

- 2.15 Implement and complete a review of services to align establishment to ongoing priorities and reduce cost by the end of September supported by a comprehensive roll out plan. The capital programme includes £1m of capital receipts to support the service review under the flexible use of capital receipts directive.

Role of the Chief Finance Officer

- 2.16 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.

- 2.17 As proposed in this report, the Council can balance the 2025-26 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 Recovery Plan which will be updated regularly during the year.

3. Medium term Financial Plan 2025-26 to 2028-29

- 3.1 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.
- 3.2 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.
- 3.3 The 2025-26 budget and MTFS has been set in the context of the current Local Government Reorganisation on the basis that the council will continue in existence and is able to balance its budget and MTFS without external financial assistance. It is also 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.
- 3.4 The Council's MTFS ending 2028-29 has been updated to include the latest General Fund assumptions and projections including identification of reserves earmarked for specific purposes that may have to be drawn upon to meet the MTFS budget shortfall set out on **Appendix 2**. This report sets out the ongoing material financial pressures, risks and uncertainty which remain on a significant scale. The latest MTFS projections show an estimated total cumulative gross budget shortfall, before compensating measures, over the four-year period of **£16.152m**. 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 summary is set out on **Appendix 1**:

Fees & Charges

- 3.5 Fees and Charges income has been reviewed under a line of enquiry project. Service managers were consulted to gauge what their views on what is appropriate in relation to affordability, demand for service and market rates alongside benchmarking data from other authorities where available. Three scenarios were considered i.e. 3.5%, 5% and 10% to help illustrate the impact from the service user perspective and the increased income generated. The full schedule of fees and charges related budget adjustments are on **Appendix 4** and the Councils current fees and charges schedule is published separately on the council's web.
- 3.6 The 2023-24 outturn illustrated that some fees and charges budgets required alignment to reflect the actual achievement and trend service trend. A further line of enquiry is to ensure services are achieving full cost recovery on discretionary services and challenge the service delivery where income is slipping.
- 3.7 A revised tariff structure for the Council's sixteen pay and display (P&D) car parks is proposed from 1 April 2025. In general, charges will increase by 10p an hour, with the night charge rising from £1.50 to £2.00, and the Sunday charge in Aldershot increasing from £1.00 to £1.50. The new tariff structure is forecast to generate additional P&D income of c.£120,000 in 2025/26, assuming car park usage remains the same. A detailed breakdown of the proposed tariff changes is shown in **Appendix 4**.
- 3.8 The Animal Welfare regulations have now been signed into legislation and a Primates License is now required for private keepers. A fee for this license is proposed to be set on a cost recovery basis as per licensing legislative requirements.
- 3.9 A Fees and Charges book has been produced to support the budget. This will be circulated separately to this report for Cabinet to review and approve under its delegated authority.

Earmarked Reserves

- 3.10 A detailed schedule of all useable revenue earmarked reserve movements and balances is on **Appendix 5**.
- 3.11 On 16 December, the Government published its devolution and local government reorganisation White Paper. This gives a clear policy direction for local government and during 2025 and beyond, Councils will need to commit resources and increase capacity to prepare for these changes. It is not yet clear what will be required but the expectation is that Hampshire will be included in the priority programme with LGR proposals due in detail by the Autumn (or potentially May if not included in the priority programme). Therefore, Members are requested to put aside a reserve of £100,000 for expenditure with delegated

authority to commit any spend to the Assistant Chief Executive following consultation with the Executive Head of Finance and the Leader.

- 3.12 The Council's Local Plan is due to be revised as a project over the next two years and will require funding to resource surveys and relevant consultations. Therefore, Members are requested to put aside a reserve of £100,000 for expenditure with delegated authority to commit any spend to the Executive Head of Property and Growth following consultation with the Executive Head of Finance and the Leader.
- 3.13 The continued development of the Financial Recovery 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 2025-26, to be called upon if needed. The principle of this expenditure is to enable to council to drive forward delivery of savings and realise the targets for balancing the budget over the MTFS term.
- 3.14 Union Yard construction is reaching practical completion. There is a negotiation with the contractors, Hills Associates, regarding the cost overrun due to extensions of time. The negotiations may proceed to arbitration and require external legal support. Therefore, Members are requested to put aside a reserve of £150,000 for expenditure with delegated authority to commit any spend to the Executive Director & Deputy Chief Executive following consultation with the Executive Head of Finance and the Leader.
- 3.15 It is recommended that all of the above requests are funded from the projected 2024-25 surplus achievement above the budgeted drawdown of reserves as a first call.

Treasury Management Strategy

- 3.16 The council as part of its previous strategy for funding prior year capital programmes will have a need to borrow £170m by the end of 2024-25, of which approximately £136m will be borrowed from other local Authorities and the Public Works Loan Board (PWLB). The majority of this borrowing is due to mature within the next 12 months and will need to be replaced with new borrowing.
- 3.17 The council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty. The 2025-26 MTFS assumes an interest rate of 4.78% and has planned a service cost reduction to bring the MTFS back into balance without use of reserves. The council's treasury advisors recommend a strategy to extend borrowing maturity towards 5-year maturity over the next 18 months, with the

expectation that the rates will settle just below 5% as can be seen on the interest projection slide on appendix 2.

- 3.18 Current interest rates are above this level and are reducing as forecasted. All borrowing replaced above 4.78% in the next year will require additional compensating savings to be found. The council has already started to take out longer term PWLB borrowing beyond one year and is actively managing its borrowing projections and monitoring rates to ensure a balance between affordable rates and longer-term certainty can be achieved.
- 3.19 Borrowing has been delayed as long as possible during the year to benefit from maximising the use of the councils surplus cashflows and only borrowing to maintain a minimum cash balance of £5m. This has achieved over £1m reduction in interest cost during 2024-25.
- 3.20 Treasury management operation is monitored and managed daily, with a strategic officer oversight panel reviewing market forecasts against the borrowing and cashflow forecasts. The council's treasury Advisor meets monthly with senior officers to review strategy. The Finance Portfolio holder will be briefed regularly on the overall position and strategy going forward. Corporate Governance, Audit and Standards Committee receive quarterly updates.
- 3.21 The statutory override for pooled funds in England – which requires fair value gains and losses to be taken to an unusable reserve unless the fund is sold – is set to end in 2025/26, i.e. the last year it will be in place will be 2024/25. The council's pooled funds are currently valued below their purchase price because of rising interest rates and the economic downturn. There is therefore a debit balance in the pooled investment funds adjustment account that will to be moved to the General Fund in 2025/26 and the budget now includes a £1m set aside of a revenue reserve to cover the deficit. The government is being lobbied to continue the statutory override, which would be a one-off improvement in 2025-26.

Capital programme

- 3.22 The council's Capital Strategy and Capital Programme are considered over a three-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. The detailed capital programme and funding strategy is on appendix 6.
- 3.23 Work on scoping the cost of a leisure centre on the Civic Quarter site is still underway. The council has been able to retain the balance of the Levelling Up Funding circa £18m to enable the project and in addition can contribute the land. The next step in the project scoping is to achieve RIBA Stage 3 work and the operator procurement process that will include a detailed Business Case, and an appropriate funding strategy supported by robust independent due diligence to test viability. At this point Cabinet will make a decision to recommend to Full Council on proceeding to RIBA stage4/build contract.

- 3.24 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. It was noted that an accurate assessment of refurbishment costs would become available once a Main Contractor has been appointed, as expected, several technical matters that were not possible to be accurately assessed until the project was underway and are currently being worked through. At this stage it is projected to be within the overall budget approval. An update report will be brought to Cabinet.
- 3.25 The capital programme now includes a £1m provision to enable service restructuring costs to be capitalised and funded from existing capital receipts.
- 3.26 Over the last year, progress has been made on developing an asset management capital expenditure programme to support the management and maintenance of the council's-built estate. In anticipation of the programme being finalised and agreed the capital programme has an £800k per year budget funded from anticipated long leasehold capital receipts. All expenditure against this budget will require a business case and cabinet approval, unless it is under the Cabinet delegated limit (ELT approval). The funding must also be secured prior to the expenditure being incurred.
- 3.27 The programme has an updated Information and Computing Technologies (ICT) Services Capital Schemes programme, and the funding has been switched from borrowing to existing capital receipts. In light of the local government reorganisation, the ITC programme will be revisited, and only essential work will be carried out to enable the councils ICT infrastructure to continue supporting service delivery.

Flexible use of capital receipts

- 3.28 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. The 2025-26 provisional finance settlement has extended this directive to end in 2030.
- 3.29 The Council will have to make significant changes to its service provision including efficiencies. It is sensible to alleviate pressure on revenue reserves by using capital receipts and make the required council resolution to enable this to be done. It is the Council's proposed strategy for 2025-26 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 service review.

Council Tax Support Scheme (CTSS)

- 3.30 The Council has a statutory duty to set out its Council Tax Support Scheme prior to 1st April of a new financial year. The CTSS has been monitored by a CTSS Group for several years, including 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. The CTSS 2025-26 has been recommended to Council under report FIN2501.

External review and oversight

- 3.31 Given the financial situation, the Council has sought external perspectives on its financial plans and overall performance through a LGA Peer challenge and by commissioning CIPFA to undertake an independent review. The outcome of these reviews has been reported to Council during 2024. Cabinet has established a cross-party Cabinet Working Group to be known as the 'Financial Recovery Working Group' with the primary role of overseeing delivery of the Financial Recovery Plan. The group has engaged an experienced local government finance specialist from CIPFA as an independent member.

UK Shared Prosperity Fund

- 3.32 The UK Shared Prosperity Fund (UKSPF) supports the Government's five national missions to deliver its plan for change: pushing power out to communities everywhere, with a specific focus to help kickstart economic growth and promoting opportunities in all parts of the UK. The UK government's Autumn Budget announced a further funding for local investment by March 2026. On 13 December 2024 government announced that the Council has been allocated £327,146 for 2025-26, with £60,401 capital funding and £266,745 revenue funding.
- 3.33 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 national missions have been mapped by Government against existing UKSPF priorities and investments, allowing a wider range of activity to be funded in 2025-26. The proposed projects support the Council's Delivery Plan priorities and will be included in the forthcoming decision on the 2025-26 Council Delivery Plan at April Cabinet.
- 3.34 Cabinet is asked to:
- Consider and approve for recommendation to Council the funding allocations, subject to the full receipt of the funding and the outcome of the service cost review.
 - Delegate final decisions on specific project allocations to the Leader in consultation with the relevant portfolio holder.

Alternative Options

- 3.35 The council must produce and keep under review a MTFs that by its nature includes several assumptions and options to deal with a range of transactions and service delivery strategy. Where there are options, these have been brought out in the relative section of this report.

Consultation

- 3.36 All Members of the Council are invited to a budget briefing seminar on 10th February 2025 to discuss the budget proposals and the full budget report is available online.
- 3.37 The Financial Recovery Working Group (FRWG) meet regularly to review progress in delivering the budget savings and effectiveness of the strategy to address the budget deficit.

4 IMPLICATIONS

Risks

- 4.1 There are a range of risks associated with the delivery of the MTFs and plan to address the budget shortfall. A summary of the key risks over the MTFs period are included below:
- Financial Statements disclaimed audit backlog to 2020-21 carries risk around impact on available reserves. Full audit assurance will not be achieved until the 2026-27 financial statements audit is completed by audit deadline of February 2029. There may be matters that affect the reserves identified at any point within this period.
 - Capacity to resource the work required to achieve a balanced budget and support the council through the MTFs challenge. Net cost reduction requirements are £1.8m in 2025-26, plus £1m in 2026-27 and £1m. The finance team is currently supported by experienced interim accountants' whilst a review of the team structure is completed in 2025.
 - Timing and value of capital receipts are a material element of achieving the budgeted reduction in borrowing interest and MRP. Capital receipts projections are: 2025-26 £9.4m plus Union Yard £15m (or RHL interest), 2026-27 £0, 2027-28 Civic Quarter £12m or sooner. As documented in this report, this has proven to be challenging for the council. Capacity to resource the work required to achieve the schedule of capital receipts is being reviewed and there is specific oversight in place to assess the capacity and performance.
 - Assumptions on interest rates and inflation reductions do not materialise as planned. Interest rate exposure has been extensively covered in this report, securing longer term cost certainty at currently available rates will be a significant cost to consider alongside the level of risk being incurred.

- Pooled funds capital deficit continues to increase beyond the £1m provision in the 2025-26 MTFs. Current and ongoing monitoring of these funds will determine the net benefit of selling compared to holding onto these funds.
- Work on identifying and evaluating the latent liability (such as energy efficiency standards, major component replacement or dilapidations) on the substantial property holdings and additional capital expenditure on lease transactions has not been concluded and incorporated into the capital programme or revenue account through planned maintenance and income projections. The report details a projected loss of income on commercial assets. Robust strategic management is required on the portfolio to mitigate risks to the rent roll and future capital requirements to maintain the income and manage revenue impact.
- The airport planning application is a financial risk from the cost that could arise from any legal proceedings following the decision. This could be a significant revenue expense.
- The Waste collection contract with Serco (circa £5m) must be retendered or extended by 2027 with the work commencing in 2024/25. There are some significant cost and capital commitment risks associated with this contract that must be engaged with and understood as early as possible to enable any potential mitigation to be effective, more detail will be provided at the October budget update.
- There is an unsecured loan to Farnborough International Limited (FIL) of £6.482m due for repayment in tranches in the next three years. The financial stability of FIL is reviewed quarterly to understand their trading and cashflow position and the risk to the council.
- Fees and charges income track to budget and increases are achieved. C.£220k per year.
- Establishment increases are managed within 2.5% allowance, 2025-26 £320k 2026-27 c.£480k.
- Vacancy margin annual establishment savings target requires active management to achieve £400k.
- Inflation tracks no higher than assumed increases 2025-26 c.2% £362k and 2026-27 c£200k per year.
- Borrowing interest rates tracking on forecast. 0.5% increase is an additional £620k per year
- Business rates reset reduction in baseline funding being transitioned in less than 3rds. £1.9m assumed reduction in retained business rates.
- Contingent liabilities on grant funding for Union Yard, c.£5m HIF, Aldershot (the Galleries) c.£1.8m plus balance of the £3.4m agreement once paid, all is HIF funding, and Civic Quarter c. £1.7m One Public Estate. The Government can request repayment due to conditions on housing targets not being met within timescales. This will require new borrowing and revenue implications. In addition, RDP £750k council's share of 50:50 development agreement costs held on RDP balance sheet.
- Right of light claims on Union Yard cease to be capital expenditure once practical completion, will require revenue reserve to fund c.£400k to £1m – technical accounting matter to be agreed with EY.
- Divestment of Union Yard 82 PRS units is delayed beyond August 2025. £44.5k per month council tax, utilities, service charge etc.

Legal Implications

- 4.2 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).
- 4.3 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.
- 4.4 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."
- 4.5 The Council appears to be able to balance the 2025-26 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 £16.152million deficit in the period to 31 March 2029. 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.
- 4.6 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.
- 4.7 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.

Financial Implications

- 4.8 Detailed in the body of this report.

Resource Implications

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

Equalities Impact Implications

- 4.10 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.
- 4.11 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.
- 4.12 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 Recovery Plan.

5 CONCLUSIONS

- 5.1 The Council can set a balanced budget with the use of reserves. There is a £16.152million deficit over the MTFS term and a Financial Recovery Plan is in place to address the challenge. To achieve this, the budget will continue to require the implementation of cost reduction, efficiency savings and capital receipts to reduce capital costs whilst drawing down reserves.

LIST OF APPENDICES/ANNEXES:

Appendix 1: Medium Term Financial Strategy 2025-26 to 2028-29
Appendix 2: General Fund assumptions and projections
Appendix 3: Lines of Enquiry
Appendix 4: Fees and charges adjustments
Appendix 5: Earmarked Reserves schedule
Appendix 6: Detailed capital programme
Appendix 7: Schedule of UKSPF projects
Appendix 8: Section 25 report

BACKGROUND DOCUMENTS:

Budget Council agenda 22nd February 2024: including the MTFS and Capital strategy reports.
25th July 2024 Council agenda item 5: MTFS update and 2023-24 budget outturn
15th October Cabinet agenda item 4: Financial Recovery Plan.

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Appendix 1: Medium Term Financial Strategy 2025-26 to 2028-29

Medium Term Financial Strategy 2025-26 to 2028-29	2023-24	2024-25	2025-26	Change	2026-27	2027-28	2028-29
	outturn `000	`000	`000	`000	`000	`000	`000
Cost of service							
Community & Residents	2,151	2,050	2,200	150	2,391	2,391	2,391
Development & Economic Growth	1,070	1,046	1,072	26	1,064	1,036	1,007
Enabling Services	4,320	4,945	5,137	192	5,224	5,221	5,219
Finance	1,768	1,816	1,876	61	1,900	1,900	1,900
Neighbourhood Services	5,120	5,812	5,439	(373)	5,346	5,219	5,015
Policy, Climate & Sustainability	1,003	832	835	3	849	849	849
Regeneration	567	560	604	44	615	615	615
Property	(6,906)	(6,715)	(6,840)	(126)	(6,985)	(6,761)	(6,616)
Service Budgets	9,095	10,347	10,323	(24)	10,404	10,472	10,381
Other Service-related Income &Exp							
Insurance	345	465	356	(108)	356	356	356
Contract inflation	0	780	362	(418)	558	759	964
Pay inflation	0	842	299	(543)	480	969	1,467
Union Yard PRS holding costs provision	0	0	221	221	0	0	0
Vacancy margin	0	0	(400)	(400)	(400)	(400)	(400)
ERP income	0	0	(615)	(615)	(615)	(615)	(615)
Total: Other Service related I+E	345	2,087	223	(1,864)	380	1,069	1,772
Corporate Income &Exp							
Union Yard PRS disposal	0	0	(418)	(418)	(826)	(831)	(836)
Civic Quarter capital receipt	0	0	0	0	0	0	(1,111)
Net Interest and MRP	3,791	6,657	7,584	926	6,894	6,732	6,639
Pooled Fund capital loss	0	0	1,000	1,000	0	0	0
Collection fund provision writeback	(1371)						
Local government finance settlement	(15,746)	(13,831)	(14,093)	(263)	(13,959)	(13,604)	(13,241)
Total: Corporate Income &Exp	(13,326)	(7,174)	(5,928)	1,245	(7,892)	(7,704)	(8,549)
Deficit to be funded:	(3,886)	5,260	4,618	(642)	2,892	3,837	3,604
Specific Earmarked Reserve movements	335	119	587	468	193	217	205
Net deficit to be funded from reserves and savings	(3,551)	5,379	5,205	(174)	3,085	4,054	3,808

() are an improvement i.e. increased income or reduction in cost

MTFS 2025-26 to 2028-29

General Fund assumptions and projections: Appendix 2

Summary of annual budget changes

Explanation of budget changes from prior year	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Lines of enquiry	(1,667)	(782)	49	(113)
ERP income	(615)	0	0	0
Union Yard sale of 82 private units	(418)	(408)	(5)	(5)
Finance Settlement	(228)	134	355	364
Earmarked Reserve movements	(74)	148	24	(13)
Civic Quarter capital receipt	0	0	0	(1,111)
Union Yard holding costs provision	221	(221)	0	0
Pay award and changes	319	480	489	498
Contract Inflation	362	218	220	227
Net interest and MRP	926	(690)	(162)	(93)
Pooled funds	1,000	(1,000)	0	0
Net change in deficit	(174)	(2,120)	969	(246)
Prior year deficit	5,379	5,205	3,085	4,054
Current deficit	5,205	3,085	4,054	3,808
Net change	(174)	(2,120)	969	(246)

() are an improvement i.e. increased income or reduction in cost

Detailed analysis is provided on the following slides.

Lines of enquiry and other budget adjustments

	2025-26	2026-27	2027-28	2028-29
Lines of enquiry budget adjustments	£000	£000	£000	£000
LO05 Vacancy margin	(400)	0	0	0
2024-25 Budget alignments	(317)	0	0	0
LO18 Fees and charges	(306)	(771)	(176)	(258)
Union Yard estimate adjustment	(215)	(79)	(64)	0
Elections - fallow year	(150)	150	0	0
LO32 insurance contract	(108)	0	0	0
LO34 Local Plan to be funded from reserves	(98)	0	0	0
LO09 Ctax/Business Rates	(90)	(5)	(5)	0
A331 Air Quality Project exit strategy	(68)	(10)	0	0
2526 Quick Wins Business rates payable	(56)	(64)	0	0
LO10 Utilities	(25)	(7)	0	0
Property Feasibility budget reduction	(25)	(25)	0	0
LO15a - unspent budgets	(25)	4	0	0
LO33 Commercial rent review	215	35	293	145
Total: lines of enquiry budget adjustments	(1,667)	(782)	49	(113)

The table correlates with the lines of enquiry schedule in the FRP plan. It also captures all other budget adjustments that have not been covered off elsewhere. Further detail on the Lines of enquiry can be found on **appendix 3**.

Assumptions: Sale of Union Yard 82 PRS asset:

External Sale		RHL		Difference
Capital Receipt:	(15,000,000)	Loan Note:	(15,000,000)	
Interest at 4.78%	(717,000)	Interest at 6.78%	(1,017,000)	
MRP saved	(108,992)	MRP	0	
Total Saving:	<u>(825,992)</u>		<u>(1,017,000)</u>	<u>(191,008)</u>

assumes 2% premium on average cost of borrowing

The sale of Union Yard asset externally will generate a capital receipt that will be applied to the CFR to reduce the underlying need to borrow and therefore enable borrowing to be reduced, saving MRP and interest.

A sale to RHL will create a long-term debtor on the balance sheet, as a deferred capital receipt. This cannot be applied to the CFR until the cash is received (i.e. the debt settled) and therefore MRP will not be reduced until the cash is received.

Each year the revenue account will benefit from the interest accrued on the debt at a premium over the councils cost of borrowing, compensating for the MRP not saved due to the delayed receipt of the cash. Because this interest will not be paid in cash for many years, it will be added to the debt owed by RHL to the council. This will reduce the council's working capital cashflow and require the council to borrow to ensure the council has sufficient cashflow of its own. It is assumed that this cost will be charged to RHL also on an accrual basis compounding each year until RHL is able to generate sufficient surplus cash to repay the debt.

Overall, this is a simplistic model that shows RHL will produce £142k per year more income than the external sale. **The budget has used the lower value (i.e. external sale assumption) at this point.**

Budget impact scenario testing will be provided later in this presentation. Due diligence in underway to ascertain the best option for the Council.

Provisional Local Government Finance Settlement

Local government finance settlement	2024-25	2025-26	2026-27	2027-28	2028-29
	£,000	£,000	£,000	£,000	£,000
Retained Business Rates Income	(5,100)	(5,071)	(3,172)	(3,242)	(3,307)
Business Rate Reset assumed transition relief	0	0	(1,266)	(633)	0
Council Tax	(7,706)	(8,069)	(8,319)	(8,569)	(8,819)
New Burdens Grant	0	0	0	0	0
Revenue Support Grant	(111)	(170)	(1,050)	(1,008)	(963)
New Homes Bonus	(384)	(512)	0	0	0
Services Grant	(14)	0	0	0	0
Funding Guarantee Grant	(516)	(118)	0	0	0
Rough sleepers grant rolled into RSG	0	35	0	0	0
Employers NI compensation	0	(152)	(152)	(152)	(152)
Total	(13,831)	(14,058)	(13,959)	(13,604)	(13,241)
Change:		(228)	134	355	364

- ▶ The local government finance policy statement published on 28 November outlined the intention of the government to progress with funding reforms across local government with a phased implementation beginning with the first year of the multi-year Settlement in 2026-27.
- ▶ The statement highlighted “accumulated business rates growth will be subject to periodic redistribution across the country, through a business rates reset”
- ▶ No information available on any Business Rates transition relief, assumed it will be reduced in 3rds.
- ▶ Employers NI compensation will be confirmed in final settlement. It’s a formula driven allocation, not based upon actual costs incurred.
- ▶ The Finance Settlement assumes council tax increases at 2.99% and council tax base growth, these have been included in the budget.
- ▶ Settlement will not be confirmed until February 2025

Earmarked Reserve movements

Earmarked Reserve movement in the Revenue Account	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Interest on SANG Balances	298	288	299	311	300
SANG Maintenance	(32)	(23)	(23)	(23)	(23)
FRP - SANG staff recharges	0	(50)	(51)	(52)	(54)
Mercury Abatement Levy	35	10	0	0	0
Homelessness Funding	(50)	(35)	0	0	0
Assistant Ecology Officer	0	(12)	0	0	0
Domestic Abuse Officer	0	(32)	(13)	0	0
Ukrainian expenditure	(27)	(34)	0	0	0
Climate Change Post	(46)	(48)	0	0	0
Maintenance Amenity Areas	(18)	(18)	(19)	(19)	(19)
A331 Air Quality Project	(43)	0	0	0	0
Total: Earmarked Reserve movement	119	45	193	217	205
Change between years		(74)	148	24	(13)

() are an improvement i.e. increased income or reduction in cost

Earmarked reserves are specific funds ringfenced for future planned expenditure, usually restricted in use by the original grant conditions or specifically earmarked for future obligations.

Assumptions: Sale of Civic Quarter assets:

	Cap exp on CFR £	Capital Receipt applied	2028-29
Sale of Civic Qtr assets			
Civic Quarter MRP saved if cap rec is in 2027-28	7,434,069	(7,434,069)	(81,135)
MRP reduced by straight line on balance of cap receipt: 1/10ths		<u>(4,565,931)</u>	(456,593)
Total Capital receipt applied to CFR		<u>(12,000,000)</u>	
Interest saved on £12m debt repaid @ 4.78%			<u>(573,600)</u>
Total annual saving			<u>(1,111,328)</u>
() are an improvement i.e. increased income or reduction in cost			

The Civic Quarter has £7.4m capitalised expenditure on the CFR. A capital receipt of £12m will fund the outstanding underlying borrowing and reduce the MRP charge to zero. In addition, the balance of the receipt will be applied to the MRP schedule in 10ths.

The Capital receipt will also enable £12m of borrowing to be repaid creating a saving at the prevailing interest rate.

The overall saving generated will be circa £1.1m per year. This has been included in the budget estimate for 2028-29. However, earlier receipt will significantly benefit the revenue account.

Earlier achievement of the capital receipt will not affect the overall level of savings required to bring the MTFS into balance because the £1.1m saving has been factored into the MTFS in 2028-29. However, earlier receipt will provide £1.1m per year of revenue to mitigate in year savings prior to 2028-29.

Assumptions: Pay award and changes

2024-25 February approved pay budget	14,855,870	
2025-26 prior to NI and pay award	<u>14,547,068</u>	
Reduction in Estab and lower pay award (5.1 to 2.5%)		-308,802
ERS NI (% and thresh increase) before pay award 2025-26	<u>14,814,651</u>	
Cost of change in ERNI		267,583
Pay award 2025-26 2.5% post NI increase	<u>15,174,687</u>	360,036
2025-26 Establishment including 2.5% pay award and ERNI increase	<u>15,174,687</u>	<u>318,817</u>

Pay Inflation	Pay Increment				
			award:	drift	Total:
2026-27	0.025	15,554,054	379,367	100,000	479,367
2027-28	0.025	15,942,905	388,851	100,000	488,851
2028-29	0.025	16,341,478	398,573	100,000	498,573

Pay inflation is assumed at 2.5% per year

Costing assumes new starters go to mid-scale point, an allowance is provided for increment drift/top of scale appointment

		Feb 2024 MTFS	Feb 2025 MTFS		
2024-25	5%	£842k			
2025-26	4%	£660K	£319k net	2.50%	£341k saving
2026-27	3%	£520k	£479k	2.50%	£41k saving
2027-28	3%	£520K	£489k	2.50%	£31k saving

Assumptions: Contractual Inflation

Inflation assumptions	2025-26	2026-27	2027-28	2028-29
Members Allowances	2.5%	2.5%	2.5%	2.5%
IT uplift	3%	2%	2%	2%
Serco	5%	2%	2%	2%
NNDR	1.67%	2.0%	2.0%	2.0%
CPI	3%	2%	2%	2%

Impact of % change in assumed inflation				
3%	281,006	305,971	327,227	349,670
2%	187,337	202,107	214,163	226,783
1%	93,669	100,117	105,106	110,285
-1%	(93,669)	(98,244)	(101,211)	(104,249)
-2%	(187,337)	(194,614)	(198,583)	(202,634)

Inflation assumptions	Base budget 2025-26	2025-26	2026-27	2027-28	2028-29	
Audit Fees		160,000	4,800	3,296	3,362	3,429
CCTV contract		80,025	2,401	1,649	1,681	1,715
Community Patrol contract		16,000	480	330	336	343
Council Tax		12,662	380	261	266	271
Electricity		512,210	15,366	10,552	10,763	10,978
Gas		183,510	5,505	3,780	3,856	3,933
Ground Maintenance		152,730	4,582	3,146	3,209	3,273
Insurance		341,032	10,231	7,025	7,166	7,309
IT infrastructure and equipment		1,138,653	34,160	23,456	23,925	24,404
Leisure Centres contract		283,970	8,519	5,850	5,967	6,086
Members Allowances		380,650	9,516	9,754	9,998	10,248
Non-Domestic Rates		1,084,582	18,113	22,054	22,495	22,945
Playground Apparatus contract		64,610	1,938	1,331	1,358	1,385
Serco		4,862,431	243,122	102,111	104,153	106,236
Trade Refuse		37,100	1,113	764	780	795
Water		56,688	1,701	1,168	1,191	1,215
Grand Total		9,366,853	361,926	196,526	200,506	204,566

The Bank of England estimates the CPI rate at 2.7% by year end 2025 and to remain over the national 2% target in 2026.

February 2024 contractual inflation uplift was 2024-25 £780k, 2025-26 £400k, 2026-27 £300k and 2027-28 £300k

Assumptions: Net Interest projection

	2024-25	2025-26	2026-27	2027-28	2028-29
Interest and MRP projections	£000	£000	£000	£000	£000
Capitalised interest	(381)	(59)	0	0	0
Interest Payable	8,675	6,852	6,470	6,420	6,195
Interest receivable	(2,055)	(955)	(863)	(863)	(863)
RHL interest	(1,045)	(94)	(94)	(94)	(94)
FIL interest	(294)	(294)	(231)	(210)	(53)
MRP	1,758	2,133	1,611	1,478	1,453
Total: Net Interest and MRP	6,658	7,584	6,894	6,732	6,639
Change between years:		926	(690)	(162)	(93)
Assumed average borrowing rate	5.05%	5.00%	4.78%	4.78%	4.78%

() represent income

- Capitalised interest: Union Yard and Crematorium, no further capitalisation post project completion
- Interest Payable is based on annual external borrowing **net of capital receipts, excluding Civic Quarter and Union Yard asset disposal (presented separately in the budget)**. See CFR slide for detail.
- Interest receivable includes interest from Pooled Funds, Money Market Funds and Local Authority lending
- RHL interest on loan notes and working capital excluding Union Yard Private Rented units (presented separately in the budget), 2024-25 MTFS assumed transfer at £17m loan value.
- FIL loans are repaid by end of 2028-29
- MRP is net of capital receipts, excluding Civic Quarter and Union Yard asset disposal (presented separately in the budget)
- **A 0.5% increase in the interest rate assumption will result in an additional circa £330k in 2025-26 and 2026-27 onwards a £620k per year increase in cost. The timing of capital receipts, value and timing of external borrowing and working capital balances during each year will influence the actual cost of borrowing. In 2025-26 there is £102m of debt maturing and will have to be reborrowed between April and October. The interest rate will be volatile during this period. More detail on the next slide.**

Assumptions: Net Interest projection

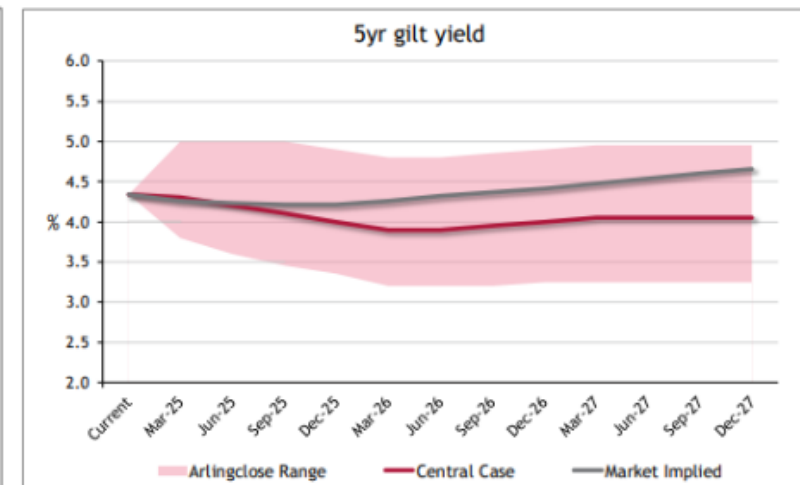
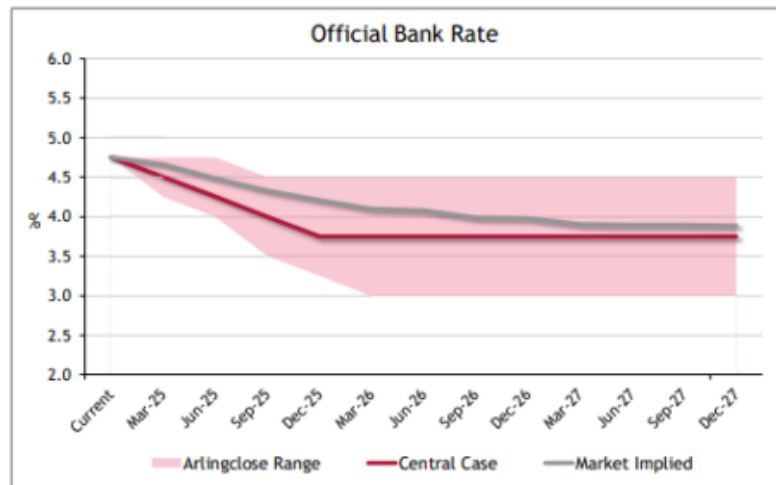
Arlingclose and Market Projections 23rd December 2024

Charts show the Arlingclose central case along with upside and downside risks:
Arlingclose judges that the risks around its Bank Rate and gilt yield forecasts are to the upside in the short term, but broadly balanced over the medium term.

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%
NWF Rate (Maturity Loans) = Gilt yield + 0.40%

Arlingclose forecast:
23rd December 2024

Market forward curves:
23rd December 2024



Borrowing interest is forecast based upon 5-year gilt yield plus 0.8% to derive PWLB certainty rate. Assumption is to extend debt maturity towards 5-year maturity over the next 18 months, risk of gilts yields increasing in this period.

Assumptions: Capital Financing Requirement: External Borrowing

Capital Financing Requirement

Position as at 31 March	2024	2025	2026	2027	2028	2029	2030
Opening Capital Financing Requirement(CFR):	167	166.3	170.5	160.9	157.2	155.7	149.6
New Capital Expenditure funded by borrowing:		9.22	1.2	0	0	0	
Minimum Revenue Provision		-1.70	-2.13	-1.61	-1.48	-1.45	-1.25
FIL loan repayment				-2.1		-4.7	
Commercial Asset sale		-3.3	-8.6				
Civic Quarter			0	0			
Union yard		0	0				
Closing Capital Financing Requirement:	167	170.52	160.9	157.2	155.7	149.6	148.3
External borrowing	167	136	127.4	125.3	125.3	120.6	119.0
Use of daily cash balance	0	34.52	33.5	31.9	30.4	29.3	29.3
Total: Funding of CFR	167	170.5	160.9	157.2	155.7	149.9	148.3

The table above estimates a snapshot of the likely borrowing position at the year end.

Capital Financing Requirement (CFR) is the cumulative total of all capital expenditure funded by borrowing and is used to calculate the interest on borrowing and the amount to be put aside to repay borrowing (Minimum Revenue Provision - MRP).

The council's available cash (i.e. daily net cash flowing in and out of the bank) ebbs and flows between £5m and £60m over the course of a financial year and it aims to maintain a constant £5m cash buffer. The council can use the net daily cash balances above the £5m buffer to fund the CFR and avoid borrowing externally (from other Local Authorities or HM Treasury – PWLB) until the cash is needed at which point it is then replaced by external borrowing.

This is a high-risk strategy when interest rates are volatile. The council intends to take out longer term borrowing to provide borrowing interest certainty as soon as interest rates are within the MTFs long term estimate 4.78% (i.e. part of a balanced budget).

Assumptions: Capital Receipts - application

Capital Receipts application:	Capital programme	Repay borrowing CFR reduction	Working capital
2024-25			
Pooled funds CCLA March 2025 (not capital)			3.3
Frimley		3.3	
Vivid	2.2		
Long Leasehold - assume funds asset maint plan	0.5		
2025-26			
Long Leasehold - assume funds asset maint plan	0.8		
Xxxxx Sept 2025		1.5	
XXXX Aug 2025		3.6	
XXXX Sept 2025		1.5	
XXX 2025/26		2	
Union Yard Private Rental Units? c.£15m			
2026-27			
Long Leasehold - assume funds asset maint plan	0.8		
FIL loan repayment		2.1	
2027-28			
Civic Quarter (timing and value?) c.£12m			
2028-29			
FIL loan repayment		4.7	
Total:	4.3	18.7	3.3

Union Yard private rental units' disposal is still being evaluated and therefore has been presented separately in the budget working. A sale to RHL will generate a deferred capital receipt (i.e. debtor not cash). This will generate additional interest receivable to net down the cost of borrowing. An external sale with an immediate receipt will be a capital receipt, used to reduce borrowing and reducing the interest on borrowing and MRP charge.

Civic Quarter assets have been evaluated separately due to the uncertainty of timing and value and therefore not included in the interest on borrowing or MRP projections.

Assumptions: Minimum Revenue Provision (MRP)

Minimum Revenue Provision	Minimum Revenue Provision							
	MTFS capital expenditure '000	2023-24 '000	2024-25 '000	2025-26 '000	2026-27 '000	2027-28 '000	2028-29 '000	2029-30 '000
Civic Quarter	7,434	70	6	7	63	79	81	83
FIL loan funded by borrowing	2,200	0	0	0	0	0	0	0
FIL loan repayment: funded by borrowing: loan #2	(2,418)	0	0	0	0	0	0	0
FIL loan repayment: funded from capital receipt loan #1	(4,605)	0	0	0	0	(211)	(211)	(461)
Investment	84,760	1,146	1,175	1,209	1,239	1,271	1,303	1,337
Investment sale of assets funded by borrowing	(3,538)	0	0	(60)	(64)	(65)	(67)	(69)
Investment sale with no underlying debt	(6,362)	0	0	0	(636)	(636)	(636)	(636)
Union Yard	53,443	69	71	427	446	461	477	494
Union Yard Capital receipt	0	0	0	0	0	0	0	0
Operational	19,959	272	357	464	482	494	443	434
RHL	778	15	16	16	16	17	17	17
Leased	93	0	21	23	24	25	0	0
Meads	10,511	0	46	48	51	54	57	59
Meads Cap receipt funded by borrowing	(2,000)	0	0	0	(10)	(11)	(12)	(12)
Total MRP charged to revenue account:	160,256	1,572	1,692	2,133	1,611	1,478	1,453	1,247

MRP is calculated based upon the expected useful life of the asset (max 50 years) on an annuity basis. Capital receipts generated from the sale of an asset with underlying borrowing is applied to reduce the capital expenditure (i.e. repay the borrowing) using the remaining asset life and annuity rate originally applied.

Capital receipts generated from assets **without** underlying borrowing that are used to reduce the CFR balance are spread over ten years on a straight-line basis, i.e. 1/10 per year.

FIL loans total £6.8m of which loan 2: £2.2m was funded by borrowing and loan 1: £4.6m funded from capital receipts. Loan 1 is repaid in two tranches in 2026/27 and 2028/29 and applied to the CRF in 10ths. Loan 2 reduced the CFR but no MRP is applicable to the loan so does not generate an MRP reduction.

