

# Public Document Pack



## RUSHMOOR BOROUGH COUNCIL

### CABINET

*at the Council Offices, Farnborough on  
Tuesday, 4th February, 2020 at 7.00 pm*

To:

Cllr D.E. Clifford, Leader of the Council  
Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement  
Portfolio Holder

Cllr Marina Munro, Planning and Economy Portfolio Holder  
Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder  
Cllr M.L. Sheehan, Operational Services Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder  
Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

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

## A G E N D A

1. **MINUTES** – (Pages 1 - 4)

To confirm the Minutes of the meeting held on 7th January, 2020 (copy attached).

2. **REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL** –  
(Pages 5 - 192)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2007 (copy attached), which makes recommendations on  
the budget, Council Tax Requirement and proposals for budget savings for 2020/21,  
for submission to the Council on 20th February, 2020.

3. **ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-TREASURY INVESTMENT STRATEGY 2020/21** – (Pages 193 - 228)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2004 (copy attached), which seeks approval of the Treasury Management Strategy and Non-Treasury Investment Strategy (Investment Strategy) for the year 2020/21, for submission to the Council on 20th February, 2020.

4. **COMMERCIAL PROPERTY INVESTMENT STRATEGY** – (Pages 229 - 248)  
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP2003 (copy attached), which sets out a proposed Commercial Property Investment Strategy for the Council and proposes the establishment of a Property Investment Advisory Group to oversee the strategy.

5. **ANNUAL CAPITAL STRATEGY 2020/21** – (Pages 249 - 262)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2006 (copy attached), which seeks approval of the Council's Capital Strategy for the year 2020/21, for submission to the Council on 20th February, 2020.

6. **ANNUAL REVIEW OF FEES AND CHARGES** – (Pages 263 - 310)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN2008 (copy attached), which sets out the results of an annual review in relation to the levels of fees and charges for Council services.

7. **COUNCIL BUSINESS PLAN QUARTERLY UPDATE OCTOBER - DECEMBER 2019/20** – (Pages 311 - 356)  
(Cllr David Clifford, Leader of the Council)

To consider Report No. ELT2001 (copy attached), which sets out the Council Business Plan performance monitoring information for the third quarter of 2019/20, including progress in the Regeneration Programme and the ICE Programme.

8. **ESTABLISHING A LOCAL HOUSING COMPANY - THE HOUSING COMPANY BUSINESS PLAN** – (Pages 357 - 408)  
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Report No. RP2004 (copy attached), which sets out a five-year business plan for the Council's local housing company for approval.

9. **ADMINISTRATION AND MONITORING OF SECTION 106 AGREEMENTS** – (Pages 409 - 414)  
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH2004 (copy attached), which sets out a proposal to introduce a monitoring fee for Section 106 agreements and unilateral undertakings.

10. **SELF-BUILD AND CUSTOM HOUSEBUILDING REGISTER - INTRODUCTION OF ADDITIONAL LOCAL ELIGIBILITY CRITERIA AND A FEE CHARGING SCHEDULE** – (Pages 415 - 424)  
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

To consider Report No. EPSH2005 (copy attached), which sets out a proposal to introduce additional local eligibility criteria and a fee charging schedule in relation to the Council’s Self-build and Custom Housebuilding Register.

11. **EXCLUSION OF THE PUBLIC –**

To consider resolving:

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

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

12. **ALDERSHOT TOWN CENTRE REGENERATION - UNION STREET** – (Pages 425 - 506)  
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

To consider Exempt Report No. RP2002 (copy attached), which sets out various matters in relation to the Aldershot town centre regeneration site.

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# CABINET

Meeting held on Tuesday, 7th January, 2020 at the Council Offices, Farnborough at 7.00 pm.

## Voting Members

Cllr D.E. Clifford, Leader of the Council  
 Cllr K.H. Muschamp, Deputy Leader and Customer Experience and Improvement  
 Portfolio Holder

Cllr Marina Munro, Planning and Economy Portfolio Holder  
 Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder  
 Cllr M.L. Sheehan, Operational Services Portfolio Holder  
 Cllr P.G. Taylor, Corporate Services Portfolio Holder  
 Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **20th January, 2020**.

## 70. MINUTES –

The Minutes of the meeting of the Cabinet held on 16th December, 2019 were confirmed and signed by the Chairman.

## 71. FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND – (Cllr Maurice Sheehan, Operational Services Portfolio Holder)

The Cabinet considered Report No. DSP2001, which sought approval to award a grant from the Farnborough Airport Community Environmental Fund, which had been set up to assist local projects.

The Operational Services Portfolio Holder had considered the application by the Tower Hill Primary School, Fowler Road, Farnborough for an award of £10,000 towards the cost of the installation of an outside environmental classroom area. It was confirmed that this application met all of the agreed criteria.

**The Cabinet RESOLVED** that a grant of £10,000 be awarded from the Farnborough Airport Community Environmental Fund to the Tower Hill Primary School.

**NOTE:** Cllr A.R. Newell declared a personal but non prejudicial interest in this item in respect of the attendance of his grandchildren at the school and, in accordance with the Members' Code of Conduct, remained in the meeting during the discussion and voting thereon.

**72. CIVIC QUARTER - ELLES HALL –**

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. RP2001, which sought a capital budget of £95,000 to undertake the demolition of the Elles Hall, Farnborough, as part of the wider Civic Quarter regeneration project.

Members were informed that this was the former Community Centre building and that all of the Centre's former tenants had been successfully relocated into alternative premises. It was confirmed that, since closure, the building had been subject to vandalism and trespass. Furthermore, the building was currently attracting an empty property rates liability. For these reasons, it was recommended that the building should be demolished as soon as practicable.

In response to a question, it was confirmed that the Council's criteria for the selection of a contractor to carry out the demolition works would provide for local companies to submit a bid. The Cabinet was supportive of the proposed approach and, furthermore, agreed that the Executive Head of Regeneration and Property should be authorised to apply for the necessary permissions, including but not limited to planning, to carry out the demolition works at this site and across the Civic Quarter, as necessary.

**The Cabinet RESOLVED** that

- (i) the provision of a capital budget of £95,000, to undertake the demolition and other pre-development works associated with the former Community Centre building, as set out in Report No. RP2001, be approved; and
- (ii) the Executive Head of Regeneration and Property be authorised to apply for the necessary permissions, including but not limited to planning, associated with the demolition and other pre-development works at this site and across the Civic Quarter, as necessary.

**73. EXCLUSION OF THE PUBLIC –**

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

<b>Minute No.</b>	<b>Schedule 12A Para. No.</b>	<b>Category</b>
74	3	Information relating to financial or business affairs

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

**74. APPLICATION FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –**  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Exempt Report No. FIN2001, which set out an application for the remission of non-domestic rates on the grounds of hardship.

Members assessed the application from Actfern Investments Limited, Nos. 61 – 62 Wellington Centre, Aldershot, taking into account the evidence of financial hardship supplied and whether it was in the interests of local taxpayers to subsidise the business. The Cabinet took into account the nature and circumstances of the business and the availability of alternative facilities in the area. The Corporate Services Portfolio Holder and the Council's Principal Revenues and Benefits Officer had examined the application in detail, including subsequent information requested in relation to the company's future business plan, which was set out in the Report.

**The Cabinet RESOLVED** that 50% hardship relief be granted to Actfern Investments Limited for the period from 1st April, 2019 to 31st March, 2020.

**NOTE:** Cllr M.H. Muschamp declared a prejudicial interest in this item in respect of his acquaintance with the company director of Actfern Investments Limited and, in accordance with the Members' Code of Conduct, left the meeting prior to the discussion and voting thereon.

The Meeting closed at 7.12 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

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CABINET

COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES  
PORTFOLIO HOLDER  
REPORT NO. FIN2007

04 FEBRUARY 2020

## REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL

### SUMMARY AND RECOMMENDATIONS:

This report contains recommendations for the budget, Council Tax Requirement and proposals for budget savings for 2020/21. The report includes:

- Appendix 1: General Fund Revenue Budget Summary
- Appendix 2: Detailed base revenue budgets in portfolio order
- Appendix 3: List of additional items for inclusion in the budget
- Appendix 4: Capital Programme
- Appendix 5: Strategy for the Flexible Use of Capital Receipts

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

- i) the General Fund Revenue Budget Summary set out in Appendix 1
- ii) the detailed General Fund Revenue Budget set out in Appendix 2
- iii) the additional items for inclusion in the budget, set out in Appendix 3
- iv) the Council Tax Requirement of £6,704,629 for this Council
- v) the Council Tax level for Rushmoor Borough Council's purposes of £209.42 for a Band D property in 2020/21 (an increase of £5)
- vi) the Capital Programme, set out in Appendix 4
- vii) the Strategy for the Flexible use of Capital Receipts set out in Appendix 5
- viii) the Executive Head of Finance's report under Section 25 of the Local Government Act 2003 as set out in section 10
- ix) the additional transfers to earmarked reserves in 2020/21 and the holding of reserves as set out in the report

Cabinet are recommended to approve delegation to the Council's Section 151 officer, in consultation with the Leader of the Council and the Portfolio Holder for Corporate Services:

- i) for any changes to the General Fund Summary stemming from final confirmation of the Local Government Finance Settlement and the Business Rates Retention Scheme estimates

## **1. INTRODUCTION**

- 1.1 This report sets out the key factors taken into account in preparing the budget plans for Rushmoor Borough Council for 2020/21, with detailed budget proposals for both Revenue and Capital spending contained in Appendices 2 to 4.

## **2. BACKGROUND**

- 2.1 Cabinet approved the budget framework set out in the Medium-Term Financial Strategy 2020/21 on 15 October 2019 (Report no: FIN1928). This included a number of assumptions around:
- An assumed level of Government Funding based on the outcome of the Spending Round 2019
  - Forecasts of Council Tax, Business Rates and New Homes Bonus
  - Inflationary cost pressures
- 2.2 The budget proposals for 2020/21 have been put together within the framework set out in the Medium-Term Financial Strategy, which outlined the context and strategic direction of the Council's finances. The forecast has been updated, taking into account the current financial position and the uncertainty around the medium term. It is important the Council considers Capital expenditure plans due to the longer-term impact of borrowing costs in future years.
- 2.3 The MTFS continues to provide a risk-based General Fund balance of £2m being the minimum expected level for total working balances.

## **3. STRATEGIC CONTEXT**

- 3.1 As set out in the Medium-Term Financial Strategy 2020/21 to 2023/24 report to Cabinet in October 2019, Rushmoor Borough Council continues to face significant financial challenges over the medium-term. This report provides members with a detailed overview of the financial prospects for 2020/21 based on the local government finance settlement announced in December 2019. The medium-term financial forecast by the authority is less clear, with considerable uncertainty around the scale and impact of the changes to local government funding due to be introduced from April 2021.
- 3.2 With this in mind, the Council is in a good position for the coming financial year and can set a balanced budget with support for key priorities. However, the financial prospects for 2021/22 and beyond are less positive with a core deficit on the MTFS forecast. The Council will need to take this into account and will need to continue to take difficult decisions around resource allocation and prioritisation over the next 12 months.

### Provisional Local Government Finance Settlement 2020/21

- 3.3 The provisional settlement for 2020/21 was announced on 20 December 2019 and should be viewed as a 'roll-over' settlement from 2019/20. It is worth stressing that the provisional settlement only covers the forthcoming financial year. Significant changes are expected to local government finance from 2021/22.

- 3.4 The government's consultation on the settlement closed on 17 January 2020. At the time of writing this report, the government had not confirmed when the final settlement will be announced. As such, this report has been prepared based on figures contained within the provisional local government finance settlement, which are therefore subject to change when the final settlement figures are released.
- 3.5 The provisional settlement largely confirmed the funding position set out in the Spending Round 2019. This included a continuation of the approach to eliminating negative RSG and an uprating of the Settlement Funding Assessment (SFA). Other announcements included a confirmation of the council tax referendum principle of 2% or £5 (whichever is higher) for shire districts, no change position on the New Homes Bonus national baseline for 2020/21, an extension of the additional Rural Services Delivery Grant, and a new Social Care Grant for 2020/21.

#### Business Rates

- 3.6 The Council is required to finalise its Business Rates estimates for 2020/21 and its initial estimate of any surplus or deficit for 2019/20 by 31 January 2020.
- 3.7 Forecasting business rates income is complex. Predicting the delivery of new business premises year by year is not straightforward. Likewise, the number and value of appeals under the new 'check, challenge, appeal' process operated by the Valuation Office Agency is difficult, although initial numbers from the VOA against the April 2017 rating list are relatively low. There remains a significant number of outstanding appeals against the 2010 rating list that provision is made for.
- 3.8 The draft forecast for business rates included in this report is lower than last year. Other things being equal, it would be expected that business rates income would rise in line with the increase in the business rates multiplier (around 1.7%). However, the forecast includes an estimated decline in business rates during the year, in part due to significant redevelopment in Aldershot Town Centre and the demolition and subsequent development around Southwood Crescent in Farnborough.
- 3.9 The Business Rates Collection Fund is forecast to be in a deficit position by the end of the current year. Whilst this is not ideal, it is consistent with the outturn position on the collection fund for 2018/19. Owing to the way in which business rates are accounted for through the budget setting process and the year-end collection fund, any surplus or deficit from the previous year is dealt with in the following year's budget. Therefore, the forecast deficit of £371k represents the timing difference between the 2018/19 outturn forecast from January 2019 and the final outturn declared in April 2019, along with the estimated forecast for 2019/20.
- 3.10 Final agreement of the Business Rates estimates will be made by the Council's Section 151 Officer in consultation with the Leader of the Council, under the delegation agreed by Council on 20th January 2014, and an update will be provided to Cabinet alongside this report.
- 3.11 Should the final settlement figures or the business rates estimates be materially different from those presented in this report, the General Fund Summary will be updated by the Council's Section 151 Officer in consultation with the Leader of the

Council and the Portfolio holder for Corporate Services, prior to consideration of the budget by Council on 20 February 2020.

New Homes Bonus (NHB)

- 3.12 The allocation of New Homes Bonus (NHB) for 2020/21 was confirmed in the provisional settlement. The Government had indicated in the technical consultation in the autumn that changes to the NHB scheme were likely and had consulted on whether to continue to prioritise the scheme over other potential uses for the funding.
- 3.13 The major change to the NHB allocation is that the 2020/21 element of the reward does not give rise to any future legacy payments. In previous years, each year's allocation was paid for a number of additional years (initially 6 years but subsequently reduced to 4 years).
- 3.14 Whilst the total amount of NHB for 2020/21 is £1.169m, the 2020/21 element of £456k will only be payable in 2020/21. Therefore, future payments of NHB will reduce significantly as the legacy payments taper-out over the next 3 years. This is best illustrated in the table below.
- 3.15 The Government has not provided any details on what will happen to the scheme in future years. Whilst there have been references in previous local government finance consultations that NHB should be more "targeted", the government has yet to provide any detail. A consultation on NHB is due in Spring 2020 and it is unlikely that any replacement scheme will distribute as much funding as the current scheme.

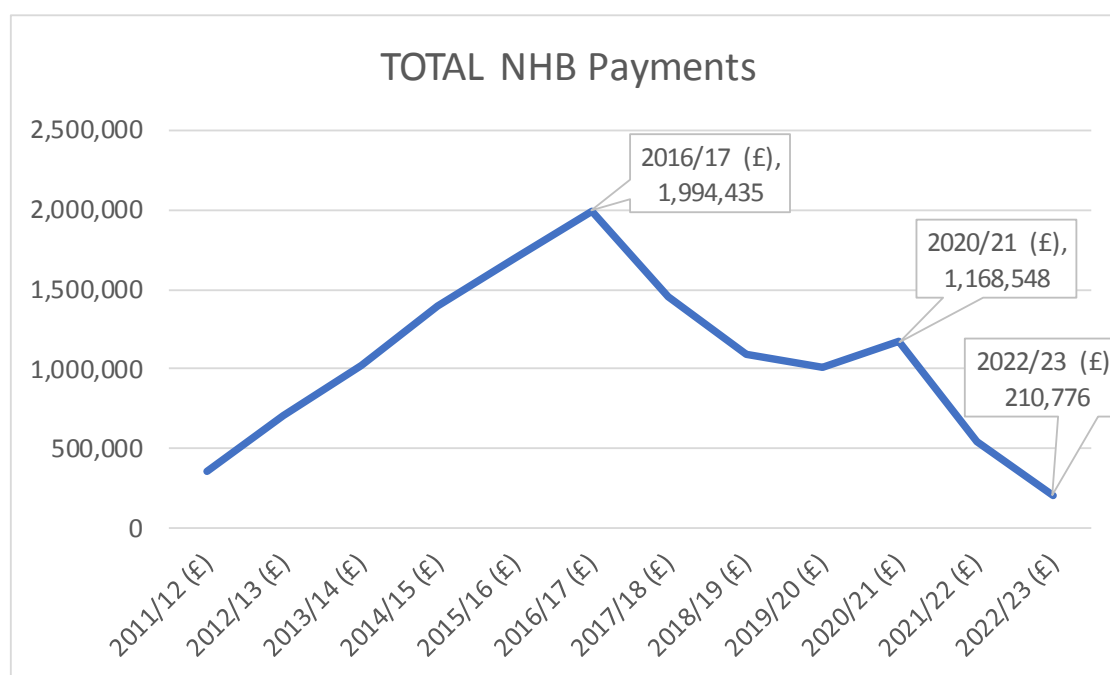
**Table 1a – 2020/21 New Homes Bonus calculation**

<b>New Homes Bonus Calculation</b>		<b>TOTAL</b>
New Properties (October 2018 to October 2019)		407
Empty Homes brought into use		53
<b>Converted into Band D equivalent</b>		<b>426</b>
As % of previous year's Band D equivalent stock		0
National Baseline		0
Less: Units not rewarded (up to baseline)		(150)
<b>Units rewarded above baseline</b>		<b>276</b>
Gross Affordable Units		251

	<b>HCC</b>	<b>RBC</b>	<b>TOTAL</b>
Payment for net additions	£96,516	£386,063	£482,579
Afordable Units Premium (£350)	£17,570	£70,280	£87,850
<b>TOTAL NHB</b>	<b>£114,086</b>	<b>£456,343</b>	<b>£570,429</b>

**Chart 1b – Total New Homes Bonus allocations**



Other Government Funding

3.16 Alongside the finance settlement, the government has confirmed the amount of Homelessness Grant that the Council will receive in 2020/21, with further funding announced in support of Housing Benefit.

- £387k Homelessness Funding (£287k Flexible Homelessness Support Grant, £100k Reducing Homelessness Grant)
- £318k DWP Funding in support of Housing Benefit (£277k Housing Benefit Administration Subsidy Grant, £41k New Burdens funding)

3.17 The table below provides an overview of the overall position in respect of Government funding. Section 4 of this report provides further information on the current consultation around government funding and hence, the inherent risk in forecasting for 2020/21 and 2021/22.

**Table 2 – Government Funding forecasts**

	2019/20	2020/21	2021/22	2022/23	2023/24
	(£'000)	Forecast	Forecast	Forecast	Forecast
<b>Government Funding</b>	<b>(£'000)</b>	<b>(£'000)</b>	<b>(£'000)</b>	<b>(£'000)</b>	<b>(£'000)</b>
Business Rates Retention	3,836	3,625	2,561	2,610	2,662
Revenue Support Grant	0	0	0	0	0
<b>Subtotal</b>	<b>3,836</b>	<b>3,625</b>	<b>2,561</b>	<b>2,610</b>	<b>2,662</b>
New Homes Bonus	1,010	1,169	550	211	0
Other Grants	145	267	0	0	0
<b>TOTAL Government Funding</b>	<b>4,991</b>	<b>5,060</b>	<b>3,111</b>	<b>2,821</b>	<b>2,662</b>

Note: Business Rates Retention figure includes Baseline funding, Section 31 Grants and calculation of the levy payable on growth above the baseline. The forecast for 2021/22 reduces due to the baseline reset, which for the purposes of budgeting is estimated to

reduce by 30% to 40%. Paragraph 4.11 sets out the assumptions made in the forecast for business rates income and New Homes Bonus.

#### **4. LOCAL GOVERNMENT FINANCE – 2021/22 and beyond**

- 4.1 Members will be aware that the Government announced that significant changes to local government funding had been postponed until April 2021.
- 4.2 The changes were due to come into effect from April 2020, but in part due to a lack of parliamentary time and concern around the transformational impact these changes would have, the changes have been pushed back a year to April 2021.
- 4.3 A consultation paper "*A review of local authorities' relative needs and resources*" was published in late 2018 and set out the Government's latest proposals on the Fair Funding review (FFR). This deals with the complex calculation of the funding formulae that are used to allocate resources across the different local government sectors (referred to as 'funding blocks').
- 4.4 The relative needs of each authority are supported by a number of different datasets, indicators and other formulae that drive the needs analysis, which in turn provides the assessment of funding. Updated datasets and statistical analysis of deprivation, population estimates and population density, for example, will see changes in this assessment of funding. The intention is to focus on cost drivers – indicators that measure the (relative) cost of providing services rather than indicators that measure 'need'.
- 4.5 In terms of resources, the overall funding formula will also take account of the resources available locally to individual authorities. This principally relates to the 'council tax base' – each authority's capacity to raise revenue locally. The formula will express the resource element as a negative number. In basic terms, this will mean that authorities with higher local resources will lose more funding, and authorities with fewer local resources will lose less.
- 4.6 There is likely to be some form of transitional arrangement (damping) to provide some time-limited mitigation for those authorities who gain or lose the most under the new funding arrangements.
- 4.7 The second consultation paper covered Business Rates Retention Reform and the move to a 75% Business Rates Retention scheme, with change to the business rates system being fiscally neutral.
- 4.8 There were a number of issues raised in the consultation around the balance or risk and reward in the system, the timing, frequency and extent of baseline resets, and how to better manage the volatility in the system (e.g. Appeals).
- 4.9 Further detailed work has been undertaken during 2019/20 which looked into the design of the 75% system, but also considered whether a more simplified scheme would better serve local government. The simplified scheme would remove large elements of risk from business rates and would provide a more stable and predictable funding source. However, the trade-off is around how growth in each

local authority area is treated. Under a simplified system, the local authority would not have the same growth incentive that exists under the current 50% system.

- 4.10 Whilst these consultations are distinct and separate, they will both have a transformative effect on the distribution of local government funding between tiers and geographic areas. The outcome of these changes will have a significant impact on the MTFS and budget setting process for 2021/22 and beyond.
- 4.11 In summary, the approach taken in forecasting the level of Government funding over the medium term recognises the redistribution of resources from lower-tier authorities to upper-tier authorities to help fund social care. The Fair Funding Review and introduction of 75% Business Rates Retention will move funding between tiers. The forecast assumes:
- New Homes Bonus does not continue, with only legacy payments being made.
  - Although the Government have signalled their intent to replace NHB with a new reward system, the MTFS does not anticipate any future funding from the new scheme.
  - Business Rates Retention – system will be ‘reset’ from April 2021 as the outcome from FFR and 75% BRR are introduced. For the purposes of the MTFS, a reduction in retained business rates income of 35% is expected.
  - The MTFS does not take into account or attempt to estimate the value of any transitional funding arrangements that may arise from April 2021. The scale of the reduction in funding for Rushmoor and other authorities may require the government to provide some protection through a system of floors and ceilings, as has been provided under previous structural changes to local government funding. However, there is no way of estimating what these arrangements may be – how long they would be in place and at what level the floors and ceiling would operate at.
  - The MTFS also assumes that Business Rates remains in place. There is pressure from business for an alternative to Business Rates given its perceived unfairness to certain sectors.

## **5. MEDIUM-TERM FINANCIAL FORECAST 2019/20 – 2021/22**

- 5.1 The Medium-Term forecast has been updated to ensure that budget decisions for 2020/21 are taken in light of relevant information and considers the future financial climate the Council will face. The focus is on estimating the future revenue budget position of the Council taking into account a number of factors and issues detailed below. A more detailed MTFS is shown after paragraph 12.6 of this report.

**Table 3 – Medium Term Financial Forecast**

Item	2019/20 LAB (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Portfolio Net Expenditure	10,179	8,753	8,429	8,313	8,313
Corporate Items	(1,093)	2,688	5,113	7,144	7,786
<b>Adjusted Budget</b>	<b>9,085</b>	<b>11,441</b>	<b>13,542</b>	<b>15,458</b>	<b>16,099</b>
Additional Items	251	909	692	692	692
Budget Proposals	0	376	26	26	26
Risk items	0	0	750	1,350	1,600
Savings Plan	(444)	(1,436)	(3,567)	(5,196)	(6,201)
<b>Draft Net Revenue Budget</b>	<b>8,893</b>	<b>11,290</b>	<b>11,444</b>	<b>12,330</b>	<b>12,216</b>
<b>Funded by:</b>					
Council Tax	6,409	6,705	6,933	7,166	7,403
Business Rates	3,836	3,625	2,561	2,610	2,662
New Homes Bonus	1,010	1,169	550	211	0
Other Funding	541	(4)	0	0	0
<b>TOTAL Funding</b>	<b>11,797</b>	<b>11,495</b>	<b>10,044</b>	<b>9,987</b>	<b>10,065</b>
<b>Core Surplus / (Deficit)</b>	<b>2,904</b>	<b>205</b>	<b>(1,400)</b>	<b>(2,343)</b>	<b>(2,152)</b>
<b>Additional transfers</b>					
to Commercial Property Reserve	(2,000)				
to Stability & Resilience Reserve					
to Service Improvement Fund		(205)			
to Regeneration	(450)				
to Regeneration/Commercial DD	(250)				
to Workforce Planning	(200)				
<b>Core Surplus / (Deficit) after Transfers</b>	<b>4</b>	<b>0</b>	<b>(1,400)</b>	<b>(2,343)</b>	<b>(2,152)</b>

*Note – Table may contain rounding when compared to Appendix 1*

- 5.2 Portfolio budgets have been revised for 2019/20 and 2020/21, along with forecasts of Corporate Items. Inflationary provision has been included as a separate item and assumes:
- Pay inflation of 2% and an assumption of the impact of pay increments
  - Price inflation on major contracts
  - Changes to the Council's contribution to the Local Government Pension Scheme
- 5.3 Corporate Items covers the non-service revenue expenditure and income that is included in the Council's General Fund.
- 5.4 The MTFs includes an estimate of the additional cost of borrowing as interest rates increase. As set out in the Treasury Management Strategy, external short-term borrowing has been taken to finance commercial property and regeneration site acquisition. This takes advantage of current low interest rates, with a planned move to longer-term external borrowing as interest rate rises are expected over the



medium term. Advice will be sought from the Council's Treasury Management advisors Arlingclose, in terms of timing, maturity profile and debt composition.

- 5.5 It is worth noting that the 1% increase in PWLB borrowing rates from October 2019 has increased the cost of borrowing over a longer-term period. The tables below show the increase in rates for different borrowing periods for maturity loans and the increase in borrowing costs.

**Table 4 – PWLB rates (impact of increase)**

<b>Period (years)</b>	<b>Certainty Rate on 08 October 2019 (%)</b>	<b>Certainty Rate 21 January 2020 (%)</b>	<b>Change (%)</b>
5 year PWLB Maturity loan	1.00	2.23	+1.23
10 year PWLB Maturity loan	1.19	2.46	+1.27
20 year PWLB Maturity loan	1.72	2.96	+1.24
30 year PWLB Maturity loan	1.76	3.00	+1.24
40 year PWLB Maturity loan	1.65	2.90	+1.25
50 year PWLB Maturity loan	1.61	2.87	+1.26

**Interest on £5m (total interest paid over duration of loan term)**

<b>Period (years)</b>	<b>Certainty Rate on 08 October 2019 (£'000)</b>	<b>Certainty Rate 21 January 2020 (£'000)</b>	<b>Change (£'000)</b>
5 year PWLB Maturity loan	300	608	308
10 year PWLB Maturity loan	695	1,330	635
20 year PWLB Maturity loan	1,920	3,160	1,240
30 year PWLB Maturity loan	2,940	4,800	1,860
40 year PWLB Maturity loan	3,700	6,200	2,500
50 year PWLB Maturity loan	4,525	7,675	3,150

- 5.6 As set out in the Annual Treasury Management Strategy, the Council's borrowing strategy is *"to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required"*.
- 5.7 The MTFs includes estimates of the borrowing costs arising from the financing of the capital programme. Further provision is made within the MTFs to ensure the Council can mitigate the refinancing risk of its current loan portfolio.
- 5.8 Estimates of interest receivable on other investments remain robust. The Council continues to hold up to £25m in Pooled Funds, which are performing well. Investment income of £1.6m has been forecast across the MTFs from Treasury Management activities. This will be kept under review in terms of the overall cash position of the authority and the impact of forecast interest rate rises.

- 5.9 The MTFS includes planned transfers to and from earmarked reserves to support spending commitments included in the revenue budget, to provide adequate mitigation against risks, or to ensure funding is set aside in a ring-fenced reserve (e.g. SANG and s106 contributions). Section 6 of this report covers Balances and Reserves in more detail.
- 5.10 As outlined in paragraphs 3.12 to 3.15 in the report, future NHB allocations will be at a reduced level as the legacy payments taper out. For the purposes of the MTFS forecast, it has been assumed that no further NHB will be received other than the legacy payments. The Council has been reliant upon NHB payments to fund services as Revenue Support Grant reduced.
- 5.11 Table 2 indicated a reduction in the level of retained business rates for Rushmoor from 2021/22. The move to a 75% Business Rates Retention scheme will involve a 'system reset' that is likely to remove a significant part of the business rates growth accumulated since April 2013. The MTFS assumes a 30% to 40% reduction as the funding baseline is reset.
- 5.12 Further changes to the Business Rates system are likely, with the Government indicating that the level of support for the Retail sector will be provided through an increase in the level of relief being provided.
- 5.13 Other changes that may impact on the level of business rates income in the future concern the introduction of a new rating list from April 2021 and reducing the length of time between rating lists with a more frequent revaluation period of 3 years proposed instead of the current 5-year period.

## **6. BALANCED BUDGET REQUIREMENT**

- 6.1 The Council is legally required to set a balanced budget for the following financial year. As can be seen in the MTFS, the Council's core financial position is a balanced budget next year (after transfers to reserves), with a projected deficit of £1.4m from 2021/22, increasing to around £2.3m in 2022/23. An important part of the strategy for financial sustainability will be to continue to deliver efficiencies and savings over the coming years.

### Savings Plan

- 6.2 The table below provide members with an update on the Savings Plan. A number of savings targets are included in the Savings Plan which take into account the focus on a number of key projects
- ICE
  - Commercial Property Investment
  - Pipeline savings
- 6.3 The Council has a good track record of delivering budget and efficiency savings, and this must be sustained over the medium term to enable the Council to meet its balanced budget requirement in future years and to be financially resilient.
- 6.4 There is an inherent risk with savings targets – there is a risk that these will not be achieved in full or in the timeframe required which would put additional financial

pressure on the Council. The Savings Targets have been profiled to some degree to take into account the challenges around delivery.

- 6.5 The Savings Plan will be subject to regular review during the coming financial year to ensure they remain on target and to enable the Council to respond to any potential shortfall against the savings targets.
- 6.6 As stated in the budget report last year, the Council is increasingly reliant on income from Commercial Property to balance the budget. The Savings Plan includes additional income from further acquisitions and has been forecast in line with expectations set out in the Commercial Property Investment Strategy.
- 6.7 In addition to the focus on Commercial Property income, the Savings Plan can be seen as more reliant on income generation and organisational redesign. The Council will need to ensure the Savings Plan remains balanced, with an appropriate mix of cost control, income generation, and service review to mitigate against the risk of becoming over reliant on a narrow savings programme.
- 6.8 It is worth noting that the Savings Plan does not resolve the deficit position forecast over the MTF5 period. Whilst the Council may benefit from further Government Funding (e.g. transitional arrangements from 2021/22, NHB replacement), the downward trend in Government funding will frame the Council's revenue budget in future years.
- 6.9 Therefore, it is recommended that the Council continues to review not only the cost of services but considers the nature and scope of services being delivered.

**Table 5 – Savings Plan (February 2020)**

<b>Estimated Savings</b>	<b>2020/21 (£'000)</b>	<b>2021/22 (£'000)</b>	<b>2022/23 (£'000)</b>	<b>2023/24 (£'000)</b>
2019/20 Savings	(81)	(81)	(81)	(81)
Reversal of 2019/20 Additional Items	(130)	(160)	(160)	(160)
ICE Programme (Workstreams 1-3)	(150)	(425)	(750)	(810)
ICE Programme (Workstream 4)	(50)	(225)	(500)	(750)
Commercial Property - Rental income expectations *	(887)	(1,698)	(2,377)	(2,922)
Pipeline Savings - Enhanced Commercial Property		(300)	(300)	(300)
Pipeline Savings - Major contracts		(300)	(450)	(600)
Pipeline Savings - Service Loans to Housing Company *	(88)	(328)	(528)	(528)
Salaries monitoring	(50)	(50)	(50)	(50)
<b>TOTAL Savings Plan</b>	<b>(1,436)</b>	<b>(3,567)</b>	<b>(5,196)</b>	<b>(6,201)</b>

**Notes:**

- \* The savings figures included in the table represent the Gross saving. The new commercial property acquisitions and the service loans to the Housing Company will result in a cost to the Council. This has been provided within the Corporate Items section of the MTF5.

**Balances and Reserves**

- 6.10 Members will recall that as part of the 2019/20 budget setting process a Commercial Reserve was established to provide a source of funding to mitigate potential fluctuations commercial property income. The Council has acquired further

commercial property during 2019/20 and plans to undertake a further £60m of acquisitions over the Capital Programme period. The level of the reserve will need to increase in-line with the financial risks associated with the commercial property portfolio. It is proposed that an annual contribution to the Commercial Property reserve of 0.5% of yield (around £550k based on gross rental income of £6m) is included in the MTFs, net of expected annual expenditure.

- 6.11 The Council's financial position is supported by its balances and reserves as set out below:
- 6.12 The Budget Strategy sets a target for the General Fund balance to be maintained at a minimum of £2m, with the Stability and Resilience Reserve balance held at a level that would allow the Council to mitigate short-term fluctuations in income and expenditure (e.g. Business Rates, Government funding changes). However, they should not be utilised to fund normal, on-going service provision. It is important to review the level of reserves regularly.
- 6.13 The Service Improvement Fund has been drawn upon to provide funding for the ICE programme and to support key projects that underpin the Council's plan for financial sustainability. It is not proposed to amend level of the Fund but will be reviewed at the end of the current financial year.
- 6.14 As highlighted earlier in the report, there is an increased level of risk and uncertainty facing the Council over the medium term. Therefore, it is proposed that the following additional reserves are created:
- Pensions
  - Regeneration
  - Regeneration (Professional Advice and Due Diligence)
  - Workforce Strategy
- 6.15 The Medium-Term Financial Strategy 2020/21 to 2023/24 report to Cabinet in October 2019 provided members with an update on the Local Government Pension Scheme (LGPS).
- 6.16 During the Autumn of 2019, the draft funding results from the Local Government Pension Fund actuarial review were provided by Hampshire County Council Pension Team. This indicated that the overall funding position of the Hampshire scheme had improved significantly since 2016. As a result of the improved position and due to structural changes to the way employers are grouped together for funding purposes, the total employer contribution required from Rushmoor is less than over the previous 3-year period. Total contributions from 2020/21 to 2022/23 are estimated at £6.7m and is £2.4m less than the provision made in the October 2019 MTFs.
- 6.17 However, given the short-term nature of the funding window (3 years) but the long-term nature of the pension fund liability, it is recommended that the reduction in budgeted provision is not released to the General Fund but is transferred to a new Pensions Reserve. The next actuarial review will take place during 2022/23 with revised results due in Autumn of 2023. It would then be appropriate to review the level of funding held to cover the cost of employer pension contributions. For the

purposes of the MTFS, it is assumed the pension fund contribution continues to increase in 2023/24 at a similar rate.

- 6.18 Negotiations between Marks and Spencer and the Council concerning the lease surrender of 38-46 Union Street, Aldershot concluded in early January 2020. A revenue payment of £900k was received by the Council and it is proposed that the receipt is allocated to earmarked reserves as set out below:
- 6.19 £450k to provide a revenue and capital funding for the wider Regeneration Programme. The reserve would enable further work to be completed on site assembly and facilitate delivery of the Council Business Plan around the regeneration of Aldershot and Farnborough town centres.
- 6.20 £250k to provide revenue funding associated with the due diligence on regeneration schemes as they come forward. As section 8 of the report sets out, a number of capital schemes will come forward for Cabinet and Council to consider. It is critical that the Council has the right resources and expertise in place so that a comprehensive process of due diligence is undertaken on each potential scheme. This would include legal, property and financial advice including evaluating assumptions made, market analysis and legal structures required to facilitate delivery.
- 6.21 Members will recall that the Peer Review highlighted a need for the Council to develop a Workforce Strategy, which is being currently developed. The ICE Transformation Programme approved by Cabinet in October 2019 forms an integral part of the Council's Savings Plan. It is proposed that £200k of revenue funding is set aside in the new Workforce Strategy reserve to provide funding to support the organisation redesign projects and ensure that staffing service changes can be funded without disturbing the savings plan.
- 6.22 If approved, the impact of these proposed changes to the level of balances and reserves is set out in the table below:

**Table 6 – Balances and Reserves forecast**

	2019/20 Opening Balance (£'000)	2019/20 Forecast (£'000)	2020/21 Forecast (£'000)	2021/22 Forecast (£'000)	2022/23 Forecast (£'000)	2023/24 Forecast (£'000)
<b>Balances and Reserves</b>						
General Fund Balance	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Stability & Resilience Reserve	(4,869)	(4,869)	(4,869)	(4,869)	(4,869)	(4,869)
Service Improvement Fund	(1,000)	(40)	(245)	(245)	(245)	(245)
ICE Reserve`		(618)	(212)	0	0	0
Commercial Reserve	(475)	(2,000)	(2,050)	(2,100)	(2,150)	(2,200)
Climate Emergency *	0	0	(250)	0	0	0
Deprivation Strategy Support *	0	0	(100)	0	0	0
Regeneration Reserve	0	(450)	(280)	(280)	(280)	(280)
Regeneration/Commercial Due Dilligence	0	(250)	(250)	(250)	(250)	(250)
Workforce Strategy	0	(200)	(200)	(200)	(200)	(200)
Pension Fund Equilisation (Para 6.16-6.17)	0	0	(669)	(1,487)	(2,447)	(3,549)
All Other Earmarked Reserves **	(5,721)	(6,099)	(5,657)	(5,621)	(5,800)	(5,800)
<b>Estimated Balances at 31 March</b>	<b>(14,064)</b>	<b>(16,525)</b>	<b>(16,781)</b>	<b>(17,051)</b>	<b>(18,240)</b>	<b>(19,392)</b>

**Notes:**

\* It is assumed that expenditure proposals are agreed during 2020/21 with the earmarked reserves fully utilised

\*\* This includes all other earmarked reserves including s106 and SANG balances. It is likely that the level of these reserves will increase over the next 3-4 years as the charge payable for the Southwood SANG is collected.

6.23 Whilst the level of balances and reserves shown in the table indicates that the Council is in a good financial position, the cumulative core deficit of £5.895m over the MTFS period (as shown in Table 3 and referenced in paragraph 6.1), would reduce the Stability and Resilience Reserve considerably. It is estimated that the Stability and Resilience Reserve would be depleted during 2023/24 if further savings or additional income is not secured.

## 7. GENERAL FUND REVENUE BUDGET 2020/21

7.1 The proposed General Fund Revenue budget for 2020/21 takes into account the issues highlighted earlier in the report.

7.2 The General Fund Revenue Budget Summary is set out in Appendix 1; the detailed revenue budgets in portfolio order are shown at Appendix 2.

7.3 The proposed General Fund Revenue Budget will enable the Council, in broad terms, to maintain current service delivery while identifying reductions in the level of net expenditure of £1.4m to be delivered during 2020/21. This reduction is largely due to anticipated levels of income from the Council's commercial property acquisitions.

7.4 The General Fund Summary shows that the risk-based revenue balance will be maintained at £2.0m by the end of 2020/21.

### Council Tax

- 7.5 The referendum threshold for 2020/21 for Shire Districts such as Rushmoor is 2% or £5 (whichever is the greater). This is a reduced threshold level when compared to previous year when it was set at 3% or £5.
- 7.6 The Spending Power calculation published with the Local Government Finance Settlement assumed that all authorities will raise their Council Tax towards the maximum allowable amounts. Factoring such increases into the funding assessment, removes flexibility for local authorities to take local decisions about tax levels and to use increases in local taxation to offset local spending pressures. Councils now need to make these increases just to keep total funding levels at a standstill.
- 7.7 The revenue budget assumes a £5 increase in a Band D charge for Council Tax, which falls within the permissible level of increase before triggering a local referendum and equates to an increase of around 10 pence per week for a Band D property.
- 7.8 A council tax rise of £5 increases the Band D rate from £204.42 to £209.42 and will generate approximately £296k in additional council tax revenue annually (when taken with estimated changes to the taxbase). Whilst it is unclear whether the ability to increase Council Tax by up to 2% or £5 will continue beyond 2020/21, the MTFS assumes an increase of £5 per annum. This would generate an additional £994k over the MTFS.
- 7.9 Cabinet considered the report from the Council Tax Support Task and Finish Group at their meeting on 16 December 2019 (Report No: FIN1934). The Group recommended that no changes should be made to the Council Tax Support Scheme for 2020/21. This would mean that the minimum contribution would remain at 12%. Additionally, it was recommended that a fundamental review of the Scheme should be started in 2020, specifically to consider the impact of the roll out of Universal Credit on Rushmoor residents and the Council, to look at improvements to reduce the administrative burdens on the Council and to make the Scheme easier to understand for the customer. Cabinet accepted the proposal from the Group, the impact of which is included within the estimates on the Council Taxbase for 2020/21.
- 7.10 The taxbase for 2020/21 has been estimated at 32,015.23 and represents an increase of 663.02 (2.11%) over the 2019/20 position.
- 7.11 The Council Tax Collection Fund is estimated to be in surplus by the end of the current financial year by £841k. This is shared across the major precepting authorities (Hampshire County Council, Hampshire Police and Crime Commissioner, Hampshire Fire and Rescue Authority). Rushmoor's share is £101k
- 7.12 The Council Tax base and surplus were agreed under delegated powers by the Council's Section 151 Officer, in consultation with the Leader of the Council, during January 2020.
- 7.13 The decision to set Council Tax remains an annual decision for Council to consider when setting the budget one year from the next.

- 7.14 Even factoring in these increases, the Medium-Term forecast shows a potential deficit in 2021/22 of around £1.4m, putting significant pressure on the Council to deliver the right combination of cost reductions and increased income to bridge the gap.

#### Business Rates Retention

- 7.15 As highlighted in paragraphs 3.6 to 3.11 of the report, Final estimates for Business Rates will be completed by 31 January 2020 and updated to Members prior to budget setting. The extent of volatility in the business rates system continues to support the need for sufficient reserves to meet any unforeseen shocks to the system

#### New Homes Bonus

- 7.16 The proposed budget for 2020/21 contains the provisional allocations issued alongside the Settlement of £1.169m.

#### Other Funding

- 7.17 The revenue budget also includes grant funding of £387k in support of homelessness and £318k in relation to the administration of Housing Benefit. This funding is fully committed against the revenue budget.

#### Additional items

- 7.18 In view of the on-going financial constraints in which the Council is operating, additional items for inclusion in the budget were scrutinised carefully by both the Corporate Leadership Team (CLT) and Cabinet as part of the budget setting process. These requests for both one-off items of expenditure in 2020/21 and on-going expenditure are detailed in Appendix 3, with a summary below of the key priority areas.
- 7.19 The inclusion of these additional items will help the Council deliver the Savings Plan and the priorities around Town Centre Regeneration in particular. Direct funding from SANG/s106 contributions has been identified and applied to the revenue budget.
- 7.20 Other items of supplementary expenditure may be agreed during 2020/21 as the Council reacts to changing conditions or levels of demand, for example. Each item will be reviewed individually as part of the normal in-year process through CLT and Cabinet, in line with current financial regulations

#### Budget Proposals/Growth Items

- 7.21 The proposed budget includes budget proposals and growth items that provide certainty of funding to support key Council priorities.
- Climate Emergency
  - Deprivation Strategy
  - Ward Budgets
- 7.22 At its meeting on 20 June 2019, the Council passed a motion acknowledging a Climate Emergency and agreed to develop a plan to enable a green and sustainable Rushmoor, and a carbon-neutral Council by 2030.



- 7.23 It is proposed that £250k of funding is set aside in a new Climate Change reserve to enable the Council to deliver against the plan as it develops during the coming year.
- 7.24 The Policy and Project Advisory Board have been considering the data published in the 2019 Index of Multiple Deprivation and policy implications of the updated indicators for the Council. A Deprivation Strategy will be completed in 2020/21 and considered by the Cabinet. It is proposed that £100k of funding is set aside in a new Deprivation Strategy reserve to support actions arising from the agreed strategy.
- 7.25 The final proposal is to increase Ward Budgets from £1,000 per ward to £3,000 per ward taking the total amount across the Borough from £13,000 to £39,000 – an increase of £26,000.

## **8. CAPITAL PROGRAMME 2019/20 to 2023/24**

- 8.1 The Council's capital programme is set out in Appendix 4 of this report, with a total capital expenditure budget of £52.226m in 2020/21
- 8.2 The capital programme continues to focus on delivering against the Council's key priorities, including Town Centre Regeneration, Income generation schemes, enhancing the delivery of core services through improvement and enhancement of assets. The programme also includes support for the provision of local housing and the Council's statutory duties in respect of Disabled Facilities Grants.
- 8.3 The Council has embarked upon an ambitious programme of regeneration and investment in commercial property. Further investment in commercial property of £67m is anticipated over the next 5 years, with investment income forming a core element of the Council's Savings Plan.
- 8.4 The Capital Programme, as set out in this report, does not includes updated estimates for the Town Centre Regeneration schemes, although some provision is already included in the Capital Programme. Detailed proposals for each regeneration scheme will need to be considered by Cabinet and Council and it is likely each scheme will have significant legal and financial implications. The Capital Programme and Treasury Management Strategy will need to be updated to reflect decisions taken by Cabinet and Council.
- 8.5 The Council is committed to bringing forward the schemes as broadly set out below. Indicative estimates are shown to enable members to understand the scale of each scheme. It is important to note that the figures below give a broad indication of the relative scale of each scheme. Scheme may be delivered in phases, with options put forward around certain key sites within the schemes. The figures do not necessarily represent the Council's financial commitment, as there will be a number of financing options to consider that reduce and mitigate financial risks on the schemes.
- Union Street East: £40m to £50m
  - Leisure Centre: £25m to £40m
  - Civic Quarter: £100m to £150m

**Table 7 – Summary Capital Programme**

	2019/20 Original Estimate (£'000)	2019/20 Revised Estimate (£'000)	2020/21 Estimate (£'000)	2021/22 Estimate (£'000)	2022/23 Estimate (£'000)	2023/24 Estimate (£'000)
<b>Capital Expenditure by Portfolio</b>						
Corporate and Democratic Services	1,224	1,287	0	0	0	0
Customer Experience and Improvement	321	186	125	105	55	30
Major Projects and Property	65,056	45,609	49,367	43,761	12,572	12,078
Operational Services	3,510	3,045	2,689	1,211	1,211	1,211
Planning and Economy	120	220	0	50	0	0
ICE Programme	0	281	45	0	0	0
<b>TOTAL Capital Programme</b>	<b>70,231</b>	<b>50,629</b>	<b>52,226</b>	<b>45,127</b>	<b>13,837</b>	<b>13,318</b>

8.6 Implementation of the core programme in 2020/21 will require the use of Council resources, largely through borrowing (£44.210m) together with £8.017m use of grants and contributions including Better Care Fund and an element of developers' s106 contributions.

## 9. RISK

9.1 There are a number of financial risks that the Council will face over the medium-term. The 2020/21 Budget and the MTFS have been prepared with consideration of these risks, but as with any forecast, an inherent level of risk will remain.

9.2 For Local Government, the key risk is around the nature and scope of local government funding from central government from 2021/22. This report has outlined the key changes that are due to be introduced from April 2021 – 75% business rates retention model and the Fair Funding review. These will bring significant changes to this Council's finances in future years.

9.3 It is very difficult to estimate the impact on Rushmoor. Fundamental changes to the way in which each Council's needs are assessed and funded are difficult to model despite some engagement from Government with local authorities. Therefore, considerable risk and uncertainty remains in the estimates for 2021/22 and beyond.

9.4 The budget has been prepared in light of key financial risks facing the Council over the medium- term, principally:

- Business Rates Retention Scheme – variability, appeals provision, revaluation, moves towards a 75% local retention scheme with a baseline reset and Fair Funding Review
- New Homes Bonus scheme design in 2021/22 at a time this Council will be delivering a significant number of new homes.
- Treasury management issues including interest rates, level of capital expenditure, use of internal resources, borrowing costs. Provision has been made within the MTFS for this risk.
- Impact of the UK leaving the European Union

- Forecasts have been made concerning the impact of Hampshire County Council's proposals on Waste and Recycling included in their Transformation to 2021 programme. Provision has been made within the MTFS for this risk.
- Financial impact of the Capital Programme on the revenue budget – the affordability of the capital programme and future schemes needs to be carefully considered (see paragraphs 5.5 and 5.6 on PWLB rate increase)

## **10. STATEMENT OF THE CHIEF FINANCIAL OFFICER**

- 10.1 Section 25 of the Local Government Finance Act 2003 places a statutory duty on the Chief Financial Officer to report to the authority, at the time the budget is considered, and the council tax is set on the robustness of the budget estimates and the adequacy of the financial reserves. The Act requires councillors to have regard to the report in making decision at the Council's budget and rent setting, and the council tax setting meetings.
- 10.2 The Council's Revenue Budget, Medium Term Financial Strategy and Capital Programme have been prepared with reference to the Chartered Institute of Public Finance and Accountancy's (CIPFA) guidance on prudential property investment. As Section 151 Officer, I have also had regard to CIPFA's Financial Resilience Index and the CIPFA Financial Management Code.
- 10.3 The basis on which the budget for 2020/21 and the MTFS have been prepared has been set out clearly in this report. I am satisfied that the budgets for the General Fund and the Capital Programme have been based on sound and reasonable assumptions.
- 10.4 The report does set out the core deficit position the council is facing over the MTFS. Progress has been made during the year with a number of savings already identified and being delivered, and a number of savings targets. The council will still be relying on income from commercial property investments and reserve balances to support expenditure plans over the MTFS. The Savings Plan is core to the delivery of financial sustainability, but it important to note that the deficit continues to increase over the medium term.
- 10.5 It is important that the council is able to balance the budget over the medium term in a sustainable and manageable way through a combination of income, sensible use of reserves and a robust savings plan. Therefore, an ongoing and continuous savings plan, that identifies further budget and efficiency savings over and above those indicated in this report will need to be brought forward into the MTFS.
- 10.6 The current savings plan includes a target level of savings to be achieved over the medium term. These include commercial property income and organisation modernisation and redesign. There is a risk associated with savings targets. Should these savings not materialise at the level or within the timeframe assumed this will increase the pressure on the Council balances and reserves. The Council will need to identify further savings or ways of reducing spend/increasing income to mitigate this risk.

- 10.7 Some risks remain, particularly around the economic and financial impact of Brexit. Whilst the country will leave the European Union on 31 January 2020, there remains considerable uncertainty over the MTFS period around the impact this will have on both the national and local economy as further negotiations take place with the EU around the UK's future relationship and any trade deal.
- 10.8 Risks around inflation and interest rates also remain and may be inexorably linked to leaving the EU. Allowance has been made in the MTFS estimates for inflationary pressures in the General Fund. Future interest rate increases are expected over the medium term, and this must be considered when assessing the level of return on commercial property investments.
- 10.9 Changes made in April 2013 to the way in which local government is financed could have a material effect on the council's finances if not managed over the MTFS. The council has adopted a local Council Tax Support (CTS) scheme that provides an affordable level of support to local residents. The Council will need to consider the potential impact in future years of increases to claimant numbers if there is a negative economic impact from exiting the EU in January 2020. The Council would need to review the design of the scheme or find equivalent savings across the general fund to mitigate any financial impact.
- 10.10 The localisation of business rates through the Business Rates Retention scheme does pose a financial risk to the council on two levels. Firstly, that the level of business rates income budgeted for in the MTFS does not materialise. Secondly, the level of backdated appeals remains a significant area of uncertainty. Whilst allowance is made within the calculation of retained business rates income for backdated appeals, these losses could be higher than projected. The introduction of the new rating list in April 2017 and the 'check, challenge, appeal' process has to date reduced the level of new appeals coming through the system. A review of the provision for appeals will be undertaken when completing the NNDR1 and NNDR3 returns which will help mitigate this risk.
- 10.11 The move to a new local government finance system through 75% Business Rates retention in 2021/22 is difficult to quantify financially. Taken alongside the potential impact of the Fair Funding Review, there is a significant risk to the level of government support to the Council in future years. Pressures faced by authorities with social care responsibilities may see funding shifted from District/Borough authorities to upper-tier authorities.
- 10.12 For Rushmoor, the future of New Homes Bonus is a significant financial risk with no indication as to what will replace the current system. This is especially pertinent given the anticipated increase in the number of new homes being delivered in the Borough over the next 3 years.
- 10.13 The General Fund is forecast to remain within range of balances approved in previous financial strategies. The Stability and Resilience Reserve set up during 2012/13 provides a resource to allow the Council to react to the increase in risk and uncertainty it faces over the medium-term and any consequential adverse effect on its financial position. If further savings or reductions in expenditure are not identified

and delivered over the medium term, it is likely that the Stability and Resilience reserve will be depleted during 2023/24.

- 10.14 The Service Improvement Fund, ICE Reserve and the current freedoms over use of capital receipts, also support the Council's endeavour to achieve a sustainable financial position over the medium-term, by supporting key projects, which deliver significant financial benefit to the organisation.
- 10.15 These proposals will enable the Council to meet the challenges of achieving a balanced budget in the current year, to be protected from potential volatility in its finances and to reshape the organisation to be sustainable over the longer-term.
- 10.16 In conclusion, I am satisfied that the budget is robust and is supported by adequate reserves.

## **11. CONSULTATION**

- 11.1 All Members of the Council were invited to a budget seminar on the 20 January 2020 to discuss the budget proposals and the full budget report is available online. Key issues have been highlighted in presentations to various local interest groups.

## **12. CONCLUSIONS**

- 12.1 Despite the uncertainties around future levels of Government Funding, and the risks around Brexit and the general economic position, the Council has been able to prepare a sound budget whilst maintaining services to residents. The budget will also provide a platform for Rushmoor to address future challenges.
- 12.2 The budget has been prepared in accordance with the approved budget strategy. This includes the principle of maintaining the Council's general fund revenue risk-based balance at £2m and maintaining other usable reserves to mitigate risk and support improvement.
- 12.3 The budget allows for the implementation of essential additional revenue items and a substantial capital programme of approximately £52.226m in 2020/21.
- 12.4 The budget proposals provide for the current Council Tax level to increase by £5 for a Band D property (from £204.42 per annum to £209.42) – an increase of around 10p per week) in line with government assumptions within its settlement funding formula.
- 12.5 In order to achieve this, the budget proposals will require the implementation of budget savings of £1.436m in 2020/21, together with further savings over the medium term, totalling approximately £16.4m over the period 2020/21 to 2023/24 (cumulative and recurring total). This will require reductions in the Council's service expenditure, and increased income generation, in accordance with the Medium-Term Financial Forecast and the Financial Strategy.

12.6 Reserves continue to be held to support the implementation of key projects and to mitigate against the substantial increased risk the Council is facing, which will be monitored and reported to Cabinet throughout 2020/21.

Background documents:

Medium Term Financial Strategy 2020/21 to 2023/24

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## Medium Term Financial Strategy (February 2020)

Item	2019/20				
	LAB (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Corporate & Democratic Services	5,422	5,289	5,322	5,322	5,322
Customer Experience & Improvement	41	19	26	26	26
Major Projects & Property	(4,544)	(4,928)	(5,248)	(5,248)	(5,248)
Operational Services	7,951	7,847	8,061	8,061	8,061
Planning & Economy	2,830	2,548	2,604	2,604	2,604
ICE	468	496	150	0	0
<b>Portfolio Net Expenditure</b>	<b>12,168</b>	<b>11,272</b>	<b>10,915</b>	<b>10,765</b>	<b>10,765</b>
Less: Capital Charges (Rev)	(1,802)	(1,859)	(1,859)	(1,859)	(1,859)
Less: Pension Adj (Rev)	(187)	(660)	(627)	(592)	(592)
<b>Net Expenditure</b>	<b>10,179</b>	<b>8,753</b>	<b>8,429</b>	<b>8,313</b>	<b>8,313</b>
<b>Corporate Items (MRP, Interest etc)</b>					
Transfers To/From reserves	(458)	396	1,029	1,176	1,318
Other CI&E	(1,325)	342	342	342	342
MRP	1,410	2,180	3,398	4,415	4,415
Interest Payable	880	1,370	1,944	2,311	2,311
Investment Income	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)
<b>Subtotal</b>	<b>(1,093)</b>	<b>2,688</b>	<b>5,113</b>	<b>6,644</b>	<b>6,786</b>
<b>Adjusted Budget</b>	<b>9,085</b>	<b>11,441</b>	<b>13,542</b>	<b>14,958</b>	<b>15,099</b>
<b>Inflationary Provision, Pension costs</b>					
Inflation (Pay)				300	600
Inflation (Contracts/Non-Pay)				200	400
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>1,000</b>
<b>Adjusted MTFP Position</b>	<b>9,085</b>	<b>11,441</b>	<b>13,542</b>	<b>15,458</b>	<b>16,099</b>
<b>Budget Proposals/Growth</b>					
ADDITIONAL ITEMS: Variations in Service	201	695	692	692	692
ADDITIONAL ITEMS: Non-recurring	50	214	0	0	0
BUDGET PROPOSAL: Climate Emergency		250			
BUDGET PROPOSAL: Deprivation Strategy		100			
BUDGET PROPOSAL: Ward Budgets		26	26	26	26
RISK: HCC Waste proposals				350	350
RISK: Interest rate risk on borrowing			750	1,000	1,250
<b>Subtotal</b>	<b>251</b>	<b>1,285</b>	<b>1,468</b>	<b>2,068</b>	<b>2,318</b>
<b>Savings Plan</b>					
2019/20 Savings	(250)	(81)	(81)	(81)	(81)
Reversal of 2019/20 Additional Items		(130)	(160)	(160)	(160)
ICE Programme (Workstreams 1-3)		(150)	(425)	(750)	(810)
ICE Programme (Workstream 4)		(50)	(225)	(500)	(750)
Commercial Property - Rental Income expectations		(887)	(1,698)	(2,377)	(2,922)
Pipeline Savings - Enhanced Commercial Property			(300)	(300)	(300)
Pipeline Savings - Major contracts			(300)	(450)	(600)
Pipeline Savings - Service Loans to Housing Company		(88)	(328)	(528)	(528)
Salaries monitoring	(194)	(50)	(50)	(50)	(50)
<b>Subtotal</b>	<b>(444)</b>	<b>(1,436)</b>	<b>(3,567)</b>	<b>(5,196)</b>	<b>(6,201)</b>
<b>Proposed Net Revenue Budget</b>	<b>8,893</b>	<b>11,290</b>	<b>11,444</b>	<b>12,330</b>	<b>12,216</b>

Item	2019/20 LAB (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
<b>Proposed Net Revenue Budget</b>	<b>8,893</b>	<b>11,290</b>	<b>11,444</b>	<b>12,330</b>	<b>12,216</b>
<b>Funded by:</b>					
Council Tax	6,409	6,705	6,933	7,166	7,403
Business Rates Retention	3,836	3,625	2,561	2,610	2,662
Other Funding	145	267			
New Homes Bonus	1,010	1,169	550	211	0
Collection Fund - CT	97	101	0	0	0
Collection Fund - NNDR	299	(371)	0	0	0
<b>TOTAL Funding</b>	<b>11,797</b>	<b>11,495</b>	<b>10,044</b>	<b>9,987</b>	<b>10,065</b>
<b>Core Surplus / (Deficit)</b>	<b>2,904</b>	<b>205</b>	<b>(1,400)</b>	<b>(2,343)</b>	<b>(2,152)</b>
<b>Additional Transfers</b>					
to Commercial Property Reserve	(2,000)				
to Stability & Resilience Reserve					
to Service Improvement Fund		(205)			
to Regeneration	(450)				
to Regeneration DD	(250)				
to Workforce Planning	(200)				
<b>Core Surplus / (Deficit) after Transfers</b>	<b>4</b>	<b>0</b>	<b>(1,400)</b>	<b>(2,343)</b>	<b>(2,152)</b>



## GENERAL FUND REVENUE BUDGET SUMMARY

	Original Estimate 2019/20 £000	Revised Estimate 2019/20 £000	Forecast 2020/21 £000
<b>Net Cost of Services by Portfolio</b>			
1 Corporate & Democratic Services	5,707	5,422	5,289
2 Customer Experience & Improvement	174	41	19
3 Major Projects & Property	(2,292)	(4,544)	(4,928)
4 Operational Services	8,661	7,951	7,847
5 Planning & Economy	2,752	2,830	2,548
6 ICE	0	468	496
<b>7 PORTFOLIO NET EXPENDITURE</b>	<b>15,002</b>	<b>12,168</b>	<b>11,272</b>
8 Capital Accounting Charges - Reversed	(1,964)	(1,802)	(1,859)
9 Pension Adj/Employee Benefits Reversed	(496)	(187)	(660)
<b>10 NET EXPENDITURE AFTER ADJUSTMENTS</b>	<b>12,542</b>	<b>10,179</b>	<b>8,753</b>
<b>Provisions for Budget Re-structuring:</b>			
11 Reductions in Service Costs/Income Generation	(3,931)	(200)	(1,256)
12 Vacancy Monitoring	(325)	(194)	(50)
13 Variations in Service	0	201	695
14 Non-recurring Items	0	50	214
<b>15 Corporate Income and Expenditure</b>	<b>757</b>	<b>(1,031)</b>	<b>2,432</b>
<b>16 Contributions to/(from) Reserve Accounts</b>	<b>2,248</b>	<b>2,442</b>	<b>977</b>
<b>17 Central Government Funding</b>	<b>(4,883)</b>	<b>(5,037)</b>	<b>(5,060)</b>
<b>18 NET TOTAL EXPENDITURE</b>	<b>6,409</b>	<b>6,409</b>	<b>6,705</b>
19 Contribution to/(from) balances	0	0	(0)
<b>20 COUNCIL TAX REQUIREMENT</b>	<b>6,409</b>	<b>6,409</b>	<b>6,705</b>
<b>REVENUE BALANCES</b>			
21 1 April	1,462	2,000	2,000
22 General Fund Transfer	0	0	(0)
23 31 March	1,462	2,000	2,000

Illustrative CT Levels (£)	204.42	204.42	209.42
CT Base	31,352.21	31,352.21	32,015.23
& CT Increase (%)	6.07	-	2.45

<b>15 Corporate Income and Expenditure</b>			
Interest Receivable	(1,358)	(1,600)	(1,600)
Interest payable	1,056	880	1,370
Minimum Revenue Provision	1,410	1,410	2,180
Collection Fund (surplus)/deficit - Ctax	(97)	(97)	(101)
- NNDR	(299)	(299)	371
Other Corporate Income and Expenditure	45	(1,325)	212
<b>Total</b>	<b>757</b>	<b>(1,031)</b>	<b>2,432</b>

<b>16 Contributions to/(from) Reserve Accounts</b>			
Transfers to CPE Surplus Account	76	82	169
Contributions to/(from) earmarked reserves/prior yr grants	(218)	209	(109)
Contributions to/(from) Service Improvement Fund	(93)	(342)	205
Contributions to/(from) Stability & Resilience Reserve	483	0	0
Contributions to/(from) Commercial Reserve	2,000	2,000	50
Contributions to/(from) Pension Reserve	0	0	669
Contributions to/(from) ICE Reserve	0	(406)	(212)
Contributions to/(from) Regeneration Reserve	0	450	(170)
Contributions to/(from) Climate Emergence Reserve	0	0	250
Contributions to/(from) Deprivation Reserve	0	0	100
Contributions to/(from) Due Diligence Reserve	0	250	0
Contributions to/(from) Workforce Reserve	0	200	0
Contributions to/(from) Ward Reserve	0	0	26
<b>Total</b>	<b>2,248</b>	<b>2,442</b>	<b>977</b>

<b>17 Central Government Funding</b>			
New Burdens and other non-ring-fenced grants	(36)	(145)	(267)
New Homes Bonus	(1,010)	(1,010)	(1,169)
Business Rate Retention (BBR)	(3,836)	(3,882)	(3,625)
RBC share of rates collected	(19,988)	(19,988)	(20,261)
Retained surplus (NNDR)	0	0	0
Tariff payable	16,070	16,070	16,332
Levy //(Safety net )	1,265	1,265	1,539
s31 grants in relation to business rates	(1,183)	(1,229)	(1,235)
<b>Total</b>	<b>(4,883)</b>	<b>(5,037)</b>	<b>(5,060)</b>



## REVENUE BUDGET 2020/21

Portfolio Summary (£'s)		Outturn	Original	Revised	Budget
		2018/19	2019/20	2019/20	2020/21
Page No		£	£	£	£
Corporate and Democratic Services	3	6,745,154	5,707,280	5,422,090	5,289,230
Customer Experience and Improvement	47	10,447	173,610	41,230	18,830
Major Projects and Property	59	835,694	(2,292,340)	(4,544,260)	(4,927,960)
Operational Services	77	15,138,209	8,661,470	7,951,420	7,847,300
Planning and Economy	123	2,440,082	2,752,160	2,829,990	2,548,290
Ice Programme	143	0	0	467,510	496,300
<b>PORTFOLIO NET EXPENDITURE</b>		25,169,586	15,002,180	12,167,980	11,271,990

## REVENUE BUDGET 2020/21

Corporate and Democratic Services		Outturn	Original	Revised	Budget
		2018/19	2019/20	2019/20	2020/21
		£	£	£	£
<b>Statutory</b>	<b>Page No</b>				
Council Tax Collection	5	818,017	931,700	827,380	810,270
Rent Allowances	6	418,012	497,830	426,260	496,160
Finance Corporate Finance	7	343,814	324,750	337,510	340,530
Council Tax Support Scheme	8	185,779	213,480	182,070	187,860
Rev Cost Of Nndr Collection	9	169,493	197,860	212,210	205,330
Dem Serv Electoral Register	10	149,641	168,820	242,620	173,860
Dem Corp Policy Supp To Members	11	149,597	151,590	122,950	126,850
Dem Serv Local Elections	12	121,431	138,580	155,930	150,790
Dem Cttee Admin Supp To Member	13	136,844	136,090	145,680	147,010
Finance Treas Mgmt & Bank Chgs	14	87,559	111,770	112,010	112,060
Strategy & Comms Chief Executive	15	105,640	109,250	127,660	133,450
Dem Attendance At Member Mtgs	16	86,726	84,790	75,490	75,310
Land Charges	17	91,175	67,830	86,240	60,490
External Audit & Inspection	18	56,474	51,290	49,790	49,850
Strategy & Comms Emergency Planning	19	48,751	46,460	47,780	47,880
Strategy & Comms Public Perf Rept	20	31,598	34,260	38,480	32,880
Dem Statutory Information	21	1,437	1,290	1,300	1,310
		<b>3,001,988</b>	<b>3,267,640</b>	<b>3,191,360</b>	<b>3,151,890</b>
<b>Discretionary</b>					
Major Grants To Orgs	22	574,677	598,870	609,180	591,690
Community Leisure	23	511,887	563,010	473,570	401,210
Dem Serv Members Expenditure	24	537,398	541,000	514,330	520,330
Grants To Organisations	25	235,842	220,710	189,270	180,350
Corporate Investigation	26	164,462	169,530	162,230	164,780
Dem Serv Mayors Costs	27	73,352	79,690	84,240	89,260
Town Twinning	28	57,294	63,680	65,460	62,400
Community Transport	29	47,019	48,400	49,700	49,680
Dem Serv Civic Ceremonial	30	40,198	43,970	45,430	39,860
Dem Serv Local Gov'T Assoc	31	31,917	32,360	31,740	32,630
Meals On Wheels	32	6,603	5,680	5,660	5,750
		<b>2,280,649</b>	<b>2,366,900</b>	<b>2,230,810</b>	<b>2,137,940</b>
<b>Retirement/Pension Costs</b>	33	<b>1,462,183</b>	<b>640</b>	<b>650</b>	<b>650</b>
Above items carried forward to next page					
3					

## REVENUE BUDGET 2020/21

Corporate and Democratic Services continued		Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
		£	£	£	£
<b>Statutory b/fwd from previous page</b>		<b>3,001,988</b>	<b>3,267,640</b>	<b>3,191,360</b>	<b>3,151,890</b>
<b>Discretionary b/fwd from previous page</b>		<b>2,280,649</b>	<b>2,366,900</b>	<b>2,230,810</b>	<b>2,137,940</b>
<b>Retirement/Pension Costs from prev page</b>		<b>1,462,183</b>	<b>640</b>	<b>650</b>	<b>650</b>
<b>Other</b>	<b>Page No</b>				
Support Service	34	0	35,000	0	0
Dem Serv Support Service	35	1	0	0	0
Dem Serv Management	36	(20)	0	0	0
S & C Corporate Policy	37	(1)	1,730	0	0
Payroll Support Service	38	1	0	0	(10)
Hr Support Service	39	(60)	33,690	0	(10)
Exec Dir Customer, Digital Management	40	118	480	(30)	(350)
Exec Director Operations Management	41	295	320	(690)	(880)
Audit Support Service	42	0	0	(10)	0
Finance Support Service	43	0	980	0	0
Debtors Support	44	0	0	0	0
Revenues Management	45	0	(100)	0	0
		<b>334</b>	<b>72,100</b>	<b>(730)</b>	<b>(1,250)</b>
<b>Net Expenditure</b>		<b>6,745,154</b>	<b>5,707,280</b>	<b>5,422,090</b>	<b>5,289,230</b>

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COUNCIL TAX COLLECTION	2018/19	2019/20	2019/20	2020/21
Cost centre C3805				
Executive Head of Finance	£	£	£	£
Employees	326,414	347,850	307,320	317,550
Premises	-	-	-	-
Transport Related	967	580	820	820
Supplies & Services	68,951	76,340	82,160	76,220
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	506,628	578,630	512,080	489,800
Capital Accounting Charges	1,324	3,300	-	880
<b>Total Expenditure</b>	<b>904,284</b>	<b>1,006,700</b>	<b>902,380</b>	<b>885,270</b>
Income including recharges to other services	(86,267)	(75,000)	(75,000)	(75,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>818,017</b>	<b>931,700</b>	<b>827,380</b>	<b>810,270</b>

Type of service: Statutory

Service Purpose: To issue accurate bills and collect money due from local residents for Council Tax.