Reserves balances, including the proposed repurposing of earmarked reserves to fund the revenue deficit

	Reserves as at 31/3/2024	2024-25 Budget £'000	2025-26 Projected £'000	2026-27 Projected £'000	2027-28 Projected £'000	2028-29 Projected £'000	Estimated Reserves as at 31/3/2029
Revenue Reserves							
Forecast deficit prior to savings plan		5,036	5,205	3,085	4,054	3,808	
In year recurrent savings to be achieved		(398)	(1,784)	(2,784)	(3,781)	(3,781)	
Deficit to be funded from reserves		4,639	3,421	301	273	27	
Reserves that can be repurposed:							
2023-24 Surplus	(1,133)	1,133					-
Stability and Resilience Reserve	(5,852)	2,918	2,934				-
Business rates appeals and backdating	(3,892)	-	487	301	273	27	(2,804)
Flexible Housing Grant	(812)	50	-	-	-	-	(762)
Regeneration Reserve	(257)	257	-	-	-	-	-
Civil Parking Enforcement Surplus	(206)	206	-	-	-	-	-
Custom Build Reserve	(75)	75	-	-	-	-	-
Reserves applied to fund deficit		4,639	3,421	301	273	27	
Reserves balance by year	(12,227)	(7,588)	(4,167)	(3,866)	(3,593)	(3,566)	(3,566)
Other revenue reserves:							
Reserves supporting specific initiatives	(1,828)	965	(389)	80	70		(1,104)
Reserves not available for deficit relief	(6,762)	(249)	-	-	-		(7,011)
Total: Revenue Reserves	(20,817)	(6,872)	(4,557)	(3,787)	(3,524)	(3,566)	(11,681)
Working Balance:	(2,000)						(2,000)

Material risks to the budget/MTFS

- ▶ Level of savings to be achieved without further draw upon reserves. **£2.8m in 2025-26, plus £1m in 2026-27 and £1m**
- ▶ Officer capacity to identify and deliver agreed savings and managing income and costs within budget assumptions.
- ▶ Political decision-making not being able to agree proposed savings to be delivered and timing
- ▶ Commercial income and costs are managed within current budget – **requires higher net income c.£750k by 2027-28**
- ▶ Fees and charges income track to budget and increases are achieved. **C.£220k per year**
- ▶ Establishment increases are managed within 2.5% allowance, 2025-26 **£320k 2026-27 c.£480k**
- ▶ Vacancy margin annual establishment savings target requires active management to achieve **£400k**
- ▶ Inflation tracks no higher than assumed increases **2025-26 c.2% £362k and 2026-27 c£200k per year**
- ▶ Capital receipts being achieved to assumed value and timing. **2025-26 £9.4m plus Union Yard £15m (or RHL interest), 2026-27 £0, 2027-28 Civic Qtr £12m or sooner.**
- ▶ Borrowing interest rates tracking on forecast. **0.5% increase is an additional £620k per year**
- ▶ Business rates reset reduction in baseline funding being transitioned in less than 3rds. **£1.9m assumed reduction in retained business rates.**
- ▶ Pooled funds values deterioration will further impact revenue account. **Currently £1m loss and £14m of value remaining – Mostly invested in Gilts and Stocks(equities).**
- ▶ Pooled funds technical accounting dispensation may be extended – government is being lobbied **Saves £1m reserve use 2025-26**
- ▶ Contingent liabilities on grant funding for Union Yard, **c.£5m HIF**, Shaviram Aldershot (the Galleries) **c.£1.8m plus balance of the £3.4m agreement once paid all HIF** and Civic Quarter **c. £1.7m HIF(?)**, are called in by Government due to conditions on housing targets not being met within timescales. In addition, **RDP £750k** council's share of 50:50 development agreement costs help on RDP balance sheet.
- ▶ Right of light claims on Union Yard cease to be capital expenditure once practical completion, will require revenue reserve to fund **c.£400k to £1m** – technical accounting matter to be resolved with EY, it's a grey area.
- ▶ Divestment of Union Yard 82 PRS units is delayed beyond August 2025. **£44.5k per month Ctax, utilities, service charge etc.**

Appendix 3: Lines of Enquiry

#	Title	Latest £ - Range	Included in 2025/26 Budget	Status
18	Review fees and charges for potential to increase	£306k	£306k	In progress
32	Insurance contract review and service charges	£108k	£108k	Completed
5	Determine vacancy margin budget	£400k	£400k	Complete
31	Review forecast pay rise position	£200k	£191k	Complete
11	Review reactive property maintenance costs	£150k	£0	Complete
33	Move Local Plan budget to earmarked reserve	£98k	£98k	Complete
34	Add new Extended Producer Responsibility (EPR) payments to the budget	£615k	£615k	Complete
33	Organisational Redesign (restructure)	£179k	£0	In progress
27	Determine Southwood SANG repayment (related to #21)	£1m Capital receipt	£0	In Progress
9	Review council tax and business rates budgets and challenge rateable values	Up to £130k	£90k	Completed
29	Analyse community asset costs and rent reliefs	Up to £50k	£0	In Progress
22	Review spend covered by external grants	TBC	£0	In Progress
23	Review debtor and provision balances	TBC	£0	In Progress
17	Review property service charges	TBC	£0	In Progress
25	Review planned spend from earmarked reserves	TBC	£0	In Progress

#	Title	Latest £ - Range	Included in 2025/26 Budget	Status
30	Review interim and contractor spend	TBC	£0	In progress
10	Align utilities costs and budgets	Up to £69k	£25k	Complete
15	Review and challenge other costs expenditure type	Nil	£0	Complete
15a	Remove unspent budgets	£25k	£25k	Complete
15g	Review property costs	£25K 25/26 £50K 26/27	£25k	Complete
21	Maximise SANG/S106 drawdown	Up to £49k	£49k	Complete
6	Confirm previous budget saving initiatives applied to budget	Nil	£0	Complete
7	Identify revenue impact of capital projects	Nil	£0	Complete
14	Review software requirements	TBC	£0	On Hold
20	Confirm trading accounts cover non-direct costs	TBC	£0	On Hold
26	Review opportunity for community assets disposal	TBC	£0	On Hold
28	Review opportunity to offer trading licences	TBC	£0	On Hold
15d	Review miscellaneous and small cost items	TBC	£0	On Hold
8	Compile list of revenue projects	Nil	£0	Closed
15b	Review costs of CCTV, elections, and homelessness	Nil	£0	Closed
15e	Review community grant spend	Nil	£0	Closed

#	Title	Latest £ - Range	Included in 2025/26 Budget	Status
15f	Review member costs	Nil	£0	Closed
15h	Review Place Protection costs	Nil	£0	Closed
15i	Review other costs/services	Nil	£0	Closed
19	Align property income to budget, identify risks, and set up income smoothing reserve	Nil	£0	Closed
4	Confirm one off and grant funded posts are not in MTFS	Nil	£0	Closed
13	Compile IT contracts inflation schedule	Minimal	£0	Closed
16	Reduce grounds maintenance activity	N/A	£0	Closed
24	Review Farnborough International loan	Nil	£0	Closed
15c	Review Print & Post costs	Nil	£0	Closed
1	Work with Cabinet to understand their priorities and review service levels and affordability	TBC	£0	Not Started
2	Review alternative methods of service delivery where savings could be made (including shared service opportunities)	TBC	£0	Not Started

Appendix 4: Fees and charges adjustments

	change				
	2024-25	2025-26	2026-	2027-	2028-
Fees and charges increases	£000	£000	27 £000	28 £000	29 £000
Princes Hall	(1,436)	(224)	(43)	(45)	(46)
Crematorium	(1,215)	18	(664)	(214)	(163)
Parking	(1,167)	(79)	0	0	0
Development Management	(716)	9	(17)	(18)	(18)
Building Control	(657)	59	(7)	(7)	(7)
Recycling Green Waste	(620)	(49)	(20)	(20)	(21)
Cemeteries	(212)	17	(6)	(6)	(6)
Recycling Glass Sales	(189)	(162)	0	170	0
Domestic Refuse	(122)	2	(4)	(1)	(1)
Bulky Waste Col	(120)	7	(3)	(4)	(4)
Markets and car boot sales	(119)	(25)	(3)	(3)	(3)
Land charges search fees	(112)	30	(2)	(3)	(3)
Elections cost recovery	(100)	96	(0)	(0)	(0)
Parks& Rec	(98)	(14)	(2)	(3)	(3)
Revenue & Benefits costs recovered	(81)	5	0	0	0
Service charges	(73)	8	0	0	0
S106 Income Grounds maintenance	(43)	43	0	0	0
HMO licencing	(40)	(43)	(2)	(3)	(3)
Food, Health & Safety	(25)	19	(0)	(20)	20
Allotments Rental Income	(22)	(0)	(1)	(1)	(1)
Southwood Field centre income	(14)	5	(0)	(0)	(0)
Council Office committee room rental	(12)	11	0	0	0
Military Covenant Fund	(8)	0	4	0	0
Licensing vet Inspection Fee	(2)	2	0	0	0
Emergency planning shared role	0	(39)	0	0	0
Total Fees and charges	(7,203)	(306)	(771)	(176)	(258)

() are an improvement i.e. increased income or reduction in cost

Appendix 5: Earmarked Reserves schedule

	2024-25		2025-26				2026-27	2027-28	2028-29
	Reserves as at 31/3/24	Projected Closing Balance	Proposed Revenue Use	Use to fund deficit	Proposed Capital Use	Transfers In	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserves that can be repurposed									
Working balance surplus net of budget carry forward	1,133	-					-	-	-
Stability & Resilience Reserve	5,700	2,786		2,786			-	-	-
Business Rates Appeals & Backdating	3,892	3,892		552			3,340	3,039	2,766
Flexible Housing Grant	812	762					762	762	762
Regeneration Reserve	257	-					-	-	-
Civil Parking Enforcement Surplus	206	-					-	-	-
Other Grants (Individually below (£45k))	154	128	45	83			-	-	-
Custom Build Reserve	75	-					-	-	-
	12,229	7,568	45	3,421	-	-	4,102	3,801	3,528
									3,501

	2024-25	2025-26	2026-27	2027-28	2028-29		2024-25	2025-26	2026-27	2027-28
	Reserves as at 31/3/24	Projected Closing Balance	Proposed Revenue Use	Use to fund deficit	Proposed Capital Use		Reserves as at 31/3/24	Projected Closing Balance	Proposed Revenue Use	Use to fund deficit
	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
Homes for Ukraine-Expenses	19	19					19	19	19	19
COMF Reserve	8	-					-	-	-	-
UKSPF	7	40					40	-	-	-
Supported and Temp Accom Work	7	7					7	7	7	7
	1,828	1,129	-82	-	-25	10	1,032	824	824	824
Reserves not available for deficit relief										
S106/SANG	5,934	6,129	-91			288	6,326	6,532	6,749	6,953
Pipeline - Env Improvement Reserve	134	81					81	81	81	81
Farnborough Airport Environment Fund	129	129					129	129	129	129
Insurance Reserve - MMI	253	253					253	253	253	253
Workforce Reserve	312	145					145	145	145	145
	6,762	6,737	-91	-	-	288	6,934	7,140	7,357	7,561

Total Earmarked Reserves	20,819	15,434	-	-	-	298	12,068	11,765	11,709	11,886
Working Balance	2,000	2,000					2,000	2,000	2,000	2,000

Appendix 6: Detailed capital programme

Capital Programme 2024-25 to 2027-28	2024/25 Approved Feb 2024	2024/25 additional approvals	2023-24 approved Slippage	2024/25 Current budget	2024/25 Q2 Outturn	2024/25 Slippage @Q2	2025/26 Budget	2025/26 Total Budget	2026/27 Budget	2027/28 Budget
Union Yard commercial units fit out lease contributions	-	175	-	175	175	-	850	850	-	-
Union Yard construction	5,384	-	544	5,929	5,929	-	-	-	-	-
Union Yard Right to light	-	-	-	-	-	-	400	400	-	-
Leisure and Civic Hub (CQ Plot B)	-	-	237	237	160	77	-	77	-	-
Civic Quarter General	-	-	15	15	15	-	-	-	-	-
Southwood Park (s106)	450	-	-	450	150	300	-	300	-	-
Crematorium	4,418	-	363	4,781	4,396	385	366	751	-	-
Temporary Housing	-	742	-	742	-	742	-	742	-	-
Hawley Lane	340	-	11	351	100	-	-	-	-	-
Frimley Business Park Plots 4.2 and 4.3	222	-	4	226	125	-	-	-	-	-
Ashbourne House	-	-	74	74	74	-	-	-	-	-
Hotel Civic Quarter (CQ Plot D)	-	-	40	40	40	-	-	-	-	-
CQ Pinehurst Car Park Demolition	-	1,725	-	1,725	1,725	-	-	-	-	-
Civic Quarter Plot I (New Food Store)	-	-	85	85	85	-	-	-	-	-
The Galleries	-	-	3,400	3,400	-	3,400	-	3,400	-	-
CCTV	-	-	185	185	185	-	-	-	-	-
Food Waste	7	-	-	7	7	-	7	7	7	7
Wheeled Bins	120	-	-	120	106	-	120	120	120	120
Disabled Facilities Grants	1,632	-	-	1,632	1,632	-	1,111	1,111	1,111	1,111
Aldershot Pools Solar panels	-	208	-	208	208	-	-	-	-	-
Asset Management Capital expenditure provision	109	-	-	109	50	-	800	800	800	800
ICT Services Capital Schemes	582	-	193	775	466	309	141	450	156	-
Meeds block 4 contract costs UKSPF	-	333	-	333	333	-	-	-	-	-
Various S106 projects (s106 funded)	208	-	246	454	327	127	-	127	-	-
REFCUS: Service review capitalised costs provision	-	-	-	-	-	-	1,000	1,000	-	-
TOTAL	13,473	3,183	5,399	22,055	16,289	5,341	4,795	10,135	2,194	2,038

All numbers are in £'000

Appendix 6 continued: Detailed capital programme

Capital Programme 2024-25 to 2027-28	2024/25 Approved Feb 2024	2024/25 additional approvals	2023-24 approved Slippage	2024/25 Current budget	2024/25 Q2 Outturn	2024/25 Slippage @Q2	2025/26 Budget	2025/26 Total Budget	2026/27 Budget	2027/28 Budget
Funding										
S106: Developer contribution to Wheeled bins	(20)	-	-	(20)	(20)	-	(20)	(20)	(20)	(20)
HIF (Union Street)	-	-	(3,400)	(3,400)	-	(3,400)	-	(3,400)	-	-
S106/ Grant(Southwood Play Area)	(450)	-	-	(450)	(150)	(300)	-	(300)	-	-
S106 (Play Areas etc)	(208)	-	(246)	(454)	(327)	(127)	-	(127)	-	-
LAHF Funding + Ukraine +S106 Commuted	-	(742)	-	(742)	-	(742)	-	(742)	-	-
LTA Grant	-	-	-	-	-	-	-	-	-	-
UKSPF	-	(333)	-	(333)	(333)	-	-	-	-	-
Swimming Pool Grant	-	(208)	-	(208)	(208)	-	-	-	-	-
Homes England	-	(1,725)	-	(1,725)	(1,725)	-	-	-	-	-
LEP (Union Street)	-	-	-	-	-	-	-	-	-	-
LUF	-	-	(378)	(378)	(301)	(77)	-	(77)	-	-
DFG	(1,632)	-	-	(1,632)	(1,632)	-	(1,111)	(1,111)	(1,111)	(1,111)
Capital receipts reserve: UY lease contributions*	-	(175)	-	(175)	(175)	-	(850)	(850)	-	-
Capital receipts reserve: IT infrastructure	-	-	-	-	-	(309)	(141)	(450)	(156)	-
Capital receipts reserve: Wheeled bins	-	-	-	-	-	-	(107)	(107)	(107)	(107)
Capital receipts reserve: REFCUS: Service review capitalised costs*	-	-	-	-	-	-	(1,000)	(1,000)	-	-
Long Leasehold extensions capital receipt target*	-	-	-	-	-	-	(800)	(800)	(800)	(800)
Vivid Capital receipt	(2,200)	-	-	(2,200)	(2,200)	-	-	-	-	-
Borrowing	(8,963)	-	(1,375)	(10,337)	(9,218)	(385)	(766)	(1,151)	-	-
Total Financing:	(13,473)	(3,183)	(5,399)	(22,055)	(16,289)	(5,341)	(4,795)	(10,135)	(2,194)	(2,038)
* requires business case and Cabinet approval										

All numbers are in £'000

Appendix 6 continued: Detailed capital programme

Capital Programme 2024-25 to 2027-28	2024/25 Approved Feb 2024	2024/25 additional approvals	2023-24 approved Slippage	2024/25 Current budget	2024/25 Q2 Outturn	2024/25 Slippage @Q2	2025/26 Budget	2025/26 Total Budget	2026/27 Budget	2027/28 Budget
Borrowing by scheme for the MRP schedule update:										
Crematorium	(4,418)	-	(363)	(4,781)	(4,396)	(385)	(366)	(751)		
Union Yard Right to light				-	-		(400)	(400)		
Union Yard construction	(3,184)	-	(544)	(3,729)	(3,729)					
Food Waste	(7)	-	-	(7)	(7)					
Wheeled Bins	(100)	-	-	(100)	(86)					
Asset Management Capital expenditure	(109)	-	-	(109)	(50)					
ICT Services Capital Schemes	(582)	-	(193)	(775)	(466)					
Hawley Lane	(340)	-	(11)	(351)	(100)					
Frimley Business Park Plots 4.2 and 4.3	(222)	-	(4)	(226)	(125)					
Ashbourne House			(74)	(74)	(74)					
CCTV			(185)	(185)	(185)					
Total borrowing:	(8,963)	-	(1,375)	(10,337)	(9,218)	(385)	(766)	(1,151)	-	-

All numbers are in £'000

Appendix 7: Schedule of UKSPF projects

The UK Shared Prosperity Fund (UKSPF) supports the Government's five national missions to deliver its plan for change: pushing power out to communities everywhere, with a specific focus to help kickstart economic growth and promoting opportunities in all parts of the UK. The UK government's Autumn Budget announced a further funding for local investment by March 2026. The Council has been allocated £327,146 for 2025-26, with £60,401 capital funding and £266,745 revenue funding.

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.

Funding allocations 25/26

The proposed 2025-26 funding allocations consist of interventions that continue successful activity from 2024-25 and new activity that support the Council's Delivery Plan priorities. The projects have been reviewed to ensure they will have a lasting impact, can be self-sustaining, and to minimise the use of fixed term contracts. The total expenditure within the proposed project list is £327,146. Budget over- and under-spends will be managed in accordance with the Council's Financial Procedure Rules. Grant funding interventions can be increased or decreased to achieve a balanced budget.

UKSPF Theme	Total
Communities and Place	£ 287,332.00
People and Skills	£ 20,000.00
Supporting Local Business	£ 10,000.00
Management and administration costs	£ 9,814.00
Grand Total	£ 327,146.00

Appendix 8

Local Government Finance Act 2003, Section 25: Budget calculations: report on robustness of estimates

1. Section 25 of the Local Government Finance Act 2003 requires the chief finance officer (CFO) (section 151 of the Local Government Act 1972) of the Council to report to Full Council on the following matters:

- the robustness of the estimates included in the budget
- and the adequacy of the financial reserves in the budget

2. The Act requires councillors to have regard to this Section 25 report in making decisions at the Council's budget setting and council tax setting meeting(s).

3. Section 26 of the Local Government Finance Act 2003 Minimum reserves: requires the CFO to ascertain a minimum level of reserves for the council and to determine the level of reserve at the end of the financial year under consideration, which cannot be less than the minimum set by the CFO.

Robustness of Estimates

4. Budget setting is based on a standstill approach in cash terms, with inflationary provision normally only made for specified expenditure (e.g., Pay Award, contracts with agreed uplift mechanism). The revenue budget is increased by unavoidable budget pressures that cannot be mitigated elsewhere.

5. The basis on which the budget for 2024/25 and the MTFS have been prepared has been set out clearly in this report, including sensitivity testing to specific changes in risk and assumptions. The key financial issues addressed within the budget estimates are described in this report.

7. The MTFS shows a £16.152million budget deficit as described in the report along with a process to address the deficit and bring the revenue account back into balance. The savings target has been set predicated on the assumptions on interest rates, capital receipts and a number of other significant assumptions set out within the MTFS.

Risk

8. As indicated in the reports to Cabinet and Full Council, there are several financial risks that the Council will face over the medium-term. The 2025/26 Budget and the MTFS have been prepared with consideration of the risks summarised in the report. It has not been possible to mitigate these risks through use of reserves alone and a budget recovery plan has been proposed.

Adequacy of the Reserves

9. The Budget Strategy set a target for the General Fund balance (working balance) to be maintained at a minimum of £2m. In addition to the £2million working balance, the Council is projecting to have £7.59m of useable reserves on 1st April 2025. The MTFS presented in appendix 1 forecasts that a significant repurposing of earmarked reserves will be required during 2025/26 (i.e., current year forecast deficit) 2024/25 to fund the forecast deficit.

10. The level of reserves shown in the table on paragraph 2.6 of the report indicates that the Council has sufficient reserves to set a legal budget for 2025/26, and

potentially 2026/27, depending upon how the assumptions play out and progress made in achieving the cost-of-service reduction in the coming months through the implementation of the savings plan described above.

11. Therefore, I am satisfied that the level of reserves the Council holds for the forthcoming year is adequate to support the budget although members should consider the level of reserves utilised in 2025/26 and the need to ensure reserves remain adequate over the medium-term.

Peter Vickers
Executive Head of Finance and Section 151 Officer

29 January 2025

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CABINET

COUNCILLOR JULES CROSSLEY
POLICY, PERFORMANCE & SUSTAINABILITY
PORTFOLIO HOLDER

11 February 2025

Key Decision? No

REPORT NO. ACE2503

COUNCIL PLAN, PERFORMANCE & RISK REGISTER QUARTERLY UPDATE
OCTOBER TO DECEMBER 2024/25

SUMMARY AND RECOMMENDATIONS:

This report sets out the performance monitoring information for the Council Plan and key service measures for the third quarter of 2024/25. This includes key projects and activities from the Council Plan and key service indicators/measures used by the Council to monitor how the Council runs. The monitoring document has been updated and refreshed for quarter two, to give a better picture of performance across the Council.

Factors that could impact on the Council's wider operations and the future delivery of the Council's key priorities have been identified in the Council's Risk Register. A summary of those risks that have become issues, new risks and those that have seen a significant change in the risk gap (the gap between residual and target risk scores) is provided for discussion.

The Cabinet is recommended to:

- i) note the progress made towards delivering the Council Plan and the latest performance information in relation to council services
- ii) consider the changes highlighted in the Corporate Risk Register as set out in sections 3.3. – 3.6 of this report.

1. INTRODUCTION

1.1 Performance management is a tool to drive improvement across the Council.

1.2 Effective performance management:

- helps to ensure that the Council is achieving what it set out to do and giving good value for money – without measuring results it is difficult to tell success from failure
- it enables the understanding of “how the Council is doing”
- helps to identify success (so that it can be rewarded and learnt from) and to identify failure (so that it can be corrected and learnt from)
- is linked to good decision making - using information about how things are now in order to make decisions about how to make them better
- helps to ensure decisions have been carried through
- is at the heart of good management

- 1.3 This report sets out performance monitoring information for the Council Plan and the Risk Register for the period of September to December 2024.

2. BACKGROUND

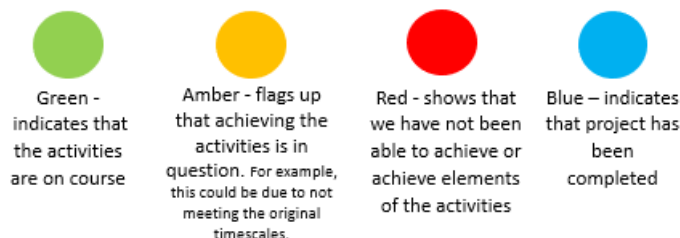
- 2.1 The Council Plan provides a focus for the Council's activities and services by setting out the short to medium-term steps needed to realise longer-term vision and aspirations. The Council Plan outlines the council's priorities and key strategic projects.
- 2.2 While work is underway to develop a new delivery plan for 2025/26, the Council will continue to monitor the key activities and projects from the Council Plan agreed by Council in June 2023 ([Council Plan - Rushmoor Borough Council](#)).
- 2.3 The Council Plan highlights the Council's key projects and activities, performance of the Council and Council Services is measured through monitoring key service indicators and measures.
- 2.4 The Corporate Risk Register is also included in the Council's quarterly performance reports to highlight factors that could impact on the future delivery of the Council Plan or affect the Council's performance. Risk management is of vital importance to all organisations to enable them to continue to be effective, sustainable and successful.

3. DETAILS OF THE PROPOSAL

General

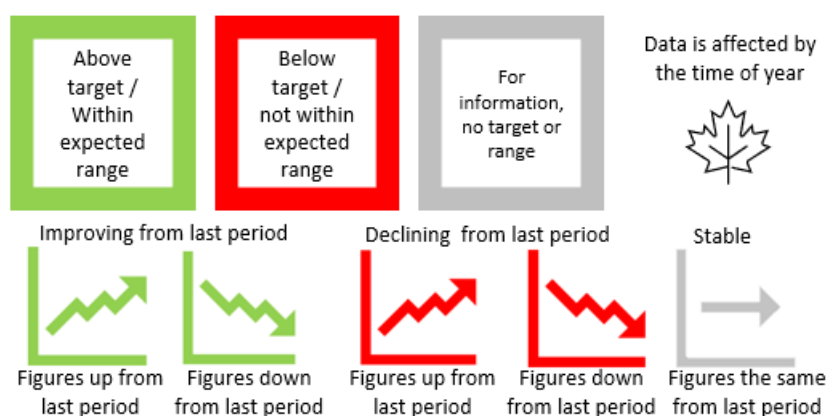
3.1 Delivery of the Council Plan, key indicators/measures and key strategies

- 3.1.1 Work was carried out during Q2 to refine the Council's performance monitoring. The Council Plan monitoring and Council performance monitoring now comprise one document (Rushmoor Borough Council Performance Data - Annex A), instead of two to give a more comprehensive picture of performance across the Council.
- 3.1.2 The Council Plan projects and activities will continue to have the same Blue, Red, Amber, Green (BRAG) status as in previous quarters:



Note: For key activities/project which sit within the Capital Programme the colour coding for the overall project status is used.

3.1.3 The key for the indicators and measures is as follows:



3.1.4 The indicators and measures will evolve and will continue to develop.

3.1.6 Although performance management arrangements sit under the Policy, Climate and Sustainability portfolio, the data within this report is provided by all services. Therefore, to give a clearer picture of performance to Portfolio Holders the new performance monitoring document is laid out under Cabinet portfolios (as of 21st January 2025).

3.2 Delivery of the Portfolios

Leader

3.2.1 New to the monitoring in Q3 is the % of actions in progress or complete from the Corporate Peer Challenge. The aim is to have all actions complete by March 2026, at the end of Q3 19% of actions were complete and 32% of actions were in progress.

Enabling Services

3.2.2 Following the introduction of the Freedom of Information tracker tool in July 2024, the percentage of information requests responded to on time has improved. In Q3 the responses rate was 91%, exceeding the expected rate from the Information Commissioner's Office.

Neighbourhood Services

3.2.3 During Q3 the crematorium has soft launched 'direct cremations', 18 of these were delivered in Q3. When the crematorium has second fully functional cremator the direct cremation offer will be fully launched.

3.2.4 Unfortunately, Q3 crime and antisocial behaviour data is not yet available from Police, and the data report is the Q2 data. Amendments are being made to the information sharing agreement with Police which should hopefully assist in the future.

Policy, Climate & Sustainability

- 3.2.5 The Rushmoor Climate Community launched in October 2024 and has had good levels of engagement at meetings. A refreshed climate change action plan is due to be brought to Cabinet in Q4.

Regeneration & Property

- 3.2.6 Council Plan activities identified as 'red' projects this quarter are as follows:

PE3 - Progress the development of a new leisure centre and cultural hub in Farnborough

PL1 – Complete Aldershot town centre's Union Yard regeneration scheme.

PL3 - Update the facilities at the crematorium in Aldershot.

- 3.2.7 In relation to the new leisure centre, alternative options are being progressed which seek to reduce cost and de-risk delivery. The Ministry of Housing, Communities and Local Government have now agreed that work can move forward on a revised project utilising the remaining Levelling Up grant. A separate report on the agenda sets out more detail on the revised project.
- 3.2.8 For Union Yard, the key commercial units 2 Union Yard and 1 Union Yard were handed over on 18th October and the residential units were handed over w/c 20 January. Currently all works are expected to be complete by 14 February and the site fully handed over to the Council.
- 3.2.9 At the Crematorium there continue to be unforeseeable design issues leading to contract variations, which is increasing costs and causing delays.

- 3.2.10 Council Plan activities given an 'amber' rating this quarter include:

PL2- Progress the regeneration of Farnborough town centre, including the Civic Quarter

- 3.2.11 In relation to Farnborough Civic Quarter, the Council has continued dialogue with a number of parties with a view to keeping options open as to how best take forward proposals and meet priorities.

Community & Residents

- 3.2.12 Under this portfolio is the percentage of UKSPF projects on track or completed, and at the end of Q3 this currently was 95.8%. One project at the end of Q3 CP6 (Enhancement of public realm to enable events programme in Farnborough) was amber but is now green as the project has now got the resources required and work started on site on 6 January 2025.

Development & Economic Growth

3.2.13 Under the Council Plan activities, project PE2- Support the creation of quality, new homes (Rushmoor Homes), is amber this quarter. The Council now intends to dispose of the sites originally intended for transfer to the company. The company's business plan is due to be finalised in Q4.

3.2.14 The vacancy rates for Aldershot Town Centre have risen this quarter but this due to the new units at Union Yard now being included in the figures. The Council is actively working to fill these units.

3.3 Corporate Risk Register

3.3.1 Risks continue to be routinely reviewed 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 overseeing the Council's risk identification and mitigation activity.

3.3.2 The risk management policy and arrangements have been reviewed, with the formal adoption of the updated arrangements agreed by Cabinet on 14 January 2025. Work will now take place to embed the operational changes and develop a Strategic risk appetite/policy. This work is expected to be concluded during Q1 2025/26.

3.3.3 The public version of the Corporate risk register (v18.0) is attached as Annex B and contains information that is redacted or removed due to its sensitive nature. For full transparency these redacted risks are made available to Cabinet, prior to the Cabinet meeting at which they are discussed and at meetings held with the respective Portfolio Holders.

3.3.4 As part of the roll out of the new policy, Portfolio Holders and Risk Owners have been reminded of the importance of routinely discussing risk during their briefings, at least monthly.

3.4 Strategic Risks

3.4.1 The key strategic risks within v18.0 of the Corporate Risk Register 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.

3.4.2 The risk relating to educational attainment has been updated, with the target risk score being reduced from 6 to 4. Although this remains a medium risk, it does create a bigger risk gap, demonstrating that the Council's tolerance to this risk has reduced and it wishes to have a greater influence. It is expected then that new and more effective mitigation will need to be identified in order to achieve this target risk. The recent agreement of the Young People's Plan by Cabinet (14 January 2025, ACE2501) and the expected outcomes through its implementation will be added and reflected in the next update.

3.4.3 In addition, the risk relating to changing external policy context has been significantly updated to include further detail around Devolution and Local Government Reorganisation. At this stage there has been no change in risk score as the full extent of the risk was not known at the time of compiling the register. As the situation becomes clearer during Q4 2024/25 a summary of the Council's position and a full assessment of the risk will be developed and the relevant sections of the risk register will be updated accordingly.

3.5 Standing Corporate Risks

3.5.1 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 throughout.

3.5.2 The leisure and cultural hub inherent risk score has been reduced from 4 to 2, reducing it to low, reflecting the alternative approach project that has now been agreed with Government and is the subject of a further report on the agenda of this meeting. The increased risk gap, represents a reduction in the risk appetite.

3.5.3 Despite the work to mitigate them, some of the risks relating to the completion of the Union Yard scheme have developed into issues that are now being managed. The scheme completion timetable has now been confirmed and work continues on the compensation claim. However, in addition to impact on the project budget of capitalisation of project costs recently made, the delayed handover of Union Yard has had a further financial impact on the project budget and this is addressed in the budget report. Given the increased risk profile as a result of budget position and impact of higher interest rates on the business case for the disposal of the 82 residential units to Rushmoor Homes Ltd, other options for disposal of the residential units are being assessed, with a disposal options report due to be considered by Cabinet in the next few weeks.

3.5.4 Report FIN2505 provides a detailed update on risks relating to the Council's financial position. This report provides additional detail on relevant risks and a more up to date position to those presented in Annex B.

3.6 Escalated Service Risks

3.6.1 The Council's escalated service risks are generally operational and more transient in nature and are therefore expected to develop and change quicker than others on the register. Overall, the number of risks in this area has remained the same.

3.6.2 Other than updates in the narrative, there have been no significant changes to the escalated service risks.

Alternative Options

3.7 Not applicable – report for information purposes only.

Consultation

3.8 Arrangements for ongoing performance monitoring for the 2024/25 financial year has been carried out in close consultation with the Portfolio Holder and Cabinet.

4. IMPLICATIONS

Risks

4.1 Not applicable – report for information purposes only.

Legal Implications

4.2 Not applicable – report for information purposes only.

Financial Implications

4.3 No direct financial implications are identified within this report, however quality performance management throughout the financial year supports the council in the delivery of services to budget. Through good management the council can support the achievement of value for money when utilising public funds.

Resource Implications

4.4 Not applicable – report for information purposes only.

Equalities Impact Implications

4.5 Not applicable – report for information purposes only.

Other

4.6 No other implications have been identified.

5. CONCLUSIONS

The Cabinet is recommended to:

- i) note the progress made towards delivering the Council Plan and the latest performance information in relation to council services
- ii) consider the changes highlighted in the Corporate Risk Register as set out in sections 3.3. – 3.6 of this report.

LIST OF APPENDICES/ANNEXES:

Annex A – Rushmoor Borough Council Performance Data – Q3 2024/25
Annex B – Corporate Risk Register v18.0

BACKGROUND DOCUMENTS:

Council Plan April 2023 to March 2026

CONTACT DETAILS:

Report Authors –

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Head of Service –

Rachel Barker, Assistant Chief Executive – 07771 540950

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Rushmoor Borough Council Performance Data

Quarter 3 – 2024/25

October - December

PORTFOLIOS	PAGE
Leader	3
Enabling Services	4
Neighbourhood Services	8
Policy, Climate & Sustainability	13
Regeneration & Property	14
Community & Residents	15
Development & Economic Growth	17

Key

Council Plan projects and activities



Green - indicates that the activities are on course



Amber - flags up that achieving the activities is in question. For example, this could be due to not meeting the original timescales.



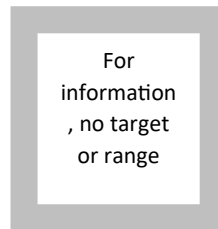
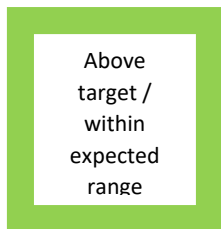
Red - shows that we have not been able to achieve or achieve elements of the activities



Blue – indicates that project has been completed

Note: For key activities/project which sit within the Capital Programme the colour coding for the overall project status is used

Service measures and indicators



Data is affected by the time of year



Data is improving from last period and the figures are up



Data is improving from last period and the figures are down



Data is declining from last period and the figures are up



Data is declining from last period and the figures are down


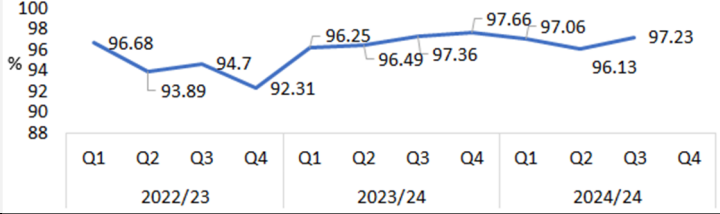


Stable – the figures are same as last period

Satisfaction with the way the Council runs things – to be reported in Q2 2025/26


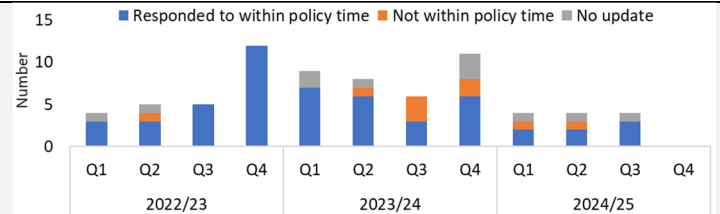

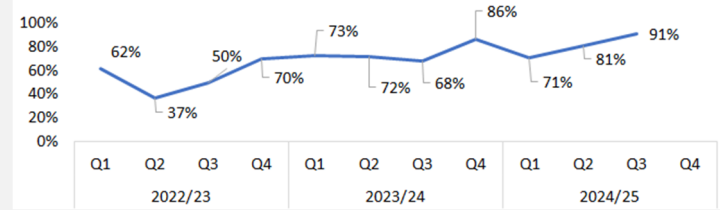
% of residents that think the Council acts on their concerns – to be reported in Q2 2025/26

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
<p>Council Tax collection</p> 	<p>93.89%</p> <p>Data compared to this quarter last year</p>		<p>TBC</p>		<ul style="list-style-type: none"> Q3 data is slightly higher than the same point last year (0.24%)
<p>Business Rates collection (NNDR)</p> 	<p>90.65%</p> <p>Data compared to this quarter last year</p>		<p>TBC</p>		<ul style="list-style-type: none"> This is 2.55% down from last year. The reason for the drop is because the Council have recently refunded a customer and are waiting payment from the new customer, who will submit payment this week. This will bring the collection rate in line with the same time last year.
<p>Number of days to process new housing benefit claims</p>	<p>4 days - estimate</p>		<p>In the top quartile compared to other areas</p>		<ul style="list-style-type: none"> Q2 and Q3 are currently estimates In Q1 2024/25 Rushmoor had the quickest processing time for new claims. The average for England was 22 days.



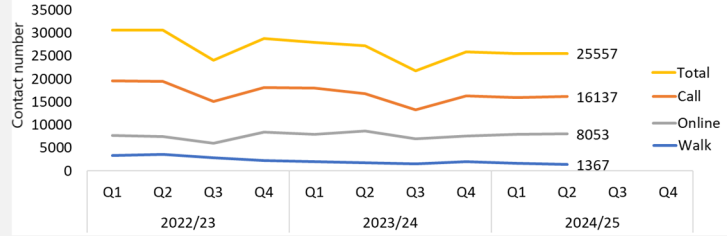



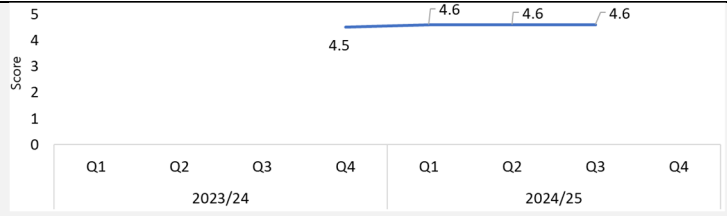
Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
% of invoices paid on time (within 30 days)	97.23%		95% (FSB – Prompt Payment Code)		
Percentage of Corporate Peer Challenge actions in progress or completed	50% 21 out of 42 actions in progress and complete	N/A	All actions complete by March 2026	<ul style="list-style-type: none"> • Complete: 8 (19.05%) • In Progress: 13 (31.95%) • Planned: 8 (19.05%) • Not Started: 13 (31.95%) 	Data new to monitoring report. Direction of travel will be included in the Q4 report

Enabling Services


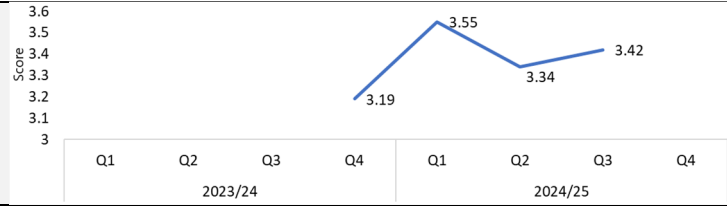
Corporate


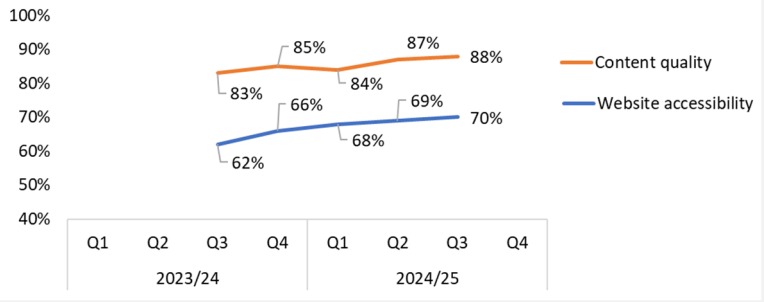

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Corporate Complaints – % responded to within policy time (Stage 1)	75% (last quarter 50%)		100%		Four complaints this quarter, one about a member of staff (at Stage 2), one about recycling, one about a delay in tree planting (at Stage 2) and one about a delay in service response.
% Freedom of Information requests responded to on time	91%		90% Expected % by the Information Commissioner's Office (ICO)		<ul style="list-style-type: none"> • 175 FoI requests in Q3 • In mid-July the new FOI Tracker and there has been 10% increase on last quarter

Customer Services

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Overall customer contact with Customer Services (CS) 	21,685 CS customer contacts Data compared to this quarter last year		We would like to see a reduction in contact as customers switch to more digital methods of contact		In Q3 there were: <ul style="list-style-type: none"> • 1,029 walk in customers • 7,618 emails, app and forms • 13,038 telephone calls
Call abandon rate	7.0% (last quarter 8.7%)		8-10%		<ul style="list-style-type: none"> • Below the expected range • In the last quarter, the Customer Services have been offered 13,038 calls and answered 12,124 calls.
Customer satisfaction with Customer Services	4.6		4.3 Score :1 poor to 5 excellent		<ul style="list-style-type: none"> • Customers are asked to score their experience between 1 – 5. • In Q3 202 Customers left feedback, with 80% rating the service as excellent



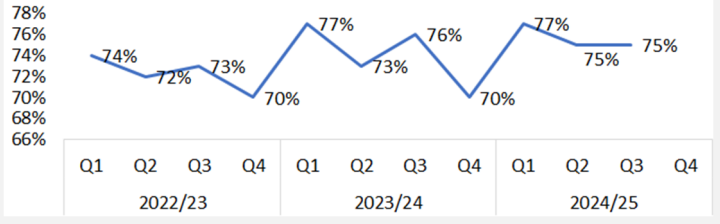
Website

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Website feedback score	3.42 (out of 5 - where 5 is the best)		Above 3.25 (Baseline score for 2023)		<ul style="list-style-type: none"> • Issue with feedback spam - a lot of false positives from data removed. Increase in feedback about bin collections over Christmas

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment															
Website accessibility - Automated accessibility score from SilkTide	70%		The Council is working to improve the accessibility and content of our website and are aiming to increase the scores over time	 <table border="1"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2023/24</td> <td>83%</td> <td>85%</td> <td>66%</td> <td>68%</td> </tr> <tr> <td>2024/25</td> <td>84%</td> <td>87%</td> <td>69%</td> <td>70%</td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2023/24	83%	85%	66%	68%	2024/25	84%	87%	69%	70%	<ul style="list-style-type: none"> There were further improvements to PDFs during Q3
Year	Q1	Q2			Q3	Q4														
2023/24	83%	85%	66%	68%																
2024/25	84%	87%	69%	70%																
Content quality - Automated content quality score from SilkTide	88%																			


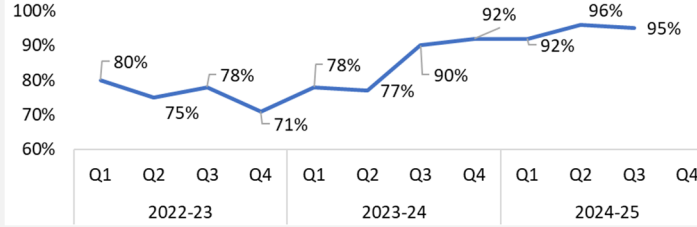

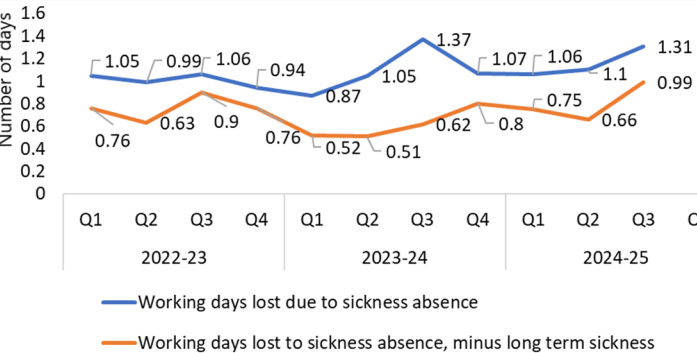
Top 10 website page views this quarter:	4. Diary of funeral services, 4,122	7. Tell us you are moving home online, 3,381
1. Bin collection day finder, 36,377	5. Paying your council tax, 4,053	8. Rushmoor Home Finder, 2,489
2. How to pay your council tax, 4,909	6. Rushmoor car boot sale, 3,717	9. Getting in touch, 2,335
3. Search for, or comment on, a planning application, 4,421	10. Food waste recycling, 1,899	

Digital

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment																				
% of transactions through digital services versus other channels 	75% of 6,594 transactions		70% – 80%	 <table border="1"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022/23</td> <td>74%</td> <td>72%</td> <td>73%</td> <td>70%</td> </tr> <tr> <td>2023/24</td> <td>77%</td> <td>73%</td> <td>76%</td> <td>70%</td> </tr> <tr> <td>2024/25</td> <td>77%</td> <td>75%</td> <td>75%</td> <td></td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2022/23	74%	72%	73%	70%	2023/24	77%	73%	76%	70%	2024/25	77%	75%	75%		<ul style="list-style-type: none">
Year	Q1	Q2	Q3	Q4																					
2022/23	74%	72%	73%	70%																					
2023/24	77%	73%	76%	70%																					
2024/25	77%	75%	75%																						

Quarterly update on the Customer, Digital & Technology Strategy: Latest headlines:

- New digital service and campaign to encourage people to receive council tax bills by email went live 15/10/2024. After a staged roll-out over Q3 there have been 1,492 signups via both the Digital Service and CSU lead telephone campaign (958 through CS/CT and 534 via the online service)
- Major upgrades for websites well underway and ahead of schedule. Rushmoor Homes, Princes Hall and CRM have been successfully upgraded in Test and handed over to users for sign off.