Service Activity: Assessing liability for Council Tax. Issuing bills and arranging collection. Taking recovery and enforcement action. Dealing with discounts and exemptions. Handling customer enquiries. Liaison with the Valuation Officer regarding properties to be charged.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2018/19 underspend on software costs

Income including recharges to other services

2018/19 additional income for court costs recovered

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
RENT ALLOWANCES	2018/19	2019/20	2019/20	2020/21
Cost centre C3811#3813				
Executive Head of Finance	£	£	£	£
Employees	422,380	454,880	430,490	461,830
Premises	-	-	-	-
Transport Related	376	650	350	350
Supplies & Services	62,547	46,870	52,210	40,410
Third Party Payments	-	-	-	-
Transfer Payments	35,221,169	27,475,000	29,975,000	26,676,800
Support Services	442,640	502,730	463,960	445,070
Capital Accounting Charges	52	-	-	440
<b>Total Expenditure</b>	<b>36,149,164</b>	<b>28,480,130</b>	<b>30,922,010</b>	<b>27,624,900</b>
Income including recharges to other services	(35,731,152)	(27,982,300)	(30,495,750)	(27,128,740)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>418,012</b>	<b>497,830</b>	<b>426,260</b>	<b>496,160</b>

Type of service: Statutory

Service Purpose: Management and administration of rent allowances.

Service Activity: Provision of rent allowances.

Explanation of significant expenditure/income changes

Employees

Vacancies in HB staff 2018/19. In 2019/20 only some of those vacancies were covered by contractors with 2020/21 budgeted at full establishment

Supplies & Services

2018/19 additional one off software costs due to benefit changes funded by government grants.

Transfer Payments

Reduction in benefit costs due to claims migrating to Universal Credit

Income including recharges to other services

Reduction in subsidy due to in benefit claims migrating to Universal Credit

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
FINANCE CORPORATE FINANCE	2018/19	2019/20	2019/20	2020/21
Cost centre C3402				
Executive Head of Finance	£	£	£	£
Employees	84,698	93,770	103,640	105,610
Premises	-	-	-	-
Transport Related	15	10	20	20
Supplies & Services	6,236	2,420	2,420	2,420
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	252,865	228,550	231,430	232,480
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>343,814</b>	<b>324,750</b>	<b>337,510</b>	<b>340,530</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>343,814</b>	<b>324,750</b>	<b>337,510</b>	<b>340,530</b>

Type of service: Statutory

Service Purpose: Provision of financial advice and support to the Council.

Service Activity: Provide for the preparation of budgets, closure of accounts and financial advice at the corporate level.

Explanation of significant expenditure/income changes

Employees

Reduction in spend in 2018/19 due to staff vacancies. Increase in 2019/20 salary costs due to appointment at mid-point of grade



## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COUNCIL TAX SUPPORT SCHEME	2018/19	2019/20	2019/20	2020/21
Cost centre C3806				
Executive Head of Finance	£	£	£	£
Employees	193,239	210,690	171,980	185,880
Premises	-	-	-	-
Transport Related	188	320	190	190
Supplies & Services	545	-	14,390	4,500
Third Party Payments	-	-	-	-
Transfer Payments	11,371	10,000	12,000	12,000
Support Services	60,677	68,470	61,510	59,390
Capital Accounting Charges	27	-	-	-
<b>Total Expenditure</b>	<b>266,047</b>	<b>289,480</b>	<b>260,070</b>	<b>261,960</b>
Income including recharges to other services	(80,268)	(76,000)	(78,000)	(74,100)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>185,779</b>	<b>213,480</b>	<b>182,070</b>	<b>187,860</b>

Type of service: Statutory

Service Purpose: To assess claims for council tax support quickly and accurately.

Service Activity: Assist customers with their application for council tax support. Assessing and awarding any support due. Reviewing customer's circumstances as they change. Providing advice about other related welfare benefits.

Explanation of significant expenditure/income changes

Employees

Vacancies in HB staff 2018/19. In 2019/20 only some of those vacancies were covered by contractors with 2020/21 budgeted at full establishment

Supplies & Services

2019/20 only consultancy costs vired from other budgets. Revised 2019/20 onwards software costs previously shown in Rent allowances now shown in this cost centre as are attributable to CT support

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
REV COST OF NNDR COLLECTION	2018/19	2019/20	2019/20	2020/21
Cost centre C3804				
Executive Head of Finance	£	£	£	£
Employees	141,351	149,850	158,620	160,830
Premises	-	-	-	-
Transport Related	448	190	700	700
Supplies & Services	13,009	13,950	17,890	14,630
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	138,107	155,660	162,990	156,080
Capital Accounting Charges	96	210	-	1,080
<b>Total Expenditure</b>	<b>293,011</b>	<b>319,860</b>	<b>340,200</b>	<b>333,320</b>
Income including recharges to other services	(123,518)	(122,000)	(127,990)	(127,990)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>169,493</b>	<b>197,860</b>	<b>212,210</b>	<b>205,330</b>

Type of service: Statutory

Service Purpose: To issue accurate bills and collect money due from local businesses for Non Domestic Rates.

Service Activity: Assessing liability for business rates. Issuing bills and arranging collection. Taking recovery and enforcement action. Dealing with rating reliefs. Liaison with ratepayers about rating matters and customer enquiries and with the Valuation Officer regarding properties to be charged.

Explanation of significant expenditure/income changes

Employees

Vacancies in 2018/19. Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV ELECTORAL REGISTER	2018/19	2019/20	2019/20	2020/21
Cost centre C1302				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	75,771	64,540	91,660	70,270
Premises	-	-	-	-
Transport Related	293	290	280	280
Supplies & Services	50,505	75,200	126,500	67,200
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	40,201	40,390	40,530	37,910
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>166,770</b>	<b>180,420</b>	<b>258,970</b>	<b>175,660</b>
Income including recharges to other services	(17,129)	(11,600)	(16,350)	(1,800)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>149,641</b>	<b>168,820</b>	<b>242,620</b>	<b>173,860</b>

Type of service: Statutory

Service Purpose: To maintain an up-to-date electoral register and to provide associated registration services.

Service Activity: Compile and maintain the electoral register through the yearly canvass and rolling registration; Maintain the lists of postal and proxy voters and overseas and service voters; promote and develop initiatives to increase the level of registration.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2019/20 includes a budget for transitional costs relating to the Individual registration (IER) and is being used for outcomes of the electoral services review

Income including recharges to other services

Fluctuations in grant received from government relating to the transitional costs of IER which ends in 2019/20

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM CORP POLICY SUPP TO MEMBERS	2018/19	2019/20	2019/20	2020/21
Cost centre C1317				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	114,079	118,410	85,780	90,590
Premises	-	-	-	-
Transport Related	143	230	110	110
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	35,375	32,950	37,060	36,150
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>149,597</b>	<b>151,590</b>	<b>122,950</b>	<b>126,850</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>149,597</b>	<b>151,590</b>	<b>122,950</b>	<b>126,850</b>

Type of service: Statutory

Service Purpose: To provide support to the Council and Members to ensure their duties are undertaken effectively and within the law.

Service Activity: Provide advice and co-ordination on the policy and procedural aspects of the decision-making process; ensure corporate documents and information (especially the Constitution) are maintained and up to date.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Reallocation of costs to supplies and services

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV LOCAL ELECTIONS	2018/19	2019/20	2019/20	2020/21
Cost centre C1303				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	68,084	69,150	71,400	69,770
Premises	5,553	5,800	9,130	8,500
Transport Related	131	660	780	830
Supplies & Services	46,538	44,680	52,790	51,090
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	21,898	18,440	22,160	20,900
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>142,204</b>	<b>138,730</b>	<b>156,260</b>	<b>151,090</b>
Income including recharges to other services	(20,773)	(150)	(330)	(300)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>121,431</b>	<b>138,580</b>	<b>155,930</b>	<b>150,790</b>

Type of service: Statutory

Service Purpose: To arrange and manage elections in the Borough.

Service Activity: Organise all parliamentary, European and local elections in the Borough and the Aldershot Constituency; ensure compliance with legislative provisions and guidance relating to all administrative aspects of elections; promote and develop initiatives to increase turnout at elections.

Explanation of significant expenditure/income changes

Supplies & Services

Reallocation of budgets previously shown in Employee costs

Income including recharges to other services

Contributions are dependent upon council administering Elections organised on behalf of Government and Hampshire County Council

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM CTTEE ADMIN SUPP TO MEMBER	2018/19	2019/20	2019/20	2020/21
Cost centre C1316				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	83,384	79,170	91,810	92,150
Premises	-	-	-	-
Transport Related	182	430	280	280
Supplies & Services	12,026	16,100	14,100	15,350
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	38,252	37,390	36,490	36,230
Capital Accounting Charges	3,000	3,000	3,000	3,000
<b>Total Expenditure</b>	<b>136,844</b>	<b>136,090</b>	<b>145,680</b>	<b>147,010</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>136,844</b>	<b>136,090</b>	<b>145,680</b>	<b>147,010</b>

Type of service: Statutory

Service Purpose: To support the Council and Members in undertaking their duties.

Service Activity: Provide administrative support to the Council, including the Cabinet, Committees, Policy and Review Panels and other Member groups.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
FINANCE TREAS MGMT & BANK CHGS	2018/19	2019/20	2019/20	2020/21
Cost centre C3403				
Executive Head of Finance	£	£	£	£
Employees	21,509	24,410	26,360	26,660
Premises	-	-	-	-
Transport Related	18	-	10	-
Supplies & Services	27,294	50,700	49,000	49,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	38,738	36,660	36,640	36,400
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>87,559</b>	<b>111,770</b>	<b>112,010</b>	<b>112,060</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>87,559</b>	<b>111,770</b>	<b>112,010</b>	<b>112,060</b>

Type of service: Statutory

Service Purpose: Management of the Council's funds.

Service Activity: The management of the Council's investments, borrowing and cash flows, its banking and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Explanation of significant expenditure/income changes

Supplies & Services

Increase in brokers fees due to a change in the Council's borrowing requirements

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
STRATEGY & COMMS CHIEF EXECUTIVE	2018/19	2019/20	2019/20	2020/21
Cost centre C1407				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	89,946	93,180	102,990	108,710
Premises	-	-	-	-
Transport Related	71	120	80	80
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	15,623	15,950	24,590	24,660
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>105,640</b>	<b>109,250</b>	<b>127,660</b>	<b>133,450</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>105,640</b>	<b>109,250</b>	<b>127,660</b>	<b>133,450</b>

Type of service: Statutory

Service Purpose: Chief Executive's operational budget.

Service Activity: To support the Chief Executive function.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.



## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM ATTENDANCE AT MEMBER MTGS	2018/19	2019/20	2019/20	2020/21
Cost centre C1318				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	59,535	59,800	47,110	47,680
Premises	-	-	-	-
Transport Related	99	160	120	120
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	27,092	24,830	28,260	27,510
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>86,726</b>	<b>84,790</b>	<b>75,490</b>	<b>75,310</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>86,726</b>	<b>84,790</b>	<b>75,490</b>	<b>75,310</b>

Type of service: Statutory

Service Purpose: To provide professional and administrative support to the Council and Members at meetings.

Service Activity: Provide advice and co-ordination on procedural and administrative aspects of the decision making structure and processes at meetings.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
LAND CHARGES	2018/19	2019/20	2019/20	2020/21
Cost centre C1200				
Corporate Manager Legal Services	£	£	£	£
Employees	70,220	68,480	67,660	68,060
Premises	-	-	-	-
Transport Related	1	-	-	-
Supplies & Services	21,743	19,520	39,670	19,170
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	82,777	79,830	78,910	73,260
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>174,741</b>	<b>167,830</b>	<b>186,240</b>	<b>160,490</b>
Income including recharges to other services	(83,566)	(100,000)	(100,000)	(100,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>91,175</b>	<b>67,830</b>	<b>86,240</b>	<b>60,490</b>

Type of service: Statutory

Service Purpose: To provide a land charges service.

Service Activity: The registration of land charges; the collating of information; the compilation of official searches and the answering of Con 29 enquiries.

Explanation of significant expenditure/income changes

Supplies & Services

Revised budget was increased to allow for additional searches HCC have done on our behalf as a special circumstance. The budgets reduce down to the usual levels in 20/21.

Income

18/19 outturn showed an unusually low income stream for searches. Expected to revert to the usual levels after this.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
EXTERNAL AUDIT & INSPECTION	2018/19	2019/20	2019/20	2020/21
Cost centre C3404				
Executive Head of Finance	£	£	£	£
Employees	8,358	10,110	8,750	8,880
Premises	-	-	-	-
Transport Related	49	10	-	-
Supplies & Services	44,040	38,380	38,380	38,380
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	4,027	2,790	2,660	2,590
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>56,474</b>	<b>51,290</b>	<b>49,790</b>	<b>49,850</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>56,474</b>	<b>51,290</b>	<b>49,790</b>	<b>49,850</b>

Type of service: Statutory

Service Purpose: External approval of the Council's financial management and governance.

Service Activity: Assisting external auditors in review and inspection work; Liaison at the operational and strategic level on the issues arising from the audit and payment of the subsequent fees for the work.

Explanation of significant expenditure/income changes

Supplies & Services

Additional audit fee works carried out in 2018/19

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
STRATEGY & COMMS EMERGENCY PLANNING	2018/19	2019/20	2019/20	2020/21
Cost centre C1404				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	13,109	11,780	15,620	15,830
Premises	-	-	-	-
Transport Related	8	20	40	30
Supplies & Services	21,886	23,100	22,630	22,900
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	13,748	11,560	9,490	9,120
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>48,751</b>	<b>46,460</b>	<b>47,780</b>	<b>47,880</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>48,751</b>	<b>46,460</b>	<b>47,780</b>	<b>47,880</b>

Type of service: Statutory

Service Purpose: To meet the statutory requirements of the Civil Contingencies Act 2004.

Service Activity: Preparing the Council's response to a Major Civil Emergency. Including liaising with partners, updating the Emergency Plan, running a programme of training exercises, reviewing the Rushmoor Area Risk Register and participating in the delivery of NI188 Climate Change mitigation.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
STRATEGY & COMMS PUBLIC PERF REPT	2018/19	2019/20	2019/20	2020/21
Cost centre C1408				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	23,409	26,010	29,800	24,410
Premises	-	-	-	-
Transport Related	36	70	30	20
Supplies & Services	-	400	400	400
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	8,153	7,780	8,250	8,050
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>31,598</b>	<b>34,260</b>	<b>38,480</b>	<b>32,880</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>31,598</b>	<b>34,260</b>	<b>38,480</b>	<b>32,880</b>

Type of service: Statutory

Service Purpose: Publication of the Corporate Plan and other corporate reports.

Service Activity: Production and printing of the Corporate Plan.

Explanation of significant expenditure/income changes

Employees

Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM STATUTORY INFORMATION	2018/19	2019/20	2019/20	2020/21
Cost centre C1319				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	-	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	1,437	1,290	1,300	1,310
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>1,437</b>	<b>1,290</b>	<b>1,300</b>	<b>1,310</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1,437</b>	<b>1,290</b>	<b>1,300</b>	<b>1,310</b>

Type of service: Statutory

Service Purpose: Democratic statutory information.

Service Activity: Management and administration associated with democratic statutory information.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
MAJOR GRANTS TO ORGS	2018/19	2019/20	2019/20	2020/21
Cost centre C2535				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	11,653	10,670	11,490	11,720
Premises	-	-	-	-
Transport Related	39	50	50	50
Supplies & Services	101,595	122,510	127,510	122,510
Third Party Payments	-	-	-	-
Transfer Payments	453,440	458,000	462,190	449,850
Support Services	7,950	7,640	7,940	7,560
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>574,677</b>	<b>598,870</b>	<b>609,180</b>	<b>591,690</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>574,677</b>	<b>598,870</b>	<b>609,180</b>	<b>591,690</b>

Type of service: Discretionary

Service Purpose: To provide assistance to non-profit making organisations.

Service Activity: Providing financial and advisory support to organisations who provide benefit to the Borough.

Explanation of significant expenditure/income changes

Supplies & Services

This budget reflects the notional costs associated with granting parking permits to various voluntary organisations and charities. The value of the parking permit is calculated depending on the allocated car park and the hours the permit covers each day. The corresponding notional income is shown in the Car Parks cost centre. The 2018/19 Outturn is lower than the Original 2019/20 budget onwards as a 2018/19 permit renewal for one organisation was processed in the 2017/18 financial year instead of the 2018/19 financial year.

Transfer Payments

See breakdown below:

Analysis of Transfer Payments

Citizens Advice	259,590	259,590	274,780	272,440
Farnborough & Cove War Memorial Hospital Trust	102,570	102,570	92,570	82,570
Rushmoor Voluntary Service	75,500	75,500	75,500	75,500
35-39 High Street Service Charge	15,780	20,340	19,340	19,340
<b>Total of all Transfer Payments</b>	<b>453,440</b>	<b>458,000</b>	<b>462,190</b>	<b>449,850</b>

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COMMUNITY LEISURE	2018/19	2019/20	2019/20	2020/21
Cost centre C2508				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	330,971	353,880	263,180	240,730
Premises	-	-	-	-
Transport Related	1,734	2,310	1,400	1,150
Supplies & Services	9,171	29,140	51,450	17,140
Third Party Payments	-	-	-	-
Transfer Payments	14,612	14,610	14,610	14,610
Support Services	160,292	167,570	148,720	141,440
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>516,780</b>	<b>567,510</b>	<b>479,360</b>	<b>415,070</b>
Income including recharges to other services	(4,893)	(4,500)	(5,790)	(13,860)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>511,887</b>	<b>563,010</b>	<b>473,570</b>	<b>401,210</b>

Type of service: Discretionary

Service Purpose: Provision of a community leisure programme.

Service Activity: Provision of health programmes and play activities.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn, 2019/20 Original Budget and 2019/20 Revised Estimate include the cost of a temporary post funded from Earmarked Reserves. 2019/20 Revised Budget onwards reflects a reduction in budget in this cost centre as 2 posts are now allocating to the Economic Development cost centre.

Supplies & Services

2018/19 Outturn reflected a reduction in spend on printing and operational equipment. 2019/20 Original Budget and 2019/20 Revised Budget include the non recurring budgets for initiatives to promote healthy weights and city cycling and re-signing of the Military Covenant. 2019/20 Revised Budget also includes the carry forward of budgets from 2018/19 for the cycle track feasibility study and Fair Trade Activities. Other expenditure in 2019/20 Revised Budget is mainly due to spend on uniting communities and other developing our community activities and projects which is funded from grants and external contributions.

Income

Fluctuations in income mainly relating to external funding for developing our community activities and projects.



## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV MEMBERS EXPENDITURE	2018/19	2019/20	2019/20	2020/21
Cost centre C1310				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	356,716	355,570	361,770	368,250
Premises	-	-	-	-
Transport Related	(137)	160	130	130
Supplies & Services	12,947	13,130	13,690	13,690
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	167,872	172,140	138,740	138,260
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>537,398</b>	<b>541,000</b>	<b>514,330</b>	<b>520,330</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>537,398</b>	<b>541,000</b>	<b>514,330</b>	<b>520,330</b>

Type of service: Discretionary

Service Purpose: To support the Council and elected Members in undertaking their duties.

Service Activity: Provide Members with the necessary support and resources within the framework set by the Council.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
GRANTS TO ORGANISATIONS	2018/19	2019/20	2019/20	2020/21
Cost centre C2513				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	25,574	25,320	24,530	25,220
Premises	-	-	-	-
Transport Related	88	100	80	80
Supplies & Services	1,329	2,110	2,110	2,110
Third Party Payments	-	-	-	-
Transfer Payments	253,252	177,630	224,540	216,610
Support Services	17,114	16,550	16,390	15,580
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>297,357</b>	<b>221,710</b>	<b>267,650</b>	<b>259,600</b>
Income including recharges to other services	(61,515)	(1,000)	(78,380)	(79,250)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>235,842</b>	<b>220,710</b>	<b>189,270</b>	<b>180,350</b>
Type of service: Discretionary				
Service Purpose: To provide small grants to voluntary, community, sports and arts and youth related groups.				
Service Activity: The aim of the grant is to support non-profit making groups that require financial support to provide or improve services that will benefit the people of Rushmoor.				
<u>Explanation of significant expenditure/income changes</u>				
Transfer Payments - See breakdown below:				
#1 Grants & Contributions	37,589	20,000	20,000	20,000
#2 Farnborough Airport Community Environmental Fund	56,197	0	65,000	66,000
Service Charge	1,640	2,120	2,100	2,100
Community Matters Partnership	2,500	2,500	2,500	2,500
#3 Community Lottery Grants	0	0	12,380	12,250
#4 Rent Relief	155,325	153,010	122,560	113,760
Total of all Transfer Payments	253,252	177,630	224,540	216,610
#1 2018/19 Outturn includes a one-off grant for Financial Assistance to Aldershot Town Football Club towards external gas main works to the site.				
#2 2018/19 Outturn shows the amount of Farnborough Airport Community Environmental Fund used and received in year. From 2019/20 Revised Budget onwards we are showing the anticipated spend in our budgets along with the Income.				
#3 From 2019/20 Revised Budget onwards we are including in our budgets the anticipated spend of the Community Fund for successful Community Fund Grant applications. In the income section we are including the anticipated income the Council will receive from the Community Lottery for the Community Fund that the Council will then pay out to successful Community Fund Grant applications.				
#4 2019/20 Rev Bud onwards reflects reduction in rent relief re closure of the Farnborough Community Centre				
Income - See breakdown below:				
#2 Farnborough Airport Community Environmental Fund	(61,563)	0	(65,000)	(66,000)
#3 Community Lottery Fund	0	0	(12,380)	(12,250)
Lottery Management Fee	48	(1,000)	(1,000)	(1,000)
Total of all Income	(61,515)	(1,000)	(78,380)	(79,250)

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
CORPORATE INVESTIGATION	2018/19	2019/20	2019/20	2020/21
Cost centre C3809				
Executive Head of Finance	£	£	£	£
Employees	110,191	116,690	110,760	114,250
Premises	-	-	-	-
Transport Related	963	1,100	860	860
Supplies & Services	4,968	3,850	3,150	4,750
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	49,682	47,890	47,460	44,920
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>165,804</b>	<b>169,530</b>	<b>162,230</b>	<b>164,780</b>
Income including recharges to other services	(1,342)	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>164,462</b>	<b>169,530</b>	<b>162,230</b>	<b>164,780</b>

Type of service: Discretionary

Service Purpose: To investigate internal and external allegations of fraud, corruption and dishonesty in accordance with prevalent legislation and utilising appropriate investigative techniques.

Service Activity: To plan and undertake investigations into allegations of fraud and corruption of varying nature and complexity using the most cost effective and efficient methods. To comply with legislative requirements, Council policies and procedures governing the conduct of investigations. To assist in the identification of control weaknesses and implementing solutions and controls for future improvements. To assist in the development and delivery and to participate in education, training and awareness activities as part of the fraud prevention programme.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV MAYORS COSTS	2018/19	2019/20	2019/20	2020/21
Cost centre C1304				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	50,332	50,740	54,140	59,030
Premises	-	-	-	-
Transport Related	3,538	7,260	6,170	6,170
Supplies & Services	15,888	16,010	12,670	17,890
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	17,987	17,280	19,760	19,870
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>87,745</b>	<b>91,290</b>	<b>92,740</b>	<b>102,960</b>
Income including recharges to other services	(14,393)	(11,600)	(8,500)	(13,700)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>73,352</b>	<b>79,690</b>	<b>84,240</b>	<b>89,260</b>

Type of service: Discretionary

Service Purpose: To support the Mayor and Deputy Mayor in carrying out their duties.

Service Activity: Co-ordinate and make arrangements for all Mayoral engagements, organise certain events and provide support for the Mayor and Deputy Mayor during the Mayoral year.

Explanation of significant expenditure/income changes

Supplies & Services

Expenditure deferred to end of Mayoral year in May 2020.

Income including recharges to other services

Income related to expenditure deferred to end of Mayoral year in May 2020

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
TOWN TWINNING	2018/19	2019/20	2019/20	2020/21
Cost centre C2531				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	39,558	40,220	39,780	40,130
Premises	-	-	-	-
Transport Related	617	540	360	360
Supplies & Services	510	6,000	9,200	6,400
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	16,609	16,920	16,120	15,510
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>57,294</b>	<b>63,680</b>	<b>65,460</b>	<b>62,400</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>57,294</b>	<b>63,680</b>	<b>65,460</b>	<b>62,400</b>

Type of service: Discretionary

Service Purpose: To encourage and facilitate educational, cultural and leisure links between Rushmoor organisations and their counterpart organisations in Rushmoor twin towns.

Service Activity: To encourage travel and hosting to Rushmoor clubs, societies and organisations (youth and adult) that wish to have links in Rushmoor twin towns. The Twinning Association itself is required to organise and represent the Borough in various annual events, both in Rushmoor and twin towns.

Explanation of significant expenditure/income changes

Supplies & Services

2018/19 Outturn reflected an underspend of budget which was carried forward and included in the 2019/20 Revised Budget. 2019/20 Original Budget included a permanent transfer of budget from the Civic Ceremonial cost centre for Twinning Events.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
COMMUNITY TRANSPORT	2018/19	2019/20	2019/20	2020/21
Cost centre C2534				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	2,151	1,620	2,840	2,880
Premises	-	-	-	-
Transport Related	4	10	20	20
Supplies & Services	-	-	-	-
Third Party Payments	10,570	10,570	10,570	10,570
Transfer Payments	31,837	33,900	33,900	33,900
Support Services	2,457	2,300	2,370	2,310
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>47,019</b>	<b>48,400</b>	<b>49,700</b>	<b>49,680</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>47,019</b>	<b>48,400</b>	<b>49,700</b>	<b>49,680</b>

Type of service: Discretionary

Service Purpose: To support residents who may become isolated due to lack of transport.

Service Activity: To provide Dial a Ride in liaison with Rushmoor Voluntary Services and Hampshire County Council.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV CIVIC CEREMONIAL	2018/19	2019/20	2019/20	2020/21
Cost centre C1300				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	20,912	21,690	23,590	24,340
Premises	-	-	-	-
Transport Related	30	80	60	60
Supplies & Services	12,100	14,750	14,450	7,600
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	7,156	7,450	7,830	7,860
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>40,198</b>	<b>43,970</b>	<b>45,930</b>	<b>39,860</b>
Income including recharges to other services	-	-	(500)	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>40,198</b>	<b>43,970</b>	<b>45,430</b>	<b>39,860</b>

Type of service: Discretionary

Service Purpose: To carry out civic activities within the community.

Service Activity: Make arrangements for civic events in the Borough; provide civic support to events organised within the local community.

Explanation of significant expenditure/income changes

Supplies & Services

2018/19 and 2019/20 include budgets for Commemorative events (non recurring items)

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV LOCAL GOV'T ASSOC	2018/19	2019/20	2019/20	2020/21
Cost centre C1313				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	16,034	16,670	16,590	16,890
Premises	-	-	-	-
Transport Related	13	30	30	30
Supplies & Services	11,963	12,000	11,200	11,800
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,907	3,660	3,920	3,910
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>31,917</b>	<b>32,360</b>	<b>31,740</b>	<b>32,630</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>31,917</b>	<b>32,360</b>	<b>31,740</b>	<b>32,630</b>

Type of service: Discretionary

Service Purpose: To support the Council with its involvement in external organisations working for local government.

Service Activity: Provide Members and Officers with support and resources to work with local and national bodies including the Local Government Association and The Hampshire & Isle Of Wight Local Government Association.



## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
MEALS ON WHEELS	2018/19	2019/20	2019/20	2020/21
Cost centre C2536				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	2,151	1,420	1,400	1,480
Premises	-	-	-	-
Transport Related	4	10	10	10
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	2,500	2,500	2,500	2,500
Support Services	1,948	1,750	1,750	1,760
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>6,603</b>	<b>5,680</b>	<b>5,660</b>	<b>5,750</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>6,603</b>	<b>5,680</b>	<b>5,660</b>	<b>5,750</b>

Type of service: Discretionary

Service Purpose: To support a luncheon club at the Aldershot and Fleet Rugby Club and the County's Food and Friendship programme.

Service Activity: Provide grants to Age Concern.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
RETIREMENT/PENSION COSTS	2018/19	2019/20	2019/20	2020/21
Cost centre C1416				
Executive Head of People	£	£	£	£
Employees	1,373,539	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	719	640	650	650
Capital Accounting Charges	87,925	-	-	-
<b>Total Expenditure</b>	<b>1,462,183</b>	<b>640</b>	<b>650</b>	<b>650</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1,462,183</b>	<b>640</b>	<b>650</b>	<b>650</b>

Type of service: Unapportionable Central Overheads

Service Purpose: To reflect the cost to the Council of early retirement costs, added years and other pension scheme costs.

Service Activity: To record payments to Hampshire Pension Fund.

Explanation of significant expenditure/income changes

Employees

Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C1202				
Corporate Manager Legal Services	£	£	£	£
Employees	408,343	355,120	420,390	372,770
Premises	-	-	-	-
Transport Related	33	-	20	20
Supplies & Services	67,297	104,390	67,570	84,390
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	97,572	94,920	94,040	93,110
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>573,245</b>	<b>554,430</b>	<b>582,020</b>	<b>550,290</b>
Income including recharges to other services	(573,245)	(519,430)	(582,020)	(550,290)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>35,000</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: The provision of legal advice to the Council; the carrying out of the role of Monitoring Officer.

Service Activity: The provision of legal advice to officers, Members and the Council. To include general advice on planning, housing, local government law, environmental health, licensing, contracts and procurement, prosecutions, conveyancing, Freedom of Information requests and Data Protection duties.

Explanation of significant expenditure/income changes

Employees

19/20 original reflects virements to temporary staff code to cover solicitors employed on a contract or temporary basis. Revised reflects additional staff budget needed to cover increased legal work for Property. Back to usual levels for 20/21

Supplies & Services

Counsels Fees' budget are historically vired to cover temporary staff costs for higher contractor fees. Original budgets are reverted to real starting points.

Income

Anomalies in the S106 income and subsequent income streams. The actual levels going forward and the amounts to be charged are a 'work-in-process'

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C1312				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	30,403	52,890	30,790	31,430
Premises	-	-	-	-
Transport Related	42	130	110	110
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	14,189	14,610	12,190	12,080
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>44,634</b>	<b>67,630</b>	<b>43,090</b>	<b>43,620</b>
Income including recharges to other services	(44,633)	(67,630)	(43,090)	(43,620)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To provide support to corporate groups.

Service Activity: To provide administrative support to corporate groups including organising and attending meetings.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEM SERV MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C1314				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	5,303	4,750	4,820	4,820
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	12,986	10,050	9,900	9,700
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>18,289</b>	<b>14,800</b>	<b>14,720</b>	<b>14,520</b>
Income including recharges to other services	(18,309)	(14,800)	(14,720)	(14,520)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(20)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Democratic Services management.

Service Activity: Provision of Democratic Services management costs recharged to other activities.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
S & C CORPORATE POLICY	2018/19	2019/20	2019/20	2020/21
Cost centre C1409				
Head of Democracy, Strategy and Partnerships	£	£	£	£
Employees	416,667	486,250	439,820	452,080
Premises	-	-	-	-
Transport Related	675	1,010	590	520
Supplies & Services	176,032	203,530	207,480	2,750
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	436,342	526,870	436,190	427,810
Capital Accounting Charges	168,836	-	-	-
<b>Total Expenditure</b>	<b>1,198,552</b>	<b>1,217,660</b>	<b>1,084,080</b>	<b>883,160</b>
Income including recharges to other services	(1,198,553)	(1,215,930)	(1,084,080)	(883,160)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(1)</b>	<b>1,730</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Development, implementation and monitoring of the Council's corporate strategies, policies and plans.

Service Activity: Collating, analysing and sharing key data to drive and inform decision making. Performance management and development of corporate strategy and planning, the production of quarterly monitoring reports to Corporate Leadership Team and Cabinet and corporate programme management. Community cohesion and integration strategy.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

2018/19 and 2019/20 include one off costs re Organisational Restructure and Transitional Arrangements funded by Service Improvement Fund

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
PAYROLL SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C1414				
Executive Head of People	£	£	£	£
Employees	40,861	42,650	41,690	41,910
Premises	-	-	-	-
Transport Related	3	-	-	-
Supplies & Services	777	500	300	300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	11,978	13,080	13,390	12,850
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>53,619</b>	<b>56,230</b>	<b>55,380</b>	<b>55,060</b>
Income including recharges to other services	(53,618)	(56,230)	(55,380)	(55,070)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>(10)</b>

Type of service: Overheads

Service Purpose: To provide a payroll service to employees and Councillors.

Service Activity: To process 100% of changes to salary, including starters leavers, salary changes on a monthly basis.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
HR SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C1415				
Executive Head of People	£	£	£	£
Employees	350,486	340,500	360,320	394,320
Premises	-	-	-	-
Transport Related	104	-	30	10
Supplies & Services	48,075	87,100	97,770	53,050
Third Party Payments	-	-	-	-
Transfer Payments	33,263	36,000	34,040	34,040
Support Services	77,863	59,590	74,370	72,270
Capital Accounting Charges	2,525	2,520	2,520	2,520
<b>Total Expenditure</b>	<b>512,316</b>	<b>525,710</b>	<b>569,050</b>	<b>556,210</b>
Income including recharges to other services	(512,376)	(492,020)	(569,050)	(556,220)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(60)</b>	<b>33,690</b>	<b>0</b>	<b>(10)</b>

Type of service: Overheads

Service Purpose: To assist the Council in it's objectives by: - advising, supporting and guiding individuals and the organisation on people management issues, - by achieving and facilitating learning and improvement, and through interpretation and application of employment law and good employment practices.

Service Activity: Provide support to managers and employees through various activities - including employee relations, policy development, recruitment and selection and learning and development.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2018/19 underspend against budget on in house training has been carried forward to 2019/20 . 2019/20 also includes a budget to facilitate the Management Development Programme training ( non recurring item)



## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
EXEC DIR CUSTOMER, DIGITAL MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2100				
Directors Costs	£	£	£	£
Employees	3,728	5,900	4,850	4,850
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	9,183	8,450	6,750	7,750
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,018	5,280	5,270	5,250
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>17,929</b>	<b>19,630</b>	<b>16,870</b>	<b>17,850</b>
Income including recharges to other services	(17,811)	(19,150)	(16,900)	(18,200)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>118</b>	<b>480</b>	<b>(30)</b>	<b>(350)</b>

Type of service: Overheads

Service Purpose: Apportioned cost elements of the Executive Director (Customers, Digital and Rushmoor 2020).

Service Activity: Executive Director (Customers, Digital and Rushmoor 2020).

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
EXEC DIRECTOR OPERATIONS MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C3102				
Directors Costs	£	£	£	£
Employees	958	1,000	900	900
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	1,138	2,910	2,510	2,910
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	4,303	4,620	4,010	4,020
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>6,399</b>	<b>8,530</b>	<b>7,420</b>	<b>7,830</b>
Income including recharges to other services	(6,104)	(8,210)	(8,110)	(8,710)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>295</b>	<b>320</b>	<b>(690)</b>	<b>(880)</b>

Type of service: Overheads

Service Purpose: Apportioned cost elements of the Executive Director (Operations) Deputy CEX and Monitoring Officer.

Service Activity: Executive Director (Operations) Deputy CEX and Monitoring Officer.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
AUDIT SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C3106				
Executive Head of Finance	£	£	£	£
Employees	78,908	116,770	114,360	105,610
Premises	-	-	-	-
Transport Related	90	30	-	-
Supplies & Services	884	940	610	610
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	28,040	27,220	27,740	26,840
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>107,922</b>	<b>144,960</b>	<b>142,710</b>	<b>133,060</b>
Income including recharges to other services	(107,922)	(144,960)	(142,720)	(133,060)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>(10)</b>	<b>0</b>

Type of service: Overheads

Service Purpose: The purpose of Internal Audit is to:

- Evaluate and assist in improving the effectiveness of governance, risk management and control processes within the Council.
- Provide the Council with anti-fraud and corruption, and internal investigation expertise.
- Provide assurance to External Audit on the controls within key financial systems.

Service Activity: To meet the above purpose the following activities are carried out by Internal Audit:

- Audit reviews of corporate and service activities.
- Significant financial audits.
- Work with management to address risks and issues identified.
- Provide advice on system controls, legislation and policies.
- Proactive anti-fraud and corruption work as well as investigations when required.

Explanation of significant expenditure/income changes

Employees

Vacant post in 2018/19 also some audit works unable to be carried out in 2018/19, budget and expenditure incurred in 2019/20. Reduction in agency staff costs in 2020/21, the 2019/20 revised budget included works originally due to be carried out in 2018/19

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
FINANCE SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C3401				
Executive Head of Finance	£	£	£	£
Employees	555,983	483,750	487,540	497,390
Premises	-	-	-	-
Transport Related	79	70	120	60
Supplies & Services	21,137	17,760	20,780	21,310
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	112,398	112,420	109,590	106,620
Capital Accounting Charges	23,824	23,820	24,220	23,400
<b>Total Expenditure</b>	<b>713,421</b>	<b>637,820</b>	<b>642,250</b>	<b>648,780</b>
Income including recharges to other services	(713,421)	(636,840)	(642,250)	(648,780)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>980</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To provide financial support to all areas of the Council.

Service Activity: Provide a comprehensive budgeting and accounting service including the provision of financial advice, the exercising of financial control, the maintenance of financial systems, insurances and the payment of the Council's creditors.

Explanation of significant expenditure/income changes

Employees

Increased use of temporary staff due to vacancies in 2018/19 and then returning to full establishment in 2019/20

Income

Adjustment to recharges to other services

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
DEBTORS SUPPORT	2018/19	2019/20	2019/20	2020/21
Cost centre C3807				
Executive Head of Finance	£	£	£	£
Employees	22,197	23,640	28,610	28,930
Premises	-	-	-	-
Transport Related	5	10	-	-
Supplies & Services	1,471	900	900	900
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	11,901	13,180	11,250	11,180
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>35,574</b>	<b>37,730</b>	<b>40,760</b>	<b>41,010</b>
Income including recharges to other services	(35,574)	(37,730)	(40,760)	(41,010)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To issue accurate bills and collect money due from individuals and businesses for rents and services.

Service Activity: Issue bills, make collection arrangements and undertake recovery and enforcement for sums due. Liaise with Council Service areas to raise bills and establish liability and payment arrangements for debts from their area. Assist customers with enquiries about bills issued.

## REVENUE BUDGET 2020/21

Corporate and Democratic Services	Outturn	Original	Revised	Budget
REVENUES MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C3808				
Executive Head of Finance	£	£	£	£
Employees	2,195	3,200	3,200	3,200
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	4,870	8,210	7,370	8,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>7,065</b>	<b>11,410</b>	<b>10,570</b>	<b>11,300</b>
Income including recharges to other services	(7,065)	(11,510)	(10,570)	(11,300)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>(100)</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Management costs for Revenues income collection.

Service Activity: Revenues income collection.

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## REVENUE BUDGET 2020/21

Customer Experience and Improvement		Outturn	Original	Revised	Budget
		2018/19	2019/20	2019/20	2020/21
		£	£	£	£
<b>Discretionary</b>	<b>Page No</b>				
S & C Corporate Events	48	10,203	12,620	9,420	9,430
<b>Other</b>					
Customer Services Unit	49	0	0	0	0
S & C Communications	50	0	31,150	0	0
Project And Improvements	51	0	0	(10)	0
Information Technology Management	52	1	45,000	(10)	80
Information Technology App Support	53	1	20,000	10	10
Information Technology Serv Desk	54	(62)	0	4,940	29,030
Information Technology Tech Services	55	(1)	41,000	(25,740)	(49,330)
Council Offices	56	0	4,750	35,270	15,000
Printing Unit	57	306	19,090	2,090	(490)
Facilities	58	(1)	0	15,260	15,100
		<b>244</b>	<b>160,990</b>	<b>31,810</b>	<b>9,400</b>
<b>Net Expenditure</b>		<b>10,447</b>	<b>173,610</b>	<b>41,230</b>	<b>18,830</b>



## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
S & C CORPORATE EVENTS	2018/19	2019/20	2019/20	2020/21
Cost centre C1412				
Head of Customer Experience	£	£	£	£
Employees	4,003	3,820	3,800	3,850
Premises	-	-	-	-
Transport Related	1	-	-	-
Supplies & Services	3,208	6,000	2,740	2,740
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,991	2,800	2,880	2,840
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>10,203</b>	<b>12,620</b>	<b>9,420</b>	<b>9,430</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>10,203</b>	<b>12,620</b>	<b>9,420</b>	<b>9,430</b>

Type of service: Discretionary

Service Purpose: To enable the Council to engage with the local community at local events in the Borough.

Service Activity: To enable the Council to engage with the local community and support events in the Borough including Farnborough Donkey Derby, Victoria Day, the Aldershot Military Festival, Christmas lights and the North Camp Summer Fayre.

## REVENUE BUDGET 2020/21

Customer Experience and Improvement CUSTOMER SERVICES UNIT Cost centre C1327 Head of Customer Experience	Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
	£	£	£	£
Employees	466,954	524,490	487,090	503,750
Premises	-	-	-	-
Transport Related	-	100	-	-
Supplies & Services	149,404	447,210	174,130	159,440
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	174,592	174,280	173,360	168,710
Capital Accounting Charges	26,725	49,850	16,100	25,520
<b>Total Expenditure</b>	<b>817,675</b>	<b>1,195,930</b>	<b>850,680</b>	<b>857,420</b>
Income including recharges to other services	(817,675)	(1,195,930)	(850,680)	(857,420)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To answer enquiries from the general public calling at the Council offices in person, by telephone, letter and e-mail.

Service Activity: To run the Council's main reception area, the Council switchboard service and the customer service response team, answer e-mails and respond to enquiries via the Council's website. Process payments made to the Council in person, by phone and by post; and carry out meeting room administration and post services.

Explanation of significant expenditure/income changes

Employees

Fluctuations are due to vacancies in 2018/19 and 2019/20 and Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

Movement of one-off budgets showing in original budget to the ICE Programme

## REVENUE BUDGET 2020/21

Customer Experience and Improvement S & C COMMUNICATIONS Cost centre C1411 Head of Customer Experience	Outturn 2018/19 £	Original 2019/20 £	Revised 2019/20 £	Budget 2020/21 £
Employees	244,827	298,730	278,680	309,440
Premises	-	-	-	-
Transport Related	234	240	320	320
Supplies & Services	39,479	62,770	64,970	57,970
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	84,919	84,630	86,460	85,330
Capital Accounting Charges	32,972	26,810	29,150	22,470
<b>Total Expenditure</b>	<b>402,431</b>	<b>473,180</b>	<b>459,580</b>	<b>475,530</b>
Income including recharges to other services	(402,431)	(442,030)	(459,580)	(475,530)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>31,150</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To communicate, consult and engage with local residents. To maintain and develop the Council's website.

Service Activity: To promote Council services, protect its reputation and ensure the Council communicates effectively and professionally through a broad range of communication channels and engages meaningfully with the Rushmoor community, staff, Members and partners using

- Public, social and media relations
- Marketing, campaigns and publications
- Effective consultation, engagement and involvement

Explanation of significant expenditure/income changes

Employees

Fluctuations are due to vacancies in 2018/19 and 2019/20 and Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

2018/19 underspend against budget on web development carried forward to 2019/20

## REVENUE BUDGET 2020/21

Customer Experience and Improvement PROJECT AND IMPROVEMENTS Cost centre C3103 Head of IT, Projects and Facilities	Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
	£	£	£	£
Employees	144,809	157,220	175,650	159,530
Premises	-	-	-	-
Transport Related	456	330	420	-
Supplies & Services	956	280	280	280
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	29,722	23,680	31,340	26,290
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>175,943</b>	<b>181,510</b>	<b>207,690</b>	<b>186,100</b>
Income including recharges to other services	(175,943)	(181,510)	(207,700)	(186,100)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>(10)</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To improve services to our customers by enhancing the design and management of our work.

Service Activity: Help improve the delivery of services to our customers; support managers by carrying out interventions in service areas; coaching in system thinking principles and work design; review data and redesign processes; run workshops and presentations.

Explanation of significant expenditure/income changes

Employees

Vacant post during 2018/19 resulting in a salary saving. Increase in salaries in 2019/20 due to increase in hours worked (some of which is recharged to another Local Authority). Also a requirement for use of temporary staff to cover additional work. Additional duties no longer required in 2020/21.

## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
INFORMATION TECHNOLOGY MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C3300				
Head of IT, Projects and Facilities	£	£	£	£
Employees	3,979	5,600	6,200	6,200
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	35,078	55,580	33,800	9,610
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>39,057</b>	<b>61,180</b>	<b>40,000</b>	<b>15,810</b>
Income including recharges to other services	(39,056)	(16,180)	(40,010)	(15,730)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1</b>	<b>45,000</b>	<b>(10)</b>	<b>80</b>

Type of service: Overheads

Service Purpose: The managerial support for information technology utilised.

Service Activity: Information Technology management.

Explanation of significant expenditure/income changes

Supplies & Services

Movement of one-off budgets showing in original budget to the ICE Programme and Technical Services. In 2019/20 there is an increase in the cost of external support for systems due to staff vacancies, have assumed full establishment and therefore a decrease in requirement in 2020/21

## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
INFORMATION TECHNOLOGY APP SUPPORT	2018/19	2019/20	2019/20	2020/21
Cost centre C3302				
Head of IT, Projects and Facilities	£	£	£	£
Employees	322,025	337,210	396,060	367,860
Premises	-	-	-	-
Transport Related	74	-	-	-
Supplies & Services	282,650	220,450	220,450	219,850
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	45,541	41,280	51,050	45,840
Capital Accounting Charges	9,149	7,520	7,520	5,140
<b>Total Expenditure</b>	<b>659,439</b>	<b>606,460</b>	<b>675,080</b>	<b>638,690</b>
Income including recharges to other services	(659,438)	(586,460)	(675,070)	(638,680)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1</b>	<b>20,000</b>	<b>10</b>	<b>10</b>

Type of service: Overheads

Service Purpose: • Maintaining, upgrading and developing applications to meet user requirements.

- Liaise with customer departments and suppliers on planning upgrades and implementing new requirements.
- Co-ordinate and project manage upgrade process or installation of new applications.
- Production of statutory and other reports for service departments.
- Maintain databases to ensure efficient running.
- Departmental administration.
- Corporate Gazetteer (LLPG) maintenance and information provision to external bodies.
- Corporate Geographical Information Systems.
- Web Site and Channel Shift development.

Service Activity: Liaise with suppliers on planning upgrades and new requirements; co-ordinate and project manage upgrade process or installation of new applications; maintain databases to ensure efficient running.

Explanation of significant expenditure/income changes

Employees

Increase in budget due to use of temporary staff required to cover staff vacancies and increases in project work. Assumed full staff establishment therefore reduction in temporary staff requirement in 2020/21.

Supplies & Services

2018/19 expenditure includes a one-off project carried out.

## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
INFORMATION TECHNOLOGY SERV DESK	2018/19	2019/20	2019/20	2020/21
Cost centre C3303				
Head of IT, Projects and Facilities	£	£	£	£
Employees	217,212	239,850	236,630	221,530
Premises	-	-	-	-
Transport Related	53	70	50	40
Supplies & Services	5,538	5,300	5,300	5,300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	39,947	35,480	30,420	27,770
Capital Accounting Charges	8,370	8,370	8,370	-
<b>Total Expenditure</b>	<b>271,120</b>	<b>289,070</b>	<b>280,770</b>	<b>254,640</b>
Income including recharges to other services	(271,182)	(289,070)	(275,830)	(225,610)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(62)</b>	<b>0</b>	<b>4,940</b>	<b>29,030</b>

Type of service: Overheads

Service Purpose: • Provide an integrated central contact point via central service desk system for users to report service requests or log incidents so that the IT service can resolve them  
• To periodically analyse the type and frequency of requests and incidents  
• Review with the IT management team, the analysis to enable learning, leading to changes in the ICT service/ infrastructure and training plan  
• IT purchasing and 1st line telephony support  
• Moves and change management  
• Ad-hoc technical implementation support for ICT projects  
• IT Project and Programme Management

Service Activity: To periodically analyse the type and frequency of requests and incidents and review with the IT management team, the analysis to enable learning, leading to changes in the ICT service/ infrastructure and training plan.

Explanation of significant expenditure/income changes

Employees

Reduction in spend in 2018/19 due to staff vacancies, at budget setting time had assumed full establishment in 2019/20.  
Reduction in use of temporary staff, assumed return to full establishment

## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
INFORMATION TECHNOLOGY TECH SERVICES	2018/19	2019/20	2019/20	2020/21
Cost centre C3304				
Head of IT, Projects and Facilities	£	£	£	£
Employees	246,864	250,490	232,180	256,910
Premises	10,611	9,500	13,000	9,500
Transport Related	80	50	140	130
Supplies & Services	249,847	293,650	309,790	312,060
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	43,349	37,170	43,360	39,120
Capital Accounting Charges	178,734	178,510	189,980	182,660
<b>Total Expenditure</b>	<b>729,485</b>	<b>769,370</b>	<b>788,450</b>	<b>800,380</b>
Income including recharges to other services	(729,486)	(728,370)	(814,190)	(849,710)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(1)</b>	<b>41,000</b>	<b>(25,740)</b>	<b>(49,330)</b>

Type of service: Overheads

Service Purpose: • Maintaining, upgrading and developing ICT infrastructure (data network, telephony and server system environments, key corporate systems, ISO 27001 information security policy, security/ firewalls etc.).

• Provision of 3rd line technical support, liaison with suppliers and customer departments on planning upgrades and implementing new requirements.

• Provision and support for Public Services Network (GC) services.

• Research in changes in ICT infrastructure market and the potential benefits to the organisation.

• IT procurement & 3rd line telephony support.

• Data centre operations – back up and recovery.

Service Activity: Research in changes in ICT infrastructure market and the potential benefits to the organisation.

Explanation of significant expenditure/income changes

Employees

Variation due in part to, accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs. Vacant post in 2019/20, return to full establishment in 2020/21

Supplies & Services

Increase in budget due, in part, to rededication of costs from capital expenditure to revenue expenditure also increase in Microsoft agreement costs. Movement of one-off budget previously showing in original budget in IT Management .



## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
COUNCIL OFFICES	2018/19	2019/20	2019/20	2020/21
Cost centre C3305				
Head of IT, Projects and Facilities	£	£	£	£
Employees	145,977	139,410	168,870	153,940
Premises	479,365	490,510	488,470	495,930
Transport Related	856	720	720	720
Supplies & Services	67,281	60,540	63,270	64,910
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	41,642	39,440	46,370	41,850
Capital Accounting Charges	118,853	103,620	104,960	107,560
<b>Total Expenditure</b>	<b>853,974</b>	<b>834,240</b>	<b>872,660</b>	<b>864,910</b>
Income including recharges to other services	(853,974)	(829,490)	(837,390)	(849,910)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>4,750</b>	<b>35,270</b>	<b>15,000</b>

Type of service: Overheads

Service Purpose: To provide a safe, secure and comfortable environment for all users of the Council Offices.

Service Activity: Ensure the building is maintained to the necessary standards of health and safety and meets the Council's needs. Maximise usage of the offices to provide capacity for use by external organisations where appropriate.

Explanation of significant expenditure/income changes

Employees

Increase in budget due, in part, to additional staffing costs due to increase in number of tenants occupying the council offices. Variation also due to accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs. Variation due in part to, accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

One-off increases in spend across a number of supplies and services including an increase in spend on operational equipment.

## REVENUE BUDGET 2020/21

Customer Experience and Improvement	Outturn	Original	Revised	Budget
PRINTING UNIT	2018/19	2019/20	2019/20	2020/21
Cost centre C3306				
Head of IT, Projects and Facilities	£	£	£	£
Employees	62,164	63,000	62,750	62,780
Premises	-	-	-	-
Transport Related	167	70	350	350
Supplies & Services	61,019	71,510	53,210	52,510
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	15,126	12,510	13,780	11,870
Capital Accounting Charges	1,113	-	-	-
<b>Total Expenditure</b>	<b>139,589</b>	<b>147,090</b>	<b>130,090</b>	<b>127,510</b>
Income including recharges to other services	(139,283)	(128,000)	(128,000)	(128,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>306</b>	<b>19,090</b>	<b>2,090</b>	<b>(490)</b>

Type of service: Overheads

Service Purpose: To provide comprehensive printing, copying and finishing services to Council services and external customers.

Service Activity: Manage photocopier contracts; deal with external printing requirements; provide volume and specialist printing services from within the Print room.

Explanation of significant expenditure/income changes

Supplies & Services

Reduction in spend on photocopier due to new photocopier lease contract.

## REVENUE BUDGET 2020/21

Customer Experience and Improvement FACILITIES	Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
Cost centre C1323#3307				
Head of IT, Projects and Facilities	£	£	£	£
Employees	88,880	86,560	84,600	85,960
Premises	-	-	-	-
Transport Related	939	770	950	950
Supplies & Services	9,012	9,900	8,300	8,300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	54,858	50,790	56,520	52,610
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>153,689</b>	<b>148,020</b>	<b>150,370</b>	<b>147,820</b>
Income including recharges to other services	(153,690)	(148,020)	(135,110)	(132,720)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(1)</b>	<b>0</b>	<b>15,260</b>	<b>15,100</b>

Type of service: Overheads

Service Purpose: To provide appropriate facilities to maintain effective working arrangements within the Council.

Service Activity: Carry out all work associated with incoming and out-going mail and parcels; deal with all central purchasing of stationery and associated products; maintain the civic suite and provide appropriate meeting facilities.

Explanation of significant expenditure/income changes

## REVENUE BUDGET 2020/21

Major Projects and Property		Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
		£	£	£	£
<b>Discretionary</b>	<b>Page No</b>				
Regeneration	60	467,668	582,650	472,900	498,860
Rushmoor Properties	61	0	300,000	374,320	351,810
Other Highways	62	213,247	278,590	234,490	240,240
Maintenance Team	63	84,300	77,030	96,240	102,980
Plg Southwood Country Park	64	0	0	39,010	34,250
Street Furniture	65	19,827	28,230	26,200	26,150
Footpath Lighting	66	8,734	10,170	9,480	9,400
Markets And Car Boot Sales	67	(30,849)	(19,810)	(9,160)	9,840
Bellevue Enterprise Cntr	68	(71,476)	(73,540)	(63,790)	(31,640)
Regeneration Properties	69	2,927,827	(115,030)	4,930	91,350
Town Centres	70	(535,397)	(608,090)	(630,210)	(643,920)
Investment Properties	71	(1,356,141)	(1,877,350)	(4,225,420)	(4,725,480)
Industrial Estates	72	(892,039)	(865,430)	(874,120)	(881,480)
		<b>835,701</b>	<b>(2,282,580)</b>	<b>(4,545,130)</b>	<b>(4,917,640)</b>
<b>Other</b>					
Estates Support Service	73	0	(8,000)	690	0
Property & Estates Management	74	(7)	(1,760)	(3,080)	(1,760)
Building Services Support	75	0	0	3,260	(8,560)
		<b>(7)</b>	<b>(9,760)</b>	<b>870</b>	<b>(10,320)</b>
<b>Net Expenditure</b>		<b>835,694</b>	<b>(2,292,340)</b>	<b>(4,544,260)</b>	<b>(4,927,960)</b>

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
REGENERATION	2018/19	2019/20	2019/20	2020/21
Cost centre C1100#1101#1102#1105#2102				
Executive Head of Regeneration and Property	£	£	£	£
Employees	228,735	298,770	317,290	330,640
Premises	-	-	-	-
Transport Related	842	1,130	230	230
Supplies & Services	153,056	231,450	206,850	163,950
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	52,256	49,760	77,580	76,550
Capital Accounting Charges	32,779	1,540	18,750	112,090
<b>Total Expenditure</b>	<b>467,668</b>	<b>582,650</b>	<b>620,700</b>	<b>683,460</b>
Income including recharges to other services	-	-	(147,800)	(184,600)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>467,668</b>	<b>582,650</b>	<b>472,900</b>	<b>498,860</b>

Type of service: Discretionary

Service Purpose: The regeneration and development of a range of sites within the Borough.

Service Activity: Regeneration activities for sites within the Borough.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

2018/19 underspend against budget on consultancy fees and regeneration schemes carried forward to 2019/20.

Income including recharges to other services

Additional Recharges 19/20 onwards

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
RUSHMOOR PROPERTIES	2018/19	2019/20	2019/20	2020/21
Cost centre C1213				
Executive Head of Regeneration and Property	£	£	£	£
Employees	-	-	75,340	88,990
Premises	-	300,000	247,500	250,000
Transport Related	-	-	80	10
Supplies & Services	-	-	44,000	5,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	7,400	7,810
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>0</b>	<b>300,000</b>	<b>374,320</b>	<b>351,810</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>300,000</b>	<b>374,320</b>	<b>351,810</b>

Type of service: Discretionary

Service Purpose: To repair and maintain properties within Rushmoor BC

Service Activity: Ensure the properties are maintained to the necessary standards, including health and safety, security and cleanliness.

Explanation of significant expenditure/income changes

Employees

New budget for salaries relating to surveyor for Rushmoor Properties

Premises

New budget for responsive repairs to Rushmoor Properties

Supplies & Services

New consultancy budget for Rushmoor Properties

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
OTHER HIGHWAYS	2018/19	2019/20	2019/20	2020/21
Cost centre C2540				
Executive Head of Regeneration and Property	£	£	£	£
Employees	147,747	136,430	154,280	161,350
Premises	7,567	5,050	5,050	5,050
Transport Related	53	1,480	250	230
Supplies & Services	36,071	29,910	26,760	29,520
Third Party Payments	197,635	218,930	219,680	225,600
Transfer Payments	-	-	-	-
Support Services	75,836	80,960	73,700	70,120
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>464,909</b>	<b>472,760</b>	<b>479,720</b>	<b>491,870</b>
Income including recharges to other services	(251,662)	(194,170)	(245,230)	(251,630)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>213,247</b>	<b>278,590</b>	<b>234,490</b>	<b>240,240</b>

Type of service: Discretionary

Service Purpose: Maintenance of the highway grass verges, shrubs and hedges on behalf of Hampshire County Council.

Service Activity: To maintain highway grass verges, shrub beds and hedges in accordance with grounds maintenance specifications and to facilitate non routine works to maintain a clean, bright and attractive urban environment.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn included a temporary apprenticeship post funded from Earmarked Reserves. 2019/20 Revised Estimate onwards includes the employee costs of a previously vacant post that has now been recruited to, this cost is offset with additional Engineering Fee Income.

Supplies & Services

2018/19 Outturn reflects a reduction in spend on Brown Traffic signs and an increase in spend on Temporary Traffic Regulation Order Adverts (Both offset with income).

Third Party Payments

2018/19 Outturn reflected a reduction in spend as the basal growth around highway tree bases is not currently in the work plan.

Income

Fluctuations in income from Temporary Traffic Regulation order recharges and Brown Traffic signs recharges as a result of increases and decreases in corresponding expenditure. Biennial air show income was received in 2018/19 and is included in the 2020/21 Budget Estimate. The 2019/20 Revised budget onwards also includes an increase in Engineering Fee Income which is offset by employee costs.

Analysis of income

Customer & Client Receipts	(125,631)	(77,170)	(125,640)	(132,040)
HCC Agency Contributions	(126,031)	(117,000)	(119,590)	(119,590)
Total income	(251,662)	(194,170)	(245,230)	(251,630)

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
MAINTENANCE TEAM	2018/19	2019/20	2019/20	2020/21
Cost centre C2549				
Executive Head of Regeneration and Property	£	£	£	£
Employees	112,646	106,750	120,390	123,790
Premises	-	-	2,760	6,790
Transport Related	16,211	15,000	15,500	15,000
Supplies & Services	56,615	44,370	37,700	34,360
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	34,389	33,040	35,520	35,170
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>219,861</b>	<b>199,160</b>	<b>211,870</b>	<b>215,110</b>
Income including recharges to other services	(135,561)	(122,130)	(115,630)	(112,130)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>84,300</b>	<b>77,030</b>	<b>96,240</b>	<b>102,980</b>

Type of service: Discretionary

Service Purpose: To maintain and improve the environment.

Service Activity: To address vandalism, flytipping, graffiti, damage to street furniture and playground equipment; Installation of litter bins and street furniture; assist in emergencies as and when required.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn included additional backfill costs. 2019/20 Revised budget onwards reflects an increase in costs following a review of the service.

Supplies & Services

2018/19 Outturn Includes additional expenditure on handyman materials which is offset by an increase in internal recharges. 2018/19 Outturn and 2019/20 Revised Budget onwards reflects a reduction in spend on Skilled Up Projects as the Council does not have any current skilled up projects running (offset with a reduction in income).

Income

2018/19 Outturn includes additional maintenance team internal recharge income (offset by additional handyman materials expenditure). 2018/19 Outturn and 2019/20 Revised Budget onwards reflects a reduction in income for Skilled Up Projects as the Council does not have any current skilled up projects running.



## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLG SOUTHWOOD COUNTRY PARK	2018/19	2019/20	2019/20	2020/21
Cost centre C2624				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	-	-	34,850	30,590
Premises	-	-	-	-
Transport Related	-	-	60	60
Supplies & Services	-	-	50,000	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	4,100	3,600
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>	<b>89,010</b>	<b>34,250</b>
Income including recharges to other services	-	-	(50,000)	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>39,010</b>	<b>34,250</b>

Type of service: Discretionary

Service Purpose: To establish a new Country Park that will function as a Suitable Alternative Natural Greenspace (SANG) of sufficient size to enable the Council to deliver its regeneration programme and meet the Borough's housing requirements as set out in the Rushmoor Local Plan.

Service Activity: To meet members aspirations to utilise the Golf Course and associated land and buildings to offer residents a new Country Park [and other facilities] through putting in place a SANG of sufficient size to enable the delivery of the Council's regeneration programme and to meet the requirement in the Rushmoor Local Plan.

Explanation of significant expenditure/income changes

Employees

2019/20 Revised and 2020/21 Budgets are due to changes to time allocations following the creation of the Southwood Country Park SANG. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

2019/20 Original budget in the Parks and Open spaces cost centre included expenditure required for grass cutting and safety related tree maintenance during the initial set up of Southwood Golf Course into the Southwood County Park SANG (Suitable Alternative Natural Greenspace).

Income

2019/20 Original budget in the Parks & Open Spaces cost centre included the funding for the expenditure required for grass cutting and safety related tree maintenance during the initial set up of Southwood Golf Course into the Southwood County Park SANG (Suitable Alternative Natural Greenspace).

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
STREET FURNITURE	2018/19	2019/20	2019/20	2020/21
Cost centre C2541				
Executive Head of Regeneration and Property	£	£	£	£
Employees	-	-	-	-
Premises	1,588	2,000	2,000	2,000
Transport Related	-	-	-	-
Supplies & Services	16,272	24,390	22,390	22,390
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	1,967	1,840	1,810	1,760
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>19,827</b>	<b>28,230</b>	<b>26,200</b>	<b>26,150</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>19,827</b>	<b>28,230</b>	<b>26,200</b>	<b>26,150</b>

Type of service: Discretionary

Service Purpose: To improve the street scene.

Service Activity: Provide items of street furniture such as street name plates and public benches, in accordance within the requirements of the Highways Act 1980.

Explanation of significant expenditure/income changes

Supplies & Services  
2018/19 Outturn reflects a reduction in spend on street name plates

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
FOOTPATH LIGHTING	2018/19	2019/20	2019/20	2020/21
Cost centre C2542				
Executive Head of Regeneration and Property	£	£	£	£
Employees	-	-	-	-
Premises	940	3,300	3,300	3,300
Transport Related	-	-	-	-
Supplies & Services	4,834	4,120	4,120	4,120
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	2,960	2,750	2,060	1,980
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>8,734</b>	<b>10,170</b>	<b>9,480</b>	<b>9,400</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>8,734</b>	<b>10,170</b>	<b>9,480</b>	<b>9,400</b>

Type of service: Discretionary

Service Purpose: To maintain and where appropriate improve street lighting throughout our parks & open spaces.

Service Activity: To provide lighting of footways and public areas.

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
MARKETS AND CAR BOOT SALES	2018/19	2019/20	2019/20	2020/21
Cost centre C2565				
Executive Head of Regeneration and Property	£	£	£	£
Employees	40,571	70,700	62,070	67,490
Premises	39,636	41,540	29,040	35,110
Transport Related	2,849	2,980	2,980	2,980
Supplies & Services	8,339	9,680	7,980	9,980
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	7,929	8,200	8,390	8,050
Capital Accounting Charges	3,229	3,230	3,230	3,230
<b>Total Expenditure</b>	<b>102,553</b>	<b>136,330</b>	<b>113,690</b>	<b>126,840</b>
Income including recharges to other services	(133,402)	(156,140)	(122,850)	(117,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(30,849)</b>	<b>(19,810)</b>	<b>(9,160)</b>	<b>9,840</b>

Type of service: Discretionary

Service Purpose: To manage markets and car boot sales to enhance the town centre offering.

Service Activity: Manage the set up, safety and inspection of markets and car boot sales, and collect rent and entrance fees.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn and 2019/20 Revised Budget reflects the effect of a vacant post which has since been filled.

Premises

2019/20 Revised Budget reflects a reduction in spend on trade refuse.

Income

2018/19 Outturn and 2019/20 Revised budget onwards reflects an anticipated shortfall in Markets income.

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
BELLEVUE ENTERPRISE CNTR	2018/19	2019/20	2019/20	2020/21
Cost centre C1206				
Executive Head of Regeneration and Property	£	£	£	£
Employees	17,779	20,000	20,380	14,360
Premises	5,774	11,200	16,730	11,400
Transport Related	45	20	-	-
Supplies & Services	17,711	15,660	17,610	17,670
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	27,275	25,160	27,070	25,510
Capital Accounting Charges	20,799	20,800	20,800	20,800
<b>Total Expenditure</b>	<b>89,383</b>	<b>92,840</b>	<b>102,590</b>	<b>89,740</b>
Income including recharges to other services	(160,859)	(166,380)	(166,380)	(121,380)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(71,476)</b>	<b>(73,540)</b>	<b>(63,790)</b>	<b>(31,640)</b>

Type of service: Discretionary

Service Purpose: To provide starter units for small businesses.

Service Activity: To manage the estate, collect income, arrange repairs and lettings.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

Premises

Fluctuations in general repairs and maintenance issues and associated costs.

Income

Reduction in rental income due to vacant units

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
REGENERATION PROPERTIES	2018/19	2019/20	2019/20	2020/21
Cost centre C1212#1235				
Executive Head of Regeneration and Property	£	£	£	£
Employees	11,298	8,390	6,010	7,640
Premises	48,352	44,850	154,210	28,650
Transport Related	-	-	-	-
Supplies & Services	9,393	9,570	70,670	15,260
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	11,954	10,690	10,330	8,930
Capital Accounting Charges	3,092,375	151,610	43,340	71,120
<b>Total Expenditure</b>	<b>3,173,372</b>	<b>225,110</b>	<b>284,560</b>	<b>131,600</b>
Income including recharges to other services	(245,545)	(340,140)	(279,630)	(40,250)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>2,927,827</b>	<b>(115,030)</b>	<b>4,930</b>	<b>91,350</b>

Type of service: Discretionary

Service Purpose: Regeneration & development of properties within Rushmoor BC

Service Activity: Costs and income related to Aldershot sites 35/39 High and 36-62 Union Street.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

Premises

Increases in General Repairs & Maintenance and Business Rates for vacant buildings in 19/20. Reduction in costs for 20/21 due to regeneration demolition works

Services & Supplies

Additional costs in 19/20 for goodwill payments and site security

Income

Demolition of buildings for the regeneration project in early 2020 and loss of associated rental income

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
TOWN CENTRES	2018/19	2019/20	2019/20	2020/21
Cost centre C1208				
Executive Head of Regeneration and Property	£	£	£	£
Employees	30,610	39,630	20,500	16,130
Premises	69,900	69,960	72,180	73,220
Transport Related	124	40	40	-
Supplies & Services	34,219	37,650	37,190	37,760
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	99,467	91,190	78,030	68,970
Capital Accounting Charges	97,115	12,430	12,430	12,430
<b>Total Expenditure</b>	<b>331,435</b>	<b>250,900</b>	<b>220,370</b>	<b>208,510</b>
Income including recharges to other services	(866,832)	(858,990)	(850,580)	(852,430)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(535,397)</b>	<b>(608,090)</b>	<b>(630,210)</b>	<b>(643,920)</b>

Type of service: Discretionary

Service Purpose: To manage the Council's town centre holdings.

Service Activity: Estate management of lettings, repairs & collection of rents etc

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
INVESTMENT PROPERTIES	2018/19	2019/20	2019/20	2020/21
Cost centre C1209#1230#1231#1232#1233#1234#1236#1237#1238#1239#1240#1241#1242#1243#1244				
Executive Head of Regeneration and Property	£	£	£	£
Employees	72,347	85,920	112,330	109,280
Premises	121,320	40,140	136,950	185,520
Transport Related	266	80	290	70
Supplies & Services	68,309	64,460	211,650	118,200
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	125,454	117,700	119,300	110,260
Capital Accounting Charges	(83,806)	5,000	5,000	5,000
<b>Total Expenditure</b>	<b>303,890</b>	<b>313,300</b>	<b>585,520</b>	<b>528,330</b>
Income including recharges to other services	(1,660,031)	(2,190,650)	(4,810,940)	(5,253,810)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(1,356,141)</b>	<b>(1,877,350)</b>	<b>(4,225,420)</b>	<b>(4,725,480)</b>

Type of service: Discretionary

Service Purpose: Revenue effect of the Council's investment properties

Service Activity: Investment properties

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

Premises

Increases in General Repairs & Maintenance due to acquisition of new properties

Services & Supplies

Additional expenditure associated with the acquisition of new properties

Income

Increase in rental income in line with the acquisition of new properties



## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
INDUSTRIAL ESTATES	2018/19	2019/20	2019/20	2020/21
Cost centre C1205				
Executive Head of Regeneration and Property	£	£	£	£
Employees	14,535	17,090	16,420	12,740
Premises	-	200	110	110
Transport Related	43	20	40	-
Supplies & Services	-	-	20	30
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	71,056	64,870	62,610	56,940
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>85,634</b>	<b>82,180</b>	<b>79,200</b>	<b>69,820</b>
Income including recharges to other services	(977,673)	(947,610)	(953,320)	(951,300)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(892,039)</b>	<b>(865,430)</b>	<b>(874,120)</b>	<b>(881,480)</b>

Type of service: Discretionary

Service Purpose: To manage the industrial estates.

Service Activity: To deal with estate management matters and asset strategy in relation to Farnborough, Black Water Valley and Holder Road Industrial Estates, including variations, covenant issues, renewals, extensions and rent reviews.

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
ESTATES SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C1203				
Executive Head of Regeneration and Property	£	£	£	£
Employees	44,817	86,710	23,590	2,790
Premises	-	-	-	-
Transport Related	20	30	10	10
Supplies & Services	24,530	36,100	36,200	36,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	15,210	13,670	10,840	10,590
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>84,577</b>	<b>136,510</b>	<b>70,640</b>	<b>49,490</b>
Income including recharges to other services	(84,577)	(144,510)	(69,950)	(49,490)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>(8,000)</b>	<b>690</b>	<b>0</b>

Type of service: Overheads

Service Purpose: To provide an Estate Management Service for the residual estate within the Communities portfolio.

Service Activity: Provision of admin and management support to the residual estate within the Communities portfolio.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

Supplies & Services

Increases in consultancy and valuation costs

Income

Adjustments to recharges to other services

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
PROPERTY & ESTATES MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C1204				
Executive Head of Regeneration and Property	£	£	£	£
Employees	2,581	1,740	1,720	1,740
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	10,020	8,500	7,200	8,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>12,601</b>	<b>10,240</b>	<b>8,920</b>	<b>10,240</b>
Income including recharges to other services	(12,608)	(12,000)	(12,000)	(12,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(7)</b>	<b>(1,760)</b>	<b>(3,080)</b>	<b>(1,760)</b>

Type of service: Overheads

Service Purpose: The utilisation of resources to management Property and Estates matters.