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment																				
% of mandatory training completed in the quarter	95%		95%	 <table border="1" data-bbox="1032 432 1659 507"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>80%</td> <td>75%</td> <td>78%</td> <td>71%</td> </tr> <tr> <td>2023-24</td> <td>78%</td> <td>77%</td> <td>90%</td> <td>92%</td> </tr> <tr> <td>2024-25</td> <td>92%</td> <td>96%</td> <td>95%</td> <td></td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2022-23	80%	75%	78%	71%	2023-24	78%	77%	90%	92%	2024-25	92%	96%	95%		<p>There are currently 37 members of staff that have at least 1 module overdue. Automated reminders are sent from the system on a weekly basis and bi-monthly reminders continue to be sent to the targeted individuals by the People Team to reiterate the importance of completion.</p>
Year	Q1	Q2	Q3	Q4																					
2022-23	80%	75%	78%	71%																					
2023-24	78%	77%	90%	92%																					
2024-25	92%	96%	95%																						
Working days lost due to sickness per FTE	1.31 days		TBC	 <table border="1" data-bbox="1032 826 1659 906"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>1.05</td> <td>0.76</td> <td>0.99</td> <td>0.63</td> </tr> <tr> <td>2023-24</td> <td>1.06</td> <td>0.9</td> <td>0.94</td> <td>0.76</td> </tr> <tr> <td>2024-25</td> <td>0.87</td> <td>0.52</td> <td>1.05</td> <td>0.51</td> </tr> </tbody> </table> <p>— Working days lost due to sickness absence — Working days lost to sickness absence, minus long term sickness</p>	Year	Q1	Q2	Q3	Q4	2022-23	1.05	0.76	0.99	0.63	2023-24	1.06	0.9	0.94	0.76	2024-25	0.87	0.52	1.05	0.51	<ul style="list-style-type: none"> • There were 73 sickness episodes in Q3 and 307 working days lost. • The most common reason for sickness episodes was Cold, Cough, Flu. • The most common reason for sickness days was anxiety, stress & depression. <p>Note: Long term sickness is 20 days or more in a row (four weeks)</p>
Year	Q1	Q2	Q3	Q4																					
2022-23	1.05	0.76	0.99	0.63																					
2023-24	1.06	0.9	0.94	0.76																					
2024-25	0.87	0.52	1.05	0.51																					

If you would like to know more about the Council’s workforce the People Team produce an annual report which is presented at Cabinet. The 2024 report will be presented at the meeting on the 11 February 2025: [Agenda for Cabinet on Tuesday, 11th February, 2025, 7.00 pm - Rushmoor Borough Council](#)




Neighbourhood Services



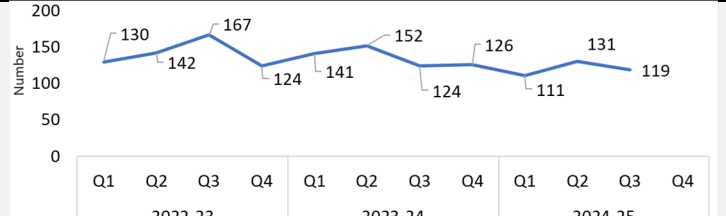
Clean streets

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Cleanliness indicator – litter Reported 3 times a year	T2 2024/25 2%		KPI below 4% for litter		<ul style="list-style-type: none"> Below the KPI
Cleanliness indicator – detritus Reported 3 times a year	T1 2024/25 6%		KPI Below 10% for detritus		<ul style="list-style-type: none"> Below the KPI
Fly-tipping instances	231 There were 14 FPNs issued for fly tipping in Q3		TBC		In Q1 the calculation of the number of fly-tip incidents changed from fly-tips on public land to all reported fly tips, this has resulted in an increase in the number of fly-tipping incidents


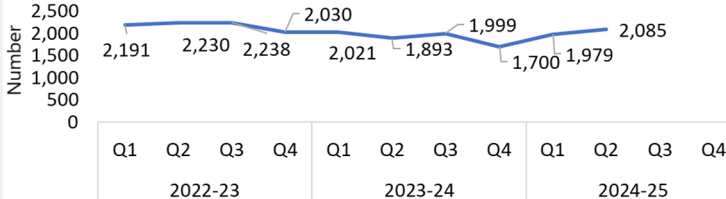
Clean


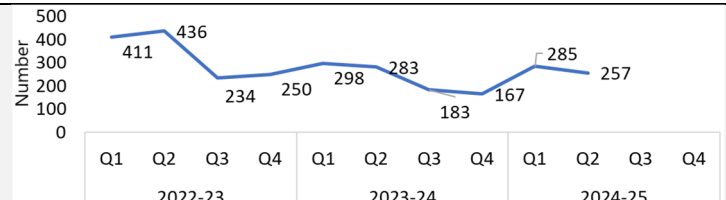
Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Recycling rate One quarter behind 	42.8% (43.6% Q2 last year) Data compared to this quarter last year		Above 43%		<ul style="list-style-type: none"> Estimate for Q3: 41%

Residual waste - kg per household One quarter behind 	105.5 (106.18 Q2 last year)		Under 110kg	 <table border="1" data-bbox="1048 308 1688 379"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>107.83</td> <td>105.42</td> <td>110.49</td> <td>108.33</td> </tr> <tr> <td>2023-24</td> <td>109.81</td> <td>106.18</td> <td>105.78</td> <td>107.62</td> </tr> <tr> <td>2024-25</td> <td>106.91</td> <td>105.5</td> <td></td> <td></td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2022-23	107.83	105.42	110.49	108.33	2023-24	109.81	106.18	105.78	107.62	2024-25	106.91	105.5			
Year	Q1	Q2	Q3	Q4																					
2022-23	107.83	105.42	110.49	108.33																					
2023-24	109.81	106.18	105.78	107.62																					
2024-25	106.91	105.5																							

Missed bins 	119 (124 this quarter last year)		KPI 60 missed bins per month (180 a quarter)	 <table border="1" data-bbox="1048 579 1688 635"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>130</td> <td>142</td> <td>167</td> <td>124</td> </tr> <tr> <td>2023-24</td> <td>141</td> <td>152</td> <td>124</td> <td>126</td> </tr> <tr> <td>2024-25</td> <td>111</td> <td>131</td> <td>119</td> <td></td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2022-23	130	142	167	124	2023-24	141	152	124	126	2024-25	111	131	119		Note: the published Q2 figure was incorrect and there were 131 missed bins not 81. This is still below the target.
Year	Q1	Q2	Q3	Q4																					
2022-23	130	142	167	124																					
2023-24	141	152	124	126																					
2024-25	111	131	119																						


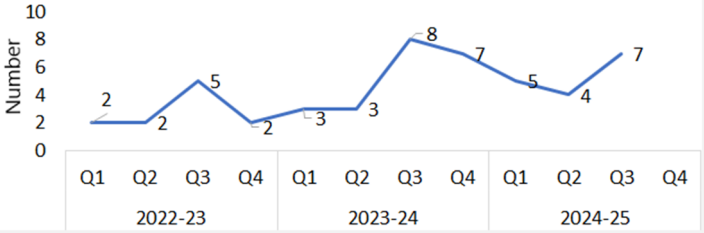

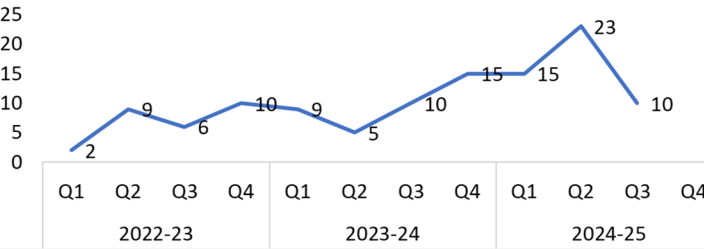
Place protection

Indicator/measure	Actual this quarter	Status	Target/ expected range	Trend	Comment																				
Number of crimes	2,085 Q2		No target – Police data	 <table border="1" data-bbox="1048 967 1688 1038"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>2,191</td> <td>2,230</td> <td>2,238</td> <td>2,030</td> </tr> <tr> <td>2023-24</td> <td>2,021</td> <td>1,893</td> <td>1,999</td> <td>1,700</td> </tr> <tr> <td>2024-25</td> <td>1,979</td> <td>2,085</td> <td></td> <td></td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2022-23	2,191	2,230	2,238	2,030	2023-24	2,021	1,893	1,999	1,700	2024-25	1,979	2,085			Data still showing for Q2, Q3 data currently unavailable.
Year	Q1	Q2	Q3	Q4																					
2022-23	2,191	2,230	2,238	2,030																					
2023-24	2,021	1,893	1,999	1,700																					
2024-25	1,979	2,085																							


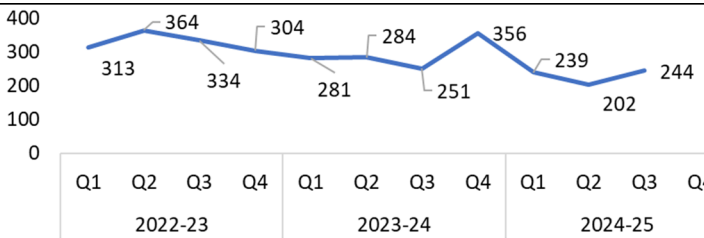
Number of antisocial behaviour incidents	257 Q2		No target – Police data	 <table border="1" data-bbox="1048 1206 1688 1270"> <thead> <tr> <th>Year</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>411</td> <td>436</td> <td>234</td> <td>250</td> </tr> <tr> <td>2023-24</td> <td>298</td> <td>283</td> <td>183</td> <td>167</td> </tr> <tr> <td>2024-25</td> <td>285</td> <td>257</td> <td></td> <td></td> </tr> </tbody> </table>	Year	Q1	Q2	Q3	Q4	2022-23	411	436	234	250	2023-24	298	283	183	167	2024-25	285	257			Data still showing for Q2, Q3 data currently unavailable.
Year	Q1	Q2	Q3	Q4																					
2022-23	411	436	234	250																					
2023-24	298	283	183	167																					
2024-25	285	257																							


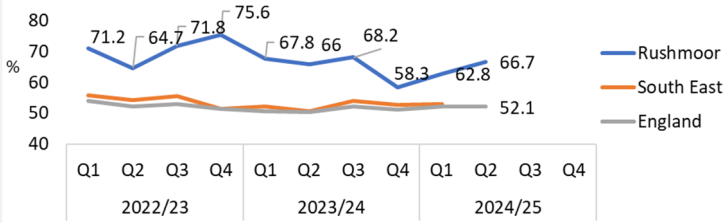
% of residents feeling safe during the day – next to be reported in Q2 2025/26


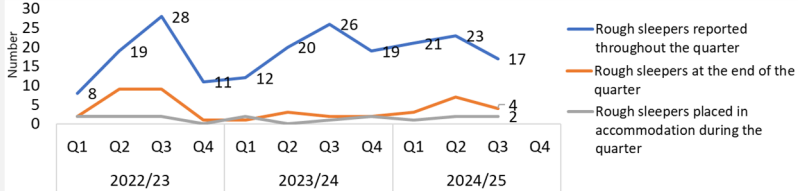
% of residents feeling safe after dark – next to be reported in Q2 2025/26


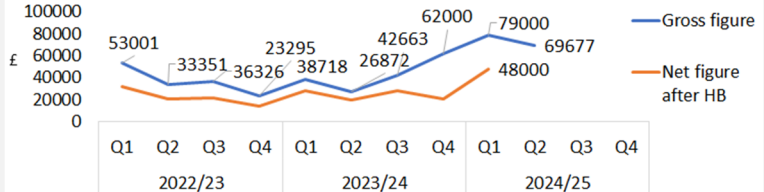
Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Number of accidents at work	7		No target, although ideally we would like to see a reduction in the numbers		<ul style="list-style-type: none"> Incidents this quarter have been minor in nature, such as slips/trips. The data is not causing concern.
Violence at work	10 6 verbal 2 physical 2 other incidents		No target, although ideally we would like to see a reduction in the numbers		<ul style="list-style-type: none"> Concerns with numbers of incidents continue, two physical attacks – one dog attack (no personal injury) and one case of physical damage to Council property.

Housing services


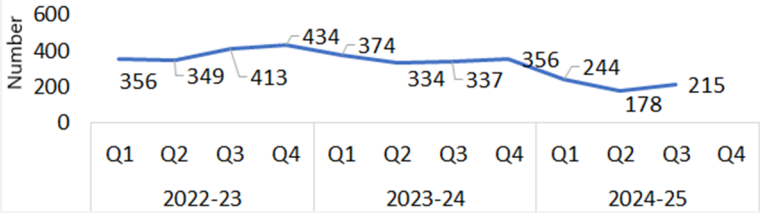
Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Number of homelessness enquiries	244		TBC		

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Homelessness duty owed, % housed for 6 months at the end of 56 days – currently one quarters behind	66.7% Q2		TBC		<ul style="list-style-type: none"> Q3 data not released yet Q2 data for the South East not released yet Tables on homelessness - GOV.UK (www.gov.uk)

Rough sleepers	5 Rough sleepers at the end of the quarter		TBC		
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B&B costs	Estimated £69,677		TBC		<ul style="list-style-type: none"> Awaiting confirmation of the Net B&B figure for Q2 and Q3
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Commercial services

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Number of cremations	215 (plus 18 directs)		947 in 2024/25 (237 a quarter)		<ul style="list-style-type: none"> Target is average 18.5 funerals per week over full year Average 16.5 funerals per week in Q3. Q3 saw the soft launch of 'direct cremations' offer (unattended).


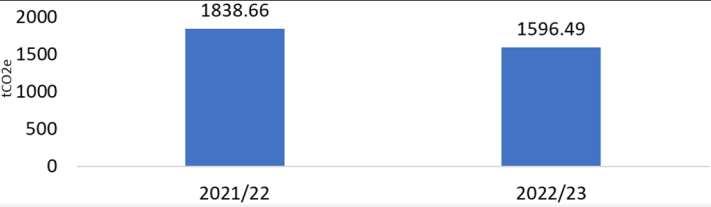
Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Princes' hall Income Professional Show Profit	£66,431 (£57,890 Q3 last year)		Revised budget for 2024/25 £176,000		<ul style="list-style-type: none"> £126,043 year to date figure There has been a couple of cancellations of Feb/Mar shows and the budget has been revised from £180K
Refreshments Income	£85,061 (£80,486 Q3 last year)		Revised budget for 2024/25 £202,000		<ul style="list-style-type: none"> £150,838 year to date figure Very strong sales in Q3 and the budget has been revised from £192K
PCN income	£16,917		Budget for 2024/25 £100,000		<ul style="list-style-type: none"> £58,166 year to date figure Forecasting £25,000 adverse end of year, (£75,000 total). Increased compliance reflected in favourable P&D income, below.
Car Parking income	£253,999 (£265,102 Q3 last year)		Budget for 2024/25 £1,032,000		<ul style="list-style-type: none"> £760,258 year to date figure Forecasting £20,000 favourable by end of year (£1,052,000 total).

Policy, Climate & Sustainability

Council Plan Performance









Council Plan activities/projects	Last quarter Q2	This quarter Q3	Comment
PL5- Continue progress towards our goal of becoming a carbon neutral council by 2030 through reducing emissions in our facilities and operations			<ul style="list-style-type: none"> Climate Change Strategy and Action Plan currently being drafted and due to go to Cabinet in March 2025. Climate Trackers school outreach programme has been delivered to 1 school, with the remaining schools booked in to undertake in the new year. Rushmoor Climate Community Group Launched in October, which saw a large attendance and received feedback from attendees on the current Climate Change Action Plan. Over 60 individuals have signed up to receive updates for future meetings. The next meeting is being held on the 23 January 2025.

Sustainability

Indicator/measure	Actual this quarter	Status	Target/ expected range	Trend	Comment						
Carbon footprint – Annual data	2022/23: 1,596.49* tCO2e <i>*preliminary figures</i>		We would like to see a decrease in tCO2e	 <table border="1"> <caption>Carbon Footprint Data</caption> <thead> <tr> <th>Year</th> <th>tCO2e</th> </tr> </thead> <tbody> <tr> <td>2021/22</td> <td>1838.66</td> </tr> <tr> <td>2022/23</td> <td>1596.49</td> </tr> </tbody> </table>	Year	tCO2e	2021/22	1838.66	2022/23	1596.49	<ul style="list-style-type: none"> Working with Carbon Footprint Ltd. on their new Sustrax tool to make this figure more accurate, so there could be some variance. This new version of the tool will enable better tracking and analysis of emissions. The aim is for this to be completed with the Annual Report – which will be March/April 2025
Year	tCO2e										
2021/22	1838.66										
2022/23	1596.49										





Regeneration & Property

Council Plan Performance


Council Plan activities/projects	Last quarter Q2	This quarter Q3	Comment
PE3 - Progress the development of a new leisure centre and cultural hub in Farnborough			Alternative options are being progressed which seek to reduce cost and de-risk delivery. Ministry of Housing, Communities and Local Government have now agreed that work can move forward on a revised project utilising the remaining Levelling Up grant.
PL1 – Complete Aldershot town centre’s Union Yard regeneration scheme			For Union Yard, the key commercial units 2 Union Yard and 1 Union Yard were handed over on 18th October and the residential units were handed over w/c 20 January. Currently all works are expected to be complete by 14 February and the site fully handed over to the Council.
PL2- Progress the regeneration of Farnborough town centre, including the civic quarter			The Council has continued dialogue with a number of parties with a view to keeping options open as to how best take forward proposals and meet priorities.
PL3- Update the facilities at the crematorium in Aldershot			There continues to be unforeseeable design issues leading to contract variations, which is increasing costs and causing delays.

Community & Residents

Council Plan Performance

Council Plan activities/projects	Last quarter Q2	This quarter Q3	Comment
PE1- Work with public and voluntary sector partners to support our residents			<ul style="list-style-type: none"> • Rebranding of Rushmoor Youth Influence to Rushmoor Youth Voice • Work has continued the development of Young People Plan, which is due to go to Cabinet in 2025 • On going support to Ukraine community
PE4 - Working with partners, encourage more residents to be active and have healthier lifestyles			<ul style="list-style-type: none"> • Live Longer Better (LLB) grant bid submitted – awaiting decision • The Healthy Weights school project has continued • Work is underway planning for Men’s health day 18 January 2025

UKSPF

Indicator/measure	Actual this quarter	Status	Target/ expected range	Comment
Percentage of UKSPF projects on track	December 95.8% (75% September)		80% - 100%	The majority projects are underway and progressing well, and a small number of projects have been completed. At the end of Q3 CP6 (Enhancement of public realm to enable events programme in Farnborough) was amber but is now green as the project has now got the resources required and work started on site on 6 January 2025.

% of residents that felt they very strongly or fairly strongly belonged to their local area – next to be reported in Q2 2025/26

% of residents that feel informed – very or fairly informed – next to be reported in Q2 2025/26







Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Social media average engagement rate – Mean rate from Facebook, X, Instagram & LinkedIn	8.0%		Over 3% Considered good engagement		<ul style="list-style-type: none"> This quarter saw a continued focus on reels. There has been a small increase in followers for Facebook (2%) Instagram (2%), LinkedIn (3%), Nextdoor (3%), Threads (7%) and email news subscribers (1%) The number X followers continues to fall (-1%)

Equality, Diversity and Inclusion

<p>Quarterly update on the Equality, Diversity and Inclusion Action Plan:</p> <ul style="list-style-type: none"> Currently 50% of the actions in the action plan are completed Ethnicity pay gap data will be published in March 2025 by the people team. The EDI tracker has been reviewed and reset. Equality objectives have been updated, adopted, and published. A thorough review of the equality impact assessment (EIA) process has been completed. New templates tools and guidance have been created for senior officers, managers, and report writers to conduct EIAs. EDI training for service managers, report writers, and relevant members to complete will take place from March 2025.
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Development & Economic Growth

Council Plan Performance

Council Plan activities/projects	Last quarter Q2	This quarter Q3	Comment
PE2- Support the creation of quality, new homes (Rushmoor Homes)			<ul style="list-style-type: none"> The council now intends to dispose of the sites originally intended for transfer to the company. The council is also considering disposal options for the 82 residential units at Union Yard. This decision impacts the company's viability and therefore business planning. The company's Business Plan was not finalised in 2024 due to the due diligence work required be completed by the council and the company relating to Union Yard. This will be completed in Q4.
PE5 - Support key business sectors and help people to access the opportunities that they offer			<ul style="list-style-type: none"> The council has organised or has helped support several business networking events including a Business Leader's Lunch at Aldershot Town Football Club (November 2024) and an 'Unlocking North Hampshire's Potential' meeting with HR managers as part of the council's work with Rushmoor and Hart Business Strategy Group. The council is also working with the 'My BIZHUB Business Networking Group' to facilitate new business networking opportunities in the borough. New Christmas lights have been installed in North Camp (funded by the UKSPF). The council also supported a 'North Camp Festive Evening' and Shop Front Improvement Grants have been awarded to North Camp traders. Recent initiatives to support local residents access employment, skills and training have included a Future Business careers event (October 2024) at Farnborough International which demonstrated the breadth of careers available locally in the aerospace industry. Interview days have been supported at Alderwood and Samuel Cody schools and the council is helping to support Skills Boot Camps at Farnborough International Film Studios to support local residents enter careers in the film industry.
PL4 - 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.			<ul style="list-style-type: none"> The Aldershot Christmas Cracker took place in November. Unfortunately, because of strong winds, the Farnborough Frost Fayre had to be cancelled. The council has supported town centre events organised by partners including the borough's first Diwali event in November 2024. A bid to Arts Council England for Place Partnership funding was unsuccessful. Monthly craft fayres have continued to be held in both towns. The weekly car boot sale has been performing well over recent months, with selling spaces regularly oversubscribed. Fourteen UKSPF funded Shop Front Improvement Grants have been awarded (or are in the process of being paid) to independent traders in Aldershot, Farnborough and North Camp


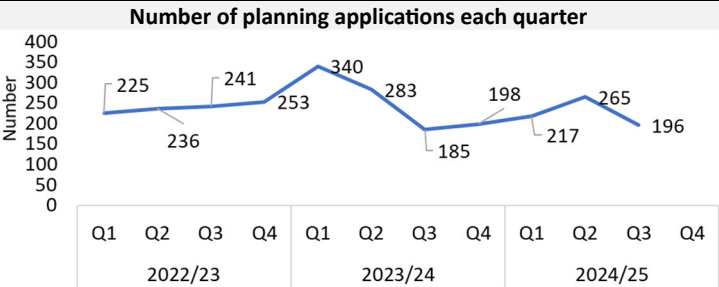



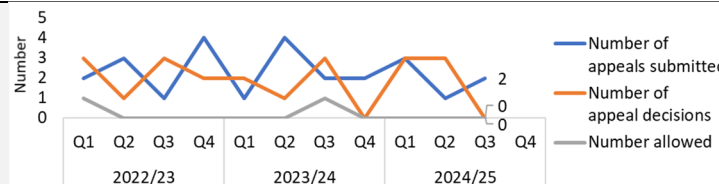
Economy and Growth

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Town Centre vacancy rates	Aldershot 14%		Stable or a reduction		<ul style="list-style-type: none"> The Aldershot vacancy rate now includes the units in Union Yard, which the Council is actively working to fill.
	Farnborough 11%		Stable or a reduction		
	North Camp 8%		Stable or a reduction		

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Unemployment - Claimant Count % of the working age population	3.1% December		Stable or a reduction		<ul style="list-style-type: none"> 2,025 people are claiming principally for being unemployed in December 2024

Strategic Housing

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Gross affordable housing completions	30 Three-year figure stands at 312 with one quarter left		450 completions over any three year period (Average 37.5 per quarter)		<ul style="list-style-type: none"> 30 Homes have been delivered in the quarter by Grainger Trust at Wellesley. 21 for rent and 9 shared ownership. We had expected a further 62 at Wellesley but these have slipped to Q4.

Indicator/measure	Actual this quarter	Status	Target/expected range	Trend	Comment
Applications determined within time	Major 100%		Major 60% (13 weeks)	<p>Number of planning applications each quarter</p> 	<ul style="list-style-type: none"> The number of planning applications includes 11 Misc28 ([telecom notifications - they have been included within the figures, but are not technically planning applications])
	Minor 100%		Minor 65% (8 weeks)		
	Other 96.9%		Other 80% (8 weeks)		
Planning appeals allowed	0%		Under 40%		<ul style="list-style-type: none"> No Planning appeal decisions received in Q3

If you would like to know more about Development Management performance, a full quarterly report is presented at Development Management Committee. The Q3 report was presented at the meeting on the 15 January 2025: [Agenda for Development Management Committee on Wednesday, 15th January, 2025, 7.00 pm - Rushmoor Borough Council](#)

Quarterly update on the Local Plan:

The Rushmoor Local Plan was adopted in February 2019. By law, Rushmoor Borough Council must keep under review matters that affect the development of the borough and the planning of its development. It is also obliged to review any Local Plan that it has adopted within five years from the date of its adoption, that is, by 21st February 2024. The Council undertook a review of the adopted Local Plan in 2023 and decided that an update of the Local Plan policies is required and that this is expected to affect one or more strategic policy, which would require a full review of the Plan. The consequence of this decision is that a new Local Plan will need to be prepared for Rushmoor.

The Levelling Up and Regeneration Act 2023 paves the way for reforms to the plan-making process and the form and content of local plans. In 2023, the previous Government consulted on some of the detail of these reforms. It is expected that many of these proposals will be carried forward by the new government, but the full implications of the reforms will not be known until more information (including secondary legislation) is published, which is proposed for later in 2025. In the meantime, the Council is progressing work on the Local Plan where clarity exists and aims to formally start the process of preparing a new Local Plan once the above information is available.

Rushmoor Borough Council - Corporate Risk Register v18.0 21/01/25 (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)														
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.	16	High	↔	Work with public and private sector infrastructure providers and funders. Utilising UK Shared Prosperity Fund to assist with public realm improvements in Farnborough town centre. Horizon scanning in relation to the levelling up agenda and its implications for Rushmoor. Horizon scanning by Policy Team for future funding opportunities.	12	High	↔	Explore Regeneration and Growth Partnership arrangement with Hampshire County Council. Engage effectively with other opportunities to access Government funding. Continue to secure support from local stakeholders for projects - including residents, HCC and MP. Engage with utility providers with a view to understanding lead in times for additional capacity.	6	Medium	↔
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 impacted. This could have negative repercussions for health, education, community outcomes and economic outcomes identified in the Council Business Plan/Delivery 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 Responses to relevant consultation documents (HCC budget consultations) and undertake further planning activity in light of proposals.	8	High	↔	Continued horizon scanning/monitoring of the broader policy context. Further development of joint working with HCC in early 2025.	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 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 supporting residents.	9	High	↔	Partnership working with other organisations on 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. Close working with business rates team on hardship and growth incentive reliefs to retain businesses and secure investment.	9	High	↔	Inclusive 1-1 business advice and support SeedL - training hub Business surveys to understand business needs. Signpost business support via dedicated business support channels.	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 more significant negative impact on Farnborough and Aldershot town centres, and other district centres and therefore reduce the ability to deliver the Council Plan priority of delivering vibrant town centres. This could result in a significant number of empty retail units, a loss of facilities and amenities (e.g. high street banking) for residents and a possible increase in crime and anti-social behaviour. A decline in the retail sector will also have an impact on business rates income for the Council. Changes to Permitted Development Rights undermine high street vitality. Store closures e.g. Wilko, and chains such as Cineworld in financial difficulty, demonstrate the potential further retrenchment of the retail and hospitality sector.	9	High	↔	Programmes of town centre regeneration in both Aldershot and Farnborough which give consideration to future economic and social trends. Dedicated resource within EPSH, working with retail sector and other partners to support town centre businesses. Activity in both town centres to maintain/increase footfall e.g. cultural and arts activity	9	High	↔	Close engagement with and ongoing provision of business support to town centre businesses. Work with Community Safety Team to tackle increased or perceived increase in ASB/ crime in the town centres. Town centre events and additional markets/craft fayres planned. Union Yard being completed.	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 communities strategy and action plan and emerging Young Peoples Plan - Q1 2025 Youth engagement item considered at PPAB in July and September 2024 and further engagement to take place before finalised later in 2024.	4	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. Government White Paper bringing forward Devolution and Local Government Reorganisation. Hampshire likely to be included in the Priority Programme requiring Unitary Councils from April 2028 resulting in Rushmoor BC not continuing. 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. Ongoing analysis of policy and budget announcements. Council represented on relevant meetings within Hampshire, Government and District Councils. Working as a group to come to a consensus on future provision and any potential devolution "ask" of Government.	8	High	↔	Continued engagement with Government officials and other partners. Retained capacity on PPAB work plan. Work on devolution and reorganisation to be prioritised in Jan 2025 so impacts and next steps are clearly understood. Council will make a reserve available in order to put in / pay for support and relevant pieces of work in line with deadlines laid down by the Government.	6	Medium	↔

<p>Poor Health Outcomes within Borough (obesity, mental health etc)</p>	<p>Rachel Barker</p>	<p>ST</p>	<p>Rushmoor has areas where there are health inequalities and health deprivation. 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 ICB restructure and loss of NHS Place team has reduced capacity and support at place level to deliver local intervention programmes. HCC savings will also services that provide support for health and well being of vulnerable residents.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>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. Targeted school Projects to include increased physical activity and reducing obesity in the Borough. Whole systems approach to Obesity with HCC identified as a priority for the Council. Executive Director is a member of the ICS Board. Identify priority health outcomes for RBC with PH - based on new JNSA data and adjust resources accordingly where possible. Focused Projects incorporated within new Service Plan</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>	<p>Review approach to resourcing (in conjunction with partners, in particular the ICS and HCC). Targeted projects in service plan to address inactivity and increase physical activity support. Working with Energise me and Public Health to identify additional resource opportunities Refresh of SC Strategy in March will review data and set health objectives (March 2025)</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>
<p>Demographic change</p>	<p>Rachel Barker</p>	<p>ST</p>	<p>Changes in Rushmoor’s demography could impact on services required or expected by residents as well as how they engage with the economy or society more generally. 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. A strong understanding of the area’s demography will also be important as devolution and reorganisation proposals are developed.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>	<p>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). Census information reviewed and shared widely across the Council and with partners so that trends and their implications are understood.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>	<p>Additional community engagement work planned in 2024/25 and 2025/26 which might help to identify any key trends.</p>	<p>2</p>	<p>Low</p>	<p>↔</p>
<p>Standing Corporate Risks (SC) - Total 14 (+/- 0) 1 Not suitable for Public Register/Removed, 5 Redacted</p>														
<p>Threat of Cybercrime & Data Loss</p>	<p>Ian Harrison</p>	<p>SC</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>16</p>	<p>High</p>	<p>↔</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>↔</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>↔</p>
<p>Leisure and Cultural Hub - Major Project</p>	<p>Nick Irvine</p>	<p>SC</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>16</p>	<p>High</p>	<p>↔</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>16</p>	<p>High</p>	<p>↔</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>2</p>	<p>Low</p>	<p>↓</p>
<p>Major Data Breach – non-technical (human and physical)</p>	<p>Ian Harrison</p>	<p>SC</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>↔</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>8</p>	<p>High</p>	<p>↔</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>↔</p>
<p>PCI DSS compliance</p>	<p>Peter Vickers</p>	<p>SC</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>↔</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>↔</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>
<p>Insufficient funding to proceed with projects</p>	<p>Karen Edwards</p>	<p>SC</p>	<p>The Council cannot commit to fund the programme of projects, within the regeneration and property programme. Failure to deliver the schemes as a result of a lack of funding and team resources will not meet the overarching strategy objective as stated in the Council Business Plan to deliver additional income or capital and regenerate our town centres. 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.</p>	<p>16</p>	<p>High</p>	<p>↔</p>	<p>Secured some external grant funding to assist with bridging funding gaps. A Financial Recovery Plan (FRP) has been developed to ensure that the Council can be on a sustainable footing over the medium term. A target for capital receipts has been established to assist with reducing the level of external borrowing and associated revenue implications. There will need to be sufficient headroom created to allow for further borrowing in the absence of external grant funding.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>Seek additional grant funding to mitigate the risk to the Council. Obtain detailed expert advice and carry out due diligence on major projects and capital commitments. Consider joint ventures and other methods of delivery in order to share the risk/reward. Continue to review financial position in order to determine capacity to support regeneration and property projects. Review opportunities for receipts in the context of income received from these assets. 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.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>
<p>Lack of employee alignment, engagement and development will reduce organisational performance</p>	<p>Belinda Tam</p>	<p>SC</p>	<p>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.</p>	<p>16</p>	<p>High</p>	<p>↔</p>	<p>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 •eLearning platform for compliance and self-developmental training, with reminders when training due •Bespoke leadership development & leadership development with partners, ongoing internal communications via Staff Live, Viva Engage, 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.</p>	<p>8</p>	<p>High</p>	<p>↔</p>	<p>Review development review process and leadership development in 2025.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>
<p>Financial Sustainability</p>	<p>Peter Vickers</p>	<p>SC</p>	<p>Cost of borrowing does not track within the assumptions built into the MTFS. Resulting in additional unplanned financial pressure that will require additional mitigation to be identified.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>MTFS planning process identifies strategy to manage the impact of such an occurrence built into future spending plans. Updates to keep February 2024 approved MTFS have been reported to July Full Council with an update on the action plan to bring costs back to a sustainable level, including use of reserves. A mid-year review of MTFS was brought to Cabinet in November. Financial Recovery Plan has been put in place as per October. CIPFA have provided an independent review and due diligence on the capacity for the Council to deliver the required actions. Key findings are the actions taken by the Council are sound and further governance adjustments have been recommended for adoption.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>MTFS update due to Cabinet and Council in February 2025 alongside budget. If additional mitigation strategy is required, permissions will be sought through committees as appropriate.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>

<p>Regeneration of town centres does not deliver economic, community and financial benefits - see major projects</p>	<p>Karen Edwards</p>	<p>SC</p>	<p>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.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>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</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>Further public/market engagement planned. Programme / scheme viability to be reviewed regularly. Seek further external grant funding to reduce Council financial exposure - Homes England / One Public Estate etc. Engaging with the market/landowners to establish alternative delivery routes for Farnborough town centre schemes.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>
<p>Civic Quarter, Farnborough - Major Project</p>	<p>Nick Irvine</p>	<p>SC</p>	<p>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.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>Comprehensive regeneration project governance process implemented - Capital Programme Board meets every 6 weeks Regular Cabinet and Member reporting. External due diligence engaged. Public engagement undertaken in September 2021. Outline Planning application approved (subject to s106) in February 2023. OPE funding of £1.75m secured to assist with early enabling works - demolition/utilities diversions. No commitment to further expenditure at this stage. Exploring the potential to dispose of land interests to Homes England to realise capital receipt in the short term.</p>	<p>12</p>	<p>High</p>	<p>↔</p>	<p>Programme / scheme viability to be reviewed regularly. Seek further external grant funding to reduce RBC exposure - Homes England / One Public Estate Engage with the market/landowners to establish alternative delivery route including disposal that will reduce the financial risk to RBC.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>
<p>Union Yard, Aldershot - Major Project</p>	<p>Karen Edwards</p>	<p>SC</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>↔</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>↔</p>	<p>Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.</p>	<p>4</p>	<p>Medium</p>	<p>↔</p>
<p>Climate Change – Failure to deliver ambition for a carbon neutral Council by 2030.</p>	<p>Rachel Barker</p>	<p>SC</p>	<p>Risk of not delivering high profile organisational objective due to insufficient resources or lack of support because of other priorities</p>	<p>9</p>	<p>High</p>	<p>↔</p>	<p>Development of an action plan and assessing resourcing requirements. Arrangements to deliver projects with partners have been established. 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. Development of Rushmoor Climate Community Group to engage residents in climate and environmental issues Climate Change Strategy and Action Plan refresh due March 2025 Climate Change officer funded until July 2025</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>	<p>Discussions with portfolio holder on ambitions and plans for delivery Reviewing opportunities for funding to support on going officer costs.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>
<p>Governance and Decision Making – Not meeting statutory deadlines. Legal challenge to a high profile, or 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 - ongoing training programme refreshed annually. Members receive initial induction training by end of July in each civic year. 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. Governance arrangements reviewed during CIPFA and Peer Review Q2 2024/25. Independent review of arrangements commissioned early Q3 2024/25 from the Centre for Governance & Scrutiny, first draft received Dec 24, final draft expected early Q4 24/25. Anticipated members engagement during spring 2025 with changes adopted to be effective from civic year 2025/26.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>	<p>Continue to integrate risk management in corporate governance arrangements - continual improvement. Review of Risk Management Policy and arrangements took place during Q3 2024/25, including exploration of a Risk Appetite Policy. Cabinet report due 14th Jan 2025. Ensure horizon scanning continues within sector. Noted continued relevance/importance in light of ongoing s114 activity in Local Government and White Paper on Devolution.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>
<p>Reduced Income from Property Portfolio</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 CPPAG. Utilisation of asset management system to enable more targeted action. 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. Updating of Asset Management Forecast for MTSF period including ensuring all reviews etc. are undertaken pro-actively and increased focus on debt management Option to look at reserve funding on income profile, i.e. forecast income and budget income are different. Using reasonable assumptions to achieve a realistic but prudent estimate. To be included in February 2025 Budget report.</p>	<p>6</p>	<p>Medium</p>	<p>↔</p>

Escalated Service Risks (ES) - Total 6 (+/- 0) 2 Redacted

Major Planning Appeal (Airport)	Tim Mills	ES	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.	9	High	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	9	High	↔
Failure to reprovide temporary accommodation	Tim Mills	ES	Failure to reprovide temporary accommodation leads to increased street homelessness with significant impact on Town Centres, much poorer outcomes for homeless people, increased costs for the Council through use of Bed and Breakfast and reputational damage due to impacts on individuals and towns. 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 2025. In addition to the lease ending, the building is of poor quality. We also now have the challenge of other boroughs securing good quality temp in the borough therefore reputational risk of RBC not providing to meet its own demand in good quality accommodation.	12	High	↔	Temporary Accommodation project seeking to identify, purchase and repurpose accommodation to replace Clayton Court by end 2025	9	High	↔	Review of previous options and potential ways forward with Cabinet Oct 24 had agreement on approach and potential opportunities. These are being developed and will be reported back to ELT in January 2025	4	Medium	↔
Resettlement schemes and asylum seeker accommodation in the borough	Rachel Barker	ES	Resettlement of refugees and accommodation of asylum seekers in the borough may result in reduced levels of community cohesion and increased service demand. These people may be destitute and have complex needs. The associated funding position is complex, uncertain, and may not meet demand. Changes can happen swiftly and may cause short term 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 contractors: Clear Springs, Finefair, and Crown Lodge Accommodation Resettlement Programme Manager appointed and coordinating activity across the Council. Attendance at relevant multi agency forums. Rushmoor Voices sessions underway.	12	High	↔	Reactive and proactive communications with public and local residents.	4	Medium	↔
LEP absorption into County leads to loss of services and funding	Tim Mills	ES	Potential diversion of any funding to other purposes or areas following the abolition of the EM3 LEP. HCC less responsive to the economic needs of Rushmoor.	9	High	↔	Active engagement with HCC to ensure the needs of Rushmoor's economy are realised including direct representation on the HPPB.	8	Medium	↔	Enhance engagement with economic development leads at HCC including via senior officers. Engage with Economic Prosperity Board and influence through Leader and officers to ensure voice for Rushmoor. Risk to be reviewed and redefined in January 2025 given architecture in place and devolution.	4	Medium	↔
Inaccurate reporting of financial position	Peter Vickers	ES	Financial reports to Cabinet provide inaccurate financial information leading to poor decision making. Budget holders unaware of budget and spend position Decisions are made on incorrect assumptions. Decisions are taken on an ad-hoc basis without understanding or consideration of wider financial position.	8	High	↔	Budget management process is now completed monthly by services supported by service accountants. A new budget management finance system module has been implemented to support the process. Training and support provided to all budget managers. Financial forecast is reviewed by Head of Finance prior to publication.	6	Medium	↔	Finance team capacity and skills are currently under review. Prioritisation of financial management focus based upon risk assessment and materiality of numbers i.e. focus on high value aspects and most likely to go off track. Clarity and transparency of reporting being improved. Integrity of forecasts being reviewed ensuring correlation to assumptions in the budget, history of variances and experience in the current external environment.	4	Medium	↔
Changing priorities and outcomes from either RDP partner	Karen Edwards	ES	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.	6	Medium	↔	Redacted. Full remediation plan in place – details are not included in this register due to their sensitive nature.	1	Low	↔

CABINET
11th FEBRUARY 2025

COUNCILLOR BECKY WILLIAMS
ENABLING SERVICES PORTFOLIO HOLDER

KEY DECISION: NO

REPORT NO. PEO2502

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 2024.

The report also provides the latest Pay Policy Statement, Gender Pay Gap and Ethnicity 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 for 2024
- ii. Note the Pay Policy Statement, Gender Pay Gap Report and Ethnicity Pay Gap 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 annual report includes workforce data at **Appendix A** alongside some key updates for consideration by Cabinet.
- 1.2 Alongside the Annual People Report the Council needs to agree and publish a Pay Policy Statement and Gender Pay Gap Report on an annual basis. This year the Council has chosen to calculate and publish the Ethnicity Pay Gap although this is not a mandatory requirement. These reports 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 2024.

2.2 Key projects this year have included: creation of the Employee Support Group, increased health and wellbeing initiatives, equality, diversity and inclusion initiatives, enhancements to the corporate induction process, recommendations for a new Reward and Recognition programme, increased staff communication and engagement and the introduction of the new Prevention of Sexual Harassment Policy and awareness training sessions.

2.3 Cabinet are invited to note the progress and key data for 2024.

3. PAY POLICY STATEMENT, GENDER PAY GAP AND ETHNICITY PAY GAP

3.1 The report to CGAS containing the Council's Pay Policy Statement, Gender Pay Gap report and Ethnicity Pay Gap report is enclosed at **Appendix B**. 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.

3.2 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 2025/26 is 1:5.74.

3.3 The Gender Pay Gap Report contains the Gender Pay Gap calculations for both mean and median values. The mean gender pay gap equates to 12.75 % with the female average salary being lower than the male average salary. The median gender pay gap equates to 9.84% with the female median rate being lower than the male median rate.

3.4 The Ethnicity Pay Gap Report contains the Ethnicity Pay Gap calculations for both mean and median values. The mean ethnicity pay gap equates to 12.7% with the non-white average salary being lower than the white average salary. The median ethnicity pay gap equates to 5.3% with the non-white median rate being lower than the white median rate.

4. RISKS

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

5. LEGAL IMPLICATIONS

5.1 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.

6. FINANCIAL AND RESOURCE IMPLICATIONS

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

7. EQUALITIES IMPACT IMPLICATIONS

- 7.1 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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APPENDICES

A - Annual People Report - 2024

B - Pay Policy Statement, Gender Pay Gap Report and Ethnicity Pay Gap Report

ANNUAL PEOPLE REPORT 2024

1 Introduction

- 1.1 This annual report seeks to provide a consolidated update on the Council's people related activities providing data and information relating to the Council's workforce. The People Strategy was implemented in 2021 and will be reviewed in 2025 in line, with the new Council Plan and the future effect of devolution

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).
- 2.2 Key projects this year have included: creation of the Employee Support Group, increased health and wellbeing initiatives, equality, diversity and inclusion initiatives, enhancements to the corporate induction process, recommendations for a new Reward and Recognition programme, increased staff communication and engagement and the introduction of the new Prevention of Sexual Harassment Policy and awareness training sessions.