Service Activity: Property and Estates management.

## REVENUE BUDGET 2020/21

Major Projects and Property	Outturn	Original	Revised	Budget
BUILDING SERVICES SUPPORT	2018/19	2019/20	2019/20	2020/21
Cost centre C1210				
Executive Head of Regeneration and Property	£	£	£	£
Employees	115,441	96,090	186,580	173,610
Premises	8,400	6,000	6,000	3,000
Transport Related	11	10	90	40
Supplies & Services	1,539	800	800	800
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	11,798	10,830	14,440	14,720
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>137,189</b>	<b>113,730</b>	<b>207,910</b>	<b>192,170</b>
Income including recharges to other services	(137,189)	(113,730)	(204,650)	(200,730)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>3,260</b>	<b>(8,560)</b>

Type of service: Overheads

Service Purpose: To provide a building support service for the Council's property portfolio.

Service Activity: Provision of administrative and management support, building surveying service, repairs and maintenance, health and safety issues for the Council's estate.

Explanation of significant expenditure/income changes

Employees

Amendments to salary percentage allocations

Income

Adjustments to recharges to other services

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## REVENUE BUDGET 2020/21

Operational Services		Outturn	Original	Revised	Budget
		2018/19	2019/20	2019/20	2020/21
		£	£	£	£
<b>Statutory</b>	<b>Page No</b>				
Domestic Refuse	80	8,894,603	1,561,350	1,415,750	1,424,910
Street Cleansing	81	971,272	1,049,240	1,007,990	1,036,900
Recycling	82	364,265	520,740	419,340	403,490
Health Pollution & Env Control	83	419,526	473,180	322,090	502,760
Health Food Safety	84	219,097	243,280	240,560	220,950
Health Licensing General	85	143,253	181,350	185,960	183,380
Health & Safety	86	169,361	171,400	167,940	165,130
Health Taxi Licensing	87	89,297	132,520	130,320	126,110
Housing Houses In Multiple Occ	88	46,358	101,610	112,260	125,340
Abandoned Vehicles	89	23,267	29,310	25,710	25,200
Health Land Drainage/Sewerage	90	19,228	19,740	18,760	18,560
		<b>11,359,527</b>	<b>4,483,720</b>	<b>4,046,680</b>	<b>4,232,730</b>

Financial information for Discretionary activities continues on the following page

## REVENUE BUDGET 2020/21

Operational Services continued		Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
		£	£	£	£
<b>Discretionary</b>					
Housing Advice	91	664,382	1,032,840	1,051,720	966,820
Parks And Recreation Grds	92	(3,941)	708,260	649,390	594,040
Farnborough Leisure Centre	93	598,221	646,010	568,780	531,710
Grounds Maint Contracts	94	586,686	557,930	614,130	622,570
Aldershot Indoor Pools	95	419,520	458,830	373,470	360,450
Aldershot Lido	96	316,823	357,940	270,740	284,380
Cctv	97	308,226	333,480	332,750	315,410
Community Patrol Team	98	221,172	259,890	242,030	255,030
Housing Improvement Grants-Rev	99	190,881	211,080	191,690	198,060
Public Conveniences	100	194,058	194,020	194,940	198,930
Southwood Golf Course	101	89,599	77,300	69,570	71,790
Gymnastics Academy	102	71,879	70,850	69,290	69,110
Health Dog Warden	103	62,373	63,340	61,650	61,220
Cemeteries	104	66,168	65,960	57,140	68,210
Public Halls & Community Centres	105	981,706	80,930	133,050	134,600
Health Emergency Callout	106	40,695	38,240	36,670	36,540
Health Pest Control - Client	107	31,719	33,600	24,780	12,860
Blackwater Valley Project	108	24,826	24,190	20,950	20,860
Alderwood Campus Funding	109	18,265	20,190	16,280	15,640
Allotments	110	20,947	18,560	23,350	20,970
Rushmoor Healthy Living	111	7,000	7,000	7,000	7,000
Alpine Snowsports Centre	112	(4,905)	2,990	(13,950)	(12,880)
Housing Support Service	113	0	0	0	0
Operational Services Management	114	(2)	0	0	0
Operational Services Support	115	1	0	0	0
Parking Management	116	(136,294)	(85,890)	(85,810)	(171,850)
Car Parks	117	(582,616)	(616,880)	(689,280)	(587,740)
Crematorium	118	(615,212)	(629,180)	(579,450)	(720,000)
		<b>3,572,177</b>	<b>3,931,480</b>	<b>3,640,880</b>	<b>3,353,730</b>

Financial information for Mixed & Other activities continues on the following page

## REVENUE BUDGET 2020/21

Operational Services continued		Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
		£	£	£	£
<b>Statutory b/fwd from page 77</b>		11,359,527	4,483,720	4,046,680	4,232,730
<b>Discretionary b/fwd from page 78</b>		3,572,177	3,931,480	3,640,880	3,353,730
<b>Mixed</b>					
Community Safety	119	206,552	246,270	263,860	260,840
		<b>206,552</b>	<b>246,270</b>	<b>263,860</b>	<b>260,840</b>
<b>Other</b>					
Health Support Service	120	0	0	0	0
Env Health And Housing	121	(47)	0	0	0
		<b>(47)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Expenditure</b>		<b>15,138,209</b>	<b>8,661,470</b>	<b>7,951,420</b>	<b>7,847,300</b>



## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
DOMESTIC REFUSE	2018/19	2019/20	2019/20	2020/21
<b>Cost centre C2553</b>				
<b>Head of Operational Services</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employees	66,689	64,460	62,630	67,840
Premises	5,160	5,280	5,280	5,400
Transport Related	745	540	570	540
Supplies & Services	134,167	17,730	17,730	17,970
Third Party Payments	949,890	1,023,970	994,350	1,036,110
Transfer Payments	-	-	-	-
Support Services	281,927	354,490	293,460	282,310
Capital Accounting Charges	7,533,102	228,000	177,640	180,650
<b>Total Expenditure</b>	<b>8,971,680</b>	<b>1,694,470</b>	<b>1,551,660</b>	<b>1,590,820</b>
Income including recharges to other services	(77,077)	(133,120)	(135,910)	(165,910)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>8,894,603</b>	<b>1,561,350</b>	<b>1,415,750</b>	<b>1,424,910</b>

Type of service: Statutory

Service Purpose: Protecting public health and developing a clean, sustainable and green environment by provision of a regular domestic waste collection.

Service Activity: Weekly collection of household residual waste from households; weekly household clinical waste collection service; collection service for bulky/heavy items of household waste.

Explanation of significant expenditure/income changes

Employees

2019/20 Revised Estimate reflects a saving following a continuation of the initial restructure to the staffing arrangements.

Supplies & Services

2018/19 Outturn includes the additional cost of operating out of the Doman Road depot whilst the Lysons Avenue depot was being constructed.

Third Party Payments

Fluctuations due to changes to the contractor payment based on the number of properties receiving the service.

Income

2019/20 Original Estimate onwards includes the Council's income from the Contractor for commercial activities.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
STREET CLEANSING	2018/19	2019/20	2019/20	2020/21
Cost centre C2556				
Head of Operational Services	£	£	£	£
Employees	45,315	38,960	44,060	59,060
Premises	-	8,190	12,690	8,410
Transport Related	598	470	320	470
Supplies & Services	25,328	28,350	25,350	26,350
Third Party Payments	932,232	976,740	979,650	1,007,400
Transfer Payments	-	-	-	-
Support Services	28,636	29,910	25,810	27,410
Capital Accounting Charges	73,580	124,630	77,630	78,810
<b>Total Expenditure</b>	<b>1,105,689</b>	<b>1,207,250</b>	<b>1,165,510</b>	<b>1,207,910</b>
Income including recharges to other services	(134,417)	(158,010)	(157,520)	(171,010)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>971,272</b>	<b>1,049,240</b>	<b>1,007,990</b>	<b>1,036,900</b>

Type of service: Statutory

Service Purpose: To maintain and enhance the visual appearance and environmental quality of the Borough, thus protecting and developing a clean, sustainable and green environment, helping to make Rushmoor a place that our communities want to live and work in and reducing the fear of crime.

Adequately ensuring levels of public hygiene and health by regularly removing litter.

Service Activity: Removal of litter, flyposting, flytips, graffiti and shopping trolleys; sweeping of streets; leaf collection; emptying of litter bins, gum removal and street washing. All of these activities take place on the public highway, in town centres, parks, playgrounds, Council land and public open space.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn & 2019/20 Revised Estimate reflects the continuation of the initial restructure to the staffing arrangements.

Premises

2018/19 Outturn reflects a reduction in spend on specialist cleaning.

Income

2019/20 Original Estimate onwards includes the Council's income from the Contractor for commercial activities.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
RECYCLING	2018/19	2019/20	2019/20	2020/21
Cost centre C2554				
Head of Operational Services	£	£	£	£
Employees	84,502	105,490	80,890	73,400
Premises	-	-	-	-
Transport Related	2,200	2,410	2,080	1,810
Supplies & Services	48,783	54,690	54,710	54,450
Third Party Payments	660,253	684,080	691,710	719,180
Transfer Payments	-	-	-	-
Support Services	107,085	120,070	101,020	96,440
Capital Accounting Charges	145,369	179,700	151,030	152,950
<b>Total Expenditure</b>	<b>1,048,192</b>	<b>1,146,440</b>	<b>1,081,440</b>	<b>1,098,230</b>
Income including recharges to other services	(683,927)	(625,700)	(662,100)	(694,740)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>364,265</b>	<b>520,740</b>	<b>419,340</b>	<b>403,490</b>

Type of service: Statutory

Service Purpose: To protect and develop a clean, sustainable and green environment by providing a regular collection service for recyclable materials, which also contributes to conservation of natural resources, energy saving – (CO2 reduction & climate change) and cost avoidance.

Service Activity: Mixed dry recyclables are collected via a blue 240L wheeled bin or equivalent to apx 39,000 properties; Compostable garden waste is collected via re-useable green sacks or 240L brown bins; Glass collection via a basket to all houses or via 240L purple bin to flats; Provision of circa. 50 bring sites across the Borough for a variety of household recyclables; Problems and queries associated with both household and commercial recycling are dealt with; Advice is provided to developers on the provision of recycling and refuse facilities for residential developments.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn & 2019/20 Revised Estimate reflects the continuation of the initial restructure to the staffing arrangements.

Supplies & Services

2018/19 Outturn includes reduction in spend on wheeled bin delivery and assembly costs, sacks, Integra Fee partially offset by an increase in publicity and promotion expenditure

Income

2018/19 Outturn and 2019/20 Revised Budget onwards includes additional income from recycling credits and garden waste subscribers. 2019/20 Revised budget onwards also reflects the decrease in income from Materials Recovery Facility (MRF).

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH POLLUTION & ENV CONTROL	2018/19	2019/20	2019/20	2020/21
Cost centre C2213				
Head of Operational Services	£	£	£	£
Employees	333,018	352,560	343,440	347,850
Premises	-	400	400	400
Transport Related	1,355	1,770	1,750	1,750
Supplies & Services	3,017	7,670	62,530	49,270
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	134,158	133,260	132,790	126,330
Capital Accounting Charges	4,459	4,460	4,460	4,460
<b>Total Expenditure</b>	<b>476,007</b>	<b>500,120</b>	<b>545,370</b>	<b>530,060</b>
Income including recharges to other services	(56,481)	(26,940)	(223,280)	(27,300)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>419,526</b>	<b>473,180</b>	<b>322,090</b>	<b>502,760</b>

Type of service: Statutory

Service Purpose: The service responds to complaints from residents regarding potential nuisance including noise, drainage, odour, smoke, rubbish and unauthorised encampments.

Service Activity: • Response to service requests.

- Air quality measurements in accordance with Government guidance.
- Identification of potential contaminated land and control potentially polluting industries.
- Responsible authority under the Licensing Act 2003 for applications for Premises and Club Premises Licences to ensure that the licensing objective ("Prevention of Public Nuisance") is successfully achieved.
- Working with other statutory agencies; responsibility for surface water drainage and land drainage with the aim of preventing potential flooding.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes a reduction in spend on the temporary cover of permanent posts

Supplies & Services

2019/20 Revised Estimate and 2020/21 Budget include the expenditure for the Air Quality Feasibility/Implementation & monitoring Project on the A331 (funded by Grant income)

Income

2018/19 Outturn includes the recharge credit for internal staff time working on the Air Quality Feasibility Study on the A331. 2019/20 Revised Budget includes the grant income from DEFRA for the Air Quality Implementation Project on the A331. To note, the grant will be received in 2019/20 and the unspent amount at the end of the 2019/20 financial year will be held in the Council's Earmarked Reserves and used to fund the project costs over the next 4 years.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH FOOD SAFETY	2018/19	2019/20	2019/20	2020/21
Cost centre C2208				
Head of Operational Services	£	£	£	£
Employees	172,493	174,290	174,010	174,090
Premises	-	-	-	-
Transport Related	672	590	580	580
Supplies & Services	1,114	1,500	900	900
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	73,637	72,990	72,890	69,270
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>247,916</b>	<b>249,370</b>	<b>248,380</b>	<b>244,840</b>
Income including recharges to other services	(28,819)	(6,090)	(7,820)	(23,890)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>219,097</b>	<b>243,280</b>	<b>240,560</b>	<b>220,950</b>

Type of service: Statutory

Service Purpose: To ensure that food and drink on sale for human consumption in the Borough is without risks to the health of the consumer.

Service Activity: Inspection of food premises in accordance with the Food Standards Agency Framework Agreement; Maintenance of a 100% level of customer satisfaction with the food safety regulatory service; Response to service requests in an appropriate manner, with a same day response to matters of evident concern; Support and develop the public health benefits of the National Food Hygiene Rating Scheme.

Explanation of significant expenditure/income changes

Income

Fluctuations due to biennial Air Show food inspections

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH LICENSING GENERAL	2018/19	2019/20	2019/20	2020/21
Cost centre C2211				
Head of Operational Services	£	£	£	£
Employees	160,044	175,010	170,520	174,000
Premises	-	-	-	-
Transport Related	461	530	520	520
Supplies & Services	975	3,270	8,970	2,870
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	94,634	93,690	95,420	90,310
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>256,114</b>	<b>272,500</b>	<b>275,430</b>	<b>267,700</b>
Income including recharges to other services	(112,861)	(91,150)	(89,470)	(84,320)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>143,253</b>	<b>181,350</b>	<b>185,960</b>	<b>183,380</b>

Type of service: Statutory

Service Purpose: To enable good business through the administration and enforcement of the Council's principal licensing functions concerning regulated entertainments, late night refreshments, liquor, gaming, lotteries, street trading consents, tables and chairs, charitable collections and sex establishments.

Service Activity: Consultation with key agencies, to ensure the fair and efficient determination of relevant licensing applications, including conducting hearings where appropriate. Inspection of licensed premises and resolution of problems arising from and in connection with licensed premises activities.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes in year vacancy saving. Other fluctuations relate to the Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

2019/20 Revised Budget includes an additional temporary spend to an external provider on licensing inspections. This expenditure is funded from employee savings.

Income

2018/19 Outturn includes additional income mainly from premises licences.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH & SAFETY	2018/19	2019/20	2019/20	2020/21
Cost centre C2206				
Head of Operational Services	£	£	£	£
Employees	122,285	123,930	120,440	119,790
Premises	-	-	-	-
Transport Related	385	540	530	530
Supplies & Services	3,678	2,440	2,430	2,440
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	46,533	46,290	46,340	44,170
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>172,881</b>	<b>173,200</b>	<b>169,740</b>	<b>166,930</b>
Income including recharges to other services	(3,520)	(1,800)	(1,800)	(1,800)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>169,361</b>	<b>171,400</b>	<b>167,940</b>	<b>165,130</b>

Type of service: Statutory

Service Purpose: To ensure the Borough's workplaces are healthy and safe.

Service Activity: Inspection of premises to ensure health and safety standards;  
 Maintenance of 100% level of customer satisfaction with the food safety regulatory service;  
 Response to service requests (e.g. accidents, notifications, complaints and requests for assistance);  
 Maximisation of public health benefits arising from the Rushmoor Health and Wellbeing Partnership.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH TAXI LICENSING	2018/19	2019/20	2019/20	2020/21
Cost centre C2218				
Head of Operational Services	£	£	£	£
Employees	111,154	138,020	135,360	139,060
Premises	-	-	-	-
Transport Related	302	340	330	330
Supplies & Services	10,307	16,700	17,650	13,460
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	53,329	53,810	54,850	52,180
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>175,092</b>	<b>208,870</b>	<b>208,190</b>	<b>205,030</b>
Income including recharges to other services	(85,795)	(76,350)	(77,870)	(78,920)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>89,297</b>	<b>132,520</b>	<b>130,320</b>	<b>126,110</b>

Type of service: Statutory

Service Purpose: To enable good business by providing quality, timely and value for money taxi licensing and regulatory services that reasonably ensure the safety and protection of both the public and other road users and provides for a suitable, good quality and efficient public transportation service for all.

Service Activity: Processing of licence applications and supervision of hackney carriage and private hire drivers, vehicles and operators; inclusive of carrying out Criminal Records, DVLA and medical checks. Other documentation (e.g. insurance) checks. Carrying out Council tests and inspection of licensed vehicles.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes in year vacancy saving. Other fluctuations relate to the Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

2019/20 Original and 2019/20 Revised Budgets include the initial cost of the drugs and alcohol testing kits.

Income

2018/19 Outturn includes additional income from driver licence fees, vehicle licence fees, CRB deposits (offset by additional expenditure), vehicle plate income and knowledge tests.



## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HOUSING HOUSES IN MULTIPLE OCC	2018/19	2019/20	2019/20	2020/21
Cost centre C2403				
Head of Operational Services	£	£	£	£
Employees	101,861	110,970	104,530	106,360
Premises	-	-	-	-
Transport Related	947	800	930	930
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	40,940	41,640	39,600	38,050
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>143,748</b>	<b>153,410</b>	<b>145,060</b>	<b>145,340</b>
Income including recharges to other services	(97,390)	(51,800)	(32,800)	(20,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>46,358</b>	<b>101,610</b>	<b>112,260</b>	<b>125,340</b>

Type of service: Statutory

Service Purpose: Safeguard the public from poor housing conditions. Licence high-risk houses in multiple occupation.

Service Activity: All high risk houses; 3 storey and above, housing 5 people or more not in the same household. Licensing will ensure properties are maintained to legal requirement minimising risk to residents.

Explanation of significant expenditure/income changes

Employees

Vacancies in 2018/19, Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Income including recharges to other services

In 2018/19 increase in income due to licencing changes to Houses in multiple occupation rules wef 1st October 2019. These are renewable every 5 years. Revised Estimate 2019/20 reflects more accurately number of likely additional licences due to these changes

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ABANDONED VEHICLES	2018/19	2019/20	2019/20	2020/21
Cost centre C2557				
Head of Operational Services	£	£	£	£
Employees	4,612	5,380	5,510	5,730
Premises	-	-	-	-
Transport Related	98	70	60	60
Supplies & Services	417	1,900	1,000	1,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	18,140	21,960	19,140	18,410
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>23,267</b>	<b>29,310</b>	<b>25,710</b>	<b>25,200</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>23,267</b>	<b>29,310</b>	<b>25,710</b>	<b>25,200</b>

Type of service: Statutory

Service Purpose: Protecting and maintaining a clean, sustainable and green environment by removing abandoned vehicles; removal of these helps reduce fear of crime; prevents abuse of unsafe abandoned vehicles (e.g. burnt out vehicles) and maintains local environmental quality.

Service Activity: Collection of abandoned and end of life vehicles; problems and queries associated with nuisance vehicles and implementation of collection and disposal legislation.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH LAND DRAINAGE/SEWERAGE	2018/19	2019/20	2019/20	2020/21
Cost centre C2227				
Head of Operational Services	£	£	£	£
Employees	2,581	2,650	2,620	2,640
Premises	833	1,600	1,600	1,600
Transport Related	-	-	-	-
Supplies & Services	9,230	9,230	9,230	9,230
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	6,584	6,260	5,310	5,090
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>19,228</b>	<b>19,740</b>	<b>18,760</b>	<b>18,560</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>19,228</b>	<b>19,740</b>	<b>18,760</b>	<b>18,560</b>

Type of service: Statutory

Service Purpose: Inspection of ditches and watercourses to ensure free flow of water. To ensure that the Council carries out it's riparian duties and also that others with riparian responsibilities are required to complete necessary works. Inspection of watercourses and removal of obstructions where necessary, working with the Environment Agency and Hampshire County Council as the Lead Local Flood Risk Authority.

Service Activity: Blockages are cleared and obstructions removed; provision of sandbags, inspections carried out; minor works undertaken e.g. digging. Laying of new pipes to assist land drainage.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HOUSING ADVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C2402				
Head of Operational Services	£	£	£	£
Employees	517,286	579,540	573,490	532,820
Premises	-	-	-	-
Transport Related	1,935	680	4,290	2,920
Supplies & Services	160,531	162,480	226,150	195,610
Third Party Payments	-	-	-	-
Transfer Payments	213,206	384,370	408,440	99,900
Support Services	206,671	214,740	213,820	203,070
Capital Accounting Charges	1,000	1,000	1,000	1,000
<b>Total Expenditure</b>	<b>1,100,629</b>	<b>1,342,810</b>	<b>1,427,190</b>	<b>1,035,320</b>
Income including recharges to other services	(436,247)	(309,970)	(375,470)	(68,500)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>664,382</b>	<b>1,032,840</b>	<b>1,051,720</b>	<b>966,820</b>

Type of service: Discretionary

Service Purpose: To help people solve their housing problem and to provide a suitable home to those in housing need.

Service Activity: Manage the housing allocation pool and choice based lettings home finder scheme. Provide temporary and permanent accommodation to priority homeless people and those in housing need. Make referrals to other agencies as appropriate.

Explanation of significant expenditure/income changes

Employees

2018/19 outturn includes vacancy savings. 2018/19 a budget was approved for 2 year support in housing options team, starting mid year with a full year budget in 2019/20 and a part year budget in 2020/21 funded from reserves

Supplies & Services

Revised 2019/20 onwards Increase in bed and breakfast costs

Transfer Payments

Actual 2018/19 to Revised Estimates 2019/20 Budget includes expenditure on use of flexible Housing grant. In 2018/19 the underspend element on this has been transferred to earmarked reserves to be used in future years

Income including recharges to other services

Actual 2018/19 to Revised Estimates 2019/20 Budget includes grant income for Homelessness Flexible Grant. In 2018/19 additional grant received. This additional grant was transferred to earmarked reserves to be used in future years

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
PARKS AND RECREATION GRDS	2018/19	2019/20	2019/20	2020/21
Cost centre C2517				
Head of Operational Services	£	£	£	£
Employees	106,059	101,790	84,280	84,670
Premises	125,704	147,000	159,670	136,870
Transport Related	343	620	540	540
Supplies & Services	371,142	292,180	256,010	244,110
Third Party Payments	(54,660)	13,000	(53,650)	(53,650)
Transfer Payments	-	-	-	-
Support Services	122,823	119,730	110,080	82,800
Capital Accounting Charges	308,003	257,750	259,390	259,980
<b>Total Expenditure</b>	<b>979,414</b>	<b>932,070</b>	<b>816,320</b>	<b>755,320</b>
Income including recharges to other services	(983,355)	(223,810)	(166,930)	(161,280)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(3,941)</b>	<b>708,260</b>	<b>649,390</b>	<b>594,040</b>

Type of service: Discretionary

Service Purpose: To provide parks, open spaces, playgrounds, sports pitches and tree management service.

Service Activity: To manage and maintain green infrastructure to ensure facilities are safe and attractive for all sections of the community. To provide quality inspirational facilities and ensure the legacy of quality provision for future generations.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Premises

2018/19 Outturn included an reduction in spend on general repairs & maintenance and pavilions & buildings. 2019/20 Revised Budget includes additional one-off expenditure to reinstate the accessible footpath at Rowhill Copse following works undertaken by Scottish and Southern Electric to remove electricity pylons (income received from SSE to fund these works). 2019/20 Revised budget also includes additional expenditure on pavilions/buildings and utility bills.

Supplies & Services

2018/19 Outturn includes additional spend on one-off revenue projects funded by developers contributions and additional spend on tree maintenance works. 2019/20 Original budget included expenditure required for grass cutting and safety related tree maintenance during the initial set up of Southwood Golf Course into the Southwood County Park SANG (Suitable Alternative Natural Greenspace), this budget has now been moved to the Southwood Country Park SANG cost centre. 2019/20 Revised Estimate includes a carry forward of budget from 2018/19 for additional tree maintenance works.

Third Party Payments

2018/19 Outturn and 2019/20 Revised Budget onwards includes the accounting treatment for an embedded lease liability

Income

2018/19 Outturn includes developers contributions, which if not used in year are transferred to an earmarked reserve. 2019/20 Original budget included the funding for the expenditure required for grass cutting and safety related tree maintenance during the initial set up of Southwood Golf Course into the Southwood County Park SANG (Suitable Alternative Natural Greenspace), this budget has now been moved to the Southwood Country Park SANG cost centre.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
FARNBOROUGH LEISURE CENTRE	2018/19	2019/20	2019/20	2020/21
Cost centre C2560				
Head of Operational Services	£	£	£	£
Employees	19,284	18,670	26,690	26,900
Premises	31,744	34,630	34,250	34,250
Transport Related	12	20	30	30
Supplies & Services	79,199	81,680	47,080	48,780
Third Party Payments	119,347	134,080	76,470	78,190
Transfer Payments	-	-	-	-
Support Services	32,041	31,100	32,280	31,130
Capital Accounting Charges	316,594	345,830	351,980	312,430
<b>Total Expenditure</b>	<b>598,221</b>	<b>646,010</b>	<b>568,780</b>	<b>531,710</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>598,221</b>	<b>646,010</b>	<b>568,780</b>	<b>531,710</b>

Type of service: Discretionary

Service Purpose: To provide and maintain a multi purpose leisure centre through a leisure management contract.

Service Activity: 33.3m main pool, 12.8m teaching pool, 100+ station fitness gym, cafeteria, 4x squash courts, 10 lane ten pin bowling, sauna and steam rooms, crèche, soft play area, 10 court sports hall, 6 lane indoor bowls green, meeting rooms, treatment rooms, office accommodation, multi activity rooms and dance studios.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

Reduction in services costs for 2019/20 Revised Budget and 2020/21 Budget following the 2 year extension of the existing Leisure contract

Third Party Payments

Reduction in services costs for 2019/20 Revised Budget and 2020/21 Budget following the 2 year extension of the existing Leisure contract

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
GROUPS MAINT CONTRACTS	2018/19	2019/20	2019/20	2020/21
Cost centre C2552				
Head of Operational Services	£	£	£	£
Employees	8,048	7,080	17,720	17,890
Premises	76,550	79,490	74,450	76,400
Transport Related	12	80	160	160
Supplies & Services	308	2,350	1,420	500
Third Party Payments	511,485	494,350	546,200	560,910
Transfer Payments	-	-	-	-
Support Services	11,643	11,930	9,480	10,580
Capital Accounting Charges	751	750	750	750
<b>Total Expenditure</b>	<b>608,797</b>	<b>596,030</b>	<b>650,180</b>	<b>667,190</b>
Income including recharges to other services	(22,111)	(38,100)	(36,050)	(44,620)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>586,686</b>	<b>557,930</b>	<b>614,130</b>	<b>622,570</b>

Type of service: Discretionary

Service Purpose: To maintain Council owned property and promote pride of place by provision of quality, value for money services which greatly contribute to making Rushmoor a place our communities want to live and work in.

Service Activity: Provision of quality services to maintain the grounds of the Borough's parks, recreation grounds, gardens, open spaces and sports pitches/facilities by cutting grass, pruning/weeding shrub beds, rose beds, hedges and planting flower beds etc. to ensure the Borough appears clean, bright and attractive.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Premises

2019/20 Revised onwards reflects the reduction in spend on Grounds Maintenance due to inventory changes

Third Party Payments

2018/19 Outturn included a reduction in spend on grounds maintenance non routine works. 2019/20 Budget included the accounting treatment for an embedded lease liability which is now being shown against the other cost centres relating to this contract. 2019/20 Revised onwards reflects the reduction in spend on Grounds Maintenance due to inventory changes

Income

2019/20 Original Estimate onwards includes the Council's income from the Contractor for commercial activities.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ALDERSHOT INDOOR POOLS	2018/19	2019/20	2019/20	2020/21
Cost centre C2558				
Head of Operational Services	£	£	£	£
Employees	10,836	9,980	9,660	9,780
Premises	17,840	19,320	18,000	18,000
Transport Related	6	10	10	10
Supplies & Services	27,074	27,960	5,120	5,380
Third Party Payments	268,817	294,640	230,260	235,490
Transfer Payments	-	-	-	-
Support Services	13,444	13,780	14,560	14,000
Capital Accounting Charges	81,503	93,140	95,860	77,790
<b>Total Expenditure</b>	<b>419,520</b>	<b>458,830</b>	<b>373,470</b>	<b>360,450</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>419,520</b>	<b>458,830</b>	<b>373,470</b>	<b>360,450</b>

Type of service: Discretionary

Service Purpose: To provide and maintain swimming pool and fitness room facilities through a leisure management contract.

Service Activity: 25m main pool, 12m teaching pool, 50+ station fitness gym, office accommodation and changing rooms.

Explanation of significant expenditure/income changes

Supplies & Services

Reduction in services costs for 2019/20 Revised Budget and 2020/21 Budget following the 2 year extension of the existing Leisure contract

Third Party Payments

Reduction in services costs for 2019/20 Revised Budget and 2020/21 Budget following the 2 year extension of the existing Leisure contract



## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ALDERSHOT LIDO	2018/19	2019/20	2019/20	2020/21
Cost centre C2559				
Head of Operational Services	£	£	£	£
Employees	7,214	5,620	5,410	5,520
Premises	9,663	9,440	9,440	9,440
Transport Related	3	10	10	10
Supplies & Services	17,012	17,710	6,970	7,320
Third Party Payments	122,080	133,580	75,220	76,820
Transfer Payments	-	-	-	-
Support Services	11,825	11,100	12,090	11,490
Capital Accounting Charges	169,812	180,480	181,600	173,780
<b>Total Expenditure</b>	<b>337,609</b>	<b>357,940</b>	<b>290,740</b>	<b>284,380</b>
Income including recharges to other services	(20,786)	-	(20,000)	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>316,823</b>	<b>357,940</b>	<b>270,740</b>	<b>284,380</b>

Type of service: Discretionary

Service Purpose: To provide and maintain an outdoor Lido through a leisure management contract.

Service Activity: Large outdoor Lido with 3 flumes, changing rooms, catering outlet, extensive open space, 2x all weather floodlit football pitches, coach and car parking for 180 vehicles.

Explanation of significant expenditure/income changes

Supplies & Services

Reduction in services costs for 2019/20 Revised Budget and 2020/21 Budget following the 2 year extension of the existing Leisure contract

Third Party Payments

Reduction in services costs for 2019/20 Revised Budget and 2020/21 Budget following the 2 year extension of the existing Leisure contract

Income

2018/19 Outturn and 2019/20 Revised Budget include the share of income the Council received from the profit share/loss agreement with the contractor.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
CCTV	2018/19	2019/20	2019/20	2020/21
Cost centre C2246				
Head of Operational Services	£	£	£	£
Employees	147,520	159,110	155,580	158,700
Premises	-	-	-	-
Transport Related	221	-	-	-
Supplies & Services	59,572	69,680	79,720	69,730
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	88,974	92,860	85,670	81,800
Capital Accounting Charges	28,329	26,730	26,730	20,490
<b>Total Expenditure</b>	<b>324,616</b>	<b>348,380</b>	<b>347,700</b>	<b>330,720</b>
Income including recharges to other services	(16,390)	(14,900)	(14,950)	(15,310)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>308,226</b>	<b>333,480</b>	<b>332,750</b>	<b>315,410</b>

Type of service: Discretionary

Service Purpose: To help prevent and deter crime and disorder and reduce the fear of crime.

Service Activity: Provide a joint Hart and Rushmoor CCTV service, consisting of a control room and 115 CCTV cameras, to monitor activity in town centres and parks and open spaces in both local authority areas. The main functions are to reduce the fear of crime, deter crime and anti-social behaviour, assist the police in identifying and prosecuting offenders, help protect Council property, provide a link for both Councils' out of hours service and to assist in civil emergencies.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes vacancy savings.

Supplies & Services

2018/19 Outturn includes a reduction in spend on equipment maintenance costs. 2019/20 Revised includes the budget for the feasibility work in order to bring forward a capital scheme for CCTV

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
COMMUNITY PATROL TEAM	2018/19	2019/20	2019/20	2020/21
Cost centre C2228				
Head of Operational Services	£	£	£	£
Employees	137,729	170,160	154,230	169,640
Premises	-	-	-	-
Transport Related	14,312	18,530	16,630	16,630
Supplies & Services	5,398	5,390	5,370	5,460
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	64,373	67,310	66,300	63,800
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>221,812</b>	<b>261,390</b>	<b>242,530</b>	<b>255,530</b>
Income including recharges to other services	(640)	(1,500)	(500)	(500)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>221,172</b>	<b>259,890</b>	<b>242,030</b>	<b>255,030</b>

Type of service: Discretionary

Service Purpose: Provides a reassuring presence on the streets and in public places - to ensure a 'Safe and Clean environment'. This is achieved by dealing with issues related to environmental crime. Work closely with residents, local groups, neighbourhood watch, ward Councillors to identify issues in their areas and work to resolve them.

Service Activity: Completion of environmental audits to improve the appearance of wards to help to secure safe and clean streets and public places. Investigation and removal of abandoned vehicles, fly tipping, fly posting, graffiti. Enforcement work through Fixed Penalty Notices. Dealing with parking contraventions during patrols and in response to complaints.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn and 2019/20 Revised Budget includes in year vacancy saving. Other fluctuations relate to the Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HOUSING IMPROVEMENT GRANTS-REV	2018/19	2019/20	2019/20	2020/21
Cost centre C2404				
Head of Operational Services	£	£	£	£
Employees	147,283	160,280	153,150	156,810
Premises	-	-	-	-
Transport Related	1,537	1,390	1,690	1,690
Supplies & Services	342	5,100	-	5,100
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	57,577	59,310	56,850	54,460
Capital Accounting Charges	1,125,169	982,810	1,060,510	1,060,510
<b>Total Expenditure</b>	<b>1,331,908</b>	<b>1,208,890</b>	<b>1,272,200</b>	<b>1,278,570</b>
Income including recharges to other services	(1,141,027)	(997,810)	(1,080,510)	(1,080,510)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>190,881</b>	<b>211,080</b>	<b>191,690</b>	<b>198,060</b>

Type of service: Discretionary

Service Purpose: The provision of funding to vulnerable people who are not able to afford essential repairs and or adaptations to their home.

Service Activity: All cases applying for grants are means tested and funding provided to vulnerable and eligible people. Essential repairs and adaptations (recommended by Social Service Occupational Therapists) are approved where there is a high risk of injury or a person is unable to remain in their home without the necessary work being carried out.

Explanation of significant expenditure/income changes

Employees

Underspend due to vacancies in 2018/19

Supplies & Services

2018/19 and 2019/20 costs funded from reserves

Income including recharges to other services

2018/19 additional government funding for improvement grants

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
PUBLIC CONVENIENCES	2018/19	2019/20	2019/20	2020/21
Cost centre C2555				
Head of Operational Services	£	£	£	£
Employees	7,075	8,630	5,510	5,730
Premises	33,112	29,540	29,780	30,310
Transport Related	98	70	60	60
Supplies & Services	61	60	60	60
Third Party Payments	129,508	132,040	135,400	139,010
Transfer Payments	-	-	-	-
Support Services	11,218	10,690	11,140	10,770
Capital Accounting Charges	12,986	12,990	12,990	12,990
<b>Total Expenditure</b>	<b>194,058</b>	<b>194,020</b>	<b>194,940</b>	<b>198,930</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>194,058</b>	<b>194,020</b>	<b>194,940</b>	<b>198,930</b>

Type of service: Discretionary

Service Purpose: Protecting and sustaining a clean, sustainable and green environment and supporting the local economy by providing a network of public conveniences in town centres and parks.

Service Activity: The service provides and maintains a network of 8 public conveniences, they are cleansed twice daily, opened at approximately 8am and closed at 7pm.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
SOUTHWOOD GOLF COURSE	2018/19	2019/20	2019/20	2020/21
Cost centre C2561				
Head of Operational Services	£	£	£	£
Employees	15,279	12,220	6,060	-
Premises	36,981	36,790	36,020	33,300
Transport Related	8	20	-	-
Supplies & Services	10,906	2,460	3,080	1,150
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	20,746	20,130	18,730	16,730
Capital Accounting Charges	5,679	5,680	5,680	20,610
<b>Total Expenditure</b>	<b>89,599</b>	<b>77,300</b>	<b>69,570</b>	<b>71,790</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>89,599</b>	<b>77,300</b>	<b>69,570</b>	<b>71,790</b>

Type of service: Discretionary

Service Purpose: The land will provide Suitable Alternative Natural Greenspace.

Service Activity: The land will be converted into new natural open parkland which will provide Suitable Alternative Natural Greenspace, to enable new homes to continue to be built in the Borough and town centres to be regenerated.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn included additional expenditure for on site security following the closure of the Golf Course. 2019/20 Revised and 2020/21 Fluctuations are due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

Supplies & Services

Reductions in expenditure following the closure of the Golf Course

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
GYMNASTICS ACADEMY	2018/19	2019/20	2019/20	2020/21
Cost centre C2514				
Head of Operational Services	£	£	£	£
Employees	610	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,280	2,860	1,300	1,120
Capital Accounting Charges	82,789	82,790	82,790	82,790
<b>Total Expenditure</b>	<b>86,679</b>	<b>85,650</b>	<b>84,090</b>	<b>83,910</b>
Income including recharges to other services	(14,800)	(14,800)	(14,800)	(14,800)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>71,879</b>	<b>70,850</b>	<b>69,290</b>	<b>69,110</b>

Type of service: Discretionary

Service Purpose: Support the health and fitness of residents and other users.

Service Activity: Leasing of accommodation to the independent gymnastics academy.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH DOG WARDEN	2018/19	2019/20	2019/20	2020/21
Cost centre C2204				
Head of Operational Services	£	£	£	£
Employees	30,846	30,550	30,770	31,350
Premises	-	-	-	-
Transport Related	2,959	3,720	3,720	3,720
Supplies & Services	12,389	13,710	13,600	13,410
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	18,062	17,720	15,720	14,960
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>64,256</b>	<b>65,700</b>	<b>63,810</b>	<b>63,440</b>
Income including recharges to other services	(1,883)	(2,360)	(2,160)	(2,220)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>62,373</b>	<b>63,340</b>	<b>61,650</b>	<b>61,220</b>

Type of service: Discretionary

Service Purpose: To enforce legislation for the control of dogs and dog-related problems and promote responsible dog ownership.

Service Activity: Collection of stray dogs; provision of an out of hours service; response to residents' queries regarding fouling and stray dogs.



## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
CEMETERIES	2018/19	2019/20	2019/20	2020/21
Cost centre C2550				
Head of Operational Services	£	£	£	£
Employees	27,223	28,310	28,010	28,500
Premises	13,513	19,650	24,230	22,080
Transport Related	58	70	70	70
Supplies & Services	18,071	17,380	17,100	17,290
Third Party Payments	117,168	138,650	138,120	141,850
Transfer Payments	-	-	-	-
Support Services	23,951	23,410	25,130	23,950
Capital Accounting Charges	9,275	8,180	8,170	8,200
<b>Total Expenditure</b>	<b>209,259</b>	<b>235,650</b>	<b>240,830</b>	<b>241,940</b>
Income including recharges to other services	(143,091)	(169,690)	(183,690)	(173,730)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>66,168</b>	<b>65,960</b>	<b>57,140</b>	<b>68,210</b>

Type of service: Discretionary

Service Purpose: To provide a dignified and personal bereavement service.

Service Activity: The provision of a cemeteries service to residents and others, which offers individual attention, reverence and respect and which recognises individual cultural requirements. This is achieved through the management of the Borough's three cemeteries.

Explanation of significant expenditure/income changes

Premises

2018/19 Outturn includes a reduction in spend on repairs and maintenance and 2019/20 Revised Budget includes an increase in spend on repairs & maintenance.

Third Party Payments

2018/19 Outturn reflected a reduction in spend on grave digging expenditure.

Income

2018/19 Outturn reflected a reduction in income from Grave Sales, Interment Fees and Monument Rights. 2019/20 Revised Budget includes an increase in income from Grave Sales.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
PUBLIC HALLS & COMMUNITY CENTRES	2018/19	2019/20	2019/20	2020/21
<b>Cost centre C2505#2506#2507#2511#2515#2516#2526#2548</b>				
<b>Head of Operational Services</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employees	15,738	13,160	14,990	15,280
Premises	81,623	78,030	89,300	83,360
Transport Related	17	30	20	20
Supplies & Services	3,340	4,160	3,940	4,060
Third Party Payments	-	-	-	-
Transfer Payments	-	6,000	-	-
Support Services	51,707	45,920	59,090	57,280
Capital Accounting Charges	933,719	38,520	11,370	12,100
<b>Total Expenditure</b>	<b>1,086,144</b>	<b>185,820</b>	<b>178,710</b>	<b>172,100</b>
Income including recharges to other services	(104,438)	(104,890)	(45,660)	(37,500)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>981,706</b>	<b>80,930</b>	<b>133,050</b>	<b>134,600</b>

Type of service: Discretionary

Service Purpose: To provide facilities for educational, recreational, arts and social opportunities.

Service Activity: Facilities provided at Farnborough Community Centre (now closed from 2019/20), Prospect Centre, Southwood Community Centre, Blunden Hall and Beaumont Guardrooms.

Explanation of significant expenditure/income changes

Premises

2018/19 Outturn and 2019/20 Revised Budget include additional spend on repairs & maintenance. 2020/21 Budget includes increased expenditure on utility costs.

Transfer Payments

Reduction in grant expenditure following the closure of Farnborough Community Centre

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH EMERGENCY CALLOUT	2018/19	2019/20	2019/20	2020/21
Cost centre C2207				
Head of Operational Services	£	£	£	£
Employees	35,999	33,370	32,600	32,600
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	33	500	500	500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	4,663	4,370	3,570	3,440
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>40,695</b>	<b>38,240</b>	<b>36,670</b>	<b>36,540</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>40,695</b>	<b>38,240</b>	<b>36,670</b>	<b>36,540</b>

Type of service: Discretionary

Service Purpose: Corporate out of hours response service provided to cover all service areas where an emergency response may be required.

Service Activity: Provision of an out of hours service between 17:00hrs (16:30 Friday) and 8:30hrs the following day, all day Saturday and Sunday and Bank Holidays. Response to complaints such as noise, alarms, drainage, flooding and civil emergencies.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH PEST CONTROL - CLIENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2212				
Head of Operational Services	£	£	£	£
Employees	3,233	2,650	2,620	2,640
Premises	-	-	-	-
Transport Related	14	-	-	-
Supplies & Services	-	100	100	100
Third Party Payments	18,333	20,820	13,500	3,000
Transfer Payments	-	-	-	-
Support Services	10,139	10,030	9,560	9,120
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>31,719</b>	<b>33,600</b>	<b>25,780</b>	<b>14,860</b>
Income including recharges to other services	-	-	(1,000)	(2,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>31,719</b>	<b>33,600</b>	<b>24,780</b>	<b>12,860</b>

Type of service: Discretionary

Service Purpose: Provision of a pest control service.

Service Activity: This service is currently contracted out; pest infestations and issues are investigated and resolved.

Explanation of significant expenditure/income changes

Third Party Payments

2019/20 Revised Budget onwards reflects the reduction in spend on contractor payment as we now have a new pest control contract that is a chargeable service.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
BLACKWATER VALLEY PROJECT	2018/19	2019/20	2019/20	2020/21
Cost centre C2525				
Head of Operational Services	£	£	£	£
Employees	4,111	3,600	700	710
Premises	-	-	-	-
Transport Related	16	20	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	17,500	17,500	17,500	17,500
Support Services	3,199	3,070	2,750	2,650
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>24,826</b>	<b>24,190</b>	<b>20,950</b>	<b>20,860</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>24,826</b>	<b>24,190</b>	<b>20,950</b>	<b>20,860</b>

Type of service: Discretionary

Service Purpose: To manage, maintain and improve the environment of the Blackwater Valley and enable recreational access for the benefit of the local community.

Service Activity: To provide a local Countryside Service and volunteer worker co-ordination within the Borough. To contribute to the cost of the service along with other sponsor authorities to enable access to the countryside via a long distance footpath (green corridor), maintain/protect the environment of the valley for both Community benefit and nature conservation. To lead with land reclamation projects such as renewal of old gravel pits to nature rich areas (reserves) and Suitable Alternative Natural Green Space (SANGS) management within the Borough.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ALDERWOOD CAMPUS FUNDING	2018/19	2019/20	2019/20	2020/21
Cost centre C2528				
Head of Operational Services	£	£	£	£
Employees	2,288	1,100	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	15,977	19,090	16,280	15,640
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>18,265</b>	<b>20,190</b>	<b>16,280</b>	<b>15,640</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>18,265</b>	<b>20,190</b>	<b>16,280</b>	<b>15,640</b>

Type of service: Discretionary

Service Purpose: Provision of Alderwood Leisure Centre.

Service Activity: Provide and maintain the service for educational, recreational, cultural and social opportunities.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ALLOTMENTS	2018/19	2019/20	2019/20	2020/21
Cost centre C2502				
Head of Operational Services	£	£	£	£
Employees	13,925	13,770	14,960	15,320
Premises	9,021	9,220	12,260	12,620
Transport Related	327	500	510	510
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	11,201	11,440	12,010	11,570
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>34,474</b>	<b>34,930</b>	<b>39,740</b>	<b>40,020</b>
Income including recharges to other services	(13,527)	(16,370)	(16,390)	(19,050)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>20,947</b>	<b>18,560</b>	<b>23,350</b>	<b>20,970</b>

Type of service: Discretionary

Service Purpose: Management and administration of the allotments.

Service Activity: Provision of allotments.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
RUSHMOOR HEALTHY LIVING	2018/19	2019/20	2019/20	2020/21
Cost centre C2248				
Head of Operational Services	£	£	£	£
Employees	-	-	-	-
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	7,000	7,000	7,000	7,000
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

Type of service: Discretionary

Service Purpose: The promotion of good health and healthy lifestyles across the Borough.

Service Activity: The service is delivered by a charity Rushmoor Healthy Living and covers a wide variety of health-related projects.



## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ALPINE SNOWSPORTS CENTRE	2018/19	2019/20	2019/20	2020/21
Cost centre C2503				
Head of Operational Services	£	£	£	£
Employees	5,238	5,250	9,660	9,780
Premises	-	1,000	1,000	1,000
Transport Related	3	10	10	10
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	6,010	5,740	7,050	6,800
Capital Accounting Charges	19,893	18,490	18,500	20,600
<b>Total Expenditure</b>	<b>31,144</b>	<b>30,490</b>	<b>36,220</b>	<b>38,190</b>
Income including recharges to other services	(36,049)	(27,500)	(50,170)	(51,070)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(4,905)</b>	<b>2,990</b>	<b>(13,950)</b>	<b>(12,880)</b>

Type of service: Discretionary

Service Purpose: To provide and maintain a ski centre through a management contract.

Service Activity: 3 dry ski slopes, mist lubrication system, ski lifts and tows, floodlighting, main building inc. office accommodation, bar and cafeteria, function area, maintenance workshop, chalet building and car park.

Explanation of significant expenditure/income changes

Income

2019/20 Revised Budget onwards reflects an increase in income the Council receive from the contractor following the procurement of a new management contract.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HOUSING SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C2405				
Head of Operational Services	£	£	£	£
Employees	17,114	5,760	5,890	5,850
Premises	-	-	-	-
Transport Related	69	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,925	3,190	2,850	2,770
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>21,108</b>	<b>8,950</b>	<b>8,740</b>	<b>8,620</b>
Income including recharges to other services	(21,108)	(8,950)	(8,740)	(8,620)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Discretionary

Service Purpose: Provision of a housing support service.

Service Activity: Housing support service

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Income including recharges to other services

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
OPERATIONAL SERVICES MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2510				
Head of Operational Services	£	£	£	£
Employees	5,905	8,900	8,900	8,900
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	11,740	24,080	24,080	24,080
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>17,645</b>	<b>32,980</b>	<b>32,980</b>	<b>32,980</b>
Income including recharges to other services	(17,647)	(32,980)	(32,980)	(32,980)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Discretionary

Service Purpose: Provision of a operational services management service.

Service Activity: Operational services management.

Explanation of significant expenditure/income changes

Supplies & Services

2018/19 Outturn reflects a reduction in spend mainly on internal charges for photocopying and printing

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
OPERATIONAL SERVICES SUPPORT	2018/19	2019/20	2019/20	2020/21
Cost centre C2522				
Head of Operational Services	£	£	£	£
Employees	30,002	30,940	15,020	13,640
Premises	-	-	-	-
Transport Related	-	30	30	30
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	3,519	3,630	2,960	2,830
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>33,521</b>	<b>34,600</b>	<b>18,010</b>	<b>16,500</b>
Income including recharges to other services	(33,520)	(34,600)	(18,010)	(16,500)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Discretionary

Service Purpose: Provision of a operational services support service.

Service Activity: Operational services support service.

Explanation of significant expenditure/income changes

Employees

2019/20 Revised Budget onwards reflects a reduction in costs following a restructure to staffing

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
PARKING MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2538				
Head of Operational Services	£	£	£	£
Employees	331,368	414,200	331,890	276,830
Premises	1,413	9,300	9,300	9,300
Transport Related	5,981	6,750	6,740	5,370
Supplies & Services	70,494	76,140	80,310	82,160
Third Party Payments	-	-	-	-
Transfer Payments	-	100,000	100,000	171,860
Support Services	162,819	150,700	160,650	148,850
Capital Accounting Charges	33,116	34,070	34,050	20,490
<b>Total Expenditure</b>	<b>605,191</b>	<b>791,160</b>	<b>722,940</b>	<b>714,860</b>
Income including recharges to other services	(741,485)	(877,050)	(808,750)	(886,710)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(136,294)</b>	<b>(85,890)</b>	<b>(85,810)</b>	<b>(171,850)</b>

Type of service: Discretionary

Service Purpose: Effect strategic traffic management objectives through powers delegated by Hampshire County Council to secure safe and accessible town centres and residential areas .

Service Activity: On-street enforcement against parking contraventions; on-street charging; on-street residents permit parking facilities.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes a reduction in spend due to vacancy savings. 2019/20 Revised Estimate reflects in year vacancy savings and a reduction in costs following a restructure to staffing. 2020/21 Budget includes the full year reduction in costs following a restructure to staffing and a change to the time allocations for the team between On Street parking and Off Street parking (car Parks).

Premises

2018/19 Outturn reflects a reduction in spend on gantry barriers.

Supplies & Services

2018/19 Outturn reflects a reduction in spend on operational equipment, telecoms and penalty charge notice related expenditure.

Transfer Payments

2019/20 Budget and 2019/20 Revised Budget reflects the payment to Hampshire County Council from the Civil Parking Enforcement surplus being generated in year. 2020/21 Budget reflects the effect of the new agency agreement from 1st April 2020.

Income

2018/19 Outturn and 2019/20 Revised Budget includes a reduction in Penalty Charge Notice income due to staff vacancies in year. 2018/19 Outturn and 2019/20 Revised Budget also includes a reduction in on-street parking pay and display income.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
CAR PARKS	2018/19	2019/20	2019/20	2020/21
Cost centre C2537				
Head of Operational Services	£	£	£	£
Employees	138,143	161,860	114,350	195,400
Premises	275,506	252,870	250,980	256,020
Transport Related	2,060	2,890	2,660	4,040
Supplies & Services	393,822	311,730	304,190	253,050
Third Party Payments	205,072	109,460	156,940	111,980
Transfer Payments	-	-	-	-
Support Services	183,831	175,110	169,190	162,180
Capital Accounting Charges	28,714	27,730	27,710	29,370
<b>Total Expenditure</b>	<b>1,227,148</b>	<b>1,041,650</b>	<b>1,026,020</b>	<b>1,012,040</b>
Income including recharges to other services	(1,809,764)	(1,658,530)	(1,715,300)	(1,599,780)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(582,616)</b>	<b>(616,880)</b>	<b>(689,280)</b>	<b>(587,740)</b>

Type of service: Discretionary

Service Purpose: Car parks

Service Activity: Provision and operation of car parks.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes a reduction in spend due to vacancy savings. 2019/20 Revised Estimate reflects in year vacancy savings and a reduction in costs following a restructure to staffing. 2020/21 Budget includes the full year reduction in costs following a restructure to staffing and a change to the time allocations for the team between On Street parking and Off Street parking (car Parks).

Premises

2018/19 Outturn includes the reversal of an accounting accrual.

Supplies & Services

2018/19 Outturn includes an increase in the managed car parks costs as we temporarily managed the Aldershot Centre for Health car park (offset by additional income). 2018/19 Outturn and 2019/20 Revised Budget onwards reflects an increase in leisure centre user rebates and a reduction in credit & debit card surcharge costs. 2020/21 Budget reflects a further reduction in costs following the end of the contract to manage the CO-OP car park (this is also reflected in a reduction of income).

Third Party Payments

2018/19 Outturn includes the initial one year cost of the littering & dog fouling pilot project. 2019/20 Revised Budget includes a further 6 month extension to the pilot project. (Expenditure is offset by additional income),

Income

2018/19 Outturn includes the income from the littering & dog fouling pilot project and the income from managing the Aldershot Centre for Health car park on a temporary basis. 2018/19 Outturn also includes a reduction in Penalty Charge Notice income due to staff vacancies in year. 2019/20 Revised Estimate includes the income from the 6 month extension to the littering & dog fouling pilot project and additional season ticket income from businesses who have requested either new or additional permits in year plus a reduction in Penalty Charge Notice income due to staff vacancies in year. 2020/21 Budget reflects a further reduction in income following the end of the contract to manage the CO-OP car park (this is also reflected in a reduction in expenditure).

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
CREMATORIUM	2018/19	2019/20	2019/20	2020/21
Cost centre C2551				
Head of Operational Services	£	£	£	£
Employees	328,626	354,460	346,310	354,730
Premises	235,569	175,170	170,650	175,870
Transport Related	387	490	470	470
Supplies & Services	161,560	220,500	218,000	161,740
Third Party Payments	51,374	53,300	53,050	54,480
Transfer Payments	-	-	-	-
Support Services	149,826	156,040	160,200	153,120
Capital Accounting Charges	73,033	76,460	74,670	77,570
<b>Total Expenditure</b>	<b>1,000,375</b>	<b>1,036,420</b>	<b>1,023,350</b>	<b>977,980</b>
Income including recharges to other services	(1,615,587)	(1,665,600)	(1,602,800)	(1,697,980)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(615,212)</b>	<b>(629,180)</b>	<b>(579,450)</b>	<b>(720,000)</b>

Type of service: Discretionary

Service Purpose: To provide a dignified and personal bereavement service.

Service Activity: The provision of a bereavement service that offers individual attention, reverence and respect whilst recognising cultural requirements. Provision of memorials that offer a wide variety of opportunities in which to remember loved ones.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn included a reduction in costs due to in year vacancy savings.

Premises

2018/19 Outturn includes the one-off costs for the cremator repairs.

Supplies & Services

2019/20 Original Budget and 2019/20 Revised budget includes the cremators feasibility study to establish the requirements for new cremators or to refurbish the existing ones.

Income

2019/20 Revised Budget reflects a reduction in cremation numbers.

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
COMMUNITY SAFETY	2018/19	2019/20	2019/20	2020/21
Cost centre C2547				
Head of Operational Services	£	£	£	£
Employees	147,811	157,380	196,010	173,240
Premises	4,341	4,350	4,350	4,360
Transport Related	1,724	1,630	1,760	1,760
Supplies & Services	12,123	21,470	18,270	21,470
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	81,161	84,600	92,350	86,380
Capital Accounting Charges	99	-	-	-
<b>Total Expenditure</b>	<b>247,259</b>	<b>269,430</b>	<b>312,740</b>	<b>287,210</b>
Income including recharges to other services	(40,707)	(23,160)	(48,880)	(26,370)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>206,552</b>	<b>246,270</b>	<b>263,860</b>	<b>260,840</b>

Type of service: Mixed

Service Purpose: Work in partnership to reduce crime, disorder, anti-social behaviour and the fear of crime .

Service Activity: Work with partners including the Police, Hampshire Fire & Rescue Service, Clinical Commissioning Groups, Probation services, HCC Youth Offending Team and Housing Associations to tackle Crime and Disorder and ASB. Take a lead role in the Rushmoor Community Safety Partnership tackling issues of domestic violence, substance misuse (drugs and alcohol), violent crime arising from the night time economy and acquisitive crimes such as burglary and theft.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn included in year vacancy saving. Additional fluctuations are showing as the employee costs in 2018/19 Outturn, 2019/20 Original Budget, 2019/20 Revised Budget and 2020/21 Budget include the varying cost of an additional post that we are recharging in full to the Basingstoke Improvement District.

Supplies & Services

2018/19 Outturn includes reduction in spend on signage and projects.

Income

2018/19 Outturn includes additional income from running training courses and contributions towards the Think Safe Project. Additional fluctuations are showing as the employee costs in 2018/19 Outturn, 2019/20 Original Budget, 2019/20 Revised Budget and 2020/21 Budget include the varying cost of an additional post that we are recharging in full to the Basingstoke Improvement District.



## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
HEALTH SUPPORT SERVICE	2018/19	2019/20	2019/20	2020/21
Cost centre C2217				
Head of Operational Services	£	£	£	£
Employees	27,297	28,100	27,500	28,080
Premises	-	-	-	-
Transport Related	83	60	60	60
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,732	5,720	6,230	6,090
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>33,112</b>	<b>33,880</b>	<b>33,790</b>	<b>34,230</b>
Income including recharges to other services	(33,112)	(33,880)	(33,790)	(34,230)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of a health support service.

Service Activity: Health support service

## REVENUE BUDGET 2020/21

Operational Services	Outturn	Original	Revised	Budget
ENV HEALTH AND HOUSING	2018/19	2019/20	2019/20	2020/21
Cost centre C2203				
Head of Operational Services	£	£	£	£
Employees	15,656	17,100	17,100	17,100
Premises	-	-	-	-
Transport Related	17	-	-	-
Supplies & Services	24,779	24,700	23,000	23,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>40,452</b>	<b>41,800</b>	<b>40,100</b>	<b>40,100</b>
Income including recharges to other services	(40,499)	(41,800)	(40,100)	(40,100)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>(47)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of environmental health and housing costs.

Service Activity: Environmental Health & Housing costs.

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## REVENUE BUDGET 2020/21

Planning and Economy		Outturn	Original	Revised	Budget
		2018/19	2019/20	2019/20	2020/21
		£	£	£	£
<b>Statutory</b>	<b>Page No</b>				
Planning Development Management	124	596,324	639,700	652,280	559,840
Planning Policy	125	542,106	583,960	524,650	582,250
Planning Conservation	126	122,127	142,170	188,140	116,550
Planning Building Control Non Fee	127	125,716	120,420	124,650	123,430
Planning Building Control- Fees	128	73,589	57,450	72,280	53,560
		<b>1,459,862</b>	<b>1,543,700</b>	<b>1,562,000</b>	<b>1,435,630</b>
<b>Discretionary</b>					
Princes Hall	129	387,436	512,820	452,590	447,920
Economic Development	130	131,411	226,970	325,590	225,810
Town Centre Management	131	180,269	189,660	213,290	183,230
Housing Strategy	132	144,891	152,140	160,880	144,420
Tourism	133	81,192	80,740	75,490	75,360
Sustainability Initiatives	134	20,543	21,970	22,590	18,660
Special Events	135	33,781	21,150	20,040	19,910
Rushmoor In Bloom	136	696	3,010	(2,480)	(2,650)
		<b>980,219</b>	<b>1,208,460</b>	<b>1,267,990</b>	<b>1,112,660</b>
<b>Other</b>					
Plg Dev Control Management	137	0	0	0	0
Plg Building Ctrl Management	138	0	0	0	0
Planning Policy Management	139	1	0	0	0
Planning Conservation Management	140	0	0	0	0
Planning Building Control Support	141	0	0	0	0
		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Expenditure</b>		<b>2,440,082</b>	<b>2,752,160</b>	<b>2,829,990</b>	<b>2,548,290</b>

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING DEVELOPMENT MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2604				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	761,492	809,440	708,870	749,270
Premises	-	-	-	-
Transport Related	1,669	2,650	1,870	1,880
Supplies & Services	3,179	6,830	6,830	5,330
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	379,595	378,260	383,500	361,970
Capital Accounting Charges	2,000	-	-	-
<b>Total Expenditure</b>	<b>1,147,935</b>	<b>1,197,180</b>	<b>1,101,070</b>	<b>1,118,450</b>
Income including recharges to other services	(551,611)	(557,480)	(448,790)	(558,610)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>596,324</b>	<b>639,700</b>	<b>652,280</b>	<b>559,840</b>

Type of service: Statutory

Service Purpose: Promote and enable good development in the Borough.

Service Activity: The provision of informal planning advice and the determination of planning applications. The provision of planning enforcement, investigating breaches of planning control and taking appropriate action. Presentation of the Council's submission at appeal.

Explanation of significant expenditure/income changes

Employees

Part of the difference between the Outturn 2018/19 and the 2019/20 Original Budget is Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs. The remainder of the difference is 2019/20 being budgeted to bear the full years cost of vacancies which were filled part way through 2018/19. The difference between the 2019/20 Original Budget and the 2019/20 Revised Budget is partly due Accounting regulations for pension costs and partly mainly due to staff vacancies during 2019/20 and changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. The 2020/21 Budget allows for vacancies being filled and increases for cost of living and increments.

Income

The Revised 2019/20 reflects a downturn in Planning Application Income but it is hoped that the level of income achieved in previous years will be re-established in 2020/21.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING POLICY	2018/19	2019/20	2019/20	2020/21
Cost centre C2609				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	320,200	419,870	330,560	417,360
Premises	-	-	-	-
Transport Related	152	1,090	550	940
Supplies & Services	84,755	22,500	48,300	22,300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	136,999	140,500	145,240	141,650
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>542,106</b>	<b>583,960</b>	<b>524,650</b>	<b>582,250</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>542,106</b>	<b>583,960</b>	<b>524,650</b>	<b>582,250</b>

Type of service: Statutory

Service Purpose: Prepare the planning policy framework for the Borough.

Service Activity: Preparation of the Local Plan for Rushmoor. Review policy documents from central government, regional bodies and adjoining local authorities. Prepare detailed planning guidance for important development sites within the Borough.

Explanation of significant expenditure/income changes

Employees

Part of the difference between the Outturn 2018/19 and the 2019/20 Original Budget is Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs. The remainder of the difference is 2019/20 Original Budget allows for vacancies outstanding in 2018/19 to be filled in 2019/20. The difference between the 2019/20 Original Budget and the 2019/20 Revised Budget is partly due Accounting regulations for pension costs and partly due to vacancies not being filled during 2019/20. The 2020/21 Budget allows for vacancies being filled.

Supplies & Services

Spend on the Local Plan varies from year to year depending on the delivery cycle, during 2018/19 a Local Plan was approved and therefore an examination fee was due. The Revised 2019/20 Budget has been increased due to a one-off project taking place on Special Protection Areas (SPA).

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING CONSERVATION	2018/19	2019/20	2019/20	2020/21
Cost centre C2610				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	75,732	90,700	76,610	68,730
Premises	-	-	-	-
Transport Related	231	930	260	260
Supplies & Services	7,676	15,450	76,100	7,450
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	42,288	43,090	43,170	40,110
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>125,927</b>	<b>150,170</b>	<b>196,140</b>	<b>116,550</b>
Income including recharges to other services	(3,800)	(8,000)	(8,000)	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>122,127</b>	<b>142,170</b>	<b>188,140</b>	<b>116,550</b>

Type of service: Statutory

Service Purpose: Preserve and enhance the Borough's Conservation Areas and ensure that its Listed Buildings and preserved trees are adequately protected.

Service Activity: Provision of advice on works to listed buildings and within conservation areas. Determination of applications for works to preserved trees, and provide specialist advice on ecology, biodiversity and landscaping.

Explanation of significant expenditure/income changes

Employees

The difference between the Outturn 2018/19 and the 2019/20 Original Budget is partly due to 2019/20 being budgeted to bear the full years cost of vacancies which were filled part way through 2018/19 and partly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. The difference between the 2019/20 Original Budget and the 2019/20 Revised Budget is partly due to vacancies in 2019/20 and partly due to changes to time allocations. There has been a further reduction in the 2020/21 Budget due to temporary post(s) coming to an end.

Supplies & Services

The 2019/20 Original Budget incorporates an additional item which was approved in respect of the new Southwood Country Park Suitable Alternative Natural Green Space (SANGS). The 2019/20 Revised Budget incorporates supplementary estimates which were approved in year in respect of two existing SANGS. The 2020/21 Budget restores the budget back to business as usual.

Income

The one-off additional item approved for 2019/20 in respect of the new Southwood Country Park SANG is fully funded from Developers Contributions.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING BUILDING CONTROL NON FEE	2018/19	2019/20	2019/20	2020/21
Cost centre C2601				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	85,645	77,720	76,910	78,450
Premises	-	-	-	-
Transport Related	688	830	850	850
Supplies & Services	-	1,000	1,000	1,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	44,254	43,970	48,990	46,270
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>130,587</b>	<b>123,520</b>	<b>127,750</b>	<b>126,570</b>
Income including recharges to other services	(4,871)	(3,100)	(3,100)	(3,140)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>125,716</b>	<b>120,420</b>	<b>124,650</b>	<b>123,430</b>

Type of service: Statutory

Service Purpose: Ensure the safe condition of buildings and structures in the Borough.

Service Activity: The provision of advice on building regulations, demolition licences, dangerous structures and street naming and numbering within the Borough.

Explanation of significant expenditure/income changes

Employees

The difference between the Outturn 2018/19 and the 2019/20 Original Budget is mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.



## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING BUILDING CONTROL- FEES	2018/19	2019/20	2019/20	2020/21
Cost centre C2608				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	145,201	149,470	148,040	151,230
Premises	-	-	-	-
Transport Related	2,015	2,270	2,280	2,280
Supplies & Services	2,899	3,980	3,910	3,980
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	130,733	134,130	144,640	138,260
Capital Accounting Charges	-	-	810	810
<b>Total Expenditure</b>	<b>280,848</b>	<b>289,850</b>	<b>299,680</b>	<b>296,560</b>
Income including recharges to other services	(207,259)	(232,400)	(227,400)	(243,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>73,589</b>	<b>57,450</b>	<b>72,280</b>	<b>53,560</b>

Type of service: Statutory

Service Purpose: Ensure the safe construction of buildings and structures in the Borough.

Service Activity: The determination of applications under the building regulations. Inspection and liaison with builders and developers.

Explanation of significant expenditure/income changes

Income

The Outturn 2018/19 reflects a slight downturn in fees and charges income but this is expected to recover in 2019/20. A further increase in income is forecast for 2020/21 due to a fees and charges increase taking effect 1 April 2020.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PRINCES HALL	2018/19	2019/20	2019/20	2020/21
Cost centre C2518				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	452,031	492,820	478,430	482,030
Premises	139,752	135,240	139,190	142,760
Transport Related	480	220	250	250
Supplies & Services	530,000	483,210	497,570	502,870
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	212,361	228,690	221,510	211,940
Capital Accounting Charges	112,635	99,940	99,940	103,370
<b>Total Expenditure</b>	<b>1,447,259</b>	<b>1,440,120</b>	<b>1,436,890</b>	<b>1,443,220</b>
Income including recharges to other services	(1,059,823)	(927,300)	(984,300)	(995,300)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>387,436</b>	<b>512,820</b>	<b>452,590</b>	<b>447,920</b>

Type of service: Discretionary

Service Purpose: Provide multi-purpose entertainment centre for residents.

Service Activity: 595 seat auditorium and three function rooms, hosting professional and amateur shows, meetings, parties, workshops, wedding receptions, etc.

Explanation of significant expenditure/income changes

Employees

2018/19 Outturn includes in year vacancy saving. Other fluctuations relate to the Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

Supplies & Services

2018/19 Outturn includes additional expenditure on payments to artistes and panto expenditure.

Income

2018/19 Outturn includes additional income mainly from ticket sales (including Panto), refreshments and lettings. 2019/20 Revised budget onwards includes an increase in budget for panto ticket sales.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
ECONOMIC DEVELOPMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C1413				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	36,812	45,360	130,090	131,720
Premises	14,500	14,500	14,500	14,500
Transport Related	269	30	450	450
Supplies & Services	48,471	42,000	42,000	42,000
Third Party Payments	-	-	-	-
Transfer Payments	12,800	99,880	109,880	9,880
Support Services	25,226	25,200	28,670	27,260
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>138,078</b>	<b>226,970</b>	<b>325,590</b>	<b>225,810</b>
Income including recharges to other services	(6,667)	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>131,411</b>	<b>226,970</b>	<b>325,590</b>	<b>225,810</b>

Type of service: Discretionary

Service Purpose: Economic development within the Borough.

Service Activity: Costs related to the support for economic development matters within the Borough.

Explanation of significant expenditure/income changes

Employees

2019/20 Revised Budget onwards reflects a change in allocations of 2 Community Development posts previously allocated to Community Services

Supplies & Services

2018/19 includes additional spend on promoting Economic development

Transfer Payments

2018/19 underspend on grants carried forward to 2019/20. 2019/20 also includes additional grants budget (non recurring item)

Income including recharges to other services

2018/19 contribution towards additional expenditure promoting Economic Development

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
TOWN CENTRE MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2543				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	121,948	120,710	136,540	115,530
Premises	(1,287)	-	-	-
Transport Related	147	140	190	190
Supplies & Services	41,532	40,500	48,180	40,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	28,030	28,310	28,380	27,010
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>190,370</b>	<b>189,660</b>	<b>213,290</b>	<b>183,230</b>
Income including recharges to other services	(10,101)	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>180,269</b>	<b>189,660</b>	<b>213,290</b>	<b>183,230</b>

Type of service: Discretionary

Service Purpose: Improve and promote Town Centres.

Service Activity: Improve the appearance of the town centre, support retailers, organise events, etc.

Explanation of significant expenditure/income changes

Employees

2019/20 Revised Budget onwards includes changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. 2020/21 Budget reflects a reduction in costs following a restructure to staffing.

Supplies & Services

2019/20 Revised Budget includes a carry forward of promotions budgets from 2018/19 and a one-off additional budget for marketing/promotions funded from a grant received in 2018/19 and held in earmarked reserves.

Income

2018/19 Outturn includes contributions received towards Town Centre promotions, sponsorship and the Shop Watch scheme

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
HOUSING STRATEGY	2018/19	2019/20	2019/20	2020/21
Cost centre C2401				
Head of Economy, Planning & Strategic Housing	£	£	£	£
Employees	104,837	111,610	117,690	104,580
Premises	-	-	-	-
Transport Related	268	430	340	340
Supplies & Services	95	1,200	700	700
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	39,691	38,900	42,150	38,800
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>144,891</b>	<b>152,140</b>	<b>160,880</b>	<b>144,420</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>144,891</b>	<b>152,140</b>	<b>160,880</b>	<b>144,420</b>

Type of service: Discretionary

Service Purpose: Formulation of strategic housing issues.