3 Workforce profile

- 3.1 The Council records workforce data to better identify and understand any changes and trends to formulate improvement initiatives where appropriate. We also record disclosed employee sensitive data to monitor and understand any representation gaps from people with protected characteristics.

Headcount

- 3.2 The headcount/FTE for the council in the last three years is provided in the table below.

Year	Headcount	FTE
Jan – Dec 2022	271	243.23
Jan – Dec 2023	247	220.65
Jan – Dec 2024	261	234.94

A further breakdown of the headcount and FTE by service is provided below as of 31st December 2024 with a comparison for the headcount and FTE data at 31st December 2023. The headcount for 2024 has increased by 14 which includes the following: established permanent roles, legal professionals, funded resettlement posts, Housing Officers, Place Protection Officers, maternity leave cover and apprentices. Where there is no headcount change

but there is increase in FTE this is attributed to an increase in hours of the post holder.

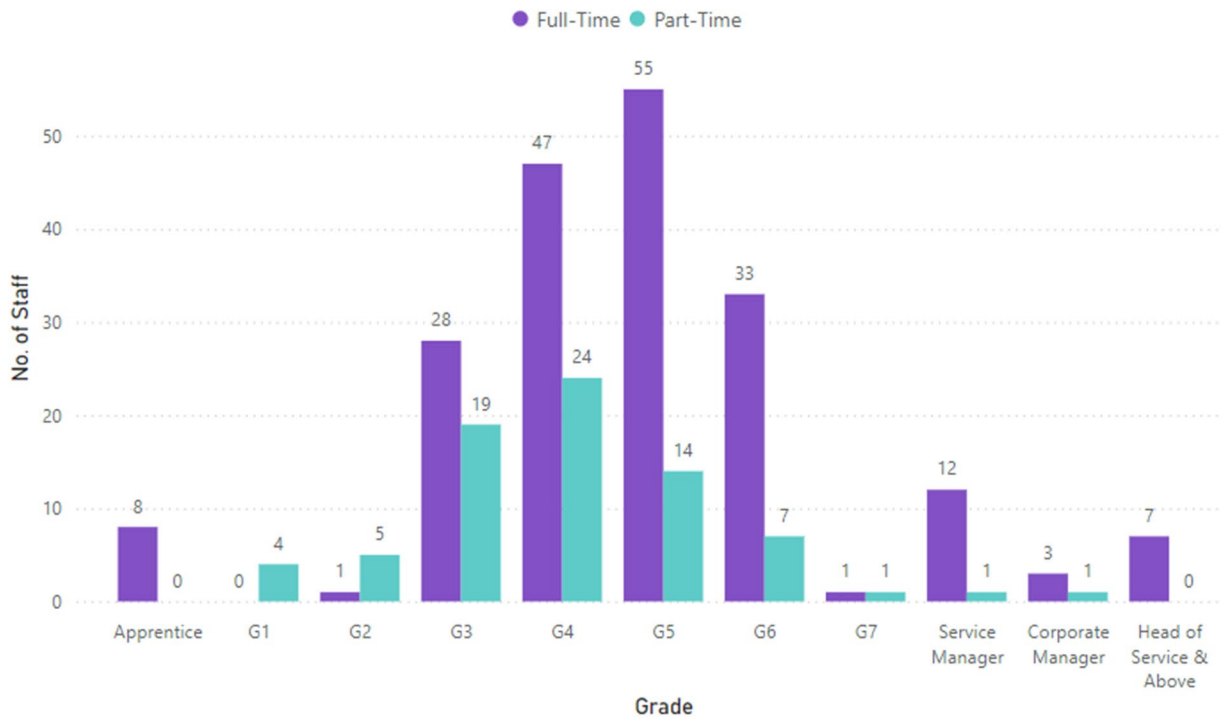
Service	Headcount 2024	Headcount 2023	FTE 2024	FTE 2023
Chief Executive Office (CEX)	5	5	5	5
Assistant Chief Executive (ACE), Communications, Partnerships, Risk, Performance and Procurement (RPP), Policy, Strategy & Transformation (PST)	30	27	27.69	24.28
Operational Services	83	75	71.85	63.68
Regen & Development	5	6	5	6
Customer Services & Facilities*	22	23	19.42	20.38
Information Technology	13	13	12.41	12.41
Finance	34	34	30.86	30.85
Democracy	7	7	5.76	5.38
Property & Growth	45	42	42.27	39.6
Legal Services	10	8	8.32	6.71
People Team	7	7	6.36	6.26
Total	261	247	234.94	220.65

**Please note that Customer Services & Facilities are included in the ACE Service but have been recorded separately for year-on-year comparison purposes.*

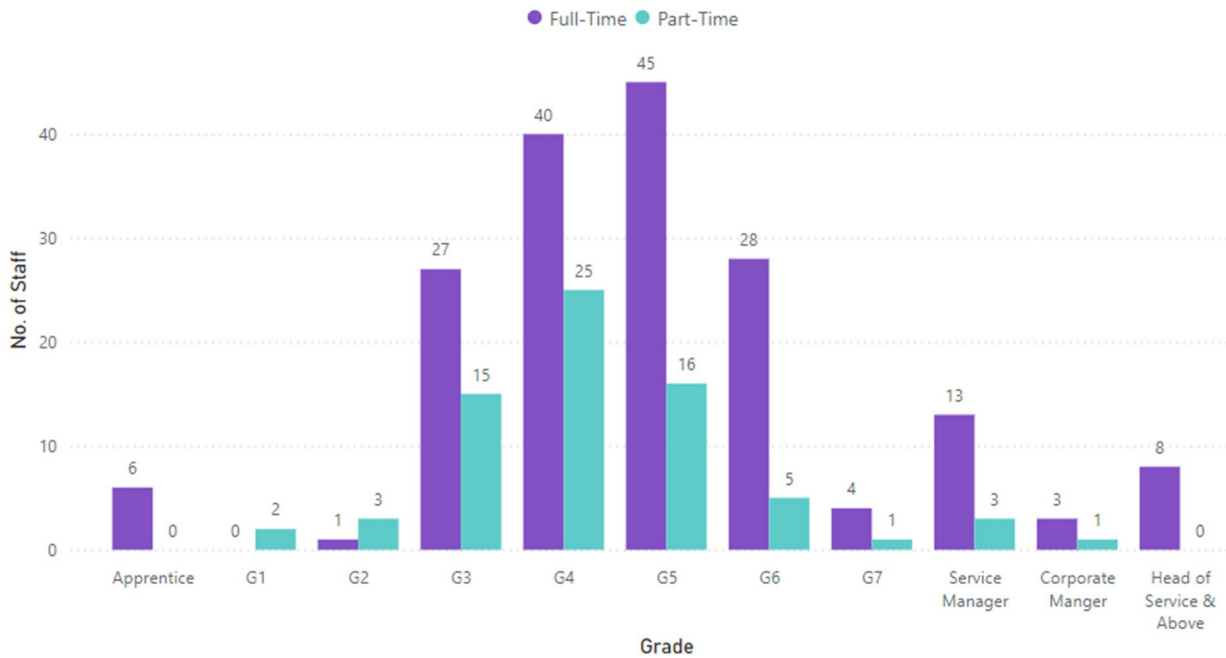
Full time (FT) and part time (PT) grade breakdowns

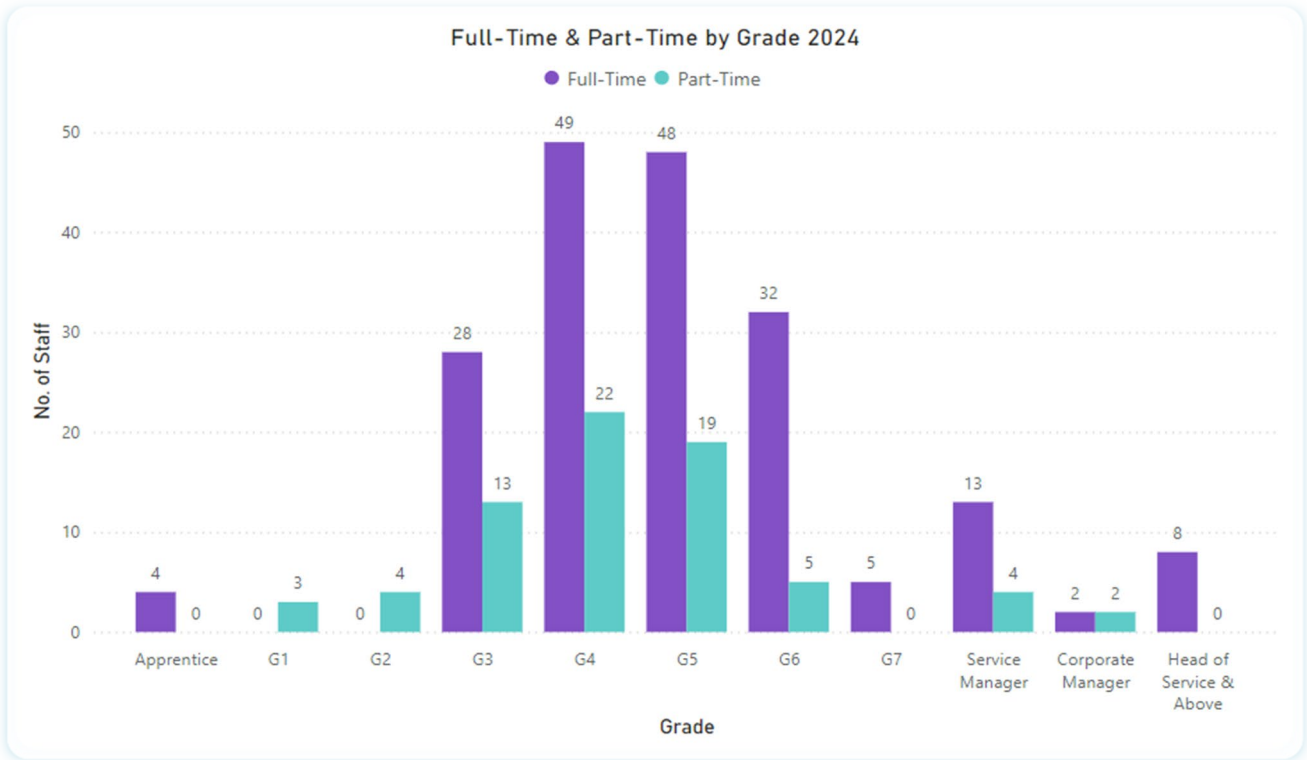
3.3 The percentage of the Council’s workforce contracted to work less than 37 hours a week has slightly reduced to 27.59% from 28.36% in 2023. As a comparison for 2023 Waverley Borough Council’s part time employees was 28%. Of this year’s percentage, females make up 91.67% compared to 93.15% in 2023. However, overall there are still 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 still in a Grade 4 (G4) role. One barrier to some staff seeking promotion to senior roles is that these tend to be advertised as full time. One area for consideration is whether senior roles could be undertaken on a shared or part time basis or redesigned to enable this. We will explore this over the coming months.

Full-Time & Part-Time by Grade 2022



Full-Time and Part-Time by Grade 2023





Workforce Turnover (T/O)

3.4 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 2022	19.26%	2.18%
Jan – Dec 2023	12.71%	8.27%
Jan – Dec 2024	5.86%	0.39%

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 Outcome Based Budgeting (OBB) savings requirements.

The voluntary turnover during 2024 was particularly low which can be partly explained by the number of new starters during the year and the absence of service reviews. According to the CIPD¹, the turnover rates fell during the pandemic but there was a large bounce back when the economy reopened which led to people starting to move jobs. This then led to increased turnover rates and we are now entering a period of pre-pandemic levels.

¹ [CIPD Labour Market Outlook Spring 2024](#)

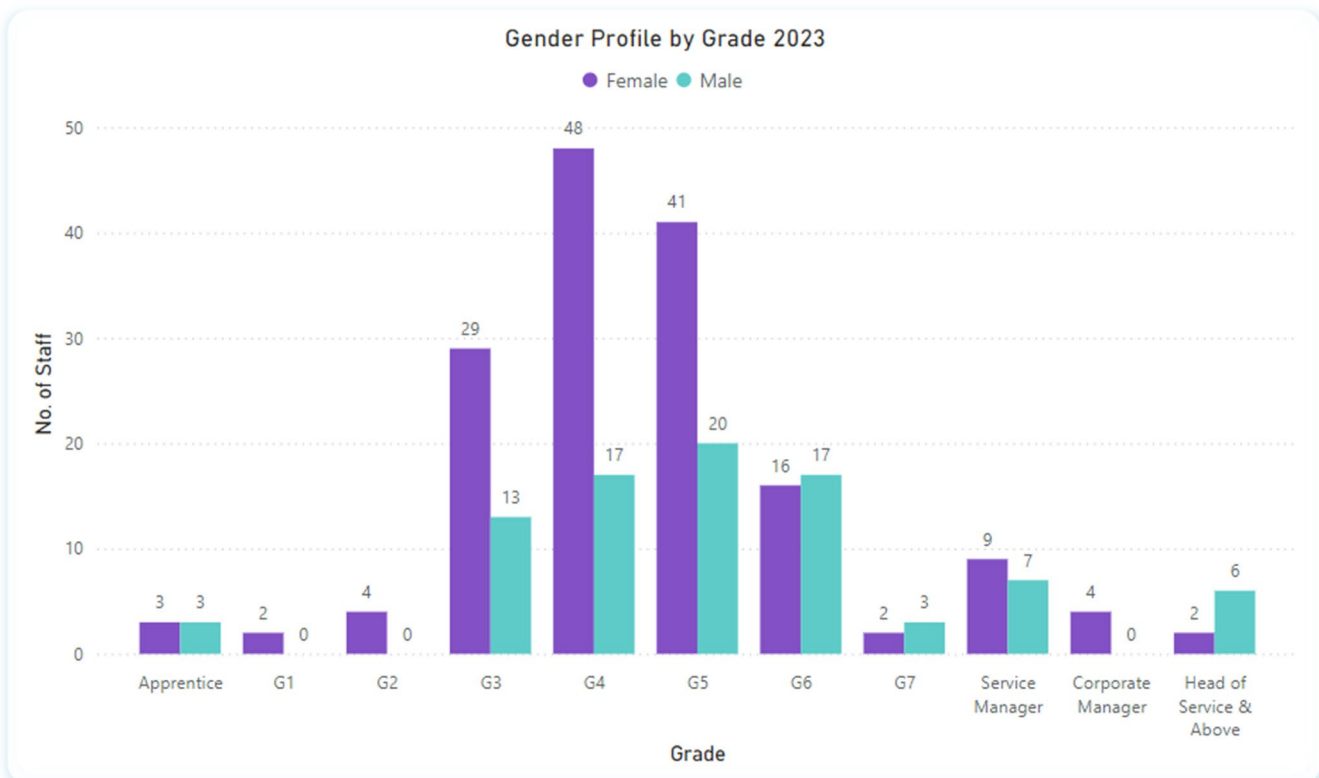
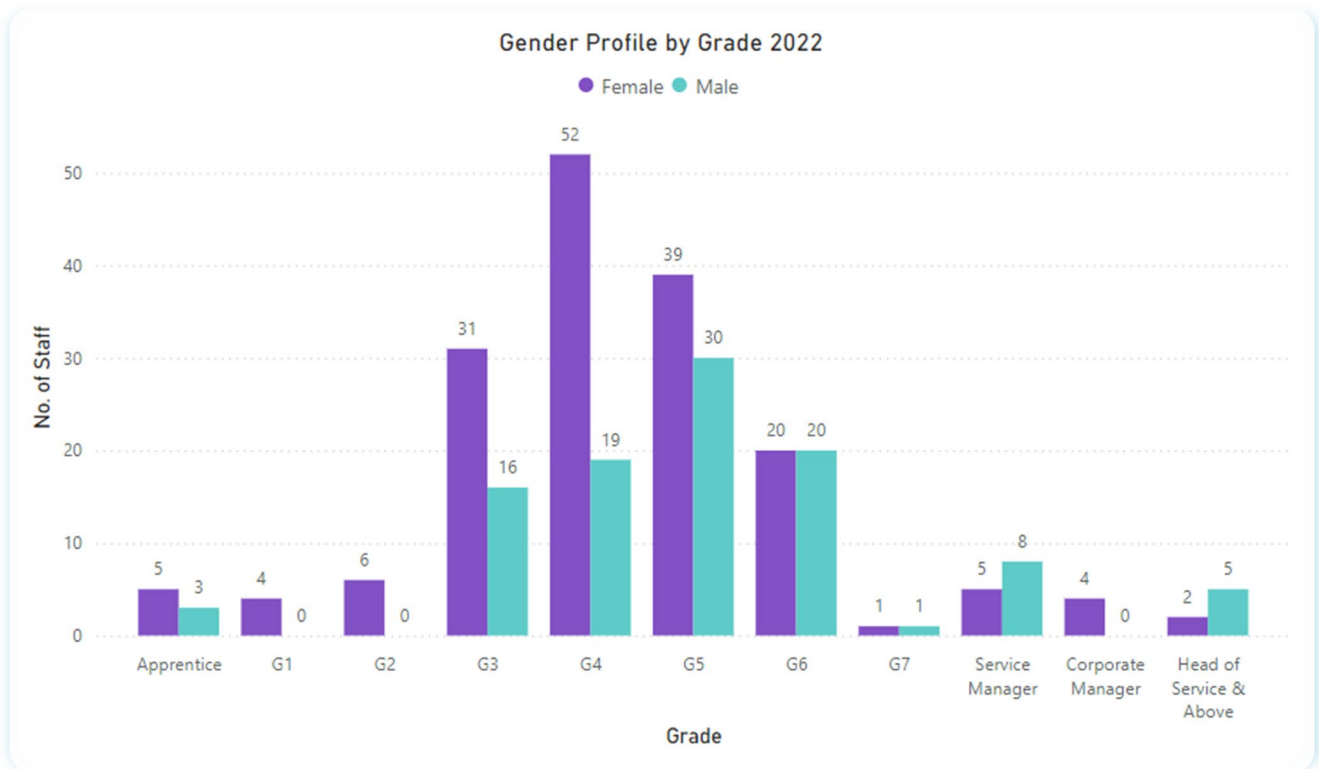
Due to the council's financial challenges, it is anticipated that some service reviews will need to be undertaken to achieve the Council's savings requirements and it is anticipated that the involuntary turnover in particular will rise. At the time of writing, it is not yet clear what effect devolution will have on the organisational structure, but we would anticipate that there will be changes.

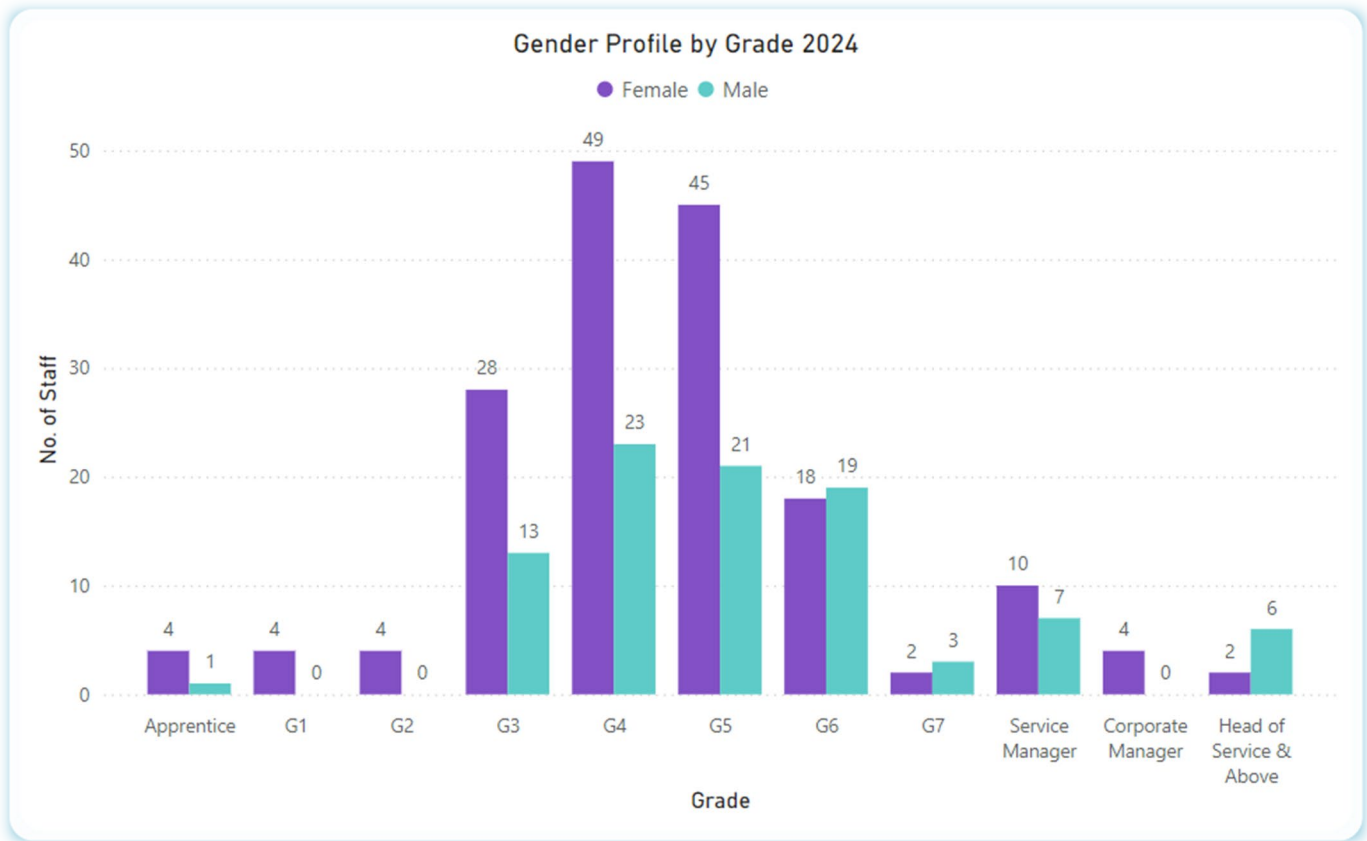
Gender profile

3.5 There has been a slight increase of both the number of male employees and female employees during 2024 although the number of female employees is still higher than males. These changes are illustrated in the graph's below:



Further gender breakdowns are provided by grade below:





Whilst the headcount for 2024 has increased, the percentage of females employed in the workforce has very slightly reduced from 2023 to 64.37% (168 females). The number of females employed in Service Manager and Corporate Manager grades continues to surpass the number of males. However, there are still more males in the Head of Service and above roles despite a higher percentage of females to males in the workforce. Local authority sample comparator data shows a similar percentage of female staff: Surrey Heath BC had 64% (at 31st March 2022) of females and Waverley BC had 63.1% (at 31st March 2024) of females.

The gender pay gap (which is calculated retrospectively) for Rushmoor as at 31st March 2024 ('snapshot date') equates to a **12.75%** difference (or 'gap') in pay rates, with the female average salary being lower than the male average salary. Both the mean and median pay gap has increased for the first time. Rushmoor's gender pay gap data for the past few years are detailed in the table below:

Year	Mean	Median
2022	13.8%	10.9%
2023	12.69%	9.52%
2024	12.75%	9.84%

According to the LGA² the local government **mean** gender pay gap for 2023/24 was 3.5% and the **median** was 1.7%. On average women were paid less than men in 167 authorities, in 25 authorities the pay gap was zero and in 101 authorities' women were paid more than men (median calculation). As the calculations are percentages and the number of senior employees relatively small, a change in gender of any senior role can have a significant impact on the gender pay gap calculation.

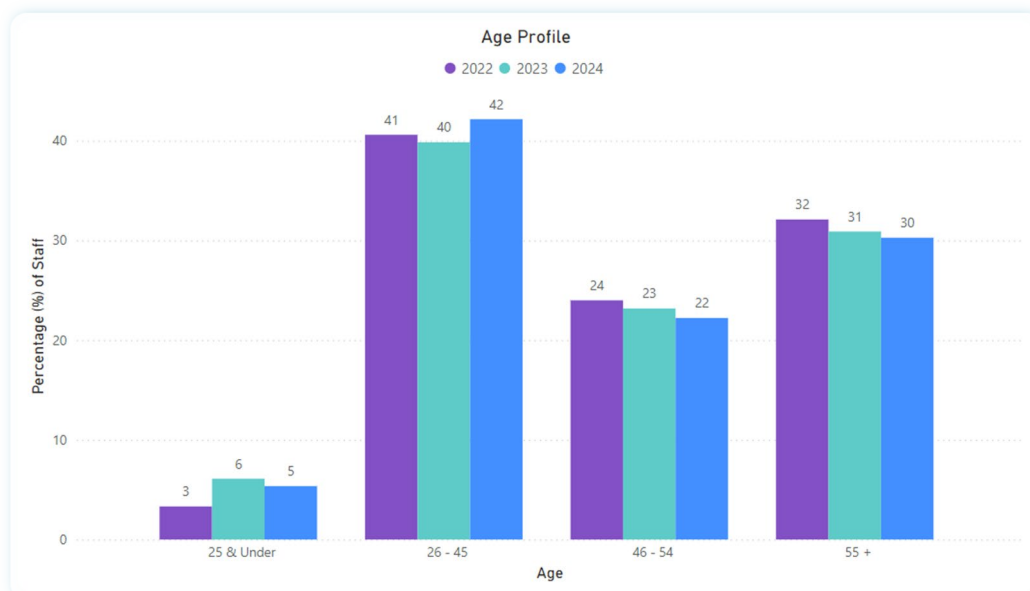
The mean and median gender pay gap comparator data can be found below:

Council	Year	Mean Gender Pay Gap	Median Gender Pay Gap
Waverley	2023	12.5%	12.6%
Surrey Heath	2023	12.2%	17.3%

This year female members of ELT hosted a 'Women in Leadership session' which was well attended and provided insightful information for female colleagues in particular. In line with the People Strategy and Service Plan 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.

Age Profile

3.6 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 and rising (42.15%, 110 members of staff) and the next highest age group (30.27%, 79 members of staff) is the 55 and over age group.



The 25 and under age group (5.36%, 14 members of staff) has very slightly decreased in 2024. We are keen to encourage more younger people to work

² [The gender pay gap in local government 2023/24 | Local Government Association](#)

at the Council and we will be working with the Community and Partnerships Team to deliver an in-house work experience programme as part of the Council's Young Peoples' Plan.

According to the Local Government workforce data (August 2024)³ the age of most council staff is between 40 and 64. The Council has had recent success in recruiting younger people into roles.

Ethnicity Profile

3.7 The ethnic data for the workforce as at December 2024, compared to the Rushmoor Population (2021 Census) data is detailed in the table below:

	Council workforce	Rushmoor Population (2021 Census)
White	83.91%	77.5%
Black and Minority Ethnic (BAME)	6.51%	22.5%
Not stated/Not Known/Prefer Not to Say	9.58%	N/A (<i>all questions need to be answered in the Census</i>)

Whilst it is currently not mandatory to provide a yearly ethnicity pay gap report we have decided this year to voluntarily provide a report.

The ethnicity pay gap is calculated by comparing the average pay of our White employees with that of our employees from the Black and Minority Ethnic groups (BAME). For the year ending 31st March 2024 the median ethnicity pay gap is **5.3%** and the mean ethnicity pay gap is **12.7%**⁴.

Given the pay gap we now need to consider how we can address as part of our commitment to be a more inclusive organisation, including looking at our culture, recruitment and development policies and the way we work to encourage a more diverse and inclusive workforce from the local community and beyond. In particular we will focus on how we advertise and promote roles at the Council, consider how we promote an in-house work experience programme as part of the Council's Young Peoples' Plan and review our secondment/development opportunities.

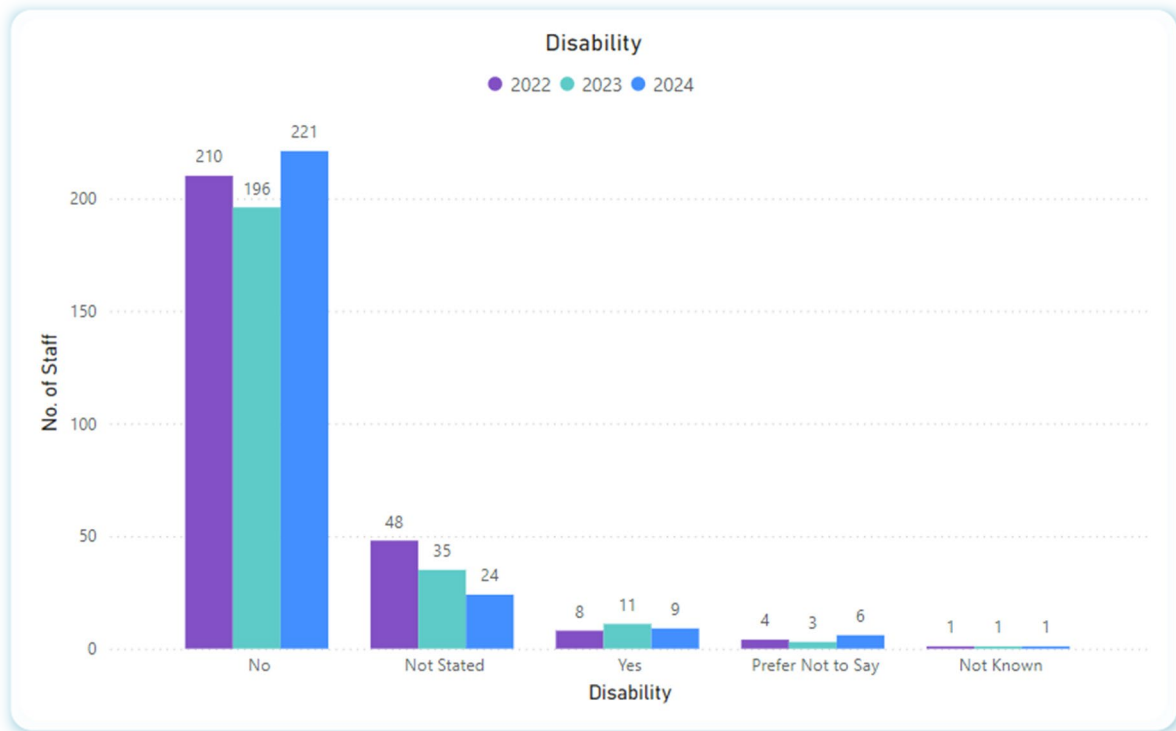
Disability Profile

3.8 The disability profile at Rushmoor shows that there has been a slight increase in the number of staff declaring 'preferring not to say' whether they have a disability. People do seem reluctant to record disability but 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 lower the 'prefer not to say' section in particular. Further

³ [Local government workforce summary data - August 2024](#)

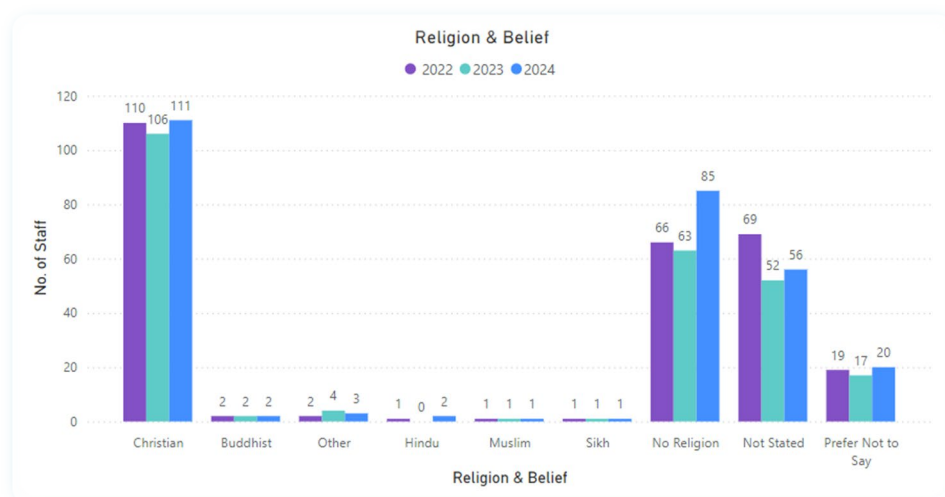
⁴ Note: that there were 20 employees not included in this report as they chose not to share their ethnicity.

work will also be undertaken to review the Council’s recruitment and selection processes in line with Equality, Diversity and Inclusion (EDI).



Religion and Belief Profile

3.9 The religion and belief profile in the graph below shows a slight increase in the number of council staff not updating the religion and belief section of their personal records. This could relate to anxiety around recent local events such as the demonstrations at Potters Hotel. The People Team are working with all employees to understand why individuals might be reluctant to report and will continue to encourage all staff to update their personal 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
2022	4.56	3.08	1.48
2023	4.23	2.41	1.85
2024	4.54	3.2	1.28

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 2022/23⁵.

4.3 Short term absence at Rushmoor has increased to 3.2 days lost per FTE in 2024 from 2.41 days lost per FTE in 2023. Long term absence has decreased to 1.28 days lost per FTE from 1.85 days lost per FTE.

4.4 During 2024, 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 anxiety, stress and depression.

4.5 The data shows a reduction in long term sickness absence and an increase in short term absence. The main reasons for absence continue to be anxiety, stress and depression. It is therefore essential that we continue our focus on supporting employee health and wellbeing.

5 Health and Wellbeing

5.1 Feedback provided by employees in the 2023 Health and Wellbeing Survey led to the introduction of a number of health and wellbeing initiatives to provide further support to our existing health and wellbeing provision such as the Employee Assistance Programme (EAP). At the beginning of the year the Council implemented a Health, Wellbeing and Stress Management Code of Practice which outlines 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. The Council also implemented a Health and Wellbeing Statement of Intent to demonstrate the Council's commitment to organisational wellbeing with four pillars of support: Mental Wellbeing, Physical Wellbeing, Social Wellbeing and Financial Wellbeing. The Council will be launching the biennial Health and Wellbeing Survey in 2025 and the questions will largely remain the same to enable comparisons to be made but additional questions can be added to

⁵ [2022 Local Government Workforce Survey | Local Government Association](#)

reflect current situations. One of the additional questions we will be asking is how hybrid working is operating in teams.

5.2 Another initiative was to create an Employee Support Team to offer non-judgemental, safe space for employees to talk. These roles were advertised internally in April 2024 and after a recruitment and selection process and the completion of specialised mental health first aid training the Employee Support Team was formed and launched to colleagues offering support with wellbeing issues or during difficult times and the signposting to further support where required.

5.3 The People Team also promote and lead on health and wellbeing events, designed to raise awareness of the importance of physical, financial, social and mental health. There were a number of health and wellbeing initiatives held during 2024 which are detailed below:

- Mental Health Awareness week
- International Men's Day
- International Women's Day
- World Book Day
- World Suicide Prevention Day
- Time to Talk Day
- International Thank you Day
- Financial Wellbeing Day
- World Menopause Day
- World Food Day
- Grief Awareness Week
- International Day of Persons with Disabilities
- Volunteering Week
- On Your Feet Day
- Monthly in person and virtual 'Tea Breaks' offering time and space for colleagues to connect.
- Wellbeing Walks run monthly and linked to wider events where relevant, for example Men's Walk and Talk as part of International Men's Day.
- Other wellbeing activities including a Book Club, Uno club, social get togethers after work around once a month on a Friday.

5.4 The Council provides an Employee Assistance Programme (EAP) which 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. The annualised EAP utilisation for the Council in 2024 was **9.5%**, calculated as counselling and advice calls. During this time a total of **30** calls were logged which is slightly lower than the **34** calls in 2023. The online portal received a total **27** log ins within this reporting year which is down from **49** log ins in 2023. Mental health issues are still the highest category of calls. The EAP data will be further analysed to shape the health and wellbeing support the Council provides staff

and be reviewed alongside the Health and Wellbeing questions for the survey in 2025.

6 Equality, Diversity and Inclusion (EDI)

- 6.1 In collaboration with colleagues in the Policy, Strategy and Transformation Team we are reintroducing best EDI practices and have assisted with the development of the Council's equality impact assessments to identify any impact on the protected characteristics in the community and also in the workplace.
- 6.2 The people team also attend and participate in a number of EDI webinars held by Frimley Integrated Care System including the yearly EDI conference. We are then able to use the information received to help form our own EDI best practice journey and initiatives.
- 6.3 There is an Equality, Diversity and Inclusion page on our People Portal which provides useful information and resources including: our duties under the Equality Act, definition of EDI, webinars from Frimley ICS EDI conference such as 'My Journey as an Active Race Ally and Breaking Boundaries: How Inclusive are we Really.
- 6.4 We have also organised the delivery of EDI learning opportunities and initiatives including neurodiversity awareness and co-created and delivered a Disability Awareness Session with RAAG.

7 Pay Award

- 7.1 The Local Government Pay Award covering the period 1st April 2024 to 31st March 2025 was agreed by the Unions on 23rd October 2024. Employees up to and including NJC scale pay point 43 received a flat increase of £1,290 on base salary. Employees on locally determined pay points above pay point 43 and below Chief Officers received a 2.5% increase on base salary. The increase for local authority Chief Executives was 2.5% on base salary. The pay uplift's for employees and the Chief Executive were processed and paid in the November 2024 payroll. The pay award for Chief Officers was agreed and applied in August 2024 with a 2.5% increase on base salary.
- 7.2 Future pay negotiations by the National Employers will need to consider the potential national minimum wage increases and the effect this will have on the current NJC scale points. Whilst this will mainly affect the lower spinal pay points there will be a knock-on effect with higher scale points.

8 Reward and Recognition

- 8.1 The Corporate Peer Review 2024 identified a need to do more to celebrate our successes and recognise our achievements. We've reviewed our current approach and recommendations will be brought forward for consideration by Cabinet in March 2025 to enhance our existing offer. The proposals currently include:

- Introduction of a 'Rushmoor Staff Awards' event, to be trialled in 2025.
- Revision of existing Long Service Awards so staff receive their awards on their anniversary date.
- Introduction of a new Loyalty Award at 10 and 20 years service.

8.2 We have introduced the following to encourage colleagues to celebrate success and say thank you:

- Launch of values postcards In November 2024 to say thanks to and celebrate colleagues who demonstrate one of our four values.
- Improved access to information about existing recognition initiatives via a new dedicated page on our People Portal.

8.3 We have also seen a number of teams share stories of success, celebrate achievements and say thank you to colleagues via Microsoft Engage, Staff Live, as part of 'Thank you' day held in July 2024 and via the Santa's Nice List at our Christmas 2024 staff event.

9 Recruitment and Selection

9.1 Whilst recruitment reduced during 2024 the challenge to recruit to skilled roles such as legal professionals remained. This has led to the Corporate Manager – Legal Services recruiting junior legal professionals with the intention of 'growing our own'. According to the CIPD Labour Market Outlook Spring 2024⁶ the challenges filling vacancies was most prevalent in the public sector.

9.2 The LGA conducted research that showed that 94% of councils were experiencing recruitment and retention difficulties. Working with Solace, Storycatchers (an advertising and communications agency) and backed by national research they piloted a media campaign in for local authorities in the North East from January to March 2024. Based on their research '*Make a difference, work for your local council's*' became the slogan and the media campaign included posters of employees in typical roles in local government which were advertised across all channels and on public transport and billboards. As a result, applications to North East Jobs increased by 8.89% (year on year) in February 2024. The success of this pilot led to the roll out nationally to other areas. For the Southeast the campaign started in November 2024 and the campaign toolkit was provided for us to adapt accordingly. However, since the campaign has been live and the toolkit available, we have not had vacancies that are appropriate to use the campaign toolkit. The LGA will provide an update on the National Campaign in the Southeast on the 16th January 2025.

9.3 Rushmoor currently 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. One key point to note is that there is an increase in the number of applicants not wanting to declare a

⁶ [CIPD Labour Market Outlook Spring 2024](#)

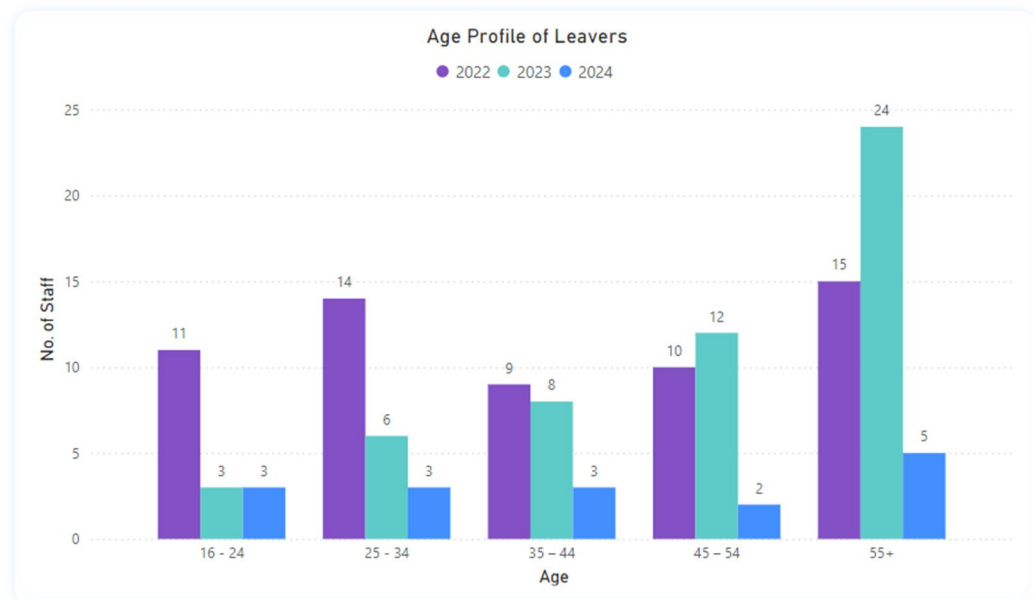
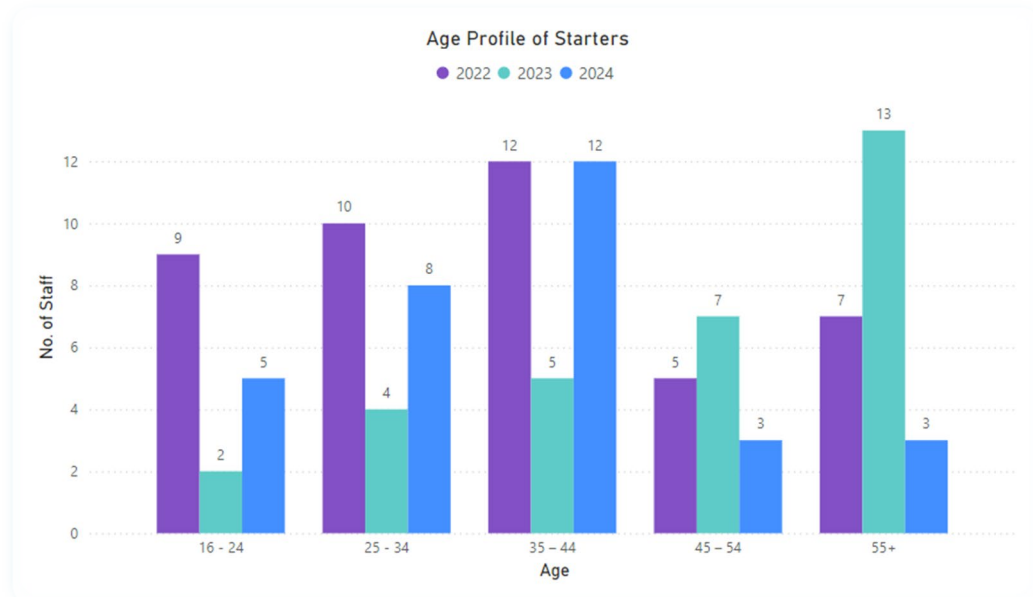
protected characteristic on the equalities and diversity form which is used only for monitoring purposes and not for selection reasons. This could demonstrate a lack of trust in the provision of this information.