Service Activity: Housing Strategic matters.

Explanation of significant expenditure/income changes

Employees

Fluctuations mainly due to changes to time allocations. Employee costs are allocated to the Service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent. Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
TOURISM	2018/19	2019/20	2019/20	2020/21
Cost centre C2523				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	5,193	4,760	700	710
Premises	-	-	-	-
Transport Related	18	20	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	71,858	71,880	71,880	71,880
Support Services	4,123	4,080	2,910	2,770
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>81,192</b>	<b>80,740</b>	<b>75,490</b>	<b>75,360</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>81,192</b>	<b>80,740</b>	<b>75,490</b>	<b>75,360</b>

Type of service: Discretionary

Service Purpose: Promote tourism in the Borough.

Service Activity: Grants to Aldershot Military Museum and Basingstoke Canal Management Committee.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
SUSTAINABILITY INITIATIVES	2018/19	2019/20	2019/20	2020/21
Cost centre C1211				
Executive Head of Regeneration and Property	£	£	£	£
Employees	-	-	-	-
Premises	-	-	-	-
Transport Related	8	-	-	-
Supplies & Services	2,497	8,300	10,600	7,300
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	13,490	13,670	11,990	11,360
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>15,995</b>	<b>21,970</b>	<b>22,590</b>	<b>18,660</b>
Income including recharges to other services	4,548	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>20,543</b>	<b>21,970</b>	<b>22,590</b>	<b>18,660</b>

Type of service: Discretionary

Service Purpose: To plan and deliver the Council's work to promote sustainability in the Borough.

Service Activity: Develop, implement and monitor the Council's Climate Change Strategy and Action Plan; promote sustainability initiatives and implement associated actions with the community and partnership organisations; initiate, manage and support the delivery of projects to improve the Council's and its partners sustainability performance, particularly in relation to resource use.

Explanation of significant expenditure/income changes

Supplies & Services

1819 budget was underspent due to weather constraints

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
SPECIAL EVENTS	2018/19	2019/20	2019/20	2020/21
Cost centre C2533				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	9,920	9,610	9,680	9,830
Premises	-	-	-	-
Transport Related	25	50	40	40
Supplies & Services	27,255	41,820	23,600	24,600
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	8,581	8,970	7,720	7,440
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>45,781</b>	<b>60,450</b>	<b>41,040</b>	<b>41,910</b>
Income including recharges to other services	(12,000)	(39,300)	(21,000)	(22,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>33,781</b>	<b>21,150</b>	<b>20,040</b>	<b>19,910</b>

Type of service: Discretionary

Service Purpose: To support and promote various community events within the Borough.

Service Activity: Includes Annual Fireworks display, Victoria Day and various voluntary events.

Explanation of significant expenditure/income changes

Supplies & Services

2018/19 Outturn & 2019/20 Revised Budget reflects the changes made for the 2018 & 2019 Fireworks event which was scaled back in size, offered free to the public and funded through sponsorship and concessions income (partially funded in 2018). 2020/21 Budget reflects a continued provision for the Firework event at no cost to the council with income from either corporate sponsorship or the re-introduction of an admission charge.

Income

2018/19 Outturn & 2019/20 Revised Budget reflects the changes made for the 2018 & 2019 Fireworks event which was scaled back in size, offered free to the public and funded through sponsorship and concessions income (partially funded in 2018). 2020/21 Budget reflects a continued provision for the Firework event at no cost to the council with income from either corporate sponsorship or the re-introduction of an admission charge.



## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
RUSHMOOR IN BLOOM	2018/19	2019/20	2019/20	2020/21
Cost centre C2529				
Head of Operational Services	£	£	£	£
Employees	8,448	8,050	4,080	4,090
Premises	2,941	2,200	2,040	1,870
Transport Related	23	50	40	40
Supplies & Services	4,675	5,500	5,500	5,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	5,182	5,540	4,190	4,180
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>21,269</b>	<b>21,340</b>	<b>15,850</b>	<b>15,680</b>
Income including recharges to other services	(20,573)	(18,330)	(18,330)	(18,330)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>696</b>	<b>3,010</b>	<b>(2,480)</b>	<b>(2,650)</b>

Type of service: Discretionary

Service Purpose: Promote and enable civic pride and encourage participation.

Service Activity: To promote and develop an environmental campaign to include community gardening and planting projects, litter picking events, local gardening competition, allotment competition and school gardening and painting competition. Enable residents and business to be active in improving their communities.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLG DEV CONTROL MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2611				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	2,027	2,300	2,300	2,300
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	14,941	10,760	16,810	11,910
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>16,968</b>	<b>13,060</b>	<b>19,110</b>	<b>14,210</b>
Income including recharges to other services	(16,968)	(13,060)	(19,110)	(14,210)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of Planning Development Control management.

Service Activity: Planning Development Control management.

Explanation of significant expenditure/income changes

Supplies & Services

An overspend was reported during Q2 2019/20 Budget Monitoring to enlist the advice of specialists, this was incorporated into the 2019/20 Revised Budget.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLG BUILDING CTRL MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2612				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	1,404	1,950	1,950	1,950
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	4,898	5,230	4,230	4,230
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>6,302</b>	<b>7,180</b>	<b>6,180</b>	<b>6,180</b>
Income including recharges to other services	(6,302)	(7,180)	(6,180)	(6,180)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of Building Control management.

Service Activity: Building Control management.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING POLICY MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2613				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	846	7,830	2,500	2,500
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	6,079	3,500	4,950	3,500
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>6,925</b>	<b>11,330</b>	<b>7,450</b>	<b>6,000</b>
Income including recharges to other services	(6,924)	(11,330)	(7,450)	(6,000)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of Planning Policy management.

Service Activity: Planning Policy management.

Explanation of significant expenditure/income changes

Employees

A one-off training budget was included in the 2019/20 Original Budget but the training has not been proceeded with and has therefore been removed from the 2019/20 Revised Budget.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING CONSERVATION MANAGEMENT	2018/19	2019/20	2019/20	2020/21
Cost centre C2614				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	732	1,000	900	900
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	1,617	2,200	2,200	2,200
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	-	-
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>2,349</b>	<b>3,200</b>	<b>3,100</b>	<b>3,100</b>
Income including recharges to other services	(2,349)	(3,200)	(3,100)	(3,100)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of Planning Conservation management.

Service Activity: Planning Conservation management.

## REVENUE BUDGET 2020/21

Planning and Economy	Outturn	Original	Revised	Budget
PLANNING BUILDING CONTROL SUPPORT	2018/19	2019/20	2019/20	2020/21
Cost centre C2616				
Head of Economy, Planning and Strategic Housing	£	£	£	£
Employees	398	410	410	410
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	-	-
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	90	90	110	110
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>488</b>	<b>500</b>	<b>520</b>	<b>520</b>
Income including recharges to other services	(488)	(500)	(520)	(520)
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Type of service: Overheads

Service Purpose: Provision of Building Control support.

Service Activity: Building Control support.

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## REVENUE BUDGET 2020/21

Ice Programme		Outturn 2018/19	Original 2019/20	Revised 2019/20	Budget 2020/21
		£	£	£	£
<b>Discretionary</b>	<b>Page No</b>				
Ice Programme		0	0	467,510	496,300
<b>Net Expenditure</b>		<b>0</b>	<b>0</b>	<b>467,510</b>	<b>496,300</b>

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## REVENUE BUDGET 2020/21

Ice Programme	Outturn	Original	Revised	Budget
ICE PROGRAMME	2018/19	2019/20	2019/20	2020/21
Cost centre C2110				
Corporate Director - Senior Management Team	£	£	£	£
Employees	-	-	71,000	120,000
Premises	-	-	-	-
Transport Related	-	-	-	-
Supplies & Services	-	-	335,000	320,000
Third Party Payments	-	-	-	-
Transfer Payments	-	-	-	-
Support Services	-	-	61,510	56,300
Capital Accounting Charges	-	-	-	-
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>	<b>467,510</b>	<b>496,300</b>
Income including recharges to other services	-	-	-	-
<b>NET GENERAL FUND REQUIREMENT</b>	<b>0</b>	<b>0</b>	<b>467,510</b>	<b>496,300</b>

Type of service: Discretionary

Service Purpose: Improve and modernise the Council's core business; Create consistently excellent customer service; Enable efficiencies, savings and generate more income

Service Activity: The Ice Programme assists to modernise Council services



## ADDITIONAL ITEMS

Portfolio	Cost Centre	Description	Revised Estimate 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £
<b><u>Non-Recurring Items</u></b>					
Corporate and Democratic Services	Human Resources	To fund second cohort for Leadership Programme (already commissioned)		14,000	
Customer Experience and Improvement	ICE Programme	ICE/ Regeneration Programme (Joint Bid): Improving the Council's Assets (Princes Hall) <b>(BC)</b> As part of this project we will also undertake feasibility work at Princes Hall to identify whether some Council services could be delivered from this location and also how the Princes Hall building could be improved to operate more efficiently/ generate more income		50,000	
		ICE/ Regeneration Programme (Joint Bid): Improving the Council's Assets (Council Offices) <b>(BC)</b> Linked to an initial baseline review of the Council Offices (to be completed by the first quarter of 2020), the purpose of this bid is to request funding to undertake an initial Options Appraisal to start to identify the best location to deliver the council's services from, taking into account service and partner needs, investment / regeneration opportunities, cost, condition of the existing buildings and more modern ways of working		70,000	
Major Projects and Property	Belle Vue Enterprise Centre	Feasibility Studies on Belle Vue Enterprise Centre/ Farnborough North/Hawley Lane/Southwood SANG Premises/Southwood Comm Centre -Dilapidations Claim <b>(BC)</b>		50,000	
Operational Services	Farnborough Leisure Centre/ Aldershot Indoor Pools/ Aldershot LIDO	Leisure Contract procurement	50,000		
	Farnborough Leisure Centre	Additional budget to work with Indoor Bowling Club alternative provision		10,000	
	Housing Advice	IT software implication/upgrade for Housing Services		20,000	
<b>Total Non-Recurring Items</b>			<b>50,000</b>	<b>214,000</b>	<b>0</b>

Portfolio	Cost Centre	Description	Revised Estimate	Forecast	Forecast
			2019/20	2020/21	2021/22
			£	£	£
<b><u>Variations in Service</u></b>					
Corporate and Democratic Services	Legal Support	Property Solicitor role needed to cover increased workload with the extra regeneration, commercial property and other legal work highlighted by the Property and Regeneration Head of Service		45,600	46,500
Customer Experience and Improvement	IT Technical Services	Support warranty for core network Storage Area Network (SAN) and associated hardware. Current manufacturer warranty expires in September 2020		9,630	16,500
Major Projects and Property	Rushmoor Properties	LSH Investment Management Asset Management Services	43,000	104,000	104,000
		Additional Surveys required outside of Purchases	10,000	20,000	20,000
		Agents Fees - Rushmoor Properties	10,000	20,000	20,000
		External Valuation on Lease Re-gears across the Industrial Estates	10,000	25,000	25,000
	Frimley 4 Business Park	Frimley Business Park Management Co - Subsidy for café and gym	48,000	48,000	48,000
		Frimley Business Park Management Co - Service charges for Café/Gym and any vacant units	45,000	45,000	45,000
		General Building works - Frimley	15,000	30,000	30,000
	Property	Agents Fees - Frimley	10,000	27,000	27,000
		Regeneration team - additional staff resources to deliver programme		100,000	100,000
		Town Centre Management	Demolition and construction work at key regeneration sites in Aldershot Town Centre. Budget required to deliver a suite of activities designed to keep the town centre as vibrant as possible throughout this period of disruption		90,000
Operational Services	Grounds Maintenance Contracts	Revenue expenditure required for Wellesley Sports pitches. Tree maintenance adoption from Grainger (Aldershot Urban Extension (AUE))		2,600	2,600
		Funded from S106		-2,600	-2,600
		Revenue expenditure required for Wellesley Sports pitches. Public open spaces and sports facilities adoption from Grainger (AUE)		35,500	35,500
	Funded from S106		-35,000	-35,000	
	Parking Management	Metric Machine Maintenance Contract - On-Street	5,870	15,570	15,570

Portfolio	Cost Centre	Description	Revised Estimate 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £
		<b><u>Variations in Service</u></b>			
	Car Parks	Metric Machine Maintenance Contract - Car Parks	4,270	11,320	11,320
	Dog Warden	Microchipping and re-homing services following potential closure of current dog (re)homing service		3,000	3,000
	Community Safety	Revenue expenditure for additional resource to tackle antisocial behaviour issues in Town Centres		85,000	85,000
	Parks and Recreation Grounds	Oak Processionary Moth (OPM); requirement to undertake additional works for the Council's tree population		10,000	10,000
		Ash Die-back disease; requirement to undertake additional works for the Council's tree population		5,000	5,000
		Revenue expenditure required for Southwood Golf Course SANG during continued set-up phase. To provide for grass cutting of footpaths and safety related tree maintenance		20,000	20,000
		Funded from Developers Contributions SANG		-20,000	-20,000
	Domestic Refuse/Recycling	Replacement of damaged wheeled bins for both refuse, recycling and garden waste and the provision of bins and glass boxes for new properties to facilitate waste collection		12,000	12,000
		Income from wheeled bins for any new developments and the sale of garden waste bins		-12,000	-12,000
		<b>Total Variations in Service</b>	<b>201,140</b>	<b>694,620</b>	<b>692,390</b>
		<b>Total Additional Items</b>	<b>251,140</b>	<b>908,620</b>	<b>692,390</b>

(BC) denotes projects which are subject to further business case and presentation to Cabinet



## CAPITAL PROGRAMME SUMMARY 2019/2020 TO 2023/2024

	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
			Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b>CAPITAL EXPENDITURE ON PORTFOLIOS</b>						
Corporate and Democratic Services	1,223,580	1,287,400	-	-	-	-
Customer Experience and Improvement	321,000	186,260	125,000	105,000	55,000	30,000
Major Projects and Property	65,056,020	45,609,450	49,367,400	43,761,300	12,571,700	12,077,900
Operational Services	3,510,040	3,044,700	2,688,680	1,210,510	1,210,510	1,210,510
Planning and Economy	120,000	220,220	-	50,000	-	-
Ice Programme	-	281,000	45,000	-	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>70,230,640</b>	<b>50,629,030</b>	<b>52,226,080</b>	<b>45,126,810</b>	<b>13,837,210</b>	<b>13,318,410</b>
<b>CAPITAL EXPENDITURE RESOURCES</b>						
Revenue Contribution to Capital (rcco) - General*	-	19,880	-	-	-	-
Revenue Contribution to Capital - Improvement Grants	-	-	-	-	-	-
<b>Total Revenue Contributions</b>	-	19,880	-	-	-	-
Grants & Contributions from Other Bodies (see Grants & Conts Summary page)	9,478,500	3,072,600	6,773,480	3,920,000	1,220,000	20,000
Grants & Contributions - Improvement Grants	983,000	1,213,990	1,060,510	1,060,510	1,060,510	1,060,510
Section 106 Developers Contributions (see s106 Summary page)	810,170	419,660	183,170	-	-	-
	11,271,670	4,706,250	8,017,160	4,980,510	2,280,510	1,080,510
Borrowing	58,835,390	45,715,500	44,208,920	40,146,300	11,556,700	12,237,900
Flexible Capital Receipts	123,580	187,400	-	-	-	-
<b>Total Capital Receipts &amp; Borrowing</b>	<b>58,958,970</b>	<b>45,902,900</b>	<b>44,208,920</b>	<b>40,146,300</b>	<b>11,556,700</b>	<b>12,237,900</b>
<b>TOTAL CAPITAL FINANCING</b>	<b>70,230,640</b>	<b>50,629,030</b>	<b>52,226,080</b>	<b>45,126,810</b>	<b>13,837,210</b>	<b>13,318,410</b>

\* The rcco detailed in the table above relates to an Insurance Claim which has credited the general fund. The other items listed within the Grants and Contributions Summary which have rcco noted by them relate to monies which are already included within earmarked reserves or are currently detailed on the balance sheet

### GRANTS & CONTRIBUTIONS SUMMARY 2019/2020 TO 2023/2024

Project Number	PROJECT	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
				Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b><u>General Fund - Grants &amp; Contributions</u></b>							
6518	- Wheeled Bin Contributions (Developers & Householders)	15,000	28,990	20,000	20,000	20,000	20,000
6404	- Affordable Homes Funding (Developers rcco)		100,000				
6524	- Pay and Display Machine Replacements (CPE rcco)		170				
6567	- Replacement Cremator (CAMEO rcco)			600,000			
6597	- Car Park Enhancements (CPE rcco)	120,000	120,000				
6601	- Alpine Ski Centre Aldershot - Internal & External work (Ski Centre Development Fund)	11,500					
6615	- Alpine Ski Centre - Workshop Ceiling & Lighting and Repair of Footpath (Ski Centre Development Fund rcco)		17,360				
6588	- Ivy Road - Sports Pavilion (VIVID, The Football Foundation, Landfill Tax)	330,000					
6608	- Moor Road - Recreation Ground Development (Sport England, PEBL, Landfill Tax, CPE rcco)	300,000	167,000				
6617	- Parks and Open Spaces - Southwood Golf Course SANG Wetland (The Environment Agency)		23,910				
6613	- Parks and Open Spaces - Southwood Golf Course SANG Initial Setup (Developers Contributions)			422,000			
	- Parks and Open Spaces - Heritage Trails (TAG rcco)			15,000			
5216	- 168 High Street Guildford Various Works (The Commercial Reserve rcco)		67,000				
5225	- Commercial Property (CCG)		822,120				
<b><u>Regeneration Projects</u></b>							
5407	- Union Street East, Aldershot (LEP grant and Housing Infrastructure Fund)	3,350,000		3,800,000	1,500,000	1,200,000	
5408	- Games Hub (LEP grant)	767,000	328,000	529,480			
5409	- The Galleries (Housing Infrastructure Fund)	3,400,000		1,000,000	2,400,000		
<b><u>Activation Aldershot Projects</u></b>							
5401	- Project 1 - Integration between AUE and Town Centre (LEP loan)		1,285,050				
5404	- Project 2 Phase 6 - Station Forecourt Improvements (Local Growth Fund, HCC, South Western Railway, Local Enterprise Partnership Grant)	1,185,000	113,000	387,000			
<b>Total General Fund Grants &amp; Contributions</b>		<b>9,478,500</b>	<b>3,072,600</b>	<b>6,773,480</b>	<b>3,920,000</b>	<b>1,220,000</b>	<b>20,000</b>
<b><u>Housing Schemes - Government Grants</u></b>							
640050013	- Improvement Grants - Disabled Facilities Grants (Better Care Fund)	983,000	1,213,990	1,060,510	1,060,510	1,060,510	1,060,510
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>		<b>10,461,500</b>	<b>4,286,590</b>	<b>7,833,990</b>	<b>4,980,510</b>	<b>2,280,510</b>	<b>1,080,510</b>



**SECTION 106 DEVELOPERS CONTRIBUTIONS SUMMARY 2019/2020 TO 2023/2024**

Project Number	PROJECT	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
				Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
	<b>General Fund Schemes</b>						
6571	- Manor Park - Lake Improvements	49,970		49,170			
6588	- Ivy Road - Sports Pavilion	280,400					
6605	- Aldershot Park Car Park - Installation of LED powered lighting columns		16,660				
6608	- Moor Road - Recreation Ground Development	229,800	303,000				
6610	- Recreation Ground Playground Renewal	150,000		104,000			
6612	- Parks Improvements	100,000	100,000				
	- Parks and Open Spaces - Heritage Trails			30,000			
<b>TOTAL SECTION 106 DEVELOPERS CONTRIBUTIONS</b>		<b>810,170</b>	<b>419,660</b>	<b>183,170</b>	-	-	-

**CORPORATE & DEMOCRATIC SERVICES PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

1 of 1 Project Number	Project	Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
					Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
5403	<b>FARNBOROUGH AIRPORT</b> Farnborough International Ltd Loan	1,100,000	1,100,000	1,100,000				
5299	<b>FLEXIBLE CAPITAL RECEIPTS</b> Schemes funded by unallocated Capital Receipts	333,093	123,580	187,400				
	<b>TOTAL</b>	<b>1,433,093</b>	<b>1,223,580</b>	<b>1,287,400</b>	-	-	-	-

**Notes:** (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21

**CUSTOMER EXPERIENCE & IMPROVEMENT PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

1 of 1		Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
Project Number	Project				Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b>COMPUTER SYSTEMS</b>								
730540012	IT Equipment Replacement	3,590	25,000	25,000	70,000	75,000	25,000	
750040012	ICT/Digital Strategy - Various Projects		81,000					
760040012	Rushmoor 2020		145,000					
750040208	Revenues Citizen Account	10,141		720				
750040212	Digital by Design/Communities	50,016		20,930				
750040220	CSU Queueing Solution	8,760		12,930				
750040222	IWorld 2016 Server Upgrade			11,000				
750040224	PCI Compliance (s)				10,000			
750040225	Making Tax Digital - Integra Module			6,960				
760040223	Telephony Call Centre Upgrade			15,000				
<b>COUNCIL OFFICES</b>								
5329	Office Accommodation	84,405	35,000	58,380	35,000	30,000	30,000	30,000
5335	Council Offices Co-Location Project	17,266	25,000	25,000				
5340	Electrical Generator Switch (s)		10,000		10,000			
5341	Relocation of Voluntary Groups	64,288		10,340				
<b>TOTAL</b>		<b>238,467</b>	<b>321,000</b>	<b>186,260</b>	<b>125,000</b>	<b>105,000</b>	<b>55,000</b>	<b>30,000</b>

**Notes:** (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21

## MAJOR PROJECTS AND PROPERTY PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024

1 of 1 Project Number	Project	Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
					Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b>ALDERSHOT TOWN CENTRE PROJECTS</b>								
5401	Town Centre Integration			1,500,000				
5402	Shop front Improvements	1,313						
5409	The Galleries Regeneration (s)		3,400,000		1,000,000	2,400,000		
5408	The Games Hub (s)	9,520	767,000	328,000	529,480			
5404	Train Station and Surrounding Area Works (s)		1,485,000	113,000	562,000			
<b>CIVIC QUARTER FARNBOROUGH</b>								
5405	Civic Quarter Farnborough Development (bc) (s)	15,000	10,000,000	5,459,740	14,525,260	19,000,000		
<b>HOUSING MATTERS</b>								
5406	Housing PRS Delivery (bc) (s)	113	661,300	729,990	2,730,500	861,300	1,371,700	2,077,900
<b>COMMERCIAL PROPERTIES</b>								
5216	168 High Street Guildford Various Enhancements			67,000				
5222	Boulters House, 237 High Street Redevelopment	37,829		230				
5224	252 Ash Road, Aldershot purchase and Boundary Wall Enhancement	1,833,867						
5225 various	Various Commercial Property Purchases/Enhancements (bc) (s)		43,292,600	35,962,880	22,125,100	15,000,000	10,000,000	10,000,000
522840012	Redevelopment/Construction of Units at Optrex Business Park (bc) (s)		300,000		300,000			
<b>PROPERTY ENHANCEMENTS</b>								
	Queens Road Weightlifting Club - Enhancement Works (bc)				30,000			
	Aldershot Park Angling Club - Enhancement Works (bc)				20,000			
5230	Frimley 4 Business Park Enhancement Works			72,000	152,000			
<b>UNION STREET ALDERSHOT</b>								
5220	36-62 Union Street Enhancement Works (s)	49,600	150,120	342,260	336,760			
5407	Union Street East Aldershot Regeneration (bc) (s)	6,359,348	5,000,000	1,034,350	7,056,300	6,500,000	1,200,000	
<b>TOTAL</b>		<b>8,306,589</b>	<b>65,056,020</b>	<b>45,609,450</b>	<b>49,367,400</b>	<b>43,761,300</b>	<b>12,571,700</b>	<b>12,077,900</b>

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21

**OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

1 of 3 Project Number	Project	Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
					Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
	<b>ALDERSHOT POOLS COMPLEX</b>							
6242	Lido Concrete Works	13,070	15,000	15,000				
6543	Aldershot Pools Electrical Testing & Rewiring	9,937	10,000	10,000				
6551	Lido Replacement Pumps & Valves	8,888	15,000	15,000				
	<b>ALPINE SNOWSPORTS</b>							
6527	Slope Maintenance	3,350	72,150	58,110				
6601	Various Internal & External Works	28,791						
6615	Workshop Ceiling & Lighting and Footpath Repair		11,500	17,360				
	<b>BEAUMONT COMMUNITY PARK</b>							
6521	Repairs to Stonework		19,000	15,810				
	<b>BLUNDEN HALL COMMUNITY CENTRE</b>							
6602	Kitchen & Hall Works	37,037						
	<b>CAR PARKS</b>							
6524	Car Park Ticket Machines	18,150		5,190				
6597	Enhancement Works for Various Car Parks	53,722	120,000	120,000				
6604	Kingsmoat Car Park Resurfacing		80,000	80,000				
6605	Aldershot Park Car Park LED Columns	3,977		16,660				
6609	Pinehurst Car Park Security (bc)		50,000	50,000				
	<b>CEMETERIES</b>							
6231	Ship Lane Cemetery Drainage			11,000				
6600	Victoria Road Cemetery Fencing and Redecoration		10,000	10,450				

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(s) denotes projects which include slippage from 2019/20 into 2020/21

**OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

2 of 3		Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
Project Number	Project				Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
<b>CREMATORIUM</b>								
6565	Waiting Room Modernisation	1,360		3,870				
6567	Replacement Cremators				1,200,000			
6606	Fan and PCME Monitor Upgrade	19,011						
6607	Cremulator and Transfer Cabinet			21,750				
6616	Sanctum 2000 Area 7 (Memorial Vaults)		15,000	14,340				
<b>CYCLEWAY LINKS</b>								
6577	Hazel Avenue to Arrow Road			23,000				
<b>DEPOTS</b>								
6517	Hawley Lane Development Works	90,814	45,220	41,400				
6573	New Depot Lysons Avenue	1,554,094		34,290				
5229	Creation of a depot at Southwood			31,000				
<b>FARNBOROUGH LEISURE CENTRE</b>								
6541	Electrical Testing & Rewiring	14,987	15,000	15,000				
6545	Replacment Pumps & Valves	15,191	15,000	15,000				
<b>IVY ROAD PLAYING FIELDS</b>								
6588	New Sports Pavilion		610,400					
<b>MANOR PARK</b>								
6571	Lake Improvements (s)	800	49,970		49,170			
<b>MOOR ROAD DEVELOPMENT</b>								
6608	Recreation Ground Development	5,474	529,800	470,000				
<b>PARKS &amp; OPEN SPACES</b>								
6612	Unspecified Park Improvements		100,000	100,000				
6613	Southwood Golf Course SANG Setup		422,000	422,000				
6617	Southwood Golf Course SANG Wetland			47,810				
	KGV café conversion within the pavilion (bc)				50,000			
	Heritage Trails (bc)				75,000			

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21

**OPERATIONAL SERVICES PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

3 of 3 Project Number	Project	Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments				
					Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	
6610	<b>PLAYGROUND WORKS</b> Recreation Ground Playground Renewal (s)		150,000		104,000				
6518	<b>REFUSE/RECYCLING</b> Domestic Refuse - Wheeled Bins	112,789	90,000	82,630	100,000	100,000	100,000	100,000	
6532	<b>SOUTHWOOD COMMUNITY CENTRE</b> Internal Decoration		20,000	20,000					
6515	<b>STREET CLEANSING</b> Litter/ Cigarette Bins	9,960	12,000	14,040					
640050013	<b>IMPROVEMENT GRANTS</b> Disabled Facilities Grants	1,105,155	983,000	1,213,990	1,060,510	1,060,510	1,060,510	1,060,510	
640050022	Home Improvement Grants	20,014	50,000	50,000	50,000	50,000	50,000	50,000	
<b>TOTAL</b>		<b>3,126,572</b>	<b>3,510,040</b>	<b>3,044,700</b>	<b>2,688,680</b>	<b>1,210,510</b>	<b>1,210,510</b>	<b>1,210,510</b>	

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21

**PLANNING AND ECONOMY PORTFOLIO CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

1 of 1 Project Number	Project	Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
					Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
6404	<b>AFFORDABLE HOMES GRANT</b> Affordable Homes Grant Funding			100,000				
6614	<b>PRINCES HALL</b> Essential Roof Works Main Hall Floor Works		120,000	120,220		50,000		
	<b>TOTAL</b>		<b>120,000</b>	<b>220,220</b>	-	<b>50,000</b>	-	-

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21



**ICE PROGRAMME CAPITAL PROGRAMME 2019/2020 TO 2023/2024**

1 of 1 Project Number	Project	Actual payments 2018/19	Original Estimate 2019/20	Revised Estimate 2019/20	Anticipated Payments			
					Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
	<b>ICE PROGRAMME</b>							
760141810	Procure & Implement CRM			70,000	10,000			
760141811	App Development			20,000	20,000			
760142814	Flexible & Mobile Working			60,000	15,000			
760142817	Modernising Corporate & Service Systems			91,000				
760142818	Infrastructure & Security			40,000				
	<b>TOTAL</b>	-	-	<b>281,000</b>	<b>45,000</b>	-	-	-

Notes: (bc) denotes projects which are subject to further business case and presentation to Cabinet  
(s) denotes projects which include slippage from 2019/20 into 2020/21



**STRATEGY FOR THE FLEXIBLE USE OF CAPITAL RECEIPTS 2020/21**

The strategy has regard to the Guidance on the Flexible Use of Capital Receipts issued by the Secretary of State under section 15 (1)(a) of the Local Government Act 2003 during March 2016, including only those projects which are designed to generate ongoing revenue savings in the delivery of services and/or transform service delivery in a way that reduces costs or demand for services.

Projects included in the strategy support the Council's Transformation Programme and progress will be monitored regularly as part of the Council's review of performance against top line priorities and budget monitoring.

The Guidance on the Flexible Use of Capital Receipts allows set-up and implementation costs to be counted as qualifying costs, however the on-going revenue costs of new processes or arrangements cannot.

Only receipts from the disposal of capital assets received between 1 April 2016 and 31 March 2019 are eligible for use to fund qualifying costs of service reform. During 2016/17, a receipt of £500,000 was received to be fully utilised by the Flexible Use of Capital Receipts. A further capital receipt of £480,000 was received in 2017/18. There have been no capital receipts received in 2018/19 and 2019/20

As part of the Local Government Settlement, the Communities Secretary for Ministry of Housing, Communities and Local Government announced on 13 December 2018 that there would be a continuation of the capital receipts flexibility programme. Should future projects be identified alongside suitable asset sales, this will be presented in a revised strategy.

Service reform projects can still be financed in whole or in part from other sources e.g. the Service Improvement Fund. The Council is not obliged to fund these projects from capital receipts, however, on the adoption of this strategy, will have the option to do so.

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CABINET

4 FEBRUARY 2020

COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES  
PORTFOLIO HOLDER  
REPORT NO. FIN2004

KEY DECISION? YES/NO

**ANNUAL TREASURY MANAGEMENT STRATEGY AND ANNUAL NON-  
TREASURY INVESTMENT STRATEGY 2020/21****SUMMARY AND RECOMMENDATIONS:****SUMMARY:**

The Council is required to approve a Treasury Management Strategy and Non-Treasury Investment Strategy (Investment Strategy) for 2020/21 before 1 April 2020.

CIPFA has conducted reviews of the “Prudential Code” and the “Treasury Management Code of Practice” in 2017, and the Ministry of Housing, Communities and Local Government (MHCLG) has also issued revised guidance on Local Government Investment. The attached Treasury Management Strategy Statement (TMSS) for 2020/21 (Appendix A) and Non-Treasury Investment Strategy (Appendix B) is prepared in accordance with this guidance.

**RECOMMENDATION:**

Members are requested to recommend to Council:

- (i) Approval of the Treasury Management Strategy, Annual Borrowing Strategy attached at Appendix A, and
- (ii) Approve Annual Non-Treasury Investment Strategy attached at Appendix B;  
and
- (iii) Approval of the Minimum Revenue Provision (MRP) Statement set out in Appendix C.

**1 INTRODUCTION**

- 1.1 This report sets out the proposed Treasury Management Strategy and Non-Treasury Investment Strategy for the year 2020/21, including the borrowing and investment strategies and treasury management indicators for capital finance for 2020/21 and the Minimum Revenue Provision Statement.

- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy and Non-Treasury Investment Strategy before the start of each financial year.
- 1.3 The CIPFA "Prudential Code" 2017 edition, "Treasury Management Code of Practice" 2017 edition and MHCLG revised guidance February 2018 focus on "non- treasury" investments. Resulting in a requirement for a separate Non-Treasury Investment Strategy (Appendix B) must be approved before April 2020.

## **2 PURPOSE**

- 2.1 The purpose of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's low risk approach, pursuing optimum performance while ensuring that security of the investment is considered ahead of investment return. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure the Council can meet its capital spending obligations. The management of longer-term cash may involve the arrangement of long and/or short-term loans (external borrowing) or may use longer term cash flow surpluses in lieu of external borrowing (internal borrowing).
- 2.3 Accordingly, the Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: *"The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"*.
- 2.4 The purpose of non-treasury investment management operations is to ensure that all investment decisions that are made primarily to generate a profit have a suitable level of security and liquidity. Ensuring risks and rewards are monitored regularly.
- 2.5 The second main function of investment management is to generate potential returns and monitor performance of returns on a regular basis.
- 2.6 The purpose of the Indicators is to set a framework for affordable, prudent and sustainable capital investment.

- 2.7 The appendices (A to C) set out the Treasury Management Strategy, Investment Strategy and Minimal Revenue Provision Statement for 2020/21 to 2023/24 and fulfil key legislative requirements as follows:

#### Appendix A

- The **Treasury Management Strategy** which sets out how the Council's treasury service will support capital decisions taken during the period, the day to day treasury management and the limitations on activity through treasury prudential indicators, in accordance with CIPFA's Code of Practice on Treasury Management and Prudential Code;
- The **Annual Borrowing Strategy** which sets out the Council's objectives for borrowing together with the approved sources of long and short-term borrowing and;
- **Annual Treasury Management Investment Strategy** which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss, in accordance with CIPFA's Code of Practice on Treasury Management.

#### Appendix B

- The new **Non-Treasury Investment Strategy** sets out the Council's investment decisions taken during the period and monitors performance and security, in accordance with MHCLG Investment Guidance.

#### Appendix C

- The Council's **Minimum Revenue Provision (MRP) Statement**, which sets out how the Council will pay for capital assets through revenue each year, as required by the Local Government Act 2003 (Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003).

- 2.8 These policies and parameters provide an approved framework within which officers undertake the day-to-day capital, treasury and non- treasury investment activities.

### **3 SCOPE**

- 3.1 This report covers the Council's treasury management and investment activities as set out in paragraphs 2.1 to 2.5 above. The funds invested consist of short-term cash available due to timing of income and expenditure, prudential borrowing and the Council's capital receipts.
- 3.2 Arlingclose advice continues to indicate that the Council should diversify investment risk (spreading smaller amounts over an increasing number of counterparties) wherever possible.
- 3.3 The Council incurred prudential code borrowing in 2018/19 in the sum of £45.58m in relation to its capital expenditure. Further borrowing to support

the financing of its approved capital programme in the year 2019/20 will also be required. The Council therefore commences the year 2020/21 in a position where its investment holdings continue to remain significant (although, less than in previous financial years) but also carries significant accumulating debt. There will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

- 3.4 Careful observation of the “gross debt v capital financing requirement” indicator will need to be undertaken progressively throughout the financial year.
- 3.5 Where a material change to the attached strategies occurs during the year a revised strategy will be presented to Full Council before the change is implemented.

#### **BACKGROUND DOCUMENTS:**

1. *Treasury Management in the Public Services (CIPFA) 2017 Edition*
2. *The Prudential Code for Capital Finance (CIPFA) 2017 Edition*
3. *SI 2003/3146 - Local Authorities (Capital Finance and Accounting) (England) Regulations 2003*
4. *SI 2004/3055 - Local Authorities (Capital Finance and Accounting) (Amendment)*
5. *Capital Finance: Guidance on local government investment (third edition) (Issued under section 15 (1)(a) of the Local Government Act 2003)*
6. *Prudential Property Investment 2019*

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# APPENDIX A

## TREASURY MANAGEMENT STRATEGY 2020/21

### 1 INTRODUCTION

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code. The Licensing, Audit and General Purposes Committee is the nominated Committee responsible for the effective scrutiny of the Treasury Management Strategy and policies.
- 1.3 Investments held for service purposes or for commercial profit are considered in a separate report, the Investment Strategy at Appendix B.
- 1.4 This strategy covers:
- External context
  - Current borrowing and investment portfolio position
  - Annual Borrowing Strategy
  - Annual Investment Strategy
  - Performance Indicators

### 2 EXTERNAL CONTEXT (commentary provided by Arlingclose)

- 2.1 **Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's treasury management strategy for 2020/21. The General Election has removed some uncertainty within the market, however following the expected Withdrawal Bill, uncertainties around the future trading relationship with the EU remain.

- 2.2 GDP growth rose by 0.4% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.1% from 1.2%. Services, construction and production added positively to growth, by 0.5%, 1.2% and 0.1% respectively, while agriculture recorded a fall of 0.1%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.
- 2.3 The headline rate of UK Consumer Price Inflation remained the same in November 2019 at 1.5% year-on-year, the same as October 2019, however continuing to fall from highs of 2.1% in July and April 2019 as accommodation services and transport continued to contribute to a level of inflation below the BOE target of 2%. Labour market data continues to be positive. The ILO unemployment rate continues to hold at historic lows at 3.8%, its lowest level since 1975. The 3-month average annual growth rate for pay excluding bonuses rose to 3.5% in November 2019 providing some evidence that a shortage of labour is supporting wages. However, adjusting for inflation this means real wages were only up by 0.9% in October 2019 and only likely to have a moderate impact on household spending.
- 2.4 Domestic inflationary pressures have abated, as domestic gas and electricity price freezes have taken effect until 2020. The price of oil has fallen through the year, despite a rise in prices in December 2019. The limited inflationary pressure from real wages will likely keep inflation below the Bank of England target of 2%. The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.
- 2.5 The US economy has continued to perform relatively well compared to other developed nations; however, the Federal Reserve has started to unwind its monetary tightening through 2019. The Federal Reserve has cut rates three times to 1.5% - 1.75%, to stimulate growth as GDP growth has started to fall (to 2.1%).
- 2.6 The fallout from the US-China trade war continues which, risks contributing to a slowdown in global economic activity in 2019. Recent suggestions have been an initial compromise and potential unwinding of tariffs; however, this can change quickly. Slow growth in Europe, combined with changes in leadership at the ECB and IMF has led to a change of stance in 2019. Quantitative easing has continued and been

- extended.
- 2.7 **Credit outlook:** The recent Bank of England stress tests assessed all seven UK banking groups. The tests scenarios include deep simultaneous recessions in the UK and global economies that are more severe overall than the global financial crisis, combined with large falls in asset prices and a separate stress of misconduct costs. All seven banks passed the test on both a CET1 ratio and a leverage ratio basis. Major banks have steadily increased their capital for many years now. However, there are a number of shortcomings in the Bank's approach; timeliness as the results are over 11 months of out date when they are published, being based on end-2018 balance sheets; ringfencing, as the tests ignore the restrictions on transferring capital between ringfenced "retail" banks and non-ringfenced "investment" banks within the larger groups and; coverage – the tests should be expanded to cover a wider range of UK banks and building societies.
  - 2.8 The Bank of England will seek to address some of these issues in 2020, when Virgin Money/Clydesdale will be added to the testing group and separate tests will be included of ringfenced banks.
  - 2.9 Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.
  - 2.10 Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.
  - 2.11 **Interest rate forecast:** The Council's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.
  - 2.12 Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.
  - 2.13 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 1.
  - 2.14 For the purpose of setting the budget, it has been assumed that

investments will be made at an average rate of 4.9%, and that new short-term loans will be borrowed at an average rate of 1.1%, being the current blended rate for short and long term-borrowing.

### 3 LOCAL CONTEXT

- 3.1 On 31 December 2019, the Council held £90.0m of borrowing, long-term liabilities of £2.5m and £31.3m of investments. This is set out in further detail below in table 3. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

**Table 1: Balance sheet (Capital Expenditure, Gross Debt and Capital Financing Requirement summary) in £ millions**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Debt (incl. leases)	60.8	107.6	154.1	197.9	208.4
Capital Financing Requirement	154.1	197.9	208.4	217.8	224.3
Difference	93.3	90.3	54.3	19.9	15.9
Investments	24.2	22.9	22.9	22.9	22.9

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3 The Council has an increasing CFR due to the capital programme, stable level of investments and will therefore be required to borrow up to £116.7m over the forecast period.
- 3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2020/21.
- 3.5 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are

kept to a minimum level of £10m at each year-end to maintain sufficient liquidity, minimise credit risk and maintain Market in Financial Instrument Directive II (MiFID II) status.

**Table 2: Liability benchmark**

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>
Outstanding borrowing	60.8	107.6	154.1	197.9	208.4
Investment minimum	-10.0	-10.0	-10.0	-10.0	-10.0
Investments held that can be redeemed	-24.2	-22.9	-22.9	-22.9	-22.9
Liability benchmark	46.6	94.7	141.2	185.0	195.5

#### **4 CURRENT BORROWING & INVESTMENT PORTFOLIO POSITION**

- 4.1 The Guidance on Local Government Investments in England gives priority to security and liquidity, and the Council's aim has been to achieve a yield commensurate with these principles. The Council continues to follow Arlingclose advice in the knowledge that whilst long-term interest rate forecasts remain low it should generate enhanced returns with counterparties other than banks and to invest across a diverse investment portfolio.
- 4.2 During 2019/20 the Council has generated returns from existing long-term pooled fund investments together with diversification within the Council's investment portfolio. The Council held the following investments at 31<sup>st</sup> December 2019:
- £21.9m in pooled funds (providing a balance across a range of 6 different types of fund).
  - Various temporary investments of minor amounts held in Money Market funds all for durations of 6 months or less
- 4.3 Local Authorities have adopted the new IFRS 9 accounting standard for the financial instruments including investments, borrowing, receivables and payables in 2019/20. A statutory override has been applied to the fair value movement on pooled investment fund. Any fair value movement can be reversed out from the General Fund to an unusable reserve called the Pooled Investment Fund Adjustment Account.

**Table 3: Existing Investment & Debt Portfolio Position**

	<b>Actual Portfolio at 31/12/19</b>	<b>Average Rate</b>
	<b>£m</b>	<b>%</b>
<b>Total External Borrowing</b>		
Borrowing from other Local Authorities	90	1.1
<b>Total Gross External Debt</b>	90	
<b>Other long-term liabilities:</b>		
Finance Leases	2.5	
<b>Total other long-term liabilities</b>	2.5	
<b>Investments</b>		
<b>Managed in-house:</b>		
Money Market Funds	9.39	0.69
<b>Managed externally:</b>		
<b>Pooled Funds:</b>		
CCLA LAMIT Property Fund	3.9	5.31
M&G Investments Strategic Corporate Bond Fund	4	3.8
UBS Multi Asset Fund	5	4.52
Kames	2	5.26
Columbia Threadneedle Investments	2	2.89
Schroder Income Maximiser Fund	5	10.63
<b>Total Investments</b>	31.29	4.22
<b>Net Debt</b>	61.21	

Table 3 Illustrates the Council's investment and debt portfolio position as at 31 December 2019.

## **5 ANNUAL BORROWING STRATEGY 2019/20**

- 5.1 The Council currently holds £90.0m of loans, an increase of £29.2m on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £46.8m in 2020/21.

- 5.2 The Council has made use of funds from the Enterprise M3 (LEP) by borrowing £3m in an earlier year to progress the Aldershot regeneration schemes. External contributions were scheduled to be received over a seven-year period to fully finance this amount. At the commencement of 2019/20 £1.7m of this borrowed amount remained outstanding. The Council has fully repaid the LEP outstanding balance as at December 2019.
- 5.3 Capital expenditure in 2019/20 financial year is programmed to be substantial, including a significant amount for investment property acquisitions. Capital expenditure in relation to the Farnborough International Loan has been completed within 2019/20. Prudential code borrowing will therefore be required in order to achieve overall financing. The Council will incur some further borrowing during 2020/21 in order assist in the financing of its capital programme.
- 5.4 **Objectives:** The Council's chief objective when borrowing money will be to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 5.5 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is more cost effective to borrow at short-term rates. The Council is balancing short-term refinancing risk by holding a mixed portfolio of short and long-term loans.
- 5.6 By adopting this approach the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years, however long-term borrowing rates are forecast to remain flat over the medium term. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis.
- 5.7 Alternatively, the Council may arrange forward starting loans during 2020/21, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 5.8 In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
- 5.9 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are summarised below:
- Public Works Loan Board (PWLB) and any successor body

- Money market loans (long term & temporary)
- Any bank or building society authorised to operate in the UK
- UK Local Authorities
- UK public and private sector pension funds (except the Local Government Pension Scheme administered by Hampshire County Council)
- Capital market bond investors
- UK Municipal Bond Agency plc and other special purpose companies created to enable local authority bond issues.
- Lottery monies

5.10 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback

5.11 The Council has previously raised the majority of its borrowing from Local Authorities, but it continues to investigate other sources of finance, that may be available at more favourable rates.

5.12 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

5.13 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators in Section 7.

## 6 ANNUAL TREASURY MANAGEMENT INVESTMENT STRATEGY 2020/21

6.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. As at 31 December 2019 the Council's investment balance stood at £31.3m.



The Council estimates that the level of investment held in Money Market Funds (MMFs) will reduce to £0m at the year end. In future years the Council estimates to hold on average £25m.

- 6.2 **Objectives:** Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 6.3 **Negative interest rates:** If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 6.4 **Strategy:** The Council continues to maintain a diverse range of secure and/or higher yielding asset classes during 2020/21. All the Council's surplus cash remains invested in short-term unsecured bank deposits, and money market funds.
- 6.5 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 6.6 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 4 below, subject to the cash limits (per counterparty) and the time limits shown. The schedule of approved counterparties is underpinned by a detailed list of named counterparties. This list is maintained within Financial Services for treasury management operational purposes.

**Table 4: Approved Investment Counterparties**

Counterparty		Cash limit per counterparty	Investment Limit (per type of counterparty)	Time limit
<b>Banks Unsecured</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£2m	£20m in total	5 Years
	AA+	£2m		5 Years
	AA	£2m		4 years
	AA-	£2m		3 years
	A+	£2m		2 years
	A	£2m		13 months
	A-	£2m		6 months
	BBB+	£1m		100 days
<b>Banks Secured</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	Unlimited	20 years
	AA+	£4m		10 years
	AA	£4m		5 years
	AA-	£4m		4 years
	A+	£4m		3 years
	A	£4m		2 years
	A-	£4m		13 months
	BBB+	£2m		6 months
	BBB or BBB-	£2m		100 days
<b>Government</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	Unlimited	50 Years
	AA+	£4m		25 Years
	AA	£4m		15 Years
	AA-	£4m		10 Years
	A+	£2m		5 Years
	A	£2m		5 Years
	A-	£2m		5 Years
	BBB+	£1m		2 Years
	None	£4m		25 Years
<b>Corporates</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£2m	£6m in total	20 Years
	AA+	£2m		10 Years
	AA	£2m		10 Years
	AA-	£2m		10 Years
	A+	£2m		5 Years
	A	£2m		2 Years
	A-	£1m		13 months
	BBB+	£1m		6 months

	none	£0.5m		5 Years
Counterparty		Cash limit per counterparty	Investment Limit (per type of counterparty)	Time limit
Registered Providers whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	£10m in total	20 Years
	AA+	£4m		10 Years
	AA	£4m		10 Years
	AA-	£4m		10 Years
	A+	£4m		5 Years
	A	£4m		5 Years
	A-	£4m		5 Years
	BBB+	£4m		5 Years
	None	£4m		5 Years
The Council's current account bank if it fails to meet the above criteria		£3m	£3m	next day
UK Building Societies without credit rating		£1m	£4m	1 Year
Money market funds		£5m	£25m in total	n/a
Collective Investment Schemes (pooled funds)		£5m per fund	£25m in total	These funds do not have a defined maturity date

6.7 Investments may be made with banks or any public or private sector organisations that meet the above credit rating criteria. The Council may also invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Council's treasury management adviser.

6.8 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

6.9 **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £2 million on 31 March 2020. In order that no more than 20% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries. Detail of investment limits are given in table 4 above.

6.10 Further information as to why certain counterparties have been included in Table 4 is set out below:

- **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Investments in unrated small businesses may provide considerably higher rates of return. They will however only be made following a

favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

- **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing and registered social landlords, formerly known as Housing Associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain a high likelihood of receiving government support if needed.
- **Money Market Funds:** These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. The Council will continue to use funds that offer same-day liquidity as an alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- **Other Pooled Funds:** Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

6.11 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made with that entity
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

6.12 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria,

then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 6.13 **Liquidity management:** The Council reviews cash flow daily to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.
- 6.14 **Other Information on the Security of Investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 6.15 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not reflected in general credit-ratings. In these circumstances, where the Council feels the whole market has been affected, it will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

## **7 TREASURY MANAGEMENT INDICATORS**

- 7.1 The Treasury Management Code requires that local authorities set a number of indicators for treasury management performance, which have been set as below. A voluntary measure for credit risk as set out in paragraph 8.2
- 7.2 **Credit Risk (Credit Score Analysis):** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating / credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

The advice from Arlingclose is to aim for an average A-, or higher, average credit rating, with an average score of 7 or lower. The scores are weighted according to the size of our deposits (value-weighted average) and the maturity of the deposits (time-weighted average).

<b>Credit Risk Indicator</b>	<b>Target</b>
Portfolio average credit rating	A-
Portfolio average credit score	7.0

- 7.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount cash available within three months, including bank deposits, call accounts and money market funds.

<b>Liquidity risk indicator</b>	<b>Target</b>
Total cash available within 3 months	£1m

- 7.4 **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£500,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£500,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

- 7.5 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

<b>Maturity Structure</b>	<b>Upper</b>	<b>Lower</b>
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 7.6 **Principal Sums Invested for Periods Longer than a Year:** The purpose of this indicator is to control the Council's exposure to the risk

of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

<b>Principal Sums Invested</b>	2020/21	2021/22	2022/23
Limit on principal invested beyond year end at any one time	£90m	£90m	£90m

## 8 OTHER ITEMS

8.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.

8.2 **Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk, and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

8.3 **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Executive Head of Finance believes this to be the most appropriate status.

8.4 **Investment Training:** The investment training needs of the Council's treasury management staff are assessed on a continuous basis, discussed as part of the staff development reviews and reviewed as the responsibilities of individual members of staff change.



Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

- 8.5 **Investment Advisers:** The Council jointly tendered the treasury management service together with three other District Councils located within the Hampshire area, and appointed Arlingclose Limited for a further 3 years contract in April 2016. A contract extension was granted until April 2020. This contract enables the Council to receive specific advice on investment, debt and capital finance issues. The quality of this service will be reviewed on an ongoing basis as part of the process of monitoring the Council's investment portfolio.
- 8.6 **Financial Implications - Investments:** The budget for investment income in 2020/21 is £1.6 million (gross of borrowing interest), based on an average investment portfolio of £25 million at interest rates ranging from 0.35% liquid MMF and other short-term investments to 10.63% on the highest yielding long-term pooled investment fund. Performance of investments against budget will be reviewed on an ongoing basis and as part of our quarterly budget monitoring process.
- 8.7 **Financial Implications - Borrowing:** The budget for interest costs in relation to borrowing in 2020/21 is £1.37m (not including IFRIC 4 lease accounting interest). It is determined using the current average rate of interest on borrowing incurred for 2019/20. The Council's actual borrowing at the end of 2020/21 is estimated to be in the region of £154.1m
- 8.8 **Other Options Considered:** The CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Executive Head of Finance continues to believe that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher	Higher investment balance leading to a higher impact in the event of a default;

	investment income	however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

### Arlingclose Economic & Interest Rate Forecast December 2019

#### **Underlying assumptions:**

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

## Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Average
<b>Official Bank Rate</b>														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
<b>3-month money market rate</b>														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.25
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
<b>1yr money market rate</b>														
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.60
<b>5yr gilt yield</b>														
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	0.37
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
Downside risk	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.56
<b>10yr gilt yield</b>														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
Downside risk	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.45
<b>20yr gilt yield</b>														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45
<b>50yr gilt yield</b>														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

## APPENDIX B

### ANNUAL NON-TREASURY INVESTMENT STRATEGY 2020/21

#### 1 INTRODUCTION

- 1.1 The Council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
  - to support local public services by lending to or buying shares in other organisations (**service investments**), and
  - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

#### 2 SERVICE IMPROVEMENTS: LOANS

- 2.1 **Contribution:** The Council lends money to its subsidiaries, local businesses, and its employees to support local public services and stimulate local economic growth. The Council is a funding partner of Farnborough International Limited. The loans have enabled the development of the Farnborough International exhibition and conference centre. Expanding the exhibition and conferencing capabilities in Farnborough brings increased economic capacity to the Borough and is a reinvestment in local business. The Council is due to establish a Wholly Owned Company (WOC) subsidiary, called Rushmoor Homes (RH) in April 2020. The Council will lend to RH at a commercial rate to enable to procurement of property.
- 2.2 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

**Table 1: Loans for service purposes in £ millions**

<b>Category of borrower</b>	<b>2018/19 Actual</b>	<b>19/20 Forecast</b>	<b>2020/21 Approved Limit</b>
Local businesses	5.6	6.7	6.7
Subsidiaries and Partnerships	0	0	3.5
Employees	0.1	0.1	0.1
<b>TOTAL</b>	<b>5.7</b>	<b>6.8</b>	<b>10.3</b>

2.3 Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

2.4 **Risk assessment:** The Council assesses the risk of loss before entering into lending agreements and whilst holding service loans by assessing the counterparty's resilience, the service users' needs that the loan is designed to help meet and how these will evolve over-time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors if felt appropriate by the Executive Head of Finance. All loans will be subject to contract agreed by the Corporate Manager – Legal Services. All loans must be approved by full Council and will be monitored by the Executive Head of Finance.

### **3 SERVICE INVESTMENTS: SHARES**

3.1 **Contribution:** The Council invests in the shares of its subsidiary and holds a financial share in a development partnership to support local public services and stimulate local economic growth.

3.2 The creation of a Wholly Owned Company (WOC) subsidiary, called Rushmoor Homes (RH) will assist to develop new homes to meet the Council's regeneration priorities and desire to improve the availability of quality housing within the Borough. It will enable the Council to hold existing properties, acquire and develop rented homes, responding to housing needs in the Borough and providing social and economic benefits. It is anticipated that approximately 57 houses and apartments will be constructed on up to 15 sites initially. Other foreseeable potential sites for development may be pursued once RH is operating. RH could create a number of jobs and training opportunities during the construction and operational phase, stimulating economic growth and regeneration. The

income and capital growth generated can be reinvested in delivering Council services.

- 3.3 The purpose of Rushmoor Development Partnership (RDP) is to redevelop sites in Farnborough and Aldershot. In particular, it directly contributes to the delivery of the following Place Making strategic objective which underpins the Vision: “Great Places to Live – to make Aldershot and Farnborough town centres great places to live with a wide variety of quality new homes attractive to a diverse range of people”
- 3.4 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

**Table 2: Shares held for service purposes in £ millions**

Category of company	19/20 Forecast	2020/21 Approved Limit
Subsidiaries and Partnerships	0.2	0.5
<b>TOTAL</b>	<b>0.2</b>	<b>0.5</b>

- 3.5 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding shares in line with paragraph 41 of *Capital Finance: Guidance on local government investment (third edition)*
- 3.6 The Council has excellent knowledge of the market planned for RH developments, as each of the initial 15 sites that may be developed by the RH are currently in the ownership of the Council. Given that RH aim is to provide private sector rental units the Council (as 100% shareholder of the RH) on sites of limited space and accessibility then the nature and level of competition is considered to be low. There is every expectation that the market demand for private rentals will continue to grow within the local economy, particularly as the possibility of home ownership for a significant element of the local population becomes less achievable as time progresses. The Council considers that exit from the RH (and market) is viable (if required) as RH investment is locked into quality housing stock, which has the potential for sale disposal as soon as it is developed.
- 3.7 The Council has good knowledge of the RDP intended developments. RDP is effectively a closed market and it will provide development in accordance with agreement between the Council and the developer. Competition has effectively been evaluated at the time of the creation of RDP. The Council considers that RDP (an LLP) is the most appropriate mechanism to achieve the developments required. Hence, the barriers to entry have been lifted (by creation of RDP) and barriers to exit are eliminated because RDP has a specific set of defined initiatives.

- 3.8 The Council has used three external advisors regarding the potential for creation and development of the WOC and development of the RDP. These three advisors are Freeths (legal and financial advice), Regenco (housing and economic advice) and Arlingclose (treasury management and financial advice).
- 3.9 The Council observes strict procedure regarding its procurement of external advisors. They are appointed utilising specific competitive tendering procedure processes, relevant to the category of advice and guidance that is sought. Maintenance of the quality of advice is reviewed within the relatively frequent tender engagement process.
- 3.10 The market for RH and RDP is localised to the Borough of Rushmoor only in the first instance but noting that it possible that RH may look for development potential outside of the local economy at some time in the future. The local market cannot be compared to any global information issued by credit agencies. Hence, no element of the risk assessment utilises credit ratings.
- 3.11 In the circumstances of RH and RDP no credit ratings have been used.
- 3.12 The relatively asset stability of RH assists to significantly lower the financial risk. A detailed financial model has been developed by Council staff to enable it to provide monthly budget/target achievement information. This model can be used to identify development risk, which (if it occurred) is limited mainly to asset creation achieved within RH budget plan. There is a perception that risk is greater during site development(s) as work in progress has lesser value when compared to a finished product article. RH development team will monitor developments to ensure minimisation of risk.
- 3.13 The RDP Investment team will monitor developments to ensure minimisation of risk. None of the site developments would proceed if there were considerations that no financial return would be achieved. The developer would not participate in any venture that did not deliver financial return. Both partners are insistent on the creation of specific and clearly defined development plans for all sites. Data and advice from the developer is paramount to assess and monitor risk for each development.
- 3.14 **Liquidity:** The creation of RH will commit funds initially a period of 26 years. There is potential to extend the commitment to 40 years. RDP funds will be committed for an estimated period of 10 years
- 3.15 **Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining



further categories of non-specified investment since none are likely to meet the definition.

#### 4 COMERCIAL INVESTMENTS: PROPERTY

4.1 **Contribution:** The Council invests in local and regional commercial and residential property with the intention of making a profit that will be spent on local public services.

**Table 3: Property held for investment purposes in £millions**

Property by type	2018/19 Carry forward	2019/20 Transactions		2020/21 estimated transactions	
		Purchase cost	Estimated Value in accounts	Purchase cost	Estimated year end Value
Mixed use	4.54	0.00	4.54	5.0	9.5
Industrial units	24.14	0.00	24.14	5.0	29.1
Retail	30.68	0.02	30.70	0.0	30.7
Offices	15.58	35.82	51.40	5.0	56.4
<b>TOTAL</b>	<b>74.93</b>	<b>35.84</b>	<b>110.78</b>	<b>15.0</b>	<b>125.8</b>

4.2 **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

4.3 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment.

4.4 Should the 2019/20 year-end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to Full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

4.5 *Where value in accounts is below purchase cost:* The fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss, and the Council will therefore take mitigating actions to protect the capital invested. These actions include:

- Review of the portfolio during 2020/21 by external agency

- An assessment from the Executive Head of Regeneration and Property that the best course of action is to hold the assets as values will increase over the long term. Giving consideration to the soundness of the assets with strong covenants/dependable income streams.

4.6 **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments by:

- Assessment of the relevant market sector(s) including the level of competition, barriers to entry/exit, future market prospects
- Assessment of exposure to particular market segments to ensure adequate diversification
- Use of external advisors if considered appropriate by the Executive Head of Finance
- Full and comprehensive report on all new investments to Cabinet
- Continual monitoring of risk across the whole portfolio and specific assets

4.7 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert into liquid asset at short notice and will be subject to market conditions in terms of timescales involved. However, to ensure that invested sums could be accessed when they are needed the portfolio will be regularly reviewed and prioritised to ensure that commercial property could be sold as a going concern within a period of six months.

4.8 To management Commercial Property effectively the Council's commercial property consultants (Lambert Smith Hampton Investment Management Ltd (LSHIM)) have constructed a strategy that is contained in a separate report being taken to Cabinet on 4<sup>th</sup> February.

## 5 **LOAN COMMITMENTS AND FINANCIAL GUARANTEES**

5.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.

5.2 The Council has not contractually committed any loans for 2020/21.

## 6 **PROPORTIONALITY**

6.1 The Council plans to become increasingly dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net

profit, the Council has earmarked reserves available to cover any immediate shortfall in income. The Executive Head of Regeneration and Property would review the cause of any shortfall and identify any actions needed to ensure the income shortfall is mitigated or remedied.

**Table 4: Proportionality of Investments in £ millions**

	<b>2018/19 Actual</b>	<b>2019/20 Forecast</b>	<b>2020/21 Budget</b>
Gross service expenditure	75.9	58.8	61.5
Investment income	4.7	8.5	8.8
Proportion	6.2%	14.4%	14.3%

## **7 BORROWING IN ADVANCE OF NEED**

- 7.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.
- 7.2 The Council may, in supporting the delivery of the Council's Capital Programme, borrow in advance of need where it is expected to demonstrate the best longer-term value for money position. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated (ie: the cost of holding does not outweigh the benefits of early borrowing) and that the Council can ensure the security of such funds.
- 7.3 The Council is aware that it will be exposed to the risk of loss of the borrowed sums, and potential interest rate changes. These risks will be managed as part of the Council's overall management of its treasury risks and will be reported through the standard reporting method.

## **8 CAPACITY, SKILLS AND CULTURE**

- 8.1 **Elected members and statutory officers:** The Council recognises that those elected Members and statutory officers involved in the investment decision making process must have appropriate capacity, skills and information to enable them to:
- take informed decisions as to whether to enter into a specific investment;
  - to assess individual assessments in the context of the strategic

- objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.

The Council will ensure that the relevant officers and the Members of Cabinet have appropriate skills, providing training and advisor support where there is a skills gap.

- 8.2 **Agents:** Lambert Smith Hampton Investment Management (LSHIM) have been appointed as the Council's external investment advisor during 2019/20. LSHIM manage property investment portfolios for institutions, local authorities and private family offices. The LSHIM investment team are all RICS qualified and have over 85 years of combined commercial experience. The assigned investment team can call on the wider expertise and resource of the parent company (Lambert Smith Hampton-LSH) that have offices throughout the UK
- 8.3 **Commercial deals:** The Council will ensure that the Cabinet, officers and agents negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
- 8.4 **Corporate governance:** Any investment decisions will be scrutinised by Executive Leadership Team, Property Investment Activity Group (PIAG) and Cabinet before final approval. The Overview and Scrutiny committee review all decisions made by the Cabinet. Although after the event the Committee can make any recommendations to the Council if it sees fit.

## 9 INVESTMENT INDICATORS

- 9.1 The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
- 9.2 **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

**Table 5: Total investment exposure in £millions**

<b>Total investment exposure</b>	<b>2018/19 Actual</b>	<b>2019/20 Forecast</b>	<b>2020/21 Forecast</b>
Treasury management investments	24.2	22.9	22.9
Service investments: Loans	5.7	6.8	10.3
Service investments: Shares	0	0.2	0.5
Commercial investments: Property	74.93	110.8	125.8
<b>TOTAL INVESTMENTS</b>	<b>104.9</b>	<b>140.7</b>	<b>159.5</b>
Commitments to lend	1.1	0	0
<b>TOTAL EXPOSURE</b>	<b>106.0</b>	<b>140.7</b>	<b>159.5</b>

- 9.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

**Table 6: Investments funded by borrowing in £millions**

	<b>2018/19 Actual</b>	<b>2019/20 Forecast</b>	<b>2020/21 Forecast</b>
Treasury management investments	0	0	0
Service investments: Loans	1.1	2.2	4.4
Service investments: Shares	0	0.2	0.5
Commercial investments: Property	36.3	72.2	87.2
<b>TOTAL FUNDED BY BORROWING</b>	<b>37.4</b>	<b>74.6</b>	<b>92.1</b>

- 9.4 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to

the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

**Table 7: Investment rate of return (net of all costs)**

<b>Investments net rate of return</b>	<b>2018/19 Actual</b>	<b>2019/20 Forecast</b>	<b>2020/21 Forecast</b>
Treasury management investments	2.7%	4.2%	4.9%
Service investments: Loans	4.02%	3.98%	3.87%
Service investments: Shares	0%	0%	0%
Commercial investments: Property	4.6%	3.9%	2.3%
<b>ALL INVESTMENTS</b>	<b>3.9%</b>	<b>4.0%</b>	<b>2.7%</b>

- 9.5 The above table shows a forecast increase in return on treasury management investments. This is due to a restructure of the Council's pooled fund portfolio, which has increased diversification of fund holding and income yield. There is a reduction in commercial property investment return net of all finance costs in 2019/20 and 2020/21. This is due to the additional borrowing and MRP costs accrued when purchasing investment property with the aid of external loans.
- 9.6 The Council has considered the following additional indicators prudent to report given the investment activities.

**Table 8: Other investment indicators**

<b>Indicator</b>	<b>2018/19 Actual</b>	<b>2019/20 Forecast</b>	<b>2020/21 Forecast</b>
Debt to net service expenditure ratio	2.4	8.8	13.7
Commercial income to net service expenditure ratio	0.19	0.69	0.8

## APPENDIX C

### MINIMUM REVENUE PROVISION STATEMENT

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.
- 1.2 The Local Government Act 2003 requires the Council to have regard to the Ministry for Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.
- 1.3 The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.4 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. This statement only incorporates options recommended in the Guidance.
- 1.5 For any unsupported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure for all other assets or on capital expenditure not related to fixed assets but which has been capitalised by regulation or direction (revenue expenditure financed by capital under statute), will be charged over the useful economic life (UEL) of the asset up to a maximum of 50 years. MRP will be applied in the year following expenditure was incurred.
- 1.6 For assets acquired by finance lease or private finance initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 1.7 Where loans are made to other bodies and designated as capital expenditure, no MRP will be charged. However, the capital receipts generated by the repayments on those loans will be set aside to repay debt instead.
- 1.8 At the commencement of 2019/20 the Council had, a Capital Financing Requirement (CFR) of £60.8m in relation to a specific elements of capital expenditure incurred in the previous financial year (2018/19). The Council

has incurred further amounts of capital expenditure in 2019/20 and will need to engage in an element of Prudential Code borrowing in that financial year to achieve total financing of its capital programme. It is inevitable therefore that the borrowing that is required in 2019/20 will require MRP to be charged to the Council's General Fund Revenue Account in 2020/21 and future years.

- 1.9 The implementation of International Financial Reporting Standards (IFRS) has meant that the accounting treatment for assets used within major contracts may result in embedded finance leases appearing on the Balance Sheet, leading to a requirement for MRP. This is purely an accounting requirement and does not give rise to any requirement to borrow to fund these assets.
- 1.10 Capital expenditure incurred during 2020/21 will not be subject to MRP charge until 2021/22.
- 1.11 Based on the Council's latest estimate of its capital financing requirement (CFR) on 31<sup>st</sup> March 2020, the MRP budget for 2020/21 has been set at (£2.2m).
- 1.12 **Overpayments:** The Council is planning to make voluntary overpayments of MRP that are available to reduce the revenue charges in later years. It is planned to make a further £0.45m overpayment in 2020/21.

**MRP Overpayments in £ millions**

Actual balance 31.03.2019	0
Approved overpayment 2019/20	0.45
Expected balance 31.03.2020	0.45
Planned overpayment 2020/21	0.45
Forecast balance 31.03.2021	0.9



CABINET

COUNCILLOR MARTIN TENNANT  
MAJOR PROJECTS AND PROPERTY  
PORTFOLIO HOLDER

04 FEBRUARY 2020

REPORT NO. RP2003

KEY DECISION? NO

**COMMERCIAL PROPERTY INVESTMENT STRATEGY****SUMMARY AND RECOMMENDATIONS:**

This report sets out a Commercial Property Investment Strategy for the Council and seeks Cabinet's agreement to the approach and establishment of a Property Investment Advisory Group to oversee the strategy.

**Recommended** that Cabinet agree the Commercial Property Investment Strategy for the Council set out at Appendix A

**1. INTRODUCTION**

- 1.1 The Council has been acquiring commercial property for a number of years for the purpose of generating additional income to support service delivery. The value of the Council's commercial property portfolio currently sits at £115m. Lambert Smith Hampton Investment Management (LSHIM) was appointed in November 2019 to support the Council in managing this part of the asset portfolio and grow the commercial property portfolio to create further income.
- 1.2 Following a series of workshops at the end of 2019, an Investment Strategy has been developed with LSHIM to guide both the management of the current portfolio and the selection of future commercial property acquisitions.

**2. THE STRATEGY**

- 2.1 The Council is required to approve an Annual Treasury Management Strategy and Non-Treasury Investment Strategy prior to the start of each financial year.
- 2.2 This sets out how the Council will make investment decisions during the coming financial year, taking into account MHCLG Investment Guidance, the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code), and with reference to CIPFA's Prudential Property Investment guidance.
- 2.3 The CIPFA Code is the over-arching document, with this strategy (the Commercial Property Investment Strategy) providing a more detailed view on how the Council operates and supports its commercial property portfolio.

- 2.4 The strategy, which is attached at Appendix A aims to ensure that the portfolio will generate sustainable income streams, preserve value and provide an opportunity for capital growth. It sets out a prudent approach to future investment and seeks to manage risk through diversification in both asset type and location.
- 2.5 The strategy explains the future approach to performance measurement and documents a four stage property selection and acquisition process which ensures a regular flow of potential acquisitions combined with a streamlined and effective process for evaluating potential opportunities against the criteria agreed.
- 2.6 Finally, the strategy also proposes the establishment of a Property Investment Advisory Group which will meet quarterly and will support governance and decision making in relation to the investment assets. The group will have the following responsibilities;
- Implement and Monitor the effectiveness of the Council's Investment Strategy
  - Make recommendations to Cabinet as part of an annual review of the Investment Strategy
  - Manage the Council's Investment Property portfolio both in terms of balance and performance and act as a consultative body to the Executive Head in acquiring new properties / in disposing of existing properties in line with the budgetary framework and scheme of delegation
  - Manage the Council's approach to risks within the portfolio following advice from its professional officers and LSH especially in terms of holding properties
  - Increase revenue and capital appreciation from the portfolio year on year
  - Agree a reinvestment programme, determining the level of recycling of receipts into investment yielding assets or to support the Council's capital or revenue budgets
  - Agree income and expenditure from the property reserve as required
- 2.7 It is proposed that the group will be chaired by the Chief Executive and will include of the Leader, Deputy Leader, Portfolio Holder for Regeneration and Major Projects, Portfolio Holder for Corporate Services, the Leader of the Opposition, the Executive Director responsible for Property and the Executive Head of Finance.
- 2.8 LSHIM will attend as the council's advisors providing private sector