9.4 Between 1st January and 31st December 2024 there were **30** vacancies advertised on the JGP portal, with a total of **523** applications received.

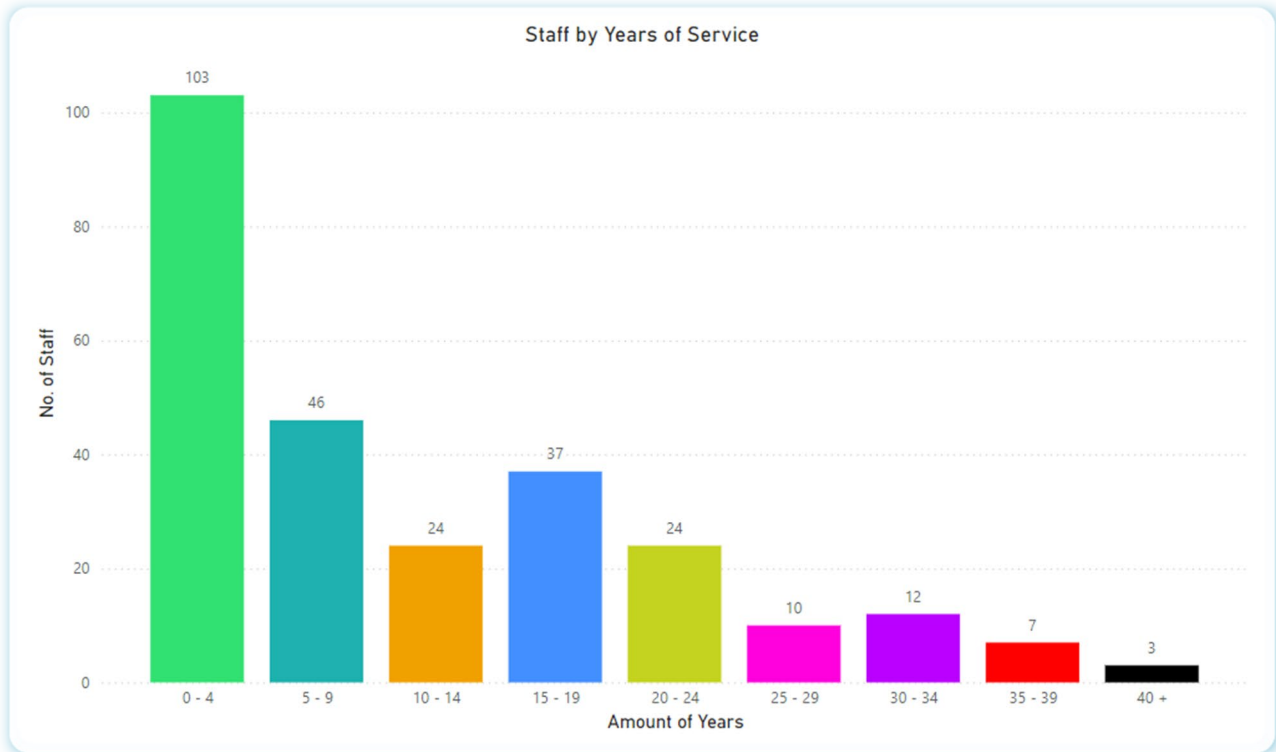
- **24** of these vacancies have an appointed candidate for the role
- **6** advertisements for 2 vacancies were not filled (Princes Hall Caretaker advertised 3 times, Technical Officer – Environmental Health, advertised 3 times).

In addition, 4 posts were advertised and filled internally.

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



For 2024 the highest number of new starters were in the 35-44 age bracket which is very different to the year before. The number of leavers for 2024 is remarkably low for all age ranges and is highlighted in the turnover calculations provided at the beginning of this report. According to the CIPD turnover survey⁷, the most common length of service is between two and five years.



10 Apprentices and the Apprenticeship Levy

10.1 Since the introduction of the apprenticeship levy in April 2017, the Council has been able to utilise 77% of available funding for the provision of apprenticeship training. The Council remains committed to promoting and developing apprenticeship opportunities, recognising their vital role in nurturing talent and building skills in the workforce. The funding can be used for training for new apprentice contracts and for upskilling existing staff through recognised programmes. In the reporting period 2024, the apprenticeship levy has been used to fund the following apprenticeships:

New Apprentice Contracts			
Apprenticeship	Service	Start	End
Business Administrator Level 3	Operations	Apr 2022	Apr 2024
Events Assistant Level 3	Economy, Planning and Strategic Housing	Oct 2022	May 2024
Associate Project Manager Level 4	People	Oct 2021	Jun 2024

⁷ [Benchmarking employee turnover: What are the latest trends and insights? | CIPD](#)

Software Developer Level 4	Office of the Assistant Chief Executive	Apr 2023	Oct 2024
Regulatory compliance Level 4	Operations	Apr 2024	Oct 2025
Business Administrator Level 3	Operations	May 2024	Dec 2025
Installation electrician / maintenance electrician L3	Property, Estates and Technical Services	Jan 2021	Jan 2025
Creative Venue Technician Level 3	Operations	Sep 2023	Sep 2025
Apprentice Upskilling for existing staff			
Payroll Administration Level 3	People	Jun 2022	Mar 2024
Associate Project Manager Level 4	Office of the Assistant Chief Executive	Oct 2021	Apr 2024
Senior Leader Level 7	Office of the Assistant Chief Executive	Oct 2024	Jan 2027
Chartered Town Planner Level 7	Economy, Planning and Strategic Housing	Sep 2022	Mar 2029

10.2 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 £14,921 (£7.73 per hour) and those studying towards a Level 4 or above have a starting salary of £22,640 (£11.73 per hour). Both tiers are higher than the National Minimum wage (£6.40 per hours 2024, rising to £7.55 per hour from April 2025) for apprentices to support with recruitment and retention on this area.

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.

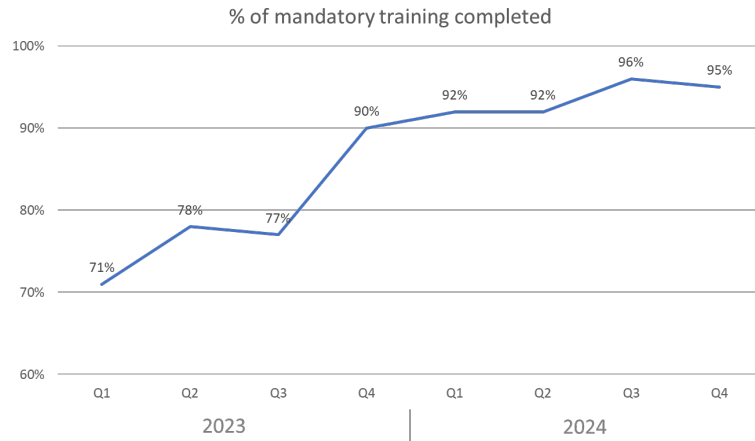
11.4 The corporate training learning and development budget stands at £13K. To complement this budget, the council pull on internal/external resources and collaborate with networks to deliver the Corporate Learning and Development activities for 2024/25.

11.5 Corporate Learning and Development opportunities and events delivered during 2024 included:

- Learning at work week
- Climate Change Lunch and Learn
- Managers Neurodiversity awareness training

- Menopause for Men session
- Staff Showcase
- Suicide Awareness
- Mental Health First Aid
- Women in Leadership
- Managing Conflict and Aggression
- CMT and Service Manager Workshops
- Prevention of Sexual Harassment training for managers and employees
- Disability Awareness

- 11.6 A highlight of this year's learning and development calendar was Learning at Work Week which was held in September to celebrate growth and collaboration across the organisation. The week featured a diverse range of activities including a Staff Showcase, a thought-provoking session on Women in Leadership and the promotion of online learning opportunities. This initiative was a true collaborative effort, with events designed and delivered by individuals and teams across the organisation, showcasing our shared commitment to fostering a culture of learning and professional development.
- 11.7 In total 195 (75%) members of staff attended at least one corporate funded learning and development opportunity in 2024 (not including on demand digital learning opportunities).
- 11.8 During 2024 we've seen a positive increase in learning events designed and delivered by teams across the organisation. These include:
- Artificial Intelligence session
 - Planning information session
 - Immigration training
- 11.9 In addition to these corporate learning and development activities, the council has an eLearning platform, SkillGate, which was successfully launched in August 2023 alongside a refreshed communications plan led by the People Team including automated reminders sent from the system on a weekly basis, a line manager dashboard detailing compliance in direct teams, the People Team also target individuals with bi-monthly reminders reiterating the need for and importance of completion. This has had a positive impact and seen an increase in compliance across the organisation, rising to **95%** by December 2024.



- 11.10 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 and acts as an important boost to the variety and quantity of learning on offer.
- 11.11 The People Team continue to deliver training both 'face to face' and remotely depending on the subject. The challenge for the People Team in 2025/26 will be to further develop a range of delivery options available to staff in collaboration with the many subject matter experts in the council, whilst simultaneously increasing engagement levels and delivering learning outcomes aligned to the councils' new priorities. The Council will also now need to think about the implication of Devolution and Local Government Review on our Learning and Development approach and this is discussed further below.

12 Induction

- 12.1 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 informal introductions to Health and Safety, Finance, Democracy and the People Team.
- 12.2 This year we have introduced Introduction to Safeguarding, and Introduction to the Communications Team and Introduction to Finance.
- 12.3 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. This is an important opportunity valued by new employees which checks how our new starters are settling in and enable us to pick up on any issues quickly. 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.

13 Communication and Employee Engagement

13.1 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. We will be exploring establishing a cross-cutting internal communications group in 2025.

13.2 Key communication strategies and engagement activities the People Team led on and/or contributed towards during 2024 include:

- '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.
- Contribution at Staff Live sessions
- Creation of a survey for Elected Members and Staff on Safety and Security to share views on how this currently works and any improvements that could be made.
- Rushmoor Round Up! A monthly staff newsletter in collaboration with the Communications Team.
- Christmas Event, Advent Calendar and 'Nominate a colleague to Santa's Nice List' for staff to show appreciation for a colleague.
- 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.
- '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.
- Engagement and postings with relevant articles and information on Viva Engage

14 Implications of Devolution and Local Government Reorganisation (LGR)

14.1 At the time of writing, it is not yet clear what effect devolution will have on the organisational structure, but we would anticipate that there will be changes. We therefore anticipate that more focus for the People Team will be centred around change management and how we assess, develop and support our employees through this. Continued communication and engagement with employees will be vital during our devolution journey.

15 Conclusion

15.1 This year has seen an increase in the number of wellbeing initiatives offered to our employees and in particular the launch of the Employee Support Team. The Learning at Work which included an informative Staff Showcase was well attended and the 'Women in Leadership session' was insightful. Our employee engagement has also increased via sharing views in Survey's,

Drop-in-sessions and other opportunities for employees to come together to connect. For 2025 the key focus areas will be the implementation of our new recruitment and selection system, further EDI initiatives, Employee Recognition awards and change management support.

29th JANUARY 2025

REPORT NO: PEO2501

**PAY POLICY STATEMENT, GENDER PAY GAP AND ETHNICITY PAY GAP
REPORT**

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 2025/26.

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 2024. This information is for noting by the Committee.

In addition, the Council is reporting on its ethnicity pay gap for the first time for noting by the Committee.

RECOMMENDATIONS:

- (1) The Council be recommended to agree the Pay Policy Statement for 2025/26 as set out in Appendix A.
- (2) The Gender Pay Gap calculations for 2023/24 be noted.
- (3) The Ethnicity Pay Gap calculations for 2023/24 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 2025/26 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**.
- 1.5 Currently there is no legal requirement for organisations to calculate and publish an annual ethnicity pay gap report. However, the Council has decided to voluntarily publish an annual Ethnicity Pay Gap Report and develop an action plan to address any unjustifiable disparities between different ethnic groups which is set out in **Appendix C**.

2. 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 2025/26 is 1:5.74.
- 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 2025/26 is 1:3.3.
- 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. 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 12.75 % with the female average salary

being lower than the male average salary. The gap has increased from 12.69% in the previous year.

- 3.3 The median gender pay gap equates to 9.84% with the female median rate being lower than the male median rate. The gap has increased slightly from 9.52% 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.
- 3.6 As the calculations are percentages and the number of senior employees at the Council relatively small, a change in gender of any senior role can have a significant impact on the gender pay gap calculation. A range of activities have been undertaken to encourage female employees to consider senior roles. Female members of ELT hosted a 'Women in Leadership session' which was well attended and provided insightful information for female colleagues in particular. In line with the People Strategy and Service Plan 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.

4. THE ETHNICITY PAY GAP

- 4.1 Whilst it is currently not mandatory to provide a yearly ethnicity pay gap report we have decided this year to voluntarily provide a report to demonstrate our commitment to equality, diversity and inclusion in the Council and, as we have a gap, set a baseline for improvement.
- 4.2 The ethnicity pay gap is calculated by comparing the average pay of our White employees with that of our employees from the Black and Minority Ethnic groups (BAME).
- 4.3 The mean ethnicity pay gap equates to 12.7% with the non-white average salary being lower than the white average salary.
- 4.4 The median ethnicity pay gap equates to 5.3% with the non-white median rate being lower than the white median rate.
- 4.5 The Ethnicity Pay gap will be reported retrospectively as at the 31 March in any year.
- 4.6 Given the ethnicity pay gap the Council will now consider how we can address this as part of our commitment to be a more inclusive organisation. This could include looking at our culture, reviewing our recruitment and development policies and considering the way we work to encourage a more diverse and inclusive workforce from the local community and beyond. In particular we will

focus on how we advertise and promote roles at the Council, consider how we promote an in-house work experience programme as part of the Council's Young Peoples' Plan and review our secondment/development opportunities

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Executive Director:

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

APPENDICES

Appendix A: Pay Policy Statement 2025/26

Appendix B: Gender Pay Gap Report 2024

Appendix C: Ethnicity Pay Gap Report 2024

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 2025-2026

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 2025 - 26, 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 2024/25 was £1,290 for grades up to and including NJC SCP 43. For grades above, including Chief Officers and Chief Executive an increase of 2.5% was awarded.
- 2.10 The analysis used for this report draws upon the pay rates as expected at 1st April 2025.
- 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 2024/25 the pay award for all Chief Officers was agreed at an increase of 2.5% 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 2025 are as follows:

Lowest: £23,656

Median £41,511

Highest £135,792

- 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 **1:5.74** emerges. This is a slight reduction on the previous year's ratio which was 1:5.9
- 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 **1:3.3** which is a slight reduction on the previous years ratio which was 1:3.5.

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.

BELINDA TAM
CORPORATE MANAGER – PEOPLE

Rushmoor Borough Council Gender Pay Gap Report 2024

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 2025.
- 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 years calculations are based on data as at 31st March 2024.
- 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 2024, there were 258 permanent employees and 30 casual employees included in the data. Therefore, the total number of 288 employees has been used for the data source for this years calculation.
- 2.2 The gender breakdown of Rushmoor's workforce is 186 female employees (65%) and 102 male employees (35%).

Average Pay Calculations:

- 2.3 The average female hourly rate is £19.51 per hour. The average male hourly rate is £22.36 per hour. This means that on average male employees within Rushmoor Borough Council earn £2.85 per hour more than female employees. The calculation method that is used to calculate Gender Pay Gap is as follows:

(£highest rate) - (£lowest rate)

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

For Rushmoor Borough Council the following applies:

£22.36 (male average) - £19.51(female average) = £2.85

£22.36 x 100 = 12.75 % difference between male salaries and female salaries

This equates to a 12.75 % difference (or 'gap') in pay rates, with the female average salary being lower than the male average salary.

Comparison with 2023 data:

- 2.4 In 2023, the average female hourly rate was £18.43 per hour and the average male hourly rate was £21.11 per hour.

This equated to a percentage difference of 12.69%, with the average female salary being lower than the male average salary.

The difference / gap has increased from the previous year.

Median Pay Calculations:

- The female median hourly rate is £19.34 per hour.
- The male median hourly rate is also £21.45 per hour.
- Using the above method, the difference in median wages is:

£21.45 - £19.34 = £2.11

£21.45 x100 = 9.84 %

Comparison with 2023 data:

- 2.5 In 2023, the median female hourly rate was £18.34 per hour and the median male hourly rate was £20.27. This year we see an increase in both of these figures. The gap has increased from 9.52% to 9.84%

- 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	72	51	21	71% <i>(69%)</i>	29% <i>(31%)</i>
Quartile 2 - Mid Lower	72	50	22	69% <i>(69%)</i>	31% <i>(31%)</i>
Quartile 3 - Mid Upper	72	49	23	68% <i>(61%)</i>	32% <i>(39%)</i>
Quartile – Upper	72	36	36	50% <i>(47%)</i>	50% <i>(53%)</i>
Total Workforce	288	186	102	65% <i>(62%)</i>	35% <i>(38%)</i>

(*figures shown in italics are the % figures for 2023 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 increased from 12.69% to 12.75%. As last year both the median female hourly rate and the median male hourly rate has increased and the median gap has increased from 9.52% to 9.84%

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.

BELINDA TAM
CORPORATE MANAGER – PEOPLE

Rushmoor Borough Council Ethnicity Pay Gap Report 2024

1. BACKGROUND

1.1 Whilst there is currently no legal requirement for ethnicity pay gap reporting we have decided this year to voluntarily provide a report to demonstrate our commitment to equality, diversity and inclusion in the Council and provide measures to close the gap as appropriately.

1.2 The Ethnicity Pay Gap data includes the following:

- Ethnicity pay gap (mean and median values)
- Proportion of men and women in each quartile of the organisation’s pay structure

2. RUSHMOOR DATA

2.1 Based on the data snapshot date of 31st March 2024, a total number of 231 employees have been included in the data source (which includes permanent and casual employees) for this year’s calculation. ***Please note that there were 20 employees not included in this report as they chose not to share their ethnicity.***

Mean Ethnicity Pay Gap

2.2 To calculate the mean pay gap, we add together all the hourly pay rates that people from Black, Asian, mixed race or other ethnic (BAME) groups received. We divide the total by the number of people from these groups in our workforce. We then repeat this calculation for white people. The difference between these figures is the mean ethnicity pay gap.

	White	Black, Asian, mixed race, other	Pay Gap
Mean hourly rate	£22.31	£19.48	12.7%

Median Ethnicity Pay Gap

2.3 To calculate the median pay gap, we first rank all our people by their hourly pay. We identify what the person in the middle of the pay range for employees from Black, Asian, mixed race or other ethnic groups received. Then we compare it with what the person in the middle of our white population pay range received. The difference between these figures is the median ethnicity pay gap.

	White	Black, Asian, mixed race, other (BAME)	Pay Gap
Median hourly rate	£20.43	£19.34	5.3%

Pay Quartiles

Each pay quartile represents a quarter or 25% of our total workforce ranked by pay:

	Number		%	
	White	Black, Asian, mixed race, other (BAME)	White	Black, Asian, mixed race, other
Upper quartile	55	2	96.5%	3.5%
Upper – middle quartile	52	6	89.7%	10.3%
Lower – middle quartile	55	3	94.8%	5.2%
Lower quartile	51	7	87.9%	12.1%

3 CONCLUSION

- 3.1 At Rushmoor Borough Council the average difference (or 'gap') in pay rates between White and BAME groups is **12.7%** and the median gap between White and BAME groups is **5.3%**.
- 3.2 Given the pay gap we now need to consider how we can address this as part of our commitment to be a more inclusive organisation, including looking at our culture, recruitment and development policies and the way we work to encourage a more diverse and inclusive workforce from the local community and beyond. In particular we will focus on how we advertise and promote roles at the Council, consider how we promote an in-house work experience programme as part of the Council's Young Peoples' Plan and review our secondment/development opportunities.

BELINDA TAM
CORPORATE MANAGER - PEOPLE

CABINET

COUNCILLOR CHRISTINE GUINNESS
PRIDE IN PLACE/NEIGHBOURHOOD SERVICES
REPORT NO. OS250211th February 2025

KEY DECISION? YES

**TREE RISK MANAGEMENT POLICY and
TREE MAINTENANCE POLICY****SUMMARY AND RECOMMENDATIONS:**

The Tree Risk Management Policy (TRMP) and Tree Maintenance Policy (TMP) form the overall management policy for Council owned trees, and detail how trees are surveyed, and how work is prioritised in relation to the safety of persons and property.

Cabinet is recommended to consider and approve the Council's Tree Risk Management Policy and Tree Maintenance Policy.

1. INTRODUCTION

1.1 With the Climate Emergency declared, the renewed focus on environmental sustainability, and recognising the great value to public health and wellbeing created by our tree stock, it is right to reset the Council's policies in relation to tree management and maintenance.

2.1 The purpose of this report is to seek Cabinet approval for the Council's Tree Risk Management Policy (TRMP) and Tree Maintenance Policy (TMP). The TRMP and TMP form the overall management policy for Council owned trees, and detail how trees are surveyed, and how work is prioritised in relation to the safety of persons and property.

2. BACKGROUND

2.1 The Council looks after trees on its land mostly to make sure they are safe, but also to help keep a green and leafy borough. The overall aim is:

“to maintain the green, leafy character of the borough and manage the existing tree population by appropriate and sensitive maintenance to ensure a healthy, pleasant, and safe environment now, and ensure adequate canopy cover for the future. To lead by example with regards the value we place on our trees and their contribution to environmental quality within the urban landscape, including climate change benefits”.

2.2 To this end, the Tree Risk Management Plan (TRMP) details tree survey system that manages risk by a proactive inspection regime to help identify potential failures and deal with safety issues that arise. This approach is supported by the Health and Safety at Work etc. Act 1974 and The Health and Safety Executive (HSE's) "Management of the risk from falling trees or branches".

2.3 The TRMP provides an audit trail of actions taken in response to a potential risk, what the findings were and how these findings were acted upon. It is a systematic approach that can help the Council, as landowner, to demonstrate that it has delivered its duty with 'reasonable care' and takes appropriate action as necessary to protect the public.

2.3 The Tree Maintenance Policy (TMP) sets out the principals for the maintenance of the Council's tree population giving details of the considerations for decisions relating to tree work, tree planting and the maintenance of trees for "nuisance" issues. This policy considers Tree Preservation Orders, and Conservation Areas and is in accord with Hampshire CC policy and, in relation to privately owned trees, the Town and Country Planning Act (noting that the Arboricultural Officer (Planning) manages these matters, as these are governed by Planning Law).

3. IMPLICATIONS

Risks and Legal Implications

3.1 The Council owes a common law 'duty of care' to all users of its property to protect them from coming to harm. The Occupiers Liability Acts of 1957 and 1984 extend a limited duty of care to trespassers requiring reasonable steps to be taken to protect trespassers from dangers which are known, or ought to be known to be present on the property.

3.2 Further duties are conferred upon the Council by the Health and Safety at Work Act 1974 to protect both employees and members of the public from risks to their health and safety. The Corporate Manslaughter and Corporate Homicide Act 2007 provides that prosecutions of public bodies, including local authorities is permissible in the event of gross negligence causing death.

3.3 Adopting and implementing the TRMP and TMP will mitigate risk of harm to users of Council property and provide the necessary framework for the Council to establish that they are exercising their duty of care effectively.

Financial Implications

3.4 There is no change to the budget proposed by this report. The total budget for tree maintenance and management is £127, 270 (excluding staff costs).

Resourcing Implications

3.5 No change is proposed. Currently the tree stock is managed by one Arboricultural and Grounds Technical Officer.

Consultation

3.6 This report has been prepared having sought the views of the Portfolio Holders for Operations and for Climate Change.

Equalities Impact Implications

3.7 An equality impact check found that this proposal would have a positive or neutral impact on people with protected characteristics. Therefore, a full assessment is not required.

4. RECOMMENDATION:

It is recommended that Cabinet approve the Council's Tree Risk Management Policy (TRMP) and Tree Maintenance Policy (TMP).

LIST OF APPENDICES/ANNEXES:

Appendix 1 - TREE RISK MANAGEMENT POLICY
Appendix 2 - TREE MAINTENANCE POLICY

BACKGROUND DOCUMENTS:

None

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Version 3.2 Issued 19th June 2024

Tree Risk Management Plan

For Council Owned Trees

Rushmoor Borough Council



Issued	June 2021
Last reviewed	June 2024
Next review	June 2027
Authors	Ben Abbatt/Andy Ford/Kevin Wale

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1. Introduction

There is an increased awareness in the potential risks associated with tree failure by members of the public. This is due to an increasing media attention on incidents of tree failure, especially those resulting in death or injury and recent court cases. With increasing attention given to personal and organisational responsibility, legal proceedings have become more commonplace and there have been a number of high-profile cases brought by the Health and Safety Executive under the Health and Safety at Work Act. Whilst there is an increased level of interest, it is important to keep this in context – it is estimated that nationally on average there are around 5 to 6 deaths per year caused by trees failing (referenced from HSE); this is in comparison to around 1752 deaths per year in 2019 as the result of road traffic accidents (referenced DfT). It is estimated that the risk per person of being injured by a tree failing is one in ten million adjacent to areas of high public use (referenced from HSE).

The following Tree Risk Management Plan has been developed by Rushmoor Borough Council with advice from Ben Abbatt MICFor, MRICS, CEnv, Dip. Arb. (RFS), BA (Hons) (Arboricultural Association Registered Consultant) by following current guidance and an industry led methodology and inspired by a presentation by Dave Dowson at the 2003 Arboricultural Conference.

2. What is a Tree Risk Management Plan?

There will always be risk associated with trees. This risk can be managed and reduced by the implementation of a proactive inspection regime to help identify potential failures and safety issues with particular trees.

A Tree Risk Management Plan (TRMP) is, in essence, a pro-active tree survey system that identifies the issues of management and records the way in which trees are assessed and managed so that a realistic response to the issue of tree risk and management is given. This is supported by the Health and Safety at Work Act (1974) and the recently issued sector information minute 'Management of the risk from falling trees' ([Management of the risk from falling trees or branches - FOI - HSE](#)) which requires that a reasonably practicable approach be taken which is proportionate to the risk.

A TRMP is a tool that can be used to provide an audit trail of actions taken in response to a potential risk, what the findings were and how these findings were acted upon. It is a systematic approach that can help to demonstrate that a landowner has dispensed its duty with 'reasonable care' and takes appropriate action as necessary to protect the general public.

A TRMP will:

- address how to prioritise areas for survey,
- suggest the type (pro-active or reactive) and frequency of survey in different areas,
- provide a record keeping facility for surveys carried out and recommended actions,
- detail the competency of the inspector required,
- provide a system for obtaining specialist advice where a survey reveals defects requiring a more detailed assessment or where a second opinion is required,
- establish a reporting system for damage / failure to / of trees (e.g. vehicle collision, high winds),
- discuss details of resources necessary for implementation including contract management and auditing of the system and.
- identify methods for recognising changing circumstance to amend the priority of inspection and frequency.

A TRMP will have the effect of bringing the risk of owning and being responsible for trees on the land into the category of 'broadly acceptable' risk from an 'unacceptable' risk where there is no management of trees occurring.

Whilst a risk may be categorised as low, the law requires that, where reasonably practicable measures are available, they should be taken. The Health and Safety Executive acknowledges that a broadly acceptable risk is 1 in 10,000, whilst accepting that this is only a guide, and that statute and case law will determine how individual cases are assessed.

It is not possible to create an environment where there are no risks. This would mean removing all the trees in an area which would be disproportionate to the risk and would result in a landscape devoid of trees, having detrimental effects on the habitat, wildlife, air quality, noise, screening, visual amenity, links to the seasons and many more.

Despite how proactive a tree inspection regime is, trees are living organisms, and their circumstances and conditions can alter over relatively short time frames. In some cases, decline or the causes of failure are not always obvious and, even with a proactive inspection regime in place, it will not always be possible to predict when a tree might fail. The implementation of a TRMP will not provide a zero-risk environment. The TRMP looks at how the council intends to manage that risk.

2.1 What a Tree Risk Management Plan is not

This TRMP does not address the policy by which the management of trees occurs, for instance it does not detail how trees will be managed in relation to issues such as light, shade, leaves, fruit, honeydew (which is caused by aphids), television reception (terrestrial, digital, satellite, etc), perception of 'oppression'. Tree planting schemes are also outside the remit of this document. Management of trees is addressed in the Tree Maintenance Policy (TMP).

Nor does this TRMP discuss the policy for how trees are managed in relation to planning applications, tree preservation orders, tree works applications or Conservation Area notices.

2.2 Rushmoor Borough Council

This TRMP will aid the council in achieving arboricultural best practice, risk management of the council tree stock and value for money. The TRMP sets out the way in which the council will systematically survey its trees on a repeating cycle in relation to its duty under the various legislation including the Occupiers Liability Act and Health and Safety at Work Act.

The TRMP formalises and records the way in which trees are currently surveyed and managed; this is crucial if an incident occurs, and the council is taken to court. The TRMP is a defensible system where actions and inspections are recorded with appropriate responses, based on professional judgement. The TRMP is not meant to avoid liability, but to show that the issues have been considered and that reasonable and proportionate action has and will be taken in relation to the council's duty to manage its trees.

RBC has a Strategic Risk Management Group that is responsible for managing the risks to the council and ensuring that risk assessments are undertaken for key activities. The group is involved, with professional assistance, in assessing the risk posed to the council by their ownership of trees and the potential for incidents to occur. Appendix 1 contains RBC's risk profile template that relates to the 'risk of failing trees'.

The safe retention of trees within the ownership of the council helps to achieve the Council priorities under People and Place.

- Healthy and green lifestyles
- Strong Communities, proud of our area

Highway trees are the responsibility of the Highway Authority (Hampshire County Council). Any issues relating to Highway trees can be referred to HCC.

3. Why do we need a Tree Risk Management Plan?

Society, through the legal process, has demonstrated that where the failure of a tree was foreseeable it considers it unacceptable for the failure of the tree to occur unless in exceptional circumstances or where reasonable remedial measures are being implemented. It is not acceptable for organisations and landowners to fail to take responsibility for features on their land that may cause harm to person or property. Recent court cases have highlighted by finding against landowners where negligence has been identified.

It is important to understand the reasons for the correct and appropriate management of trees in the ownership of a landowner. Whilst this is set out in various pieces of legislation and case law (Appendix 2), appropriate management of a tree stock is good arboricultural practice and should be encouraged at every opportunity. The legislation, case law and guidance that relates to the management of trees is available in the advice that the Health and Safety Executive provide to their inspectors (see Management of the risk from falling trees referred to in Section 2).

3.1 Benefits to the Council

Primarily the actions within this plan will provide a robust defence against claims of negligence against the Council. In addition, a healthy tree population provides benefits to health by filtering polluted air and mitigating against climate change factors, they provide wildlife habitats, land stabilisation, and enhanced quality of urban landscape (more detail available in 'Trees Matter').

A TRMP can help to prevent the development of hazards in trees and therefore the potential of harm to person or property can be reduced. A high proportion of hazards are due to defects because of poor growth patterns or the failure to manage trees appropriately when they are young. A proactive inspection regime can identify where poor growth patterns have occurred and can identify remedial works to reduce the situation worsening (e.g. pruning out co-dominant leading shoots can stop weak forks forming). This can help to reduce future costs or prevent them escalating.

Undertaking a proactive tree survey will provide the Authority with a detailed knowledge of location and condition of tree population. This is an essential element in considering budget resources for future years.

4. Deciding what trees to pro-actively survey

A TRMP aims to minimise the risk of trees causing injury or damage because of their failure. It is therefore important to decide which trees to inspect as a matter of priority and which can be inspected later. One way of deciding which trees to inspect is based on risk and hazard. 'Risk' is location based whilst 'hazard' relates more to the individual tree.

4.1 Frequency and timing of surveys

Ideally, it is best to routinely survey all trees where people or property are likely to be at risk from the failure of a tree or part of it, irrespective of how an area is 'zoned.' How frequently this is carried out depends on the staffing and financial resources of the council. Through providing justifications as to why certain timescales for periods between inspections it is less likely that a council will be held responsible in the case of a tree failing (e.g. Tomlinson vs. Congleton Borough Council). These timescales should however be reviewed in line with recent case law and reassessed if necessary to ensure that the council has 'behaved' in a reasonable and practicable manner.

Table 1: Risk Zones (also see Appendix 4)

	Description	Examples
Priority Inspected every two years and reactively.	Where the probability of tree, in failing, would cause harm or damage is as likely as not.	Parks and high use open spaces. Sites adjacent A roads. Sites adjacent to busy B Roads. Sites adjacent to busy other roads and footways.
Moderate Inspected every three years and reactively.	Where the probability of tree, in failing, would cause harm or damage is unlikely.	Low use open spaces. Sites adjacent to B Roads. Sites adjacent to moderate use other roads, footways, and car parks. Sites adjacent to properties and businesses.
Low / Negligible Inspected reactively.	Where the probability of tree, in failing, would cause harm or damage is highly unlikely.	Rarely visited areas.

Creating a risk zone map (see Appendix 4) enables the council to prioritise areas of work. The two principles for determining the risk zone map are the 'target' and the frequency of use. The 'target' can be people or property that may be harmed or damaged because of tree failure whereas the frequency of use helps to indicate the

likelihood of harm occurring if a tree were to fail. Therefore, a busy public open space adjacent to an A road has a higher probability of harm or damage occurring than in a woodland which is some distance from public access points and less frequently used, assuming the same potential for tree failure. It is important however to appreciate that there cannot be a complete distinction where survey is essential and where it is not. Even at busy sites there may be a low risk of injury occurring due to the condition, size, age, and species of the specimens.

People are considered more important than property. Whilst property frequently contains people (for instance places of work and homes) they have a measure of protection against harm. Therefore, less protected people are prioritised higher than those within property.

Hazards from large old trees sometimes develop rapidly and as such, inspecting such trees located in heavily used areas on a 2-year basis or more frequently may be appropriate.

Surveys should take place following exceptional severe weather conditions which may have resulted in branch failures or affected the stability of a tree.

In trees where there are signs of progressive disorders such as Oak Processionary Moth, Chalara and to a lesser extent Horse Chestnut Bacterial Canker, these will be inspected as part of the proactive survey and where feasible at the point of the year in which the symptoms are most likely to be evident.

4.2 Reactive tree inspections and surveys

RBC also operates a reactive approach to surveying trees and managing its tree stock. The current method is based on the receipt of information from members of the public, staff, contractors, or councillors. This information is assessed, prioritised, recorded and inspections made within a timescale informed by the information received and the principles detailed in Sections 4 and 5.

5. Hazard or Risk Assessment

Whilst risk zone mapping allows the establishment of priority areas for inspection, an assessment of the potential for an individual tree to fail needs to be carried out. The tree risk assessment will assist in quantifying the level of risk posed to public safety. Linked to the risk zone mapping, this system is also 'target' led to determine the likelihood of harm or damage occurring from a specific tree.

The hazard or risk rating is determined through the consideration of three issues:

1. Target considers how frequently people use the area and what the probability would be of someone being injured because of failure. The more used an area is, the higher the likelihood of harm.
2. Potential for failure considers, at the time of the tree survey inspection, characteristics of the tree most likely to fail based on structural and physiological defects.
3. Size of failure part rates the size of the part most likely to fail which in turn, affects the severity of the potential failure. The larger the part, the greater the potential for damage to occur.

Table 2: Risk assessment

		Examples
Target	High	Parks and high use open spaces. Sites adjacent A roads. Sites adjacent to busy B Roads. Sites adjacent to busy other roads and footways.
	Medium	Low use open spaces. Sites adjacent to B Roads. Sites adjacent to moderate use other roads, footways, and car parks. Sites adjacent to properties and businesses.
	Low	Rarely visited areas.
Potential for failure	High	High probability of failure – more likely than not
	Medium	Moderate probability of failure – as likely as not
	Low	Low probability of failure – less likely than not
Size	Large	Death or serious injury, structural damage, (e.g. trees with \varnothing of over 300mm or major branch over 100mm \varnothing)
	Medium	Serious to superficial injury, moderate to minor structural damage (e.g. entire small tree e.g. between 300mm and 100mm \varnothing or moderate branch between 100mm and 25mm \varnothing)
	Low / small	Superficial injury, fragile objects damaged (e.g. entire small tree <300mm \varnothing or small branch <25mm \varnothing)

Where \varnothing represents diameter

This table of risk assessment informs the management of the tree and the priority of works.

5.1 Failure Log

A failure log will be maintained to record where tree failures occur, the reason for failure when known and the result of the tree failure. This information will help to inform the estimation of real risk levels and over time, will produce patterns providing base data about potential tree failure and possible preventative / corrective actions. Failures will be plotted geographically to enable assessment and feed back into the Risk Zone mapping and the management of the trees. It is important that any failures or incidents are reported to RBC's Strategic Risk Management Group and the risk reviewed accordingly.

Data recorded will include:

1. Date of failure
2. Location
3. Risk Zone designation within site
4. Species
5. Age class
6. Weather conditions at the time of failure
7. Size of failure part
8. Type / cause of failure
9. Consequence of failure
10. Actions to be taken
11. Works complete date

It is crucial that if the system is to be successful, relevant information must be fed back into it if benefits are to be gained from lessons learned. A template form is shown in Appendix 9.

5.2 Change in conditions

Trees are living, dynamic, structures and changes in their immediate environment or growing circumstances can have implications to the health of the tree. These changes can have a dramatic effect upon the condition and structural stability and integrity of a tree. Therefore, any change in the circumstances of a tree should be brought to the attention of the Arboriculture and Grounds Technical Officer or relevant Council Land Manager for them to assess.

6. Proactive Tree Survey

The following section sets out the various elements of how the pro-active survey or TRMP will continue to be implemented by RBC and the important issues to consider when doing so. It considers areas of responsibility, training, and procedures.

6.1 Objectives

To survey the Council tree stock on all Council land (parks, open spaces and estates as shown on the ArcGIS Rushmoor data / conveyance area) to establish the condition of the trees within the specific risk zone maps to identify remedial tree works with priorities.

6.2 How it will be managed / responsibility

The Arboriculture and Grounds Technical Officer / relevant Council Land Manager will direct the areas to be surveyed and will be responsible for auditing the data recorded by the tree surveyor.

6.3 Who will carry out the survey?

It is reasonable to expect that a tree survey should be carried out by someone who is trained in Arboriculture to a minimum of level 3 National Qualification Framework (NQF) or higher [52/75, Poll v Bartholomew]. Higher levels of training would be beneficial and experience in carrying out such work should be demonstrated. The pro-active tree survey is to be carried out by an external consultant appointed as required.

When the surveyor requires advice or recommends that the tree is inspected in detail, then the level of competence will have to be commensurate with the task involved. Experience in carrying out such work should also be demonstrated as it is likely that investigation may require the use of decay detection equipment.

Training needs to be appropriate for the task and for the individual. There are three levels of staff within this TRMP:

- Arboriculture and Grounds Officer / relevant Council Land Manager
- Expert resource (e.g. Arboricultural Consultant)
- Tree Surveyor

Training should be commensurate with the anticipated duties.

Table 3: Qualifications and experience

Arboriculture and Grounds Technical Officer / relevant Council Land Manager (oversight and implementation of TRMP)	Essential: NQF level 4, e.g. Technician's Certificate in Arboriculture or relevant experience Desirable: LANTRA Professional Tree Inspector, NQF level 6, e.g. Professional Diploma in Arboriculture
Outside resource [Arboricultural Consultant (detailed inspections / second opinions)]	Essential: NQF level 6, e.g. Professional Diploma in Arboriculture and experience LANTRA Professional Tree Inspector Desirable: Registered Consultant / Chartered
Contract Tree Surveyor	Essential: NQF level 4, e.g. Technician's Certificate in Arboriculture or LANTRA Professional Tree Inspector and relevant experience

It is essential that the training is revisited frequently, for instance every three to five years for the tree hazard awareness courses and / or that appropriate continuing professional development or attendance at events is carried out and details recorded.

6.4 How the survey will be carried out

The survey will be a walked survey of the trees and will include an assessment from all points using the Visual Tree Assessment (VTA) method from ground level. The VTA method (The Body Language of Trees, p179) proceeds in three stages:

1. Visual inspection for defect symptoms and vitality. If there is no sign of a problem, then the investigation concludes.
2. If a defect is suspected based on the symptoms, its presence or absence must be confirmed by a thorough examination.
3. If the defect is confirmed and appears to be a cause of concern, it must be measured and the strength of the remaining part of the tree evaluated.

For simplicity, it will be assumed that the trees are of good form and condition. The survey will concentrate on the specific features of the tree that are not in accordance with this assumption and will record the significant features that have a bearing on the condition of the tree. Therefore, it may be possible that no features, other than the physical dimensions of the tree are recorded which would demonstrate that the tree is of good form and condition. However, for purposes of clarification, the surveyor will record the condition of the tree in the 'condition' category. Should any trees inspected require immediate works the Arboriculture and Grounds Technical Officer / relevant Council Land Manager should be informed as soon as reasonably possible.

Individual trees to be plotted and surveyed should normally be larger than 100mm in stem diameter. All individual trees over 100mm diameter are to be surveyed and their details recorded regardless of whether remedial works are required. Discretion is given to the surveyor to survey smaller diameter trees when there is reason to do so, for instance formative pruning or sensitive location (for instance close to an adjacent property).

Trees will be plotted by estimate using site features. Where GPS is available it may be possible to plot the location of the trees more accurately. The approximate centre of the tree stem is to be plotted. Groups or woodlands can be plotted as areas (polygons) marking the estimated canopy spread where possible.

Tree tags may be used / required to identify specific trees where their exact position is unclear, for instance within a woodland, and the tag number should be recorded.

Where a woodland or copse is to be surveyed it is not cost effective to survey, record their data, and tag each tree. Therefore, the process for a copse or woodland will consist of a walked survey though the woodland marking each tree with a timber crayon when it has been surveyed. If features of a tree that require remedial works are identified, then the tree should be tagged, and the works recorded against that tag number. The tag ensures that the specific tree is easily identified, and the remedial works carried out on the correct tree.

6.5 How the data will be stored

The survey data will be collected on hardware provided by RBC using the PSS Live and ArcMap software programs.

6.6 Data to be recorded

The following information recorded for each tree surveyed:

- site
- date
- surveyor
- weather
- tag number (where appropriate)
- species
- age class
- condition of the tree
- recommended tree works and priority for completion of those works
- (The zone in which the tree stands will normally denote the resurvey date.)
- It is also important to record any features relevant to the site (e.g. buildings, access points, use) in the notes field.
- Trees given a general condition in relation to their physiological and structural condition as follows:

Table 4: Tree condition descriptions

Good	Typical vitality for the tree species and growing conditions and good structural form so that it is likely to require little or no tree works within the next inspection period, and it is anticipated to be retained for over 10 years.
Fair	Reduced vitality for the tree species and growing conditions or reduced structural form so that it is likely to require tree works within the next inspection period to enable its retention. Anticipated to be retained for over 5 years.
Poor	Significantly reduced vitality for the tree species and growing conditions or poor structural condition and is likely to require considerable tree works to aid its retention, if feasible.

Recommendations for any works required to be recorded and the priority determined. Works will then be instructed based on the priority and at the discretion of the Arboriculture and Grounds Technical Officer.

The data listed in Appendix 5 also recorded for each tree surveyed. 6.7 Priority for works

Priorities for works are:

Table 5: Tree work timescale descriptions

Immediate / soon as practically possible	Works to be carried out immediately. The surveyor must contact the Council and inform them of the findings so that the Council can arrange for the works to be carried out with minimal delay. Works in this category relate to trees that are imminently about to fail and that the failure of the tree / part is more likely than not to cause significant harm or damage.
High / 3 months	Works to be carried out within 3 months from the identification of the works. The surveyor should contact the Council and inform them of the concerns so that the Council can arrange for the works to be carried out as a priority. Works in this category relate to trees that are likely to fail and that the failure of the tree / part is likely to cause significant harm or damage.
Medium / 6 months	Works to be carried out within 6 months from the identification of the works. There is no need to contact the Council in relation to these works other than through the normal downloading of the data collected. Works in this category should include works that are necessary for the safe use of the site or adjacent properties and land and relate to an identified hazard or statutory nuisance.
Low / 1 year	Works ideally to be carried out within 1 year from the identification or re-prioritisation of the works. There is no need to contact the Council in relation to these works other than through the normal downloading of the data collected. Works in this category should include works that are necessary for the safer use of the site or adjacent properties and land, for instance where it is anticipated that the tree growth will become an issue before the next cyclic of inspections. These works may also relate to good arboricultural practice, for instance preventative maintenance and clearance of a property. It is anticipated that low priority works may not always be completed within the year as budget dependant.
Very Low / Advisory	Works identified during an inspection that are beneficial but have no risk or urgency. There is no need to contact the Council in relation to these works other than through the normal downloading of the data collected. Works in this category should include works that relate to good arboricultural practice, for instance formative pruning or low-level maintenance that has no impact on adjacent land or property. Advisory works are carried out as and when the budget permits.

Once the initial survey of council owned land is complete, an assessment of the priorities for survey and their frequency can be addressed as part of a review of this exercise.

6.9 Reviewing TRMP

The TRMP should be reviewed as necessary (for instance new guidance, recent case law and statute law, etc.) and / or at least on a three-year basis. The purpose of reviewing the TRMP gives the Council the opportunity to not only ensure it is up to date and accurate but also to make improvements, particularly in methods of working and how data is recorded.

Benchmarking with other Local Authorities can also be a useful way to make improvements to the TRMP based on the successes of others and understanding how they have approached the same problem. If the Council wishes to measure and assess how the TRMP is performing it can set local performance indicators based on SMART (specific, measurable, achievable, result orientated, time bound) objectives linked to individual performance reviews.

6.10 Auditing

It is important that auditing of the quality of data is carried out throughout the implementation of the TRMP. This will help to ensure that the details recorded are accurate, retrievable, meaningful, and fit for purpose. Failure to audit may reduce the validity of the system.

It is therefore important to show that not only is the proactive survey being carried out, but that someone separate, qualified, and experienced is auditing the work.

7. Implementing a Tree Risk Management Plan

Whilst implementing a TRMP can be hugely beneficial to the Council in terms of providing a cost-effective proactive tree surveying regime and a systematic approach to managing risk, its implementation needs to be considered in terms of resources.

7.1 Finance

In this instance it is not anticipated that the implementation of the TRMP will significantly identify tree works above that which the normal council tree budget would cover as RBC currently have a tree survey regime in place. TRMP formalises

and records the way in which the current process is implemented and provides the basis for improvement to the existing process. The idea of a proactive tree survey regime is to identify appropriate works necessary for the safe retention of the trees in advance of any failings and to maintain the trees in accordance with good arboricultural practice.

Where tree works are identified they will be prioritised. Works that are immediate or high priority will be carried out before medium and low priority works. This will enable the tree works to remain within the parameters of the budget available. If appropriate additional budget can be sought and such budget requests are to be considered in relation to the other responsibilities that the council has.

As the tree survey will identify trees that have previously been unrecorded, it is likely that some remedial tree works will be necessary that the Council were not previously aware of. Over time, following complete cycles of prioritised survey and remedial works, it is anticipated that the amount of work generated by the surveys will reduce in volume, priority, and frequency. Works will be prioritised so that budget expenditure can be limited in a rational manner. It will be important to manage and review the current financial resource available given that additional funding may be required.

It is the responsibility of the Arboriculture and Grounds Technical Officer / Parks Manager / relevant Council Land Manager to report excess priority works, either because of an extreme severe weather event or significantly more high or moderate priority works than anticipated. This report should be sent to the Head of Operations or relevant lead officer when the works cannot be carried out within the normal tree resources budget to seek additional funding.

7.2 Sourcing of tree works

RBC obtains quotations for the tree works from a variety of contractors relevant to the complexity of the task and works within a procured schedule of rates. This helps to ensure that a reasonable market price is sourced from competent and experienced contractors. Such contractors are mostly local to the borough and therefore helping maintain a sustainable business community.

Such companies must have appropriate working procedures, staff, financial stability, insurance, record keeping, qualifications and experience in all aspects of tree work. Additional benefits to using local tree contracting companies is their ability to rapidly respond to RBC requests, long standing knowledge of the trees within the borough and the locality itself.

7.3 Internal management of the TRMP

For a pro-active survey regime to be managed properly, adequate staff time must be set aside. It is not enough to simply say that such a survey is in place; it must be managed and resourced appropriately with regular reviews.

The Arboriculture and Grounds Technical Officer / Parks Manager / relevant Council Land Manager is responsible for the implementation of the TRMP. For specialist inspection the council can call upon a consultant resource when required. There is no further additional resource anticipated as this TRMP works within current practice and management of the tree risk.

The implementation of this tree risk management plan has several actions which must be undertaken to ensure efficient use of the TRMP and maintenance of the defensible approach to tree risk management. A list of such actions is in Appendix 7.

Appendix 1

Rushmoor Borough Council's risk profile template for the 'risk of failing trees'

Matrix & RAG Risk Rating

Severity of Outcome (S)	4					High Risk		Strongly consider further mitigation, tolerating risk is unlikely to be acceptable
	3					Med. Risk		Tolerable if risk/exposure is acceptable at senior level
	2					Low Risk		Additional action may not be necessary to manage risk
	1							
		1	2	3	4			
	Likelihood of Occurrence (L)							

Rating Consistency Guidance

	Likelihood of Occurrence (L)	Severity of Outcome (S)
1	Very unlikely Very unlikely to occur, (no history or near misses etc). Less than 5% probability.	Minor Risk to specific role. Legal action unlikely. No significant illness or injury. Negative customer complaint. Financial impact negligible.
2	Unlikely Unlikely but may occur (may have happened, but not within past 5 years). Is not expected to happen in next 5 years, less than 25% probability	Moderate Risk to normal continuation of service. Legal action possible but defendable. Short term absence/minor injury. Negative customer complaints widespread. Financial impact manageable within existing Service budget.
3	Likely Likely to occur (or already happened in the past 2 to 5 years). Is expected to happen in the next 2 to 5 years, 25 - 50% probability	Significant Partial loss of service. Legal action likely. Extensive injuries or sickness. Negative local publicity. Significant fine. Financial impact manageable within existing corporate budget - but not Service.
4	Very likely Very likely to occur (or has already happened in the past year), may occur frequently. Is expected to happen in the next year, more than 50% probability	Major Total loss of service. Legal action likely & difficult to defend. Death or life threatening. Negative National publicity. Imprisonment. Financial impact not manageable within existing funds.

Risk Register Format Template v1.0

Risk Title	Suitable for Public Register Y / N	Risk Type: Service (S) Escalated Service (ES) Standing Corp. (SC) Strategic (ST)	Risk Owner	Risk Description & Potential Outcomes (reasonable worst-case scenario)	Existing Controls / Mitigation	Additional Mitigation Planned – including Timelines /Deadlines	Risk Score		Risk Category / RAG Rating
							L	S	
Tree failures causing damage to persons (personal injury) or property	Y	ES	KW/AF /CA	<p>Risk of failure of a tree or part of a tree thereby causing injury to a person on Council owned land or third-party land adjacent. In extreme case potential to cause death.</p> <p>Risk of failure of a tree or part of a tree thereby causing damage to property. In extreme case significant structural damage.</p> <p>Potential for litigation and reputational damage should a tree fail in what could be considered as foreseeable circumstances.</p>	<p>The Council has a Tree Risk Management Plan (TRMP) outlining how we look after our trees.</p> <p>The Council undertakes regular inspection in accordance with industry standard recommendation and case law.</p> <p>The Council carries out proactive tree works informed by inspection to mitigate potential failures and reduce potential risk.</p> <p>The Council provides budget to allow works to be carried out in a timely manner.</p>	Regular review of TRMP & Tree Maintenance Policy (TMP) to ensure up to date with any new P&D and tree related issue especially relating to climate.	2	3	

Notes:

There always remains the possibility that a tree will fail even with inspection and pro-active works, therefore the risk of death by a falling tree will always exist with the presence of large mature trees on public accessible sites. The Council relies on the knowledge and experience of its tree professionals to identify potential hazardous trees via appropriate inspection regimes and take pro-active actions to lessen the potential for such an event.

The above risk value has been calculated on the likelihood of injury due to the failure of a tree or part of a tree and for this to happen it requires a person to be in the vicinity of the tree at the precise point in time that the failure occurs. The incidents of actual injury caused by tree failure are thankfully very low (no cases within Rushmoor in over 25 years). Damage to property is more likely as the relationship between the tree and a building is constant. Tree failures do happen and would score 4 (very likely) but the chances of such a failure occurring and causing harm require more chance and therefore score 2 (unlikely) but should it happen then the potential could be death, severity 4 but again more likely to cause injury and owing to rarity of incidents has been scored 3 significant. This rationale explains the overall risk value as medium.

Reviewed: 17/04/2024

Appendix 2

Legislation (Statutes)

The 1984 Act imposes a duty of care to those who are not visitors (i.e. trespassers). The Act imposes a limited duty of care on occupiers to take 'reasonable' steps to offer protection to trespassers from dangers which should be known to exist on the property. The duty under the 1984 Act is more restricted than the 1957 Act, in that it only applies where a danger that the occupier knows of or ought to know of exists and if the occupier knows or ought to know that trespassers are likely to come on the land. The scope of the duty under the 1984 Act is limited to personal injury and does not cover property damage.

- The **Town and Country Planning Act (1990)** and **Town and Country Planning (Trees) Regulations (1999)** contains provisions for protecting trees that provide public amenity. The additional implied duty in the Act is that organisations such as Local Authorities should maintain such valuable amenity as they can be exempt from Tree Preservation Orders as they may be deemed to be appropriate managers of the tree population within their control.
- The **Highways Act (1980)** and the **Local Government (Miscellaneous Provisions) Act (1976)** give Local Authorities the powers to deal with trees in private ownership that endanger the highway, persons, or property. The Highways Act empowers the Highways Authority (Hampshire County Council) to require that trees adjacent to the highway are managed to prevent them becoming a hazard to the safe use of the Highway.

Sections 23 and 24 of the 1976 Act allow Local Authorities to deal with trees on private land when asked to do so by the landowner, although these powers are discretionary and usually a last resort. Expenses then need to be recovered from the landowner.

- The **Wildlife and Countryside Act (1981)**, the **Countryside Rights of Way Act (2000)** and the **Conservation (Natural Habitats, &c) Regulations (1994)** all place legal obligations on the protection of wildlife species and habitats. The 2000 Act's duty of care is extended to cover those who might be described as ramblers or persons exercising their right of access over land or the 'right to roam'. The duty under this Act is limited in its scope and does not extend to risks that exist because of natural features on land. The 1981 and 1994 Acts place some obligation on local authorities to consider wildlife issues within the planning process where sites are considered to be of wildlife importance. Whilst it is not within the scope of this document to discuss the wildlife implications of tree management, it is an important consideration for landowners / occupiers.

- The **Health and Safety at Work Act (1974)** places a duty on all employers to ensure, as far as is reasonably practicable, the health, safety, and welfare at work of all employees, as well as those not in his employment who may be affected if exposed to risks to their health or safety. This means ensuring that all places of work are, as far as is reasonably practicable, safe and without risks to health to both employees and visitors to the site. Cases have been brought by the Health and Safety Executive under sections 2 (general duties of employers to their employees), 3 (general duties of employers and self-employed to persons other than their employees) and 4 (general duties of persons concerned with premises to persons other than their employees) of the Act.
- The implications of the **Corporate Manslaughter and Corporate Homicide Act (2007)** means that companies or organisations whose gross negligence causes the death of an individual now could face prosecution for manslaughter. The fines are unlimited. Immunity from prosecution for the Crown has been removed. Crown bodies, such as Government departments, will now be liable for prosecution. The continued implementation of this TRMP will help form the reasonable 'defense' against such a potential prosecution for the council.

Legislation (Case Law)

There are other cases that are applicable, but these are the main ones.

- **Chapman v Barking and Dagenham London Borough Council (1998)**

Barking and Dagenham London Borough Council were taken court in 1998 by the plaintiff, Mr Chapman who had sustained serious physical injury when the cab of the van he was driving was crushed by a falling limb from a Council owned Horse Chestnut tree. Whilst the tree had been pruned some years before it should have been inspected at regular intervals, especially given the recent strong wind warnings that were issued by local meteorological stations. The Council had no formal system in place to inspect trees in their ownership.

The judge found for the plaintiff on the basis that:

"a person is liable for a nuisance constituted by the state of his property:

1) if by neglect of some duty he allowed it to arise; and

2) if, when it has arisen without his own act or default, he omits to remedy it

within a reasonable time after he did or ought to have become aware of it." (See *Noble -v- Harrison* [1926] 2 KB 332 at 338)

- **Birmingham City Council**

Birmingham City Council were successfully prosecuted under section 3 of the Health and Safety at Work Act in July 2002 following the failure of an ash tree adjacent to a road which led to the death of three people.

- **Gary Poll v Viscount Morley (May 2006)**

This case involved a motorcyclist colliding with a fallen tree. The motorcyclist made a claim against the tree owners for damages. Judgement was awarded in favour of the claimant. Whilst the owner of the tree had an inspection regime in place, it was judged that it was insufficient to detect structural defects and that a different (more detailed) method of inspection would have detected the warning signs. The Judge determined that an experienced Arboriculturist would have identified the hazardous nature of the tree and ordered its removal.

This case is particularly important as it suggests the different levels of inspection and competence are required to fulfil a tree owner's duty of care.

- **Essex County Council (2003)** were found guilty under Section 2 of the Act following the death of a Senior Ranger as the result of insufficient inspection regimes and staff competence. The Council were found to have inadequate systems in place to ensure that tree work was properly assessed and allocated to appropriately trained individuals.
- **Atkins v Scott (2008)** In this case the Judge criticised the defendant for not have a formal written system for tree inspections.

Government Guidance

The main guidance is taken from 'Well-Managed Highway Infrastructure: A, Code of Practice' published in October 2016, Section B.5. Inspection, Assessment and Recording – Highways; B.5.4. Safety Inspection of Highway Trees.

In summary this covers.

- *Method of inspection.*
- *Frequency of inspections.*
- *Appropriate risk management.*
- *Appropriate training.*
- *Reliability of data.*

Appendix 3

List of Priority Risk Sites

Priority Risk Sites (inspection every 2 years)

Aldershot Lido
Aldershot Park (area around destination playground)
King George V Playing Fields
Manor Park, Aldershot

Moderate Risk Sites (inspection every 3 years)

The following is not a comprehensive list of Moderate Risk Sites.
A full list is to be developed over time.

Cove Green Recreation Ground off Prospect Road
Farnborough Community Area
Farnborough Gate Sports Complex
Lynchford Road
Moor Road Recreation Ground
Napier Gardens (subject to lease)
North Lane / Ivy Road Playing Fields
Oak Farm Recreation Ground off Tile Barn Close
Osborne Road Recreation Ground
Prince's Gardens (opposite Princes Hall)
Municipal Park, Aldershot
Queen Elizabeth (play area and footpaths)
Queens Road Recreation Ground
Rectory Road Recreation Ground
Redan Hill Gardens
Redan Hill Fort Open Space / High Street Recreation Ground
St. Michael's Gardens
Southwood Playing Fields

Low / Negligible Risk Sites

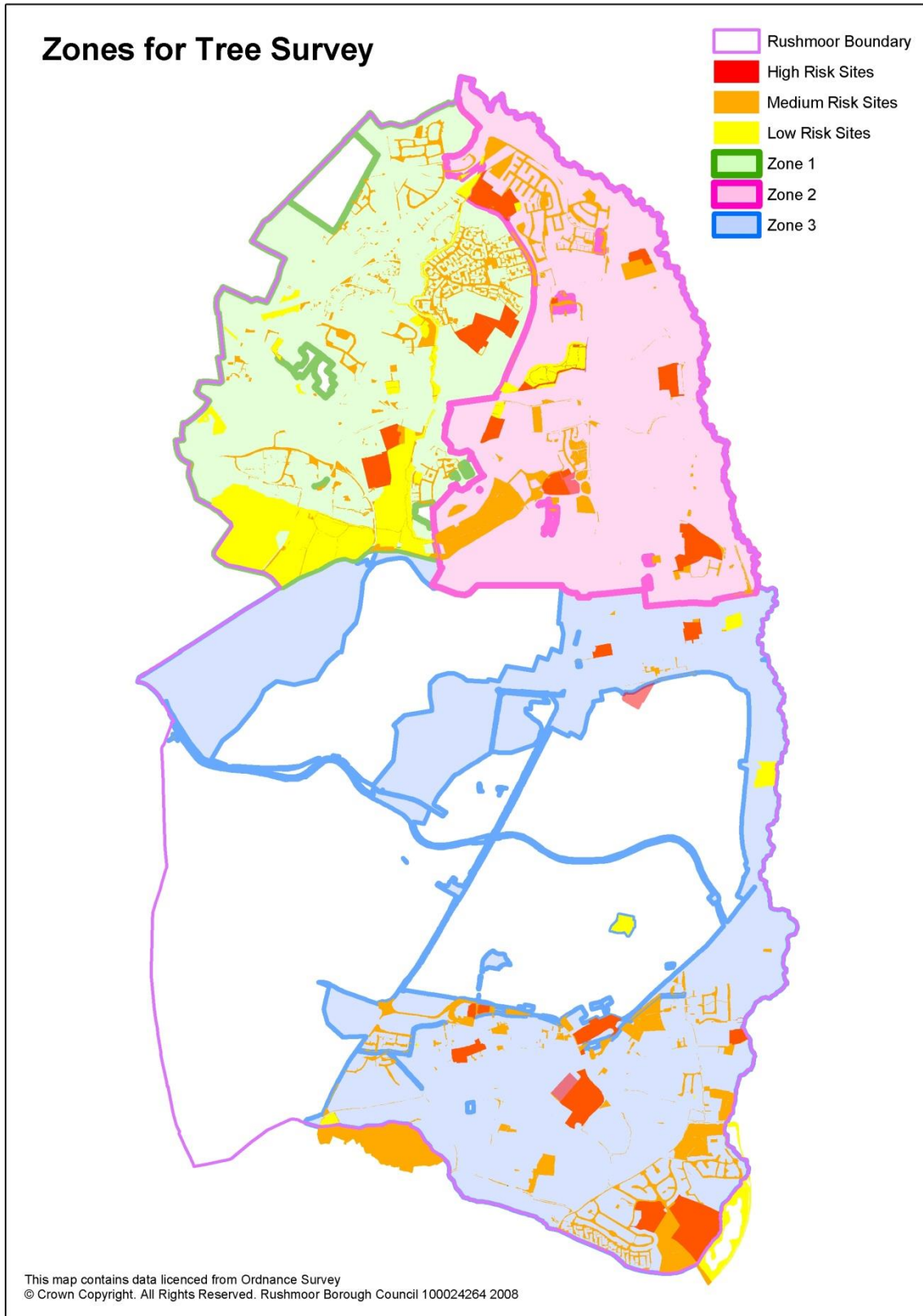
Alexandra Road Allotments
Birchbrook Reserve
Birchett Road Allotments
Brook Gardens Open Space
Calvert Close Allotments
Cherrywood Road Allotments
Cove Brook Flood Plain Area off Bridge Road, Cove (excluding footways)
Cove Green Allotments
Fernhill Road Allotments
Hazel Road Allotments
Land off Ratcliffe Road (land locked)
Park Road Allotments
Prospect Road Allotments
Queen Elizabeth Park (excluding the footpaths, playground, and car park)
Ratcliffe Road Allotments
Strip of land at Hannover gardens (land locked / no access)
The Birches open space
Tongham Pool (extension of Aldershot Park)
Woodland / Copse off Chestnut Tree Grove (excluding the footpaths)
Woodland / Copse off Howard Drive (excluding the footpaths)
Woodland / Copse off Nightingale Close (excluding the footpaths)
Woodland / Copse off The Potteries (excluding the footpaths)
Woodland strip off Juniper Road

List of Leased Sites / 3rd Party Management

	Included for surveying	Excluded for surveying
Aldershot High Street Recreation Ground (Aldershot Football Ground) (site managed by third party)		✓
Aldershot Ski Centre (subject to lease) (site managed by third party)		✓
Holly Bush Lane nature area (site managed by third party)		✓
Southwood Golf Course (site managed by third party)		✓
Rowhill Nature Reserve (site managed by third party)		✓
Southwood Woodland (site managed by third party)		✓
Napier Gardens (subject to lease)	✓	

Appendix 4

Risk Zone Maps (Old map, replacement pending)



Appendix 5

Tree Risk Management Plan Survey Brief – data to be recorded.

The following types of data about the trees being surveyed should be assessed. This list has been compiled from a variety of sources including The Hazards from Trees: a general guide (see Appendix 2), Circular 52 / 75 and Hampshire County Council's Arboricultural Works Procedure (11/2005) in relation to the Highway.

This list is not exhaustive and other features should also be considered at the time of survey.

- Abrupt bends in branches
- Brittle decay
- Bottle butt
- Excessive sinking down of branches
- End loading
- Exposure of previously sheltered trees
- Fork and unions with included bark
- Grafts (showing incompatibility)
- Instability due to restricted rooting
- Neglected pollards
- Poor crown condition
- Ribs and open cracks on stems and major branches
- Target cankers
- Wounds
- Thinning of foliage and dying back of branches
- Wounds where branches have been removed
- Areas where bark has peeled off
- Galls, cankers, and lesions
- Fungal fruiting bodies
- Moisture issuing from the tree
- Dead trees
- Significant dieback in the crown
- Individual dead or broken branches
- Obvious signs of decay: cavities, fungal growth, or substantial areas of dead bark
- Persistent history of live branch breakage
- Obvious signs of root heave, soil movement around the base
- Roots damages by excavations
- Obvious signs of damage to adjacent structures
- The proximity and significance of nearby targets
- Man made structures placed in trees

Appendix 6

Failure Log Record Sheet				
Date of failure				
Location				
Risk Zonedesignation within site	Low / Negligible	Medium	High	
Species				
Age class	Young	Middle Aged	Mature	
Weather conditions at the time of failure	Wind speed / Beaufort Scale: 1 2 3 4 5 6 7 8 9 10 11 12 Rain: None / Light / Moderate / Heavy			
Size of failure part	Tree:	<100mmØ	100 to 300mmØ	>300mmØ
	Branch:	<50mmØ	50 to 100mmØ	>100mmØ
Cause of failure				
Consequence of failure				
Actions to be taken				
Works Complete(date)				

FORCE	EQUIVALENT SPEED 10 m above ground		DESCRIPTION	SPECIFICATIONS FOR USE ON LAND
	miles/hour	knots		
0	0 to 1	0 to 1	Calm	Calm: smoke rises vertically.
1	1 to 3	1 to 3	Light air	Direction of wind shown by smoke drift but not by wind vanes.
2	4 to 7	4 to 6	Light breeze	Wind felt on the face; leaves rustle; ordinary vanes moved by the wind.
3	8 to 12	7 to 10	Gentle breeze	Leaves and small twigs in constant motion; wind extends light flag.
4	13 to 18	11 to 16	Moderate breeze	Raises dust and loose paper; small branches are moved.
5	19 to 24	17 to 21	Fresh breeze	Small trees in leaf begin to sway; crested wavelets form on inland waters.
6	25 to 31	22 to 27	Strong breeze	Large branches in motion; whistling heard in telegraph wires; umbrellas used with difficulty.
7	32 to 38	28 to 33	Near gale	Whole trees in motion; inconvenience felt when walking against the wind.
8	39 to 46	34 to 40	Gale	Breaks twigs off trees; generally, impedes progress.
9	47 to 54	41 to 47	Severe gale	Slight structural damage occurs (chimney pots and slates removed).
10	55 to 63	48 to 55	Storm	Seldom experienced inland; trees uprooted; considerable structural damage occurs.
11	64 to 72	56 to 63	Violent storm	Very rarely experienced; accompanied by widespread damage.
12	73 to 83	64 to 71	Hurricane	Very rarely experienced; accompanied by widespread damage.

Appendix 7

Action Plan

No.	Action	Responsibility	Target date for completion
1.	Review TRMP prior to issuing to Council Members to consider for formal adoption.	Line management / Risk Management Group / Council Insurer	Jan 2010
2.	Amendments made.	Parks Manager	Feb 2010
3.	Consideration for formal adoption by Council Members.	Council Members (Portfolio Holder)	Feb 2010
4.	Amendments made.	Parks Manager	Feb/March 2010
5.	Formal adoption by the Council Members.	Council Members (Portfolio Holder)	March/April 2010
6.	<p>Implementation.</p> <p>2009: survey of all high-risk sites 2009: survey of zone 1 moderate risk sites 2009: prioritisation of tree works and their implementation within the limitations of the tree budget.</p> <p>2010: survey of all high-risk sites 2010: survey of zone 2 moderate risk sites 2010: prioritisation of tree works and their implementation within the limitations of the tree budget.</p> <p>2011: survey of all high-risk sites 2011: survey of zone 3 moderate risk sites 2011: prioritisation of tree works and their implementation within the limitations of the tree budget.</p> <p>Cyclic proactive survey of priority and moderate risk sites continues.</p>	Parks Manager	On Target
7.	<p>Check leased sites for management of tree responsibilities.</p> <p>Sought an overall response for all leasehold property owned by the Council from Legal as to tree liability responsibility. Not forthcoming so deal with on a reactive basis.</p>	<p>Parks Manager</p> <p>Legal Services</p>	<p>March/April 2010 (1st requested Jan 2009)</p> <p>From 2022</p>
8.	Three-year audit (2011)	Arboricultural and Grounds Technical Officer & Parks Manager	<p>March 2011</p> <p>November 2016</p> <p>Due 2019</p> <p>June 2024</p>

Appendix 8

Rushmoor Borough Council - Policy relating to Ash Dieback (Chalara)

Overview

It is predicted that Chalara will have an impact on Ash trees within the UK similar to that experienced with Elm trees during the Dutch Elm Disease outbreak in the 1970/80's. The Eastern Counties of the UK are already experiencing significant losses, and this impact is expected to spread across the country with Hampshire seeing an increase of mortality within the next 3 to 4 years.

Ash Dieback is caused by a fungus on Ash trees, which is present in most parts of the UK. Initial infection to significant symptoms becoming evident can take several years, up to 10 years in some cases. Experience shows it can cause a high proportion of infected trees to die, however, some Ash trees (studies suggest about 5% of the population) are resistant and identification of resistant trees is of high importance.

Consideration towards the safety of persons and property is of primary concern with consideration towards the recovery of canopy cover in the longer term.

The Guiding Principle

Ash Die-back may well have a significant impact on the present and future Ash population, however, the presence of Ash die-back will not, in itself, necessarily be considered as a reason for premature pruning, felling, or intervention.

Where infection of an Ash tree is suspected or known, each situation will be judged on its individual merits taking into account the extent of die-back, the visual amenity that the tree or trees provide, and any health and safety considerations. Whilst it may appear to make economic sense, if one or more trees in a wider group do require intervention, removal of the whole group will not necessarily be considered justified.

Arising's from works to Ash trees will continue to be dealt with in accordance with current guidelines relating to biosecurity. As the disease is already widespread no special consideration toward Ash arising's is deemed necessary.

How the Council will manage Ash Trees

The timing of inspections is to be optimised where possible and feasible to identify the presence and extent of infection within the Ash population and permit forward planning in relation to remedial works and replacement planting.

As part of the ongoing proactive tree survey where Ash trees are identified as being significantly affected then these trees will be considered for removal or other remedial works depending upon location and condition. As a general guide once an infected tree exceeds <50% crown density then removal may be the most pragmatic action. This early intervention saves costs over longer-term remedial works. Replacement tree planting will be considered in line with the Tree Maintenance Policy.

Where the council is informed of a council owned tree that may be affected by Chalara then the enquiry will be prioritised accordingly based upon location, condition and the inspections that have been carried out previously.

The Council will not consider requests to remove Ash trees that show no evidence of infection on the grounds of safety as to remove an otherwise healthy tree may be removing one of the 5% resistant trees that are of high value for the future of the species as a whole.

Appendix 9

Rushmoor Borough Council - Policy relating to Oak Processionary Moth (OPM)

Overview

OPM is impacting on Oak trees especially in the Southeast where it has already established. Rushmoor currently resides within the buffer zone and has had isolated incidents of OPM in Farnborough. It is expected to spread across the country with Hampshire seeing an increase within the coming years.

OPM caterpillars feed on oak leaves, causing defoliation. They are identifiable by their distinctive movement, moving from their nest to feeding areas in processions. They form a line, sometimes multiple caterpillars wide and move together. Their nests can also be seen on branches or the trunk of the tree. They are made from white silk-like material and range from the size of a golf ball to a rugby ball. The caterpillars and nests are seen in late-spring and summer. The adult OPM moth is rarely seen and is difficult to identify.

<https://www.forestresearch.gov.uk/tools-and-resources/fthr/pest-and-disease-resources/oak-processionary-moth-thaumetopoea-processionea/>

The defoliation can cause stress, and over prolonged periods have detrimental impact on the tree's overall health & condition. The caterpillars themselves are a public health concern due to the long hairs which can detach and cause skin irritations and even more severe allergic reactions. The risk to exposure of the hairs is highest between May and June.

How the Council will manage Oak Trees in relation to OPM

The trees which have already been identified with OPM outbreak and been treated will be re-inspected on an annual basis. Treatment to continue as required and advised (if appropriate) by Forestry Commission.

Annual inspection of known hot spots where there is a high population of mature Oak trees to assess for any spread of OPM within the borough.

If OPM found, then reported to the Forestry Commission for inclusion in treatment regime for the borough and any other safety related measures taken.

Addendum - References

Arboricultural Journal, Arboricultural Association
Arboricultural Association Newsletter
Journal of Arboriculture, International Society of Arboriculture
Arborist News, International Society of Arboriculture

Principles of Tree Hazard Assessment and Management, David Lonsdale, DETR, 1999

The Body Language of Trees, Claus Mattheck & Helge Breloer, DoE, 1994

Diagnosis of ill-health in trees, R.G. Strouts & T.G. Winter, DoE, 1994

Hazards from trees a general guide, Forestry Commission

Hampshire County Council Arboricultural Works Procedure [11/2005]
Circular 52/75, Department of Environment

Well Maintained Highways, Roads Liaison Group

Health and Safety Executive sector information minute 'Management of the risk of falling trees'

Management of the risk from falling trees, HSE advisory SIM 01/2007/05

Trees Matter, National Urban Forestry Unit

Jon Stokes; The Tree Council (information in relation to Chalara in the UK)

Tree Maintenance Policy

For Council Owned Trees

Rushmoor Borough Council



Version 1.2 Issue Date: 19th June 2024

Authors	Andy Ford - Parks Manager Kevin Wale – Arboricultural Officer
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1. Introduction

This policy sets out the principals for the maintenance of the Council's tree population giving details of the considerations for decisions relating to tree work, tree planting and (legal) nuisance. This policy is in accord with Hampshire County Council policy and protected privately owned trees in relation to applications under the Town & Country Planning Act, Tree Regulations.

Tree Preservation Orders (TPO's) and Conservation Areas provide the means to control work to important privately owned trees through the TPO application process. The principles applied to the determination of such applications align with the principles in this policy. The Antisocial Behaviour Act (High Hedges) is a separate matter and not covered by this policy. The Arboricultural Officer [Planning] manages these matters, as governed by Planning Law, within Planning Services.

This policy, in conjunction with the Tree Risk Management Plan (TRMP), forms the overall management policy for Council owned trees. The TRMP details how trees are surveyed, and how work is prioritised in relation to the safety of persons and property.

The following Tree Maintenance Policy (TMP) has been developed by Rushmoor Borough Council with advice from Ben Abbatt BA (Hons), Dip. Arb. (RFS), MICFor, MRICS, CEnv, (Arboricultural Association Registered Consultant) and is subject to review and amendment when appropriate.

Aim - To maintain the green leafy character of the borough and manage the existing tree population by appropriate and sensitive maintenance to ensure a healthy, pleasant, and safe environment now, and ensure adequate canopy cover for the future. To lead by example with regards the value we place on our trees and their contribution to environmental quality within the urban landscape, including climate change benefits.

2. The value of trees

Trees enhance the quality of life, especially in the urban environment, and form an integral part of its character, form, quality, and diversity. 'Woodland Trust Why We Need Trees' [The Benefits of Trees - Woodland Trust - Woodland Trust](#) provides an overview of the benefits derived from trees. These include the benefits to our health by filtering polluted air, providing wildlife habitats, land stabilisation and an enhanced quality of landscape.

3. Ownership of trees

There are various owners of trees within the borough. This policy relates to Rushmoor Borough Council owned trees (Parks, Open Spaces, Estates, Facilities and Cemeteries) but is also relevant as good practice for all trees within the borough.

Trees on the Highway are the responsibility of the Highways Authority (Hampshire County Council), and their policies are in accord with this policy, however, Rushmoor Borough Council does not hold the authority or budget to undertake maintenance for Hampshire owned trees.

4. Objectives for management of the Council tree population

Rushmoor has a high population density (2,636 people per sq. km in 2023) and correspondingly trees provide a significant amenity to residents, businesses, and visitors to the area by virtue of providing a green, leafy outlook within an ultimately urban environment.

We consider trees to be of high importance with management and maintenance focused on the retention and protection of the borough's tree population but with the proviso that safety to persons and property has overriding importance.

Primary objectives

- Safety (persons & property)
- Visual amenity & landscape value
- Healthier lives (clean & green)
- Heritage
- Urban environmental benefits (local climate effects, shade, CO₂, and storm water run-off)

Secondary objectives

- Wildlife (biodiversity)
- Successful local economy
- Sustainable communities

Aim - To manage our trees in a global sense and encourage urban forest with 'continuous cover management' to provide a healthy and diverse tree population. That the amenity provided by the trees is preserved for perpetuity by maintaining and improving tree cover for the future and planting of suitable trees in appropriate locations.

5. Requests for tree work

When we receive a request to carry out tree work, we will record, consider individual merits, and prioritise. Our first consideration is public safety, our legal obligations (including property) and then the impact upon the community (residents, businesses, and visitors to the borough).

We will carry out tree work under the general guidance of dead, dying, diseased or dangerous and specifically where:

- there is a significant risk of harm; or
- damage (for instance subsidence or physical impact from tree growth); or
- free passage is required (for instance below statutory heights on footways and carriageways); or
- sightlines or views of road signs is required.

This includes removal of dead trees, significant dead wood within canopies of trees, removal of diseased trees (which have exceeded acceptable limits of risk), and general lifting of excessively low and obstructing/obscuring branches. We will not carry out work, without exceptional reason, that would cause a significant loss to the community or would be contrary to maintaining a healthy tree population. For instance, requests for improved television reception, telephone line clearance, shading, to reduce leaf fall, fruit fall, bird droppings or honeydew from aphids, branches overhanging a garden (as an example), allergic reactions, children climbing trees, and blocked drains etc. will not normally be carried out.

Persons can contact Rushmoor Borough Council via the following methods:

- Online - Visit <http://www.rushmoor.gov.uk/article/2795/How-we-look-after-our-trees> to access further information.
- Email - customerservices@rushmoor.gov.uk
- Telephone - Customer Services on 01252 398399
- Address - Rushmoor Borough Council,
Customer Services
Farnborough Road
Farnborough
Hants.
GU14 7JU

6. Rationale/Justifications for tree work

Common requests for tree work and the reasoning and/or justification as to whether tree work is undertaken is given in Appendix 1 'Rationale/Justifications for tree work'.

We have a dedicated budget for tree work to maintain trees in a healthy and safe condition. To manage within our financial resources, we prioritise work to ensure that the budget provides the most benefit for the money spent and deals with those matters of high importance.

7. Types of tree maintenance work

There are various operations undertaken in the process of maintaining trees, appendix 2 'Types of tree work' gives details of the most common with comments upon where and when they are normally used and the impact they can have upon the tree.

We do all necessary tree work in line with the current industry guidance (for instance BS3998 Recommendations for tree work). We will not do any tree work that exceeds these recommendations.

8. Common law rights to carry out tree work

Adjacent property owners can exercise their common law right and remove overhanging branches (where they extend across their boundary) so long as the trees are not subject to a Tree Preservation Order (TPO), within a Conservation Area, cause significant damage to the tree or leave the tree in an unsafe condition.

Private individuals should always make their intentions known to the tree owner so that any proposed work is mutually agreed. No work should be carried out which could prove detrimental to the long-term health of the tree. In such an instance, persons can be held liable for the failure of the tree or any damage or harm that occurs because of unauthorised work.

We encourage people to dispose of the arisings/debris themselves if they decide to take such action, otherwise the Council will need to dispose of the debris which may reduce capacity for carrying out priority safety work elsewhere.

9. Woodland Management

We will take reasonable steps to preserve and enhance woodland trees that are indigenous to the region. Where possible we will encourage natural regeneration in woodlands, aim to protect existing sites and have due regard for the potential impacts of climate change.

When dead trees and dead wood is within established woodlands and copse areas, where appropriate and the risk of harm or damage is acceptable, it will remain as this can enhance the woodland habitat and improve biodiversity. Management and maintenance of our woodlands and copses will consider existing landscape features, wildlife habitat and amenity value.

We will ensure that all our woodlands are managed and maintained in accordance with the accepted forestry and arboricultural methods. We actively encourage access to woodlands, and we will develop and maintain pathways within our managed areas.

Aim - We will support and encourage community involvement in the planning and operation of woodland management. Where possible we will seek to expand and look for opportunities to create woodland.

10. Tree Planting

To help maintain a continuity of tree cover we will undertake the planting of new trees where suitable opportunities arise. We will endeavour to plant and maintain trees within the borough on our land to help maintain a viable tree population with a range of maturity.

The council support tree planting within the borough through a variety of schemes and where appropriate take opportunities to enhance tree planting.

Aim – To plant 50 trees per year within council land to help improve the visual amenity of the borough and provide a tree population for future generations.

If you would like any further information on Rushmoor Borough Council's tree management policies, please visit <http://www.rushmoor.gov.uk/article/2795/How-we-look-after-our-trees> or contact us on 01252 398399.

Appendix 1: Rationale/Justifications for tree work

Common requests for pruning trees include:

Light/Shade

Shading and low light to gardens and property is an emotive issue and we receive frequent enquiries concerning light and shading. In many instances people believe they have, a 'right to light,' therefore the following information seeks to clarify both our position and the legal/legislative framework.

Factors that we consider in relation to pruning for light are:

- Condition – the trees overall health, potential lifespan and general crown structure as other work may be necessary, and which may also assist with increased light.
- Species – for instance broadleaves allow dappled light through the canopy in winter when not 'with leaf;' certain species have smaller and less frequent leaves, for instance Birch which allows dappled shade in summer.
- Impact – the potential impact any such work would have upon the condition of the tree and the amenity that it (they) provides.
- Location – the position of the tree(s) has a bearing upon when shade may occur, for instance trees to the east of a property will cast shade in the morning whereas trees to the west will cast shade in the afternoon. The closer a tree is to the area the greater the amount of shade is likely to be cast.
- Character of the locality – whether an area has a 'woodland' or 'wooded' nature or if the tree is a specific feature in the locality.
- Relative ages of the trees and property – it may be unreasonable to prune trees that were present at the time of construction of a property. The tree landscape evolves over time and the growth of trees is a natural feature that needs consideration when making the decision to occupy a property or not.

Summary of relevant legal and legislative framework

GARDENS - There is no legal 'right to light' or guidance upon the amount of sunlight or skylight for gardens.

PROPERTY - The 1832 Prescription Act and British Standard 8206: Part 2: 2008 – Code of Practice for Day Lighting (BS8206 as updated) both relate to the amount of sunlight and day light appropriate for a building and its use.

These are best summarised as follows.

- An opening into a building (for example a window) acquires a 'right to light' if it has had uninterrupted enjoyment of a given amount of skylight for a period of at least twenty years. However, this takes into consideration trees as the 1832 Act excludes trees and vegetation germinating or growing within this period. This protects a householder from persons erecting a structure such as a wall directly in front of their window thus blocking light.
- The British Standard states the amount of sunlight and day light that is appropriate for a building and its use. The calculations within this standard are complex and are best summarised by the following quote from The Royal Institute of Chartered Surveyors:

BS8206 is effectively *'In your home, just over half the room should be lit by natural light. Broadly speaking, the minimum standard is equivalent to the light from one candle, one foot away.'*

In summary, we rarely carry out work due to light or shade. Any tree work carried out is normally instructed due to other reasons, for instance the condition of the tree, or to reduce the potential for damage to adjacent structures, etc. Such work may have the associated benefit of reducing the specific light/shade concerns of the individual.

Falling debris (branches, twigs, leaves/needles, flowers, seed/fruit, honeydew)

We do remove dead, dying, disease and dangerous branches from our trees where there is a high possibility of harm or damage occurring. We do not prune trees because they shed twigs, leaves/needles, flowers, or seed/fruit as part of their natural processes.

Honeydew is a result of aphids feeding upon the tree. The amount produced can vary depending upon climate and levels of predation. There are no practicable ways of managing such issues, without removing the trees. As such, honeydew is not normally sufficient reason to prune a tree.

Basal growth (sucker/epicormic growth)

This is the growth at the base of the tree and sometimes up the main trunk and is common with mature Lime trees. Where this growth causes obstruction or blocks sightlines then it will be removed and, in some cases, it is desirable to remove the re-growth periodically for aesthetic reasons.

Overhanging branches

We do prune low overhanging branches to allow for reasonable access beneath the canopy where access is required. We do not normally prune branches that overhang adjacent properties above normal access requirements (see crown lifting in appendix 2).

Size

The height and size of a tree is not normally sufficient reason alone to prune a tree if the tree is in good structural and physiological condition.

Drains

Tree roots will access drains through existing faults in the physical structure of the pipe as they are usually a reliable source of water. It is rare that they are the cause of pipework damage. Any tree roots that do find ingress are opportunistic and will exploit a reliable source of moisture and subsequently grow and expand. Once within a pipe run, tree roots can cause further damage to the structure and block pipes by incremental growth. Presence of tree roots within drains is common and removal is the responsibility of the owner of the individual services effected.

Transmitted signal reception

We do not prune for transmitted signal as there is no legal right to a transmitted signal and there are a variety of other means to obtain a similar service (sometimes the simplest solution can be to move the position of the aerial or dish to a new location). In most cases the tree would have been an established feature of the landscape prior to its growth causing disturbance to a signal. Any tree work carried out is normally instructed due to other reasons, for instance the condition of the tree, to reduce the potential for damage to adjacent structures, etc. which may have the associated benefit of improving reception.

Allergies

With wind borne pollen and scent it is often difficult to determine where the origin for the trigger to an allergic reaction originates. As it is difficult to determine the cause of the allergic reaction and with the variety of vegetation in the environment it is sometimes not realistic or feasible to carry out tree work/removals that would significantly alleviate the symptoms. Consequentially we do not normally undertake work on trees to address allergic reactions.

Children climbing trees

We do not carry out work to prevent children climbing trees unless there is an exceptional circumstance, and other factors involved such as access onto roofs etc. We would then only carry out minimal work to prevent easy access into the tree where appropriate.

Research shows that children should be exposed to a certain amount of risk, and it is an important part of growing up and learning. It is a normal part of life for children to want to climb trees and we do not wish to hinder this involvement with the environment unless there are specific and exceptional concerns.

Adjacent buildings

Where council trees are adjacent to buildings, we will normally maintain a branch clearance of up to 1.5 to 2.0m to prevent the tree branches from damaging the building, for instance dislodging roof tiles. Branches outside this 1.5 to 2.0m distance will normally be retained (this includes branches which overhang a property, i.e., above the roof).

Subsidence and heave

Subsidence is a complex interaction between the soil, building, climate, and vegetation that occurs on highly shrinkable soil (normally clay). When the soil supporting all or part of a building dries out and consequently shrinks it results in the unsupported part of a building moving downwards. Trees lose water from the leaves through transpiration that is replenished by water taken from the soil by the roots. If the tree takes more water from the soil than is replaced by rainfall the soil will gradually dry out. Trees have a large root system, and they can dry the soil to a great depth, sometimes below the level of foundations. The amount of water trees can remove from the soil can vary between tree species.

The opposite of subsidence is a process called 'heave' and this occurs as a shrinkable soil re-hydrates (re-wets) and begins to increase in volume exerting upward pressure. Heave can also cause damage to buildings and is just as undesirable as subsidence.

Trees are not the only factors that can cause building movement. For example, natural seasonal soil moisture changes, localised geological variations, lack of flank wall restraint, over loading of internal walls, internal alterations reducing the load bearing capacity of the original building, installation of replacement windows without proper support, loft conversions, settlement, and land slip, amongst others. Settlement is common but is frequently unrelated to the presence of nearby trees. We recognise our responsibilities for the trees we own and manage, however, any claim for damage must prove that, on the balance of probability, the council's tree/vegetation materially contributed to the damage (I.E. the tree was an effective and substantial cause).

Any formal approach to the council in relation to alleged damage to property suspected to be caused by a council owned tree and/or vegetation will be passed to the council's insurers.

Appendix 2: Types of tree work

Types of tree work for individual trees:

Formative pruning

This task is normally carried out on young trees to improve their structure, form, and remove parts of a tree that could develop into future weak point (for instance removal of a single stem from a co-dominant pair).

Dead wooding

Dead wooding is the removal of dead, dying or diseased branches, broken and or hung-up branches. Differing tree species produce and retain deadwood in different ways, and this can be an important wildlife habitat. The production of dead wood is a normal and constant process and can occasionally help to determine the condition of a tree.

We normally will clean out or dead wood trees in high use areas (for instance in busy parks/open spaces, and beside principal roads/footpaths) depending upon the extent of the deadwood in the canopy and in relation to the species characteristics. In lower use areas, we try to retain deadwood to maximise the efficient use of the budget available for tree safety work (greatest benefit for the least cost) and help retain valuable habitat for nature conservation reasons.

Crown lifting

This is the removal of the lowest branches in the tree's canopy to create an appearance of 'lifting' the tree canopy. This work is usually carried out to allow access beneath the canopy of a tree for pedestrians or vehicles on a carriageway and the extent of crown lifting will depend upon the reasonable use of the land beneath the tree canopy.

Crown lifting can be detrimental to a tree by:

- changing the mechanical action upon the tree and this can increase the potential for limb or tree failure,
- introduction of wounds for pests and diseases to enter the wood which the tree will need to respond to,
- increasing the distances between leaves (energy production) and roots (energy use) with the result that more energy is required to transport the materials around the canopy leaving less energy available for other processes (for instance defence against detrimental organisms).

Where we consider that the requests for crown lifting will cause significant detriment to the tree, we will not carry out the requested work without good reason. We do not usually crown lift lower branches to more than 3.0m. However, we may have to crown lift to more than 3.0m to comply with legal requirements (for instance to make a clearance around streetlights and vision splays for the safe use of the highway, to clear adjacent buildings and structures, etc.).

Crown thinning

This involves removing some small secondary branch growth to create a less dense canopy. It is carried out by preferentially removing the dead, dying, diseased and damaged/broken branches first with branches that run parallel or overlapping one another secondly. Crown thinning is normally specified as a percentage (of the foliage area) and is carried out to produce an even canopy of well structured, balanced, and good framework of limbs and branches typical of the species or variety of tree.

There is a common misconception that crown thinning will help to alleviate concerns of light or transmission signals. Such crown thinning work is often unsuccessful in alleviating these concerns because the amount of branch wood removed without harming the tree (up to 10% of the foliage area) is insufficient to significantly improve light levels passing through the tree's canopy or remove the 'obstruction' to the transmission signal.

Excessive crown thinning can be of detriment to the tree through:

- introduction of wounds for pests and diseases to enter the tree which the tree will need to respond to,
- removal of leaves (energy production parts of the tree) reducing the amount of energy available for the tree,
- removal of stored energy in the branches,
- increased energy expenditure from the tree to recreate the lost canopy reducing the amount of available energy for other tree processes,
- changing the mechanical loading upon the branches increasing the potential for branch failure.

Crown reduction and tip reduction

Crown reduction is the reduction of the complete outline dimension of the tree canopy from the height and sides towards the centre of the tree. This work is normally carried out to reduce the potential for failure on a tree worthy of being retained (for instance a veteran tree). This work is not normally carried out on a tree in good condition (physiologically and structurally) without good reason as there is a higher likelihood of branch failure from any re-growth and a crown reduced tree is usually aesthetically less attractive and unnatural in appearance.

Excessive crown reduction can be of detriment to the tree through:

- introduction of wounds for pests and diseases to enter the tree which the tree will need to respond to,
- removal of leaves (energy production parts of the tree) reducing the amount of energy available for the tree,
- removal of stored energy in the branches.
- increased energy expenditure from the tree to recreate the lost canopy reducing the amount of available energy for other tree processes,
- increased potential for branch failure from re-growth due to a weaker branch attachment.

Crown reductions can predispose the tree to a premature decline and therefore, for these reasons, crown reductions are rarely carried out and normally only on significant and important trees where crown reduction is necessary to abate a known structural or physiological feature.

Tip reduction is the localised reduction of a branch. It is frequently carried out to clear an adjacent structure. Normally a clearance of between 1.5 to 2.0m is carried out to prevent damage to the structure (for instance a house or garage) and to minimise the long-term exposure of the tree to damage and infection/colonisation by detrimental organisms. Overhanging branches above/outside this 1.5 to 2.0m distance are normally retained.

Pollarding

This is the cyclic removal of new shoots from the pollard head (point where previous pollarding has cut back to). It is recognised practice that this growth is removed on a 3-to-5-year rotation. Trees are either grown and managed as a pollard for a specific reason or are heavily reduced and subsequently managed this way to retain an otherwise unviable tree within the landscape. Owing to its intensive and costly nature this management regime is not initiated unless in exceptional circumstances.

Felling/tree removal

Healthy trees are not normally removed. Reasons for tree removal can include:

- when it is in a poor structural or physiological condition,
- as part of planned management for the site,
- the tree has caused damage, or is likely to cause imminent damage, to adjacent structures, but where pruning is not an option,
- the tree's roots have damaged the path or road causing potential hazards, but where root pruning is not an option,
- we need to remove a tree to allow other trees nearby to develop,
- the tree is a species which is known to outgrow where it is planted, and if it will unreasonably restrict the use of this area,
- the benefit or view of the tree is so limited by where it is, that the inconveniences outweigh all arguments in favour of keeping it,
- the tree stands in the way of essential development work (for instance road improvements).

Stump removal

Stumps are removed (ground out) when there is a high probability of them being a trip hazard, to allow grass cutters to pass over the stump or to allow reinstatement of a footway or other man-made feature. Additionally, stumps may be removed where it would be a resource for decay fungi (for instance honey fungus *Armillaria mellea*). Where these reasons are not applicable, the stumps are normally left in place to allow the most effective use of the budget.

Coppicing

Coppicing is the removal of all the growth of a tree or shrub to a point close to the ground with the objective of producing a quantity of vigorous new growth from the retained stool. This is normally carried out on previously coppiced trees (for instance hazel) as part of woodland management.

Root pruning

Occasionally, tree roots can damage footpaths and pavements. In these cases, we can prune the roots. However, if root pruning threatens tree health or stability, removal may be our only alternative.

Ivy

Ivy is good for wildlife in terms of being a source of nectar in the late summer months and shelter. It does compete with trees for water and nutrients. When ivy grows into the upper canopy, it can shade out leaves and act as a 'wind sail' over the winter months. Ivy also obscures survey of the trees for structural defects. In consideration of these issues, we normally will remove ivy from trees in high use areas particularly if the ivy gets to 1/3rd the height of the tree or along primary branches (the first branches that occur from the main stem) or where a detailed assessment of the tree is necessary.

Other

If there is no alternative, we can clear branches that obstruct the view of CCTV cameras or street lighting. However, we expect the design specification and installation engineers to consider any nearby trees and their future growth before installing apparatus.

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CABINET

COUNCILLOR KEITH DIBBLE
HOUSING AND PLANNING
PORTFOLIO HOLDER

11 FEBRUARY 2025

KEY DECISION? YES

REPORT NO. PG2507

RUSHMOOR LOCAL PLAN LOCAL DEVELOPMENT SCHEME FEBRUARY 2025**SUMMARY AND RECOMMENDATIONS:**

The Government have requested that all local authorities publish and submit an up-to-date timetable for preparing a Local Plan, in the form of a Local Development Scheme (LDS). This report presents an updated LDS, which sets out an indicative timetable for the preparation of a new Local Plan for the Borough.

It is recommended that the Cabinet approves the publication and submission of an updated Local Development Scheme for the new Local Plan to the Ministry of Housing, Communities and Local Government (MHCLG).

1. INTRODUCTION

- 1.1. The purpose of this report is to present an updated Local Development Scheme (LDS), which sets out an indicative timetable for the preparation of a new Local Plan for the Borough. It seeks the Cabinet's approval to publish and submit the updated LDS to the Ministry of Housing, Communities and Local Government (MHCLG), as requested by the Deputy Prime Minister in December 2024.
- 1.2. This is a key decision because it will be significant in terms of its effects on communities living or working in an area comprising two or more wards within the Borough, as the new Local Plan will be a Borough-wide document.

2. BACKGROUND

- 2.1. Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) (the Local Planning Regulations) sets out that a local planning authority must review a local plan every five years, starting from the date of adoption of the local plan, in accordance with section 23 of the Planning and Compulsory Purchase Act 2004 (the PCPA).
- 2.2. The Rushmoor Local Plan was adopted on 21 February 2019 and it was therefore required to make an assessment on whether the Local Plan needed updating before 21 February 2024. In November 2023, the Cabinet agreed with the conclusions of this review and decided that an update of the Local Plan policies is required and that, as this is expected to affect one or more strategic

policies, a full review of the plan would be necessary. The consequence of this decision is that a new Local Plan will need to be prepared for Rushmoor.

- 2.3. The Levelling Up and Regeneration Act (LURA) 2023 paves the way for reforms to the plan-making process and the form and content of local plans. In 2023, the previous Government consulted on some of the detail of these reforms. It is expected that many of these proposals will be carried forward by the new government, but the full implications of the reforms will not be known until more information (including secondary legislation) is published. The Government has indicated that there will be a consultation on future policy changes in Spring 2025 and a new plan-making system will be implemented later in 2025. The Council is progressing preparatory work on the Local Plan, where clarity exists, and aims to formally start the process of preparing a new Local Plan once the above information is available.
- 2.4. As a result, the Council is awaiting further clarity on this system prior to confirming the timetable for the preparation of the new Local Plan. However, on 12th December 2024, the new Government published a revised National Planning Policy Framework (NPPF). In light of this, the Deputy Prime Minister has requested that all local planning authorities produce an updated Local Development Scheme (LDS) within 12 weeks of the publication of the NPPF (i.e. by 6 March 2025).
- 2.5. On 16th December 2024, the Government published the English Devolution White Paper. This announced the facilitation of a programme of local government reorganisation. This may have implications for how the new Local Plan is prepared.
- 2.6. The updated LDS should include clear, realistic, and specific dates for consultation and submission of the local plan. However, it is important to note that, as further details on the planned reforms to plan-making are published by the Government and the potential outcomes of changes resulting from the English Devolution White Paper are known, this LDS will need be reviewed.

3. DETAILS OF THE PROPOSAL

General

- 3.1. This LDS updates the existing LDS published in 2024. An LDS must specify the Development Plan Documents (DPDs) (such as its Local Plan) which, when prepared, will comprise part of the development plan for the area. The LURA 2023 requires that we prepare a single Local Plan.
- 3.2. The Council intends to prepare a new Local Plan under the new plan-making system. The transitional arrangements for preparing a Plan under the current system have been published in the revised NPPF and this would require the submission of a Local Plan by December 2026. The previous Rushmoor Local Plan took around 5 years to prepare, and the average time taken to prepare

Local Plans is understood to be around 7 years. Therefore, it is not considered achievable to produce a Plan under the current system in under 2 years.

- 3.3. The LURA 2023 does not prescribe timescales or a specific process for plan making, and these are expected to be brought forward in regulations later this year. However, in July 2023, the previous government consulted on the likely stages we will need to follow to prepare a new Local Plan and indicates that we will be required to prepare and adopt a plan within 30 months. Figure 1 on page 9 of the draft Local Development Scheme, summarise the stages that were proposed as part of this consultation.
- 3.4. When preparing the new Local Plan, the Council will be required to carry out certain activities, including:
 - Preparing a suite of evidence to support the New Local Plan
 - Formal stages of public consultation as we prepare the draft Plan.
 - Engagement with a wide range of public bodies and infrastructure providers
 - Demonstrating that the new Local Plan is sustainable and protected species and habitats, including the Thames Basin Heaths Special Protection Area (TBHSPA).
 - Demonstrating we have complied with our public sector equality duty under the Equality Act 2010 and the Human Rights Act 1998
- 3.5. The requirements for the above activities have been changed through the LURA 2023 or are expected to change as part of the wider planning reforms, for example:
 - The streamlining of the evidence requirements for new Local Plans
 - The LURA 2023 removes the current Duty to Cooperate requirement and replaces it with a new 'alignment policy'.
 - The LURA 2023 secures powers to replace the existing system of environment assessment (including sustainability appraisals) with a new form of environment assessment known as Environment Outcome Reports (EOR).
 - Two formal mandatory public consultations at particular stages of the Local Plan process.
 - The introduction of mandatory gateway assessments ('gateways') throughout the plan preparation process. The first two gateways would be advisory, and the final gateway would be binding and determine whether a plan can be submitted for examination.
- 3.6. It is expected that many of these proposals will be carried forward by the new government, but the full implications of the reforms will not be known until more information (including secondary legislation) is published, which is proposed for later in 2025. Therefore, this LDS will need to be kept under review.
- 3.7. Table 2 (page 11 of the draft LDS) provides an indicative timetable for the new Local Plan. This represents a best-case scenario and is subject to the required information being published. On this basis, we are expecting to prepare a new Local Plan under the following broad timescales:

Stage	Timescale
Scoping and Early Participation	September 2025 – December 2025
Plan Visioning and Strategy Development	Jan 2026 – June 2026
Evidence Gathering and Drafting the Plan	July 2026 - June 2027
Engagement, proposing changes and submission	June 2027 – December 2027
Examination	January 2028 – June 2028
Adoption	July 2028

- 3.8. The LURA 2023 also sets a requirement for us to prepare a Borough-wide Design Code. The Council intends to prepare this alongside the Local Plan. The new Government's consultation on changes to the planning system published in July 2024, proposed shifting the focus onto the preparation of localised design codes, masterplans and guides for areas of most change and most potential (e.g. regeneration sites, areas of intensification, urban extension and the development of large new communities).
- 3.9. The Government's response to this consultation has stated that they will keep under review the provisions contained in the LURA 2023 on authority wide design codes and national policy and guidance on design in relation to how design codes can be embedded as part of the plan-making process. Therefore, a decision on the scope of the Design Code and the extent to which it is incorporated within the new Local Plan will be made once further detail on planning reforms is available.
- 3.10. Once further clarity and detail on the reforms to the plan-making system is published by the Government and the potential outcomes of changes resulting from the English Devolution White Paper are known, a revised timetable (if required) and report on the new Local Plan and design code will be brought to Cabinet.

Alternative Options

- 3.11. The Council could delay preparing an updated Local Development Scheme until further clarity is provided by the Government on the reforms to the plan-making system. However, this would not meet the request made by the Deputy Prime Minister in December 2024 to publish and submit an updated LDS.

Consultation

- 3.12. The proposed changes to the Local Development Scheme have been shared with the Portfolio Holder for Housing and Planning and at a meeting of the Strategic Housing and Local Plan Working Group on 28th January 2025.

4. IMPLICATIONS (of proposed course of action)

Risks

- 4.1. The Council is required by law to review its Local Plan no later than five years after adoption to decide whether an update to the policies is necessary. The conclusion of this review is that a new Local Plan is required. In the meantime, the adopted Rushmoor Local Plan (2019) provides a development plan for the purpose of decision-making whilst an updated Local Plan is brought forward.
- 4.2. As a result of changes to the standard methodology in the revised NPPF, the Council's 'Local Housing Need' has increased from 265 dwelling per year to 586 dwellings per year, which has impacted on the Council's five-year housing land supply position and increases the risk of being subject to the presumption in favour of sustainable development. The Council expects to continue to be able to demonstrate a five-year housing land supply however there will be a need to ensure we maintain this as the new Local Plan is being prepared.
- 4.3. It is not achievable to prepare this under a current system before the government set deadline for submission by December 2026. However, to reduce the above risk, the Council will undertake preparatory work on the new Local Plan in advance of further clarity on the new plan-making system, where we can, to identify a sufficient supply of housing land and to enable the adoption of a new Local Plan as soon as possible.

Legal Implications

- 4.4. There are not considered to be any legal implications arising from the recommendation, as the Rushmoor Local Plan will remain the development plan for Rushmoor until such time that a new Local Plan is prepared and adopted. Further details of the proposals for a new Local Plan and any legal implications of this will be brought to the Cabinet at a future date.

Financial Implications

- 4.5. Prior to further clarity and detail being provided on the new requirements for plan-making, including the requirements for evidence to support the new Plan, it is difficult to accurately estimate the financial implications. Therefore, further details of the proposals for a new Local Plan and the financial and resource implications of this will be brought to the Cabinet at a future date. An earmarked reserve is being proposed as part of the February Budget and MTFs reports to cover future costs of the local plan.

Resource Implications

- 4.6. Prior to further clarity and detail being provided on the new requirements for plan-making, including the requirements for evidence to support the new Plan, it is difficult to accurately estimate the resource implications. Therefore, further details of the proposals for a new Local Plan and the resource implications of this will be brought to the Cabinet at a future date.

Equalities Impact Implications

- 4.7. There are no equalities impact implications arising from the recommendation to publish an updated Local Development Scheme. As part of the preparation of the new Local Plan, the Council will be required to demonstrate that we have complied with our public sector equality duty under the Equality Act 2010 and the Human Rights Act 1998.

Other

- 4.8. There are not considered to be any other implications.

4 CONCLUSIONS

- 4.9. The Government have requested that all local authorities publish and submit an up-to-date timetable for preparing a Local Plan, in the form of a Local Development Scheme (LDS). This report presents an updated LDS, which sets out an indicative timetable for the preparation of a new Local Plan for the Borough. It seeks the Cabinet's approval to publish and submit the updated LDS to the Ministry of Housing, Communities and Local Government (MHCLG).
- 4.10. The Levelling Up and Regeneration Act (LURA) 2023 paves the way for reforms to the plan-making process and the form and content of local plans. The Government has indicated that there will be a consultation on future policy changes in Spring 2025 and a new plan-making system will be implemented later in 2025. The Council is progressing preparatory work on the Local Plan, where clarity exists, and aims to formally start the process of preparing a new Local Plan once the above information is available.
- 4.11. The LDS presented alongside this report provides indicative timescales for preparing a Local Plan under the new system, based on the information and proposed reforms that is currently available. Once further clarity and detail on the reforms to the plan-making system is published by the Government and the potential outcomes of changes resulting from the English Devolution White Paper are known, a revised timetable (if required) and report on the new Local Plan and design code will be brought to Cabinet.

LIST OF APPENDICES/ANNEXES:

- Appendix 1 – Draft Local Development Scheme February 2025

BACKGROUND DOCUMENTS:

There are no background documents.

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Timetable for a New Local Plan

Local Development Scheme

February 2025

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1. Introduction

- 1.1. The Rushmoor Local Plan was adopted in 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. By law, Rushmoor Borough Council must keep under review matters that affect the development of the borough and the planning of its development.¹ It is also obliged to review any Local Plan that it has adopted within five years from the date of its adoption, that is, by 21st February 2024.²
- 1.2. The Council undertook a review of the adopted Local Plan in 2023 and decided that an update of the Local Plan policies is required and that this is expected to affect one or more strategic policy, which would require a full review of the Plan.³ The consequence of this decision is that a new Local Plan will need to be prepared for Rushmoor.
- 1.3. The new Local Plan will shape the development of the Borough. It will provide a positive vision for the future of the area and a framework for addressing local needs, priorities and opportunities. The delivery of a new Local Plan has been identified by the Council as part of its Delivery Plan Priorities⁴ and this will support the government's ambition of achieving universal plan coverage and boosting housing supply.
- 1.4. The Levelling Up and Regeneration Act 2023⁵ paves the way for reforms to the plan-making process and the form and content of local plans. In 2023, the previous Government consulted on some of the detail of these reforms. It is expected that many of these proposals will be carried forward by the new government, but the full implications of the reforms will not be known until more information (including secondary legislation) is published. The Government has indicated that there will be a consultation on future policy changes in Spring 2025 and a new plan-making system will be implemented later in 2025. The Council is progressing preparatory work on the Local Plan, where clarity exists, and aims to formally start the process of preparing a new Local Plan once the above information is available.
- 1.5. As a result, the Council is awaiting further clarity on this system prior to confirming the timetable for the preparation of the new Local Plan. However, on 12th December 2024, the new Government published a revised National Planning Policy Framework (NPPF). In light of this, the Deputy Prime Minister has requested that all local planning authorities produce an updated Local Development Scheme (LDS) within 12 weeks of the publication of the NPPF (i.e. by 6 March 2025).

¹ s13 Planning and Compulsory Purchase Act 2004.

² Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012.

³ <https://democracy.rushmoor.gov.uk/documents/s13477/Review%20of%20the%20Rushmoor%20Local%20Plan%202014-2032%20-%20Report%20No.%20PG2334.pdf>

⁴ <https://www.rushmoor.gov.uk/media/jkdhx4hl/delivery-plan-accessible.pdf>

⁵ <https://www.legislation.gov.uk/ukpga/2023/55/enacted>.

- 1.6. On 16th December 2024, the Government published the English Devolution White Paper⁶. This announced the facilitation of a programme of local government reorganisation. This may result in Rushmoor Borough Council becoming part of a combined authority and may have implications for how the new Local Plan is prepared.
- 1.7. The updated LDS should include clear, realistic, and specific dates for consultation and submission of the local plan. However, it is important to note that, as further details on the planned reforms to plan-making are published by the Government and the potential outcomes of changes resulting from the English Devolution White Paper are known, this LDS will need to be reviewed.

What is the Local Development Scheme and what must it include?

- 1.8. An LDS must specify⁷ the Development Plan Documents (DPDs) (such as the Local Plan) which, when prepared, will comprise part of the development plan for the area. The LURA 2023 requires that the Council prepares a single Local Plan.
- 1.9. An LDS must also set out a council's timetable for producing DPDs, including key production and public consultation stages. This enables the community, businesses, landowners/developers, service and infrastructure providers and other interested organisations to know which DPDs are to be prepared for the area and when they will be able to participate.
- 1.10. However, as noted above, the Council intends to prepare a new Local Plan under the new plan-making system. The LURA 2023 does not prescribe timescales for plan making and these are expected to be brought forward in regulations later this year. However, in July 2023,⁸ the previous Government consulted on the likely stages that we will need to follow to prepare a new Local Plan and indicated that we will be required to prepare and adopt a plan within 30 months. We have based this Local Development Scheme on these proposals, but this will need to be reviewed once details are set out in policy, guidance and regulations expected during 2025.
- 1.11. Councils are encouraged to include details of other documents which form (or will form) part of the development plan for the area, such as Neighbourhood Plans. The LDS must be made available publicly and kept up to date so that that local communities and interested parties can keep track of progress. The Council must publish its LDS on its website.
- 1.12. The LURA 2023 also sets a requirement for us to prepare a Borough-wide Design Code. However, the new Government's consultation on changes to the planning system published in July 2024, proposed shifting the focus onto the preparation of localised design codes, masterplans and guides for areas of most change and most potential (e.g. regeneration sites,

⁶ <https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper>

⁷ s15 Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011).

⁸ <https://www.gov.uk/government/consultations/plan-making-reforms-consultation-on-implementation>

areas of intensification, urban extension and the development of large new communities). The Government’s response to this consultation has stated that they will keep under review the provisions contained in the LURA 2023 on authority wide design codes and national policy and guidance on design in relation to how the use of localised design codes and other design tools, including masterplans and design guides, can be embedded as part of the plan-making process.

- 1.13. A decision on the scope of the Design Code and the extent to which it is incorporated within the new Local Plan will be made once further detail on planning reforms is available.

What period does this LDS cover?

- 1.14. This LDS covers the period from 2025 to 2028. It updates the previous LDS published in 2024.

What is the existing development plan for Rushmoor?

- 1.15. The Rushmoor Local Plan 2014 to 2032 (the Local Plan)⁹ is the adopted DPD for Rushmoor Borough.
- 1.16. The Borough is also covered by the Hampshire Minerals and Waste Plan 2013 (HMWP)¹⁰ which Hampshire County Council has produced. This also forms part of the development plan for Rushmoor. Hampshire County Council is currently preparing a Partial Update of the HMWP. The Hampshire Minerals and Waste Plan: Partial Update was submitted for independent examination on 29th July 2024¹¹.
- 1.17. There are currently no Neighbourhood Plans in Rushmoor. The former South East Plan (2009) Policy NRM6 specifically covers development in the Thames Basin Heaths Special Protection Area and is also part of the development plan for Rushmoor.

What other documents has the council produced to support decision-making?

- 1.18. Rushmoor Borough Council has prepared a number of Supplementary Planning Documents (SPDs) which explain how the Council will apply Local Plan policies. At the time of drafting this LDS (January 2025), the following SPDs have been adopted. These are all available online at www.rushmoor.gov.uk/spds.

Table 1 – Adopted Supplementary Planning Documents (SPDs)

Title of SPD	Date adopted
Affordable Housing	2019

⁹ <https://www.rushmoor.gov.uk/planning-and-building-control/planning-policies/the-rushmoor-local-plan/>

¹⁰ <https://documents.hants.gov.uk/mineralsandwaste/HampshireMineralsWastePlanADOPTED>

¹¹ <https://www.hants.gov.uk/landplanningandenvironment/strategic-planning/hampshire-minerals-waste-plan/minerals-waste-plan-partial-update-consultation/hmwp-reg22>

Aldershot Town Centre Prospectus	2016
Locally Listed Heritage Assets	2020
Car and Cycle Parking Standards	2024
Development Affecting Public Houses	2015
Farnborough Civic Quarter Masterplan	2015
Farnborough Town Centre	2007
Home Improvements and Extensions	2020
Shop Front Design Guide	2015
Transport Contributions	2008
Biodiversity	2024

1.19. In addition, the Council has adopted the following documents:

- [First Homes Interim Policy Statement \(2022\)](#)¹²
- [Financial Contributions for Open Space Interim Advice Note](#)¹³
- [Rushmoor Green Infrastructure Strategy \(2022\)](#)¹⁴

1.20. The Council periodically reviews and updates these documents in response to changes in legislation and national policy.

1.21. The LURA 2023 introduced a new style of plan, named Supplementary Plans, which will effectively replace SPDs and have the same weight in decision-making as Local Plans. However, the new Supplementary Plans will be of limited scope and not intended to be used routinely (i.e., to create area-wide design codes and/or to set out site-specific policies on affordable housing or infrastructure).

1.22. Our existing SPDs can remain in place until we have adopted a Local Plan under the new plan-making system. Therefore, during the preparation of the Local Plan and Design Code, we will review the content of our existing SPDs and consider whether they will be incorporated within the new Local Plan or the Design Code.

¹² https://www.rushmoor.gov.uk/media/1tznhy0/adopted_first_homes_interim_policy_statement_-_january_2022.pdf

¹³ <https://www.rushmoor.gov.uk/media/lunhmbze/financial-contributions-for-open-space-interim-advice-note-accessible.pdf>

¹⁴ <https://www.rushmoor.gov.uk/planning-and-building-control/planning-policies/green-infrastructure-strategy/>

2. The New Local Plan for Rushmoor

- 2.1. In accordance with the requirements set out in the LURA 2023, the Council will produce a single Local Plan for Rushmoor. This new Local Plan will cover the whole of the Borough. The LURA 2023 introduces the legislative basis for the Government to produce National Development Management Policies (NDMP) which will contain nationally set and general policies on issues that apply in most areas (such as general heritage policies). Local Plans will not be able to repeat or conflict with the NDMPs. The Government intend to consult on future policy changes, including a set of national policies for decision making in Spring 2025.
- 2.2. On this basis, the scope of local plans will be limited to 'locally specific' matters. The LURA 2023 sets out the following requirements for local plans. Local Plans must:
- Be designed to secure that the use and development of land in the LPA's area contributes to the mitigation of, and adaptation to, climate change;
 - Take account of any local nature recovery strategy;
 - Take account of an assessment of the amount, and type, of housing that is needed in the LPA's area, including affordable housing.
- 2.3. The Government may prescribe further matters for Local Plans through regulations. Therefore, until further detail on the proposed reforms is published, the Council is unable to confirm the scope and contents of the new Local Plan.
- 2.4. When preparing the new Local Plan, the Council will be required to carry out certain activities, including:
- Preparing a suite of research and evidence to support the new Local Plan.
 - Formal stages of public consultation as we prepare the draft Plan.
 - Engagement with a wide range of public bodies and infrastructure providers.
 - Demonstrating that the new Local Plan is sustainable and protected species and habitats, including the Thames Basin Heaths Special Protection Area (TBHSPA).
 - Demonstrating that we have complied with our public sector equality duty under the Equality Act 2010 and the Human Rights Act 1998.
- 2.5. The requirements for the above activities have been changed through the LURA 2023 or are expected to change as part of the wider planning reforms, for example:
- The streamlining of the evidence requirements for new Local Plans
 - The LURA removes the current Duty to Cooperate requirement¹⁵ and replaces it with a new 'alignment policy'

¹⁵ Where plans are being prepared under the old system (i.e. within neighbouring local authorities), the duty to cooperate will still apply.

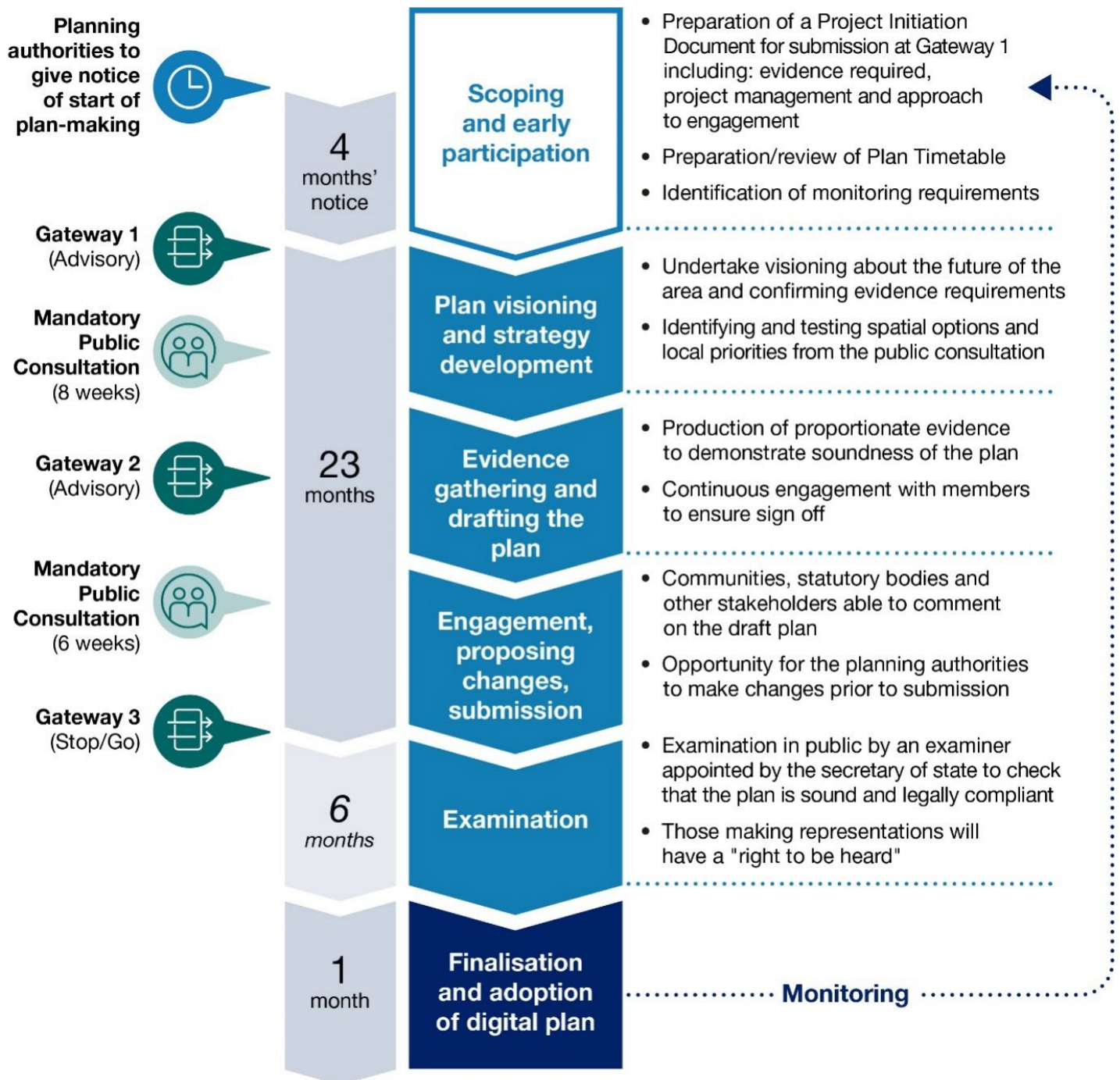
- The LURA secures powers to replace the existing system of environment assessment (including sustainability appraisals) with a new form of environment assessment known as Environment Outcome Reports (EOR).
- Two formal mandatory public consultations at particular stages of the Local Plan process (see more information below).
- The introduction of mandatory gateway assessments ('gateways') throughout the plan-preparation process. The first two gateways would be advisory, and the final gateway would be binding ('Stop/Go') and determine whether a plan can be submitted for examination.

2.6. The expected procedure for developing and adopting the new Local Plan is set out below. This is based on the stages of Local Plan preparation set out in the previous Government's consultation in July 2023.¹⁶

2.7. The following flow diagram (taken from the government consultation) summarises the key stages being proposed as part of the new 30-month plan timeframe.

¹⁶ <https://www.gov.uk/government/consultations/plan-making-reforms-consultation-on-implementation>

Figure 1 – The proposed 30-month plan preparation timeframe (Source: Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms (July 2023)¹⁷



¹⁷ <https://www.gov.uk/government/consultations/plan-making-reforms-consultation-on-implementation/levelling-up-and-regeneration-bill-consultation-on-implementation-of-plan-making-reforms#chapter2>

3. Timetable for the Preparation of the New Local Plan for Rushmoor

- 3.1. We have set out an indicative timetable in order to meet the requirement to publish an up-to-date Local Plan timetable as requested by the Government in December 2024. This is based on the stages of Local Plan preparation set out in the Government's consultation in July 2023 (see Figure 1 above). However, as noted in the introduction to this LDS, we require further clarity on the new plan-making system prior to confirming this timetable. This timetable reflects our ambition to prepare a new Local Plan under the new plan-making system as soon as we can. However, for reasons beyond our control (e.g., delays to the regulations or changes as a result of devolution), this may not be possible, and this LDS will need to be revised. As soon it becomes clear that the LDS needs to be revised, the Council will publish an amended timetable on its website at www.rushmoor.gov.uk/lDs.

Table 2 – Indicative Timetable for preparing a new Local Plan for Rushmoor

Stages	2025				2026												2027												2028						
	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
Scoping and Early Participation	█																																		
Plan Visioning and Strategy Development					█																														
Evidence Gathering and Drafting the Plan											█																								
Engagement, Proposing Changes and Submission																							█												
Examination																																			
Finalisation and Adoption of Plan																																			
Maximum Timescale ¹⁸	4 months ¹⁹				23 months																							6 months							
Expected Gateways ²⁰					1																														
Consultations (Mandatory)					8 - weeks																														

¹⁸ See Figure 1 above.

¹⁹ The Council will be required to give 4 months’ notice before starting the formal 30-month plan preparation timetable.

²⁰ Gateways 1 and 2 are expected to be advisory. Gateway 3 is expected to be a binding (‘Stop/Go’) and determine whether a plan can be submitted for examination.

4. Finding Out More

- 4.1. You can find out more about the documents we produce online at www.rushmoor.gov.uk/planning-and-building-control/planning-policies. If you have any questions or would like further information, you can contact the Council's Planning Policy team in the following ways:

Telephone: 01252 398789

Email: planningpolicy@rushmoor.gov.uk

Address:

Rushmoor Borough Council
Planning Policy
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Hampshire
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- 4.2. You will be able to get copies of any documents that we publish from our website at www.rushmoor.gov.uk, or they will be available on deposit at our offices in Farnborough. During consultation periods, you will be able to view documents at the libraries in Aldershot and Farnborough.

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CABINET

COUNCILLOR CHRISTINE GUINNESS
PRIDE IN PLACE / NEIGHBOURHOOD SERVICES
PORTFOLIO HOLDER
COUNCILLOR SOPHIE PORTER
HEALTHY COMMUNITIES & ACTIVE LIVES
PORTFOLIO HOLDER

11 February 2025

Key Decision? Yes

Report No. REG2501

FARNBOROUGH LEISURE CENTRE – NEXT STEPS**SUMMARY AND RECOMMENDATIONS:**

In January 2023, the Council was awarded £20m of Levelling Up Funding to support the delivery of a Leisure and Cultural Hub in Farnborough. Design work was undertaken during 2023 and proposals shared with the public in early 2024.

A market tested cost plan was commissioned to ensure the estimated project costs were clear before the decision to move to the next stage of delivery. That work, alongside work by the Council's cost consultant, confirmed that costs had increased significantly, and the Leisure and Cultural Hub Project as designed would be completely unaffordable.

The Council's project team engaged with a team of specialist consultants, known as Delivery Associates, provided by Government to look at how the project could be adjusted to achieve the most important outcomes for local people whilst being affordable for the Council.

This report sets out the outcome of the work undertaken with the support of the Delivery Associates. It proposes a revised project, which would deliver a Leisure Centre in Farnborough, within the time parameters of the Levelling Up Fund and would be affordable for the Council given the Council's wider funding pressures.

It is recommended that Cabinet:

- 1) Agrees the revised approach to providing a Leisure Centre in Farnborough town centre;
- 2) Agrees the facilities mix that is proposed for the new Leisure Centre;
- 3) Agrees the development procurement approach to enable the delivery of the project within the Levelling Up Fund timelines;
- 4) Agrees the commissioning of design work to the end of RIBA Stage 3, planning submission and associated costs of up to £1.35m to be funded by the Levelling Up Fund;
- 5) Agrees the use of Levelling Up Fund Capacity Funding Grant (£40,000) towards legal and other project related costs that cannot be drawn down from the Levelling Up Fund;
- 6) Agrees the overall operator procurement and appointment approach as outlined in this report, and commencement of the process;

- 7) Delegates any decision to amend the procurement documentation as required throughout the process to the Executive Head of Operations in consultation with the Portfolio Holder for Healthy Communities & Active Lives and financial implications in consultation with the Executive Head of Finance (S151);
- 8) Approves a further extension to the existing agreement with Places Leisure to operate the Aldershot Pools & Lido on the same terms until 31 March 2027;
- 9) Notes that a detailed viable Business Case based on the outcomes of RIBA 3 and the initial stages of the operator procurement, including an appropriate funding strategy supported by robust independent due diligence, will be produced before a decision to move to RIBA stage 4 of the project is considered by Cabinet;
- 10) Notes that if it is to proceed beyond RIBA Stage 4, the Council will be accepting the financial risks associated with funding strategy, including the outcomes of the operator procurement, and the risks fully identified, evaluated and scenario tested in the business case;
- 11) Notes that in order to progress beyond RIBA stage 4, the Council must first resolve its current MTFS deficit and to a high degree of certainty, achieve financial sustainability.

1. INTRODUCTION AND BACKGROUND

- 1.1. In January 2023, the Council was awarded £20m of Levelling Up Funding to support the delivery of a Leisure and Cultural Hub in Farnborough. In March 2023, Cabinet considered a report (REG2303) which authorised allocation of funding to enable work to commence and confirmed that the Council should enter into a Memorandum of Understanding with Government to enable the drawdown of funding.
- 1.2. In October 2023, Cabinet approved the final scope of the project (REG2307) with an indicative project budget of £57.6m for the Leisure and Cultural Hub. The final scope of the project included leisure, library, bespoke cultural facilities and civic offices. Funding approval was agreed to progress design development to RIBA stage 3. Approval was also given to commence the Leisure Operator procurement along with the associated budget.
- 1.3. A further report (REG2402) was received by Cabinet in February 2024, approving a revised funding strategy for the project, commission of a market tested cost plan on conclusion of RIBA 3 and agreeing a pre planning public consultation in March 2024.
- 1.4. The market tested cost plan was commissioned to ensure the estimated project costs were clear before the decision to move to the next stage of delivery. That work, alongside work by the Council's cost consultant, confirmed that costs had increased significantly, and the Leisure and Cultural Hub Project as designed would be unaffordable. Over this same period the Council's challenging future

financial position was set out and in that context, the proposed £20m capital contribution to the project included in the original bid was also no longer possible.

- 1.5. This position was flagged to government and support requested. During the spring and summer of 2024, the Council's project team engaged with a team of specialist consultants provided by Government, known as Delivery Associates, to consider how the project could be adjusted to achieve the most important outcomes for local people whilst being affordable for the Council. A revised project proposal was shared with the Levelling-Up Unit at MHCLG in September.
- 1.6. Government have now confirmed that the proposal can proceed utilising the remaining Levelling Up funding. This report therefore sets out the revised project which would deliver a Leisure Centre in Farnborough within the time parameters of the Levelling Up Fund subject to the Council resolving its current Medium Term Financial Strategy (MTFS) deficit and achieving financial sustainability.

2. DETAILS OF THE NEW PROJECT

Revised Scope of Leisure Facility

- 2.1. Following engagement with both the Delivery Associates and MHCLG officials, initial feasibility work commenced on a revised scheme in September 2024.
- 2.2. The Council engaged Alliance Leisure as industry experts with significant experience of design and construction of leisure facilities across the country to establish a facilities mix that was considered fit for purpose and geared towards commercial viability. The revised exciting proposals set out below are considered to meet the priority local need of a new leisure facility in addressing significant issues with obesity, health inequalities and low activity in both adults and children.

Provision of a new state of the art leisure and wellbeing facility comprising 2 swimming pools (a 25m 6-lane main pool, 10m x 8m learner pool), 100+ station fitness suite, 2 x studios plus a dedicated spin studio, a café and active play for children. The facility mix also includes a power-assisted wellness hub (Innerva suite) which provides a low impact, full-body workout circuit for the older population and people with long-term health conditions who cannot use standard gym equipment. The revised scope also incorporates a changing places facility and the provision of a surface car park.

- 2.3. A key change to the facilities mix previously agreed by the Council is the removal of a Sports Hall provision. Given the financial challenges faced by the Council over the medium term, it is imperative to ensure that the commerciality of the facility is maximised. A review of component parts of the service offer undertaken by Alliance (Exempt Appendix A) highlighted that the provision of a

2 Court Sports Hall was the lowest income generator when compared against other income generating elements.

- 2.4. A Competing Provision Analysis undertaken by Alliance highlights that there are 17 sports hall facilities in the local area that could accommodate activities. This has to be considered against the financial viability of delivering a new leisure facility for Farnborough.
- 2.5. The removal of the Sports Hall provision has allowed for a smaller alternative site within the scope of the Farnborough Civic Quarter to be identified to take forward the project. The proposed new location is to the immediate south of the existing town centre high street on Queensmead car park, directly adjacent to existing public transport nodes which will help to improve access for the local community. The prominence of this revised location will be particularly attractive to leisure operators from a marketing/awareness perspective. The relocation presents the opportunity for the Council to explore alternative uses for the former Leisure Centre site and realise much-needed housing where it is anticipated that up to 250 units could be achieved above commercial uses.
- 2.6. The cultural build elements of the original LUF bid, including gallery spaces and artist studios, have also been removed from the project scope. Access to culture can be provided through flexible use of studio space and the café areas and the Council will continue to work to improve access through its current cultural strategy.
- 2.7. A Benefit/Cost Ratio (BCR) exercise has been undertaken against the scope of the revised scheme and indicates a score in excess of 2. The general rule is that a project should be able to achieve a score in excess of 1 to demonstrate that the outputs outweigh the costs. This is a gateway measure for assessing/approving a project.
- 2.8. Initial design work has been undertaken to confirm that the footprint of the revised facility can be accommodated within the existing constraints of the new plot. Given the intended relocation of the facility to Queensmead, the most practical approach to realising parking provision to meet operator demand is to make use of the recently cleared Pinehurst roundabout site to ensure the car parking demand anticipated by the leisure operator is achievable. From a phasing perspective, the provision of the surface car park will need to be prioritised to accommodate the displacement of car park users from Queensmead car park during the construction phase.
- 2.9. The opportunity to future proof the delivery of a new, fit for purpose decked car park on the Pinehurst plot will be explored as part of the initial design work through the delivery of foundation pads to enable additional capacity to meet residential parking demand from the wider Civic Quarter redevelopment above and beyond the capacity previously afforded by the former decked structure on site.
- 2.10. A revised delivery plan has been established. In summary key milestones are as follows.

Project Stage	Date
Design development to RIBA stage 3	August 2025
Planning submission	September 2025
Cabinet to consider business case and move to RIBA stage 4 – Key Decision Gateway	September 2025
Commence RIBA stage 4 (subject to business case)	October 2025
Planning approval and end RIBA Stage 4 Design & Cost	January 2026
Cabinet approval of final business case – Key Decision Gateway	January 2026
Award of construction contract (Subject to Cabinet approval)	February 2026
Start on Site	Spring 2026
Practical Completion	Autumn 2027
Facility Open	Autumn 2027

- 2.11. Project Officers met with counterparts at the Ministry of Housing, Communities & Local Government (MHCLG) in January 2025 to seek assurances that the project could positively move forward with grant support on the basis of the revised scope. MHCLG wrote to confirm that a project adjustment request (PAR) would not normally be considered until projects reach at least RIBA stage 3 to ensure cost confidence in plans presented. However, given the Council's proposal includes an extension request to March 2028 for outputs, which requires approval via the Spring Budget, it was content for the Council to continue progressing revised project designs to RIBA Stage 3.

Leisure Centre Development - Procurement Approach

- 2.12. It is proposed that the Council pursue a framework procurement route, utilising the UK Leisure Framework (UKLF) for delivery of the scheme. The Council has utilised this approach to enter into a Framework Access Agreement with Alliance Leisure Services Limited. The initial scope of works covers the appointment of a design team to propose development opportunities associated with a new leisure centre facility.
- 2.13. The UKLF allows for the direct appointment of a Development Partner for scoping, design, refurbishment, construction and the development of leisure centres, theatres, play facilities, recreation facilities and sports facilities across the UK public sector. Alliance Leisure have been the appointed Development Partner on the UK Leisure Framework since 2017. They have been working in partnership with Local Authorities, Trusts and leisure operators for more than 20 years.
- 2.14. The UKLF is leisure-specific and allows for Alliance to appoint all professional, design and construction services required for the project from a pre-procured supply chain, with the ability to direct award the construction contract to a

specialist leisure contractor, delivering a turnkey solution. This enables the project to proceed at pace in line with both Cabinet ambition and Levelling Up funding timescales.

- 2.15. Recognising the need to move at pace, Alliance has set out that early contractor engagement is key and recommend making a Direct Award for Principal Contractor based on the best fit for the project. Having listened to the Councils' priorities for delivery of this project, Alliance propose using a Principal Contractor that has extensive experience of delivering leisure schemes and a proven track record of delivering within an affordability envelope. The Council is advised that the proposed contractor has capacity to take on this project and mobilise quickly based on the current programme ensuring delivery within the LUF funding timescales.
- 2.16. This approach has been taken by multiple councils in delivering their Leisure schemes. Alliance advise that the alternative is a Mini-Competition route for the Principal Contractor which would delay commencement by 8 weeks+ and it would have a knock-on effect through the rest of the programme and mean a later start on site date which will increase cost due to inflationary uplift and potentially increased consultancy fees.

Demonstrating Best Value

- 2.17. As the UKLF is a single supplier framework, the below demonstrates how best value is achieved via this route:
 - **Supply Chain Leverage:** The framework has a well-established and pre-procured supply chain developed over many years. With the potential of repeat business, as part of a larger potential pipeline, this keeps contractor costs most competitive, quality high and the ability to quickly overcome challenges. This leverage is powerful and helps the Council get the best results.
 - **Gateway Process:** The pre-construction process is aligned with the RIBA stages. An End of Stage report, inclusive of a value for money assessment, is issued by Alliance for review by the Council and validated independently, prior to approval being given to move to the next stage.
 - **Sub-contractors:** The sub-contractors available through the Framework consists of building contractors, architects, project managers and equipment providers with a proven track record in delivering high quality projects, on time and on budget in both the public and private leisure sectors.
 - **Evaluation:** The Framework has an evaluation procedure for engaging with its architects, contractors, professional teams, and equipment supply chain ensuring that projects meet the standards required.
 - **Design team:** The selection of the design team will be made by Alliance Leisure Services Ltd, thus enabling them to manage the delivery risk for the project and protecting the Council. This route provides the quickest method to progress pre-construction work for the project and shortens the programme providing some mitigation towards inflation risk.
 - **Early contractor engagement** ensures 'buildability' from the outset and avoids unwanted surprises in later stages.

- **Single point of contact:** Alliance manage multiple appointments helping to relieve additional time and resource required by the Council.
- 2.18. On the basis of the above it is recommended that the Council enter into an Access Agreement with Alliance Leisure Services Ltd for the provision of project management, design and professional services required for the completion of RIBA stages 2 & 3 as set out in Exempt Appendix B and proceed with a direct appointment of the Principal Contractor as identified by Alliance Leisure Services Ltd
- 2.19. The Council does not have to pay an access fee for utilising the framework (0.15% of the project value) until entering into a Development Management agreement to deliver the project at the agreed contract sum at the end of RIBA 4, subject to detailed Business Case and Cabinet approval. The access fee will form part of the detailed Business Case setting out project costs.

Alternative options for delivery via the Framework

- 2.20. An alternative option would be to undertake a mini competition route for the Principal Contractor which would delay commencement of RIBA 2 by 8+ weeks. This would have a knock-on effect on the programme and a later start on site date which, Alliance advises, will potentially increase costs due to inflationary uplifts.
- 2.21. The recommended approach outlined above provides greater cost and delivery certainty however this is offset by reduced flexibility and control over design.
- 2.22. Based on lessons learnt from the original unaffordable scheme, a key driver for the proposed approach is cost certainty, budget lead design and speed of delivery.

Alternative Procurement options

- 2.23. An alternative procurement route is Design and Build. This route is often used in the delivery of leisure schemes and was the route utilised for the original, now unaffordable scheme. This approach requires the council to procure and manage the client side team including project management, cost consultants, employers agent and design team. The principal contractor would also be managed directly. This approach has a time and resource implication in procuring and managing the specialist disciplines and does not offer a turnkey solution.
- 2.24. The other option explored was Design, Build, Operate and Maintain (DBOM). This approach appoints an operator to deliver a turnkey solution, with the operator responsible for the design of the new centre, the construction and operation. The project components are procured from the private sector in a single contract with financing independently secured by the Council. Whilst this approach can have a number of benefits - including the operator leading the design process and taking on the risk of lifecycle maintenance for the duration of the contract – it also has a number of disadvantages. These include the

length of contract commitment required (generally at least 25 years), the limited operator market and, importantly in this case, the lengthy procurement process involved. It is estimated that a DBOM would extend the process by at least six months and, with delivery of the project reliant on retention of LUF funding, accelerated delivery is key. A comparison table of the delivery routes is set out at Appendix C.

3. LEISURE OPERATOR PROCUREMENT

- 3.1. The Council is seeking a partner who shares its vision for the proposed new Farnborough Leisure Centre and will operate to optimise participative opportunities and benefits for the local community. As noted above, the new facility will play a significant role in reducing health inequalities, physical and mental, and increasing levels of physical activity.
- 3.2. The partnership and operational management contract will operate on an open book basis. The contract will be based on the Sport England standard format but has been updated to reflect relevant changes since the pandemic relating to change in law, risk and utility benchmarking.
- 3.3. In relation to risk, the Council is seeking a hybrid approach to maintenance. The operator will take full lifecycle responsibility for the new facility, but will only be responsible for routine compliance checks, servicing and day to day response repairs at the Aldershot Pools and Lido. Soft Market testing has advised that Operators would be very reluctant to bid on the basis of accepting the lifecycle costs associated with the Aldershot facility.
- 3.4. The Contract Specification will be adapted from the standard Sport England toolkit and made bespoke for Rushmoor. The key elements of the Specification will include:
 - Produce a balanced programme of activities to maximise participation, engagement, physical activity and reduce health inequalities in the borough.
 - Set an appropriate pricing system to deliver the core outcomes of the contract whilst maintaining commercial viability, including a concessionary pricing structure.
 - Employment of a Health and Wellbeing Officer to establish links with local health and care services and providers to provide pathways into physical exercise and wellbeing activities, particularly for residents with poorer health outcomes.
 - Outreach into the Borough to promote healthier lifestyles among residents and communities that are harder to reach, those who are less likely to access traditional facilities and those who are more likely to experience longer term health inequalities.

Procurement process

- 3.5. It is the Council's current view that the contractual arrangements 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.
- 3.6. Under the new procurement regulations - which will come into force when the Procurement Act 23 goes live on 24th February 2025 - it is the Council's view that the contract will continue to be classified as a concession arrangement and will also continue to be subject to light touch regime exemptions.
- 3.7. The Procurement Act 23 will introduce the new 'Competitive Flexible Procedure' which will enable contracting authorities to design project specific procurement processes to align with project objectives and market norms. As the operator procurement process will commence after the 24 February 2025 it will be subject to the new regulations.
- 3.8. As required by law under the Procurement Act 23 the Council will need to undertake a compliant procurement process to secure a partner operator. No framework agreements exist which would allow the Council to source an operator without undertaking a fully advertised competitive procurement process.
- 3.9. In order to benefit from the flexibilities that will be available under the new regulations, the Council will undertake a procurement process using the competitive flexible procedure. Designing a process under this procedure will allow the introduction of shortlisting, limited dialogue if required, interviews and potential for negotiation.
- 3.10. The first stage of the procurement process will invite suppliers to submit applications via submission of a Procurement Specific Questionnaire. Questionnaire responses will be assessed on a pass / fail and scored basis and will cover legal standing, financial standing, insurance, health & safety and relevant experience. This process will ensure that only operators with sufficient experience and scale will be taken forward to the next stage. It is envisaged that the highest scoring 3-4 applicants would be shortlisted and invited to submit detailed tender submissions.
- 3.11. The tender evaluation strategy will need to be developed but will have a high emphasis on the provision of fixed income to the Council.
- 3.12. As the procurement progresses, the Council will need to develop its approach and delegation is sought for the Executive Head of Operations to develop the procurement documents in consultation with the Portfolio Holder for Healthy Communities & Active Lives and financial implications in consultation with the Executive Head of Finance (S151).
- 3.13. Following evaluation of the detailed tenders, the Council will have the option to instigate an award to the preferred bidder and commence the standstill period which must run for a minimum of 8 working days, However, if the Council considers that a better outcome may be reached through improving the tenders

it has received, it may instead enter a final period of negotiation and invite best & final tenders from the highest scoring bidder/s.

- 3.14. Consideration will be given to the composition of the evaluation team, which will include specialist expertise in the key areas associated with service delivery.
- 3.15. An indicative programme for the procurement process outlined above is set out below:

Activity	Timescale
Preliminary Market Engagement	10 th - 28 th March 2025
Issue Tender Notice & Procurement Specific Questionnaire (PSQ)	28 th April 2025
PSQ Deadline	30 th May 2025
PSQ Evaluation Complete & Shortlist Confirmed	13 th June 2025
Issue Invitation to Tender	30 th June 2025
Tender Return Deadline	5 th September 2025
Tender Evaluation Complete	19 th September 2025
Commence Negotiation Stage	29 th September 2025
Best & Final Tender Return Deadline	17 th October 2025
Tender Evaluation Complete	3 rd November 2025
Approval process as part of Business Case update for leisure project at end of RIBA 4	February 2026
Issue Assessment Summary & Contract Award Notice	February 2026
Standstill Period	February 2026
Contract Commencement	TBC

- 3.16. The Council is currently targeting to have awarded the contract to the successful Operator by end February 2026. The Interim Phase of the Contract is then planned to commence shortly after, (date TBC), at which point the Operator will be required to commence delivery of services at the existing Aldershot facilities.
- 3.17. The Council's target date for opening of the new Farnborough facility is Autumn 2027, at which point the contract will enter its Main Phase. The duration of the Interim Phase is dependent upon when the new facility is ready to be opened, but is likely to run for around 12 to 18 months.
- 3.18. 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 2025.
- 3.19. A provision in the existing Deed of Variation allows for an extension on the same terms until 30 September 2025. However, to facilitate the operator procurement, as outlined above, Cabinet is recommended to approve a further extension to the existing agreement with Places Leisure on the same terms until 31 March 2027. Whilst in practice, a maximum extension of eighteen months is

likely to be required, the longer time period allows for any delays in delivery of the build project. An appropriate break-clause will be included in the new agreement.

4. PROJECT BUDGET AND FUNDING STRATEGY

- 4.1. As noted above, the Council was successful in securing £20m of Levelling Up funding from Central Government in January 2023. Approximately £1.5m of this grant was utilised to progress design costs associated with the previous Leisure and Cultural Hub project, leaving a residual £18.5m to utilise going forward.
- 4.2. In dialogue with Alliance, the Council has established an anticipated cost envelope of £23.5m based on similar scopes across the country to realise the proposed facilities mix alongside new parking provision on the Pinehurst site (£22.5m towards the Leisure Centre build and £1m towards the car parking provision). Cost certainty, including the requirement for a contingency, will not be known until the project has progressed sufficiently through RIBA Stage 4. MHCLG has confirmed that it is content that the Council can draw down further Levelling Up funding to support the progression of design work through to RIBA Stage 3 when the Council will be in a better position to provide cost confidence. Alliance has advised that the costs associated with RIBA Stage 2 is £490,950 and RIBA Stage 3 £765,975. Alliance is comfortable in the proposed RIBA Stage 3 fees, based on current knowledge of the project and benchmarking against similar schemes. They are required to complete the RIBA Stage 2 work to confirm the RIBA 3 fees once the Principal Contractor is onboarded. In addition to the RIBA 2/3 fees (totalling £1,256,925), there are additional costs associated with a planning application submission that are considered as part of the overall budget recommendation of £1.35m.
- 4.3. In addition to the £18.5m of LUF remaining, a Local Growth Capacity Support Payment of £40,000 will be made by MHCLG on or around 17th February 2025 to help mitigate any immediate delivery issues that the Council is encountering in the delivery of the LUF project. It is proposed that this allocation of grant is utilised as a contingency to cover any unforeseen Council costs associated with the delivery of the project that may fall outside of the qualifying criteria for drawdown of the residual £18.5m of LUF as it progresses through to the conclusion of RIBA Stage 3.
- 4.4. At this stage, there is no requirement for the Council to commit any capital contribution towards the delivery of the project beyond the existing grant funding available.
- 4.5. In order to commit to any Build Contract, the Council must resolve its current MTFS deficit and achieve financial sustainability prior to contractually committing to this project. A detailed Business Case, including an appropriate funding strategy supported by robust independent due diligence, will be produced prior to consideration by Cabinet on conclusion of the RIBA Stage 3 work and updated after conclusion of RIBA Stage 4 and the finalisation of the operator procurement process.

5. CONSULTATION

- 5.1. Public consultation was undertaken on the previous iteration of the Leisure and Cultural Hub during March 2024. There has been no public engagement since that time in relation to the provision of a Leisure Centre. Further public engagement will coincide with progressing the RIBA Stage 3 design phase during the Summer prior to formal submission of a planning application.

6. IMPLICATIONS (of proposed course of action)

Risks

- 6.1. The Council will be accepting a number of risks in opting to proceed with delivery of this project. These include the usual risks associated with the development and delivery of a capital project of this scale such as site ground conditions, contractor solvency, cost overruns, inflationary increases and associated stakeholder management. As identified in Section 4, while the Council has the residual £18.5m grant funding to employ against the scheme, if it is to proceed beyond RIBA stage 4, it will be accepting the financial risks associated with the funding strategy and the risks fully identified, evaluated and scenario tested in the business case. Whilst there is an understanding of the indicative project cost envelope (£23.5m), cost certainty will not be achieved until conclusion of detailed design work in addition to a firmer understanding of what lies below ground following intrusive surveys.
- 6.2. There is mitigation in place to manage the financial risks through a gateway process. This Cabinet report does not commit the Council to the construction phase. A further report to Cabinet will need to demonstrate that the Business Case is financially sound as a pre-cursor to formally entering into a build contract. Any expenditure up to that point is utilising the Levelling Up fund with the agreement of MHCLG. The Council is not obligated by the Framework Agreement to proceed through to build stage.
- 6.3. A risk register is maintained for the project with the top 10 risks reported to MHCLG as part of the quarterly monitoring return requirement associated with the Levelling Up process. This will continue to be managed and updated throughout project delivery with risks being closed out as the scheme progresses. For reference, the MHCLG risks are attached at Exempt Appendix D.

Legal Implications

- 6.4. 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 appointments, carrying out necessary due diligence and drafting contractual agreements. The initial estimate for external legal work to reach RIBA 3 is £20,000-£40,000. The variation in estimate will depend on the complexity of agreements, any issues within the Land Registry title(s) as part of the due diligence and any third-party rights, such as leases/restrictive covenants on the land.

- 6.5. If the project proceeds beyond RIBA 3, a project of this nature and size could need further legal budget of between £50,000 and £150,000 depending on whether there are any third-party rights to consider, resolving any contractual issues, and to minimise legal risk(s) for the Council as far as possible. This is in the context that whenever the Council is working with a third-party supplier or contractor or starting a significant project, there are additional financial and legal risks.
- 6.6. Under the Local Government (Miscellaneous Provisions) Act 1976, section 19, "Recreational Facilities", a local authority may provide such recreational facilities as it thinks fit, and this includes indoor facilities, such as sports centres and swimming pools, and outdoor facilities such as sports pitches. This reinforces the social value and contribution of public sport and leisure services to health, wellbeing and to communities.
- 6.7. Building a new leisure centre falls under providing discretionary services of the local authority, which are services that an authority has the power but not a duty to provide. The Council should consider fully the long-term liabilities and risk of maintaining the proposed leisure centre, prior to committing to RIBA Stage 4 work/a building contract. Risk relating to the construction of a leisure centre can be mitigated but not entirely minimised, and contingency funds would need to be made available.
- 6.8. Affordability of the project and any wider legal implications should be clearer once the RIBA Stage 3 work and operator procurement process have been concluded. A detailed business case and independent due diligence will be required for Cabinet before proceeding to RIBA Stage 4 as per paragraph 4.5 above.

Financial Implications

- 6.9. The Council has a £16.152m financial deficit to resolve before any mitigations such as reducing its level of borrowing within its current MTFS. Until this has been resolved and financial sustainability achieved, the Council does not have capacity to take on any further cost or underwrite financial risk of an entirely discretionary nature, such as this project.
- 6.10. Progression of the project to RIBA Stage 4 decision will require the Councils' external auditors Ernst & Young LLP to support the proposal due to the Going Concern matter it has raised in the 2023-24 financial statements audit findings report regarding the council's high level of short borrowing and affordability.

- 6.11. Due to the Council's financial challenge, MHCLG will have to also be consulted to ensure that they will not consider the decision to proceed a matter of Best Value resulting in external scrutiny and potential sanctions.
- 6.12. Where government becomes aware that an authority is exhibiting early indications of potential Best Value failure, (i.e. through the councils auditors or published information) the Ministry of Housing, Communities and Local Government will consider issuing a 'Best Value Notice' to facilitate engagement with that authority and to obtain assurance of the steps it is taking to secure compliance with the Best Value Duty, as required by the Local Government Act 1999.
- 6.13. The Best Value Notice will state the government's concerns with the authority and set clear expectations of the actions needed to assure the government that the authority is making arrangements to secure continuous improvement in the way in which its functions are exercised.
- 6.14. In compliance with the Council's constitution and Financial Procedure Rules, Financial Regulation (C7): All new projects and proposals for additional expenditure require the submission of an appropriate business case to ELT, to be prepared in consultation with the Chief Finance Officer. The business case will need to be geared to the significance of the project/additional expenditure in both policy and financial terms. As a minimum, however, it will include the full financial implications of the scheme.
- 6.15. To commit to RIBA Stage 4/Build Contract, a detailed Business Case, including an appropriate funding strategy supported by robust independent due diligence, must be produced prior to consideration by Cabinet on conclusion of the RIBA Stage 3 work and updated after the conclusion of RIBA stage 4 and the finalisation of operator procurement process.
- 6.16. All decisions on borrowing and financing are delegated (Constitution, Part 4 – Financial Procedure Rules - D39) to the Chief Finance Officer, who is required to act in accordance with the CIPFA code
- 6.17. The Council's MTFs will have to be altered to accommodate project costs to RIBA stage 4 that fall outside of the LUF funding and will have to be mitigated by additional cost reductions elsewhere.
- 6.18. Should the project proceed beyond RIBA Stage 4, the business case must include the long-term provision for costs and risks likely to be picked up outside of the operating contract and potential operator shortfalls for the lifetime of the facility.

Resource Implications

- 6.19. An internal Project Team is established with capacity to progress client-side responsibilities associated with the proposals comprising existing establishment roles within the Regeneration and Development Service. There is currently no requirement to bring in external resource to assist with project

delivery. The Council's S151 Officer has indicated that some external support may be required with the preparation of the final business case. Internal legal capacity will need to be established to support the project.

Equalities Impact Implications

- 6.20. The project addresses significant Health and Cultural inequalities. An Equality Impact Assessment will be produced during the next phase of the project and updated as the project progresses. Key stakeholders e.g. Rushmoor Accessibility Action Group will be engaged on the emerging proposals.

7. CONCLUSIONS

- 7.1. The delivery of a new leisure centre for Farnborough is a significant priority for local people and the Council's Cabinet, and it is important that all reasonable actions are taken to ensure the project can be delivered in line with the Levelling Up funding timelines. The focus of the project over the next 6-8 months is to undertake design work at pace in order to firm up a viable and deliverable option for the benefit of local residents. The project must though be affordable for the Council and work during the RIBA 3 process and operator procurement will feed into a business case which will be considered before decisions to proceed further with the project.

LIST OF APPENDICES/ANNEXES:

Exempt Appendix A – Alliance Opportunity Report November 2024
Exempt Appendix B – Alliance Development Proposal January 2025
Appendix C – Delivery Routes Comparison
Exempt Appendix D – MHCLG Risk Register

BACKGROUND DOCUMENTS:

Cabinet Report REG2303
Cabinet Report REG2307
Cabinet Report REG2402

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Procurement Route Options Comparison – Farnborough Leisure Facility

Procurement Option	Advantages	Disadvantages
Design and Build	<ul style="list-style-type: none"> • Get to a fixed price but this can be after changes to specified scheme • More flexibility for change throughout the development process • Able to involve operator in design • Operational procurement can progress alongside capital scheme • Risk transfer to operator (for lifecycle maintenance on a new build) • Operator contract likely to be 10 +5 years maximum • Operational delivery ‘controlled’ through a specification • Ability to select (from those who tender) the specialist facility development team 	<ul style="list-style-type: none"> • Cost to any subsequent variations in scheme • Potential cost creep due to changes • Timescale for procuring all specialist disciplines
Design, Build, Operate and Maintain	<ul style="list-style-type: none"> • Cost certainty, based on specified design • Cost certainty may be beneficial in the context of limited capital • Operator part of consortium so would be involved in the in design • Risk transfer to operator (for lifecycle maintenance on a new build) • Long term operational contract- minimum 25 years 	<ul style="list-style-type: none"> • Less flexibility to change design as scheme progresses; if changes are made there is likely to be significant cost • Long term operational contract- minimum 25 years • Timescale for procuring the DBOM consortium • Less choice over the specialist team procured- come as a consortium

Procurement Option	Advantages	Disadvantages
	<ul style="list-style-type: none"> • Operational delivery 'controlled' through a specification, but harder to remove the operator if there is concern, due to longer contract term 	
UK Leisure Framework	<ul style="list-style-type: none"> • Get to a fixed price but this can be after changes to specified scheme • More flexibility for change • Able to involve operator in design • Operational procurement can progress alongside capital scheme • Significantly faster procurement route as through a Framework where all suppliers have already been tested • Operational delivery 'controlled' through a specification • Ability to select (from the Framework) the specialist facility development team • Working with Alliance 'buys' you some project management time on a project which obviously helps to manage cost, timescales, appointments etc 	<ul style="list-style-type: none"> • Cost to any subsequent variations in scheme • Potential cost creep due to changes • Cost of using the Alliance Framework • Sometimes Alliance suggest facility mix options which do not reflect the core needs assessment – this needs to be managed. If additional more commercial elements are needed this is fine, but schemes should focus priority on delivering the identified facility needs.

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CABINET

CHRISTINE GUINNESS
PRIDE IN PLACE / NEIGHBOURHOOD SERVICES
PORTFOLIO HOLDER

11 February 2024

Key Decision No

Report No.OS2503

SERCO CONTRACT EXTENSION – ESTABLISHMENT OF A WORKING GROUP

SUMMARY AND RECOMMENDATIONS:

This report outlines options available to the Council as the primary period of the Serco contract comes to an end. Given the consistent performance of the contractor and the risks associated with alternative options, the report recommends the Council enters into negotiations with Serco to explore an extension to the existing agreement.

Recommendation(s) requiring decision.

Cabinet is recommended to:

1. Approve the approach outlined in this report and for the Council to enter into formal contract extension negotiations with Serco
2. Establish a working group to oversee the extension process

1. INTRODUCTION

- 1.1. The contract with Serco for the provision of waste collections, street cleaning and grounds maintenance commenced on 31st July 2017, for a period of ten years. It is due to expire on 30th July 2027. The contract allows for an extension period of up to a further ten years.
- 1.2. The purpose of this report is to outline the service delivery options available to the Council for the period after 30th July 2027. The report makes recommendations that the Council enters negotiations with Serco for the optional extension period and recommends establishing a working group to guide the principles and priorities for the extension negotiations.

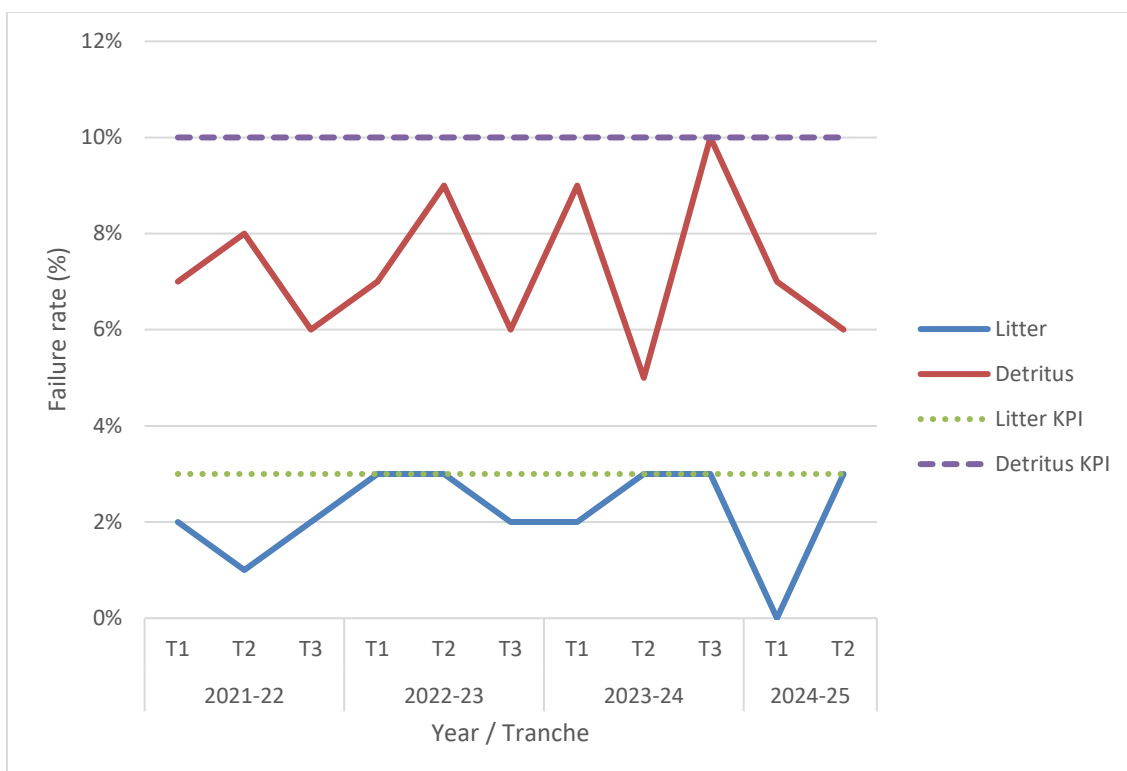
2. BACKGROUND

- 2.1. The procurement process for this environmental services contract started in 2015 and took 18 months to complete. It was a 3-stage competitive dialogue process which enabled the Council to explore ideas/solutions on a confidential

basis and ensure good alignment to the Council’s strategic aims. It served as a mechanism to optimise bids, therefore the bids received at stage 3 of the process were significantly better than those received at stage 1. Emphasis was made on of the importance of high-quality submissions and therefore, those bidders who could not demonstrate high quality services were eliminated early in the process. The contractor’s approach to work, added value ideas and performance mechanism were all debated at length. At the first stage of the process, the council were working with 15 bidders and by the end of the third stage, Serco were successful with a bid that demonstrated a high level of quality with a competitive price. This saved the Council around £750k per year, based on the previous contract with Veolia.

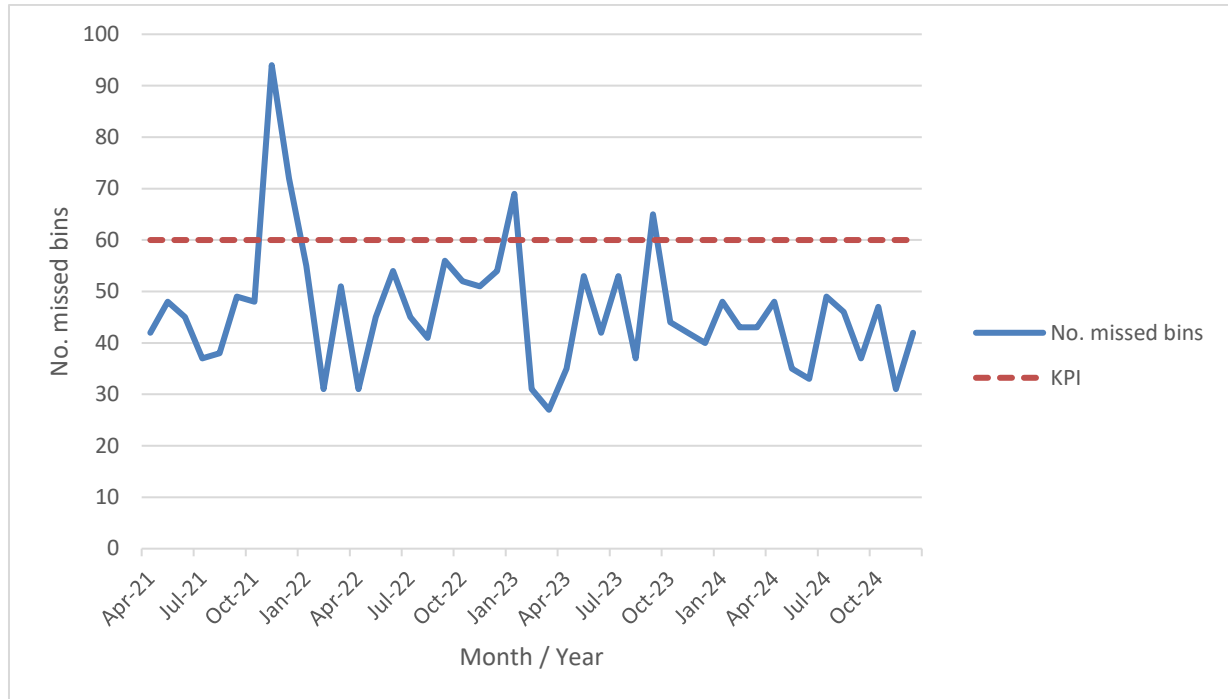
2.2. The core services included in the contract are grounds maintenance, street cleansing and rubbish and recycling collections. Service performance has been very good across each of these services and a summary of performance against some the core Key Performance Indicators (KPIs) is outlined in the following tables.

2.2.1 The KPI for street cleansing is 3% (failure) for litter and 10% (failure) for detritus. The Council has monitored the street cleansing standards since the start of the contract using a third party until 24/25, when this task was taken back in-house. 300 surveys of different transects are carried out three times a year, in accordance with the methodology detailed in the Keep Britain Tidy NI195 Guidance Manual. The surveys grade each transect for litter and detritus (Graph 1).



Graph 1: Litter and detritus scores each tranche since the start of the contract

2.2.2 The KPI for rubbish and recycling collections is 60 missed bins per month (excluding food waste). This has been achieved for the vast majority of months as shown in Graph 2. The increase in missed collections in November 2021 was due to the change in rubbish collection frequency, from weekly to fortnightly.



Graph 2: Number of missed bins each month from Apr 2021 to Dec 24

2.3. The contract currently costs the Council approximately £4.7m per year.

3. DETAILS OF THE PROPOSAL

General

- 3.1. As the Council approaches the end of the initial term, it must consider the options available for service delivery in the future. The primary options available are procurement on the open market, bringing the services back in-house or seeking an extension to the existing contract with Serco. These options are briefly explored below.
- 3.2. The current contract with Serco has provided stable and reliable services across the borough since 2017. It is therefore both appropriate and prudent to explore the appetite and terms of a potential extension in preference to immediately undertaking a full procurement process. Cabinet are recommended to approve this approach and for the Council to enter into formal negotiations with Serco.
- 3.3. The contract allows for an extension period and the mechanism for agreeing it. This is outlined in the Legal implications section of this report. Whilst the

contract can be varied at any time, the extension negotiations provide an opportunity to renegotiate or reset the finer details of services provided or added/social value commitments. There is also an opportunity for financial renegotiation to ensure that the contract is attractive and proportionate for both parties.

- 3.4. To guide and oversee the procurement process for the existing contract, a Cabinet working group was established. This group played an invaluable role establishing and agreeing the principles of service delivery and providing oversight and assurance of the procurement process itself. Given the above and the scale and importance of the services provided through the contract, Cabinet is recommended to establish a similar working group to oversee the extension negotiations. Terms of Reference will be agreed at the first meeting of the group, but at a high level, the key tasks are listed below.
- Membership: A politically balanced cross-party group of councillors, including Pride in Place/Neighbourhood Services Portfolio Holder (Chairman)
 - Key responsibilities: Discuss any amendments to the service specification or contract conditions, propose social and added value priorities for the contract, oversight of the extension process and feedback to Cabinet as part of any final decision
 - Frequency of meetings: Anticipated 2 or 3 meetings over the spring

Alternative Options

- 3.5. As set out above, whilst it is appropriate for the Council to explore an extension with Serco, should these negotiations fail, the Council has two primary alternatives.

Full procurement process

- 3.6. The Council could go back out to the market to procure a new contract. This is a resource intensive option, would take around a year to complete and would incur costs estimated at £100,000, excluding Officer time. Whilst a full procurement exercise can yield good results, it also carries significant risk. Key risks include potential lack of appetite in the market, contractual risks, higher than anticipated costs (market changes), unreliable service quality and significant mobilisation costs.

In-house process

- 3.7. Alternatively, services could be brought back in-house. This would be a higher cost option for the Council and would require significant investment in time and resources. The Council has not delivered the services included in the contract since the 1990's and is no longer set up to do so. Delivering an in-house service would require significant investment in IT capacity, HR, Fleet, Legal and Compliance. Additionally, staff currently employed through the contract would

become direct employees of the Council with significantly higher employment costs associated. An in-house service however, can allow for more direct control and oversight.

Consultation

- 3.8. Whilst no formal consultation is required for this extension, it is proposed that a Cabinet Working Group is set up to advise Officers and provide guidance on the key priorities of the extension.
- 3.9. The Serco contract was subject to audit in autumn 2023. The audit covered the following areas:
- Monitoring of the performance of the supplier is in line with the contract
 - Invoices for routine works are accurate and can be supported
 - Invoices for non-routine works are accurate
 - Non-routine works can be justified and subject to a suitable authorisation process
 - Inflationary increases have been applied correctly
 - Changes to the contract are enacted within the mechanisms noted in the contract
 - The guaranteed minimum income figure is being correctly applied
- 3.10. The audit received a substantial assurance level, which provides a level of confidence in the services provided and the management of them.
- 3.11. The Council's Overview and Scrutiny Committee hosted Serco at the 1st August 2024 meeting. Members received a presentation outlining contract performance from both the Council and Serco perspective. The session promoted lively debate and significant interest from members of the Committee. Whilst some specific areas of focus were requested, the overriding view of the Committee was that services are delivered to a high standard and no further actions were recommended to Cabinet.

4. IMPLICATIONS (of proposed course of action)

Risks

- 4.1. There are risks associated with any of the service delivery options available to the Council. These are discussed throughout this report but are categorised below.
- Financial
 - Service delivery
 - Reputational
 - Legal

Whilst it is not possible to eliminate these risks entirely, exploring an extension to the existing agreement with Serco minimises them. The Council retains the fallback position of a market procurement exercise should extension negotiations fail.

Legal Implications

- 4.2. Clause 3 of the Council's contract with Serco outlines the process to agree an extension to the contract. An extract is below:

The Council may extend this agreement beyond the Initial Term by a further period of up to 10 years. If the Council wishes to extend this Agreement, it shall give the Contractor at least 18 months' written notice of such intention before the expiry of the Initial Term.

If the Council gives such notice then unless the Contractor notifies the Council within 3 months of the date of such notice in writing that it is unable or unwilling to provide the Services beyond the Initial Term, the Term shall be extended by the period set out in the notice. The Contractor shall continue to provide the Services in accordance with this Agreement during the extended term.

- 4.3. External legal advisors under a framework agreement will support the Council on the proposed contract extension and ensure that any extension is compliant with procurement law, (the Public Contracts Regulations 2015 and future legislation) and any associated regulations and guidance.

Financial Implications

- 4.4. The current annual budget for the contract is approximately £4,750,000 broken down by the four service areas.

Waste and Recycling	£2,625,000
Street Cleansing	£1,210,000
Grounds Maintenance	£830,000
Public Conveniences	£85,000

- 4.5. Extension negotiations will require a small amount of specialist legal resource which is forecast to cost around £10,000. This cost is proposed to be covered by current approved budgets.
- 4.6. It is thought that by the Council by going through the negotiation process with Serco, rather than testing the market through a full procurement process will deliver value for money. The current service delivered by Serco meets the requirements of the Council and is well managed to continue to deliver. The alternative option of a full procurement will be costly and resource intensive.

Resource Implications

- 4.4 Any renewal of service including extension of contract is a significant undertaking and will require Officer time to deliver alongside other day to day activities and priorities.

Equalities Impact Implications

- 4.5 There are no impacts in respect of Equalities for this report. However, as part of the contract negotiations, we will carry out an Equalities Impact Assessment on the services provided.

Other

- 4.6 There are no other implications associated with this report.

5 CONCLUSIONS

- 5.1 The contract with Serco for the provision of waste collections, street cleaning and grounds maintenance, which commenced on 31st July 2017, is due to expire on 30th July 2027. The contract allows for an extension period of up to a further ten years and therefore, this report makes recommendations that the Council enters into negotiations with Serco for the optional extension period. It also recommends establishing a working group to guide the principles and priorities for the extension negotiations.
- 5.2 The overriding view of the Council's Overview and Scrutiny Committee at the meeting on 1st August 2024, was that services are delivered to a high standard and no further actions were recommended to Cabinet.
- 5.3 The current contract with Serco has provided stable and reliable services across the borough since its inception and it is therefore both appropriate and prudent to explore a potential extension in preference to immediately undertaking a full procurement process.

LIST OF APPENDICES/ANNEXES:

None

BACKGROUND DOCUMENTS:

None

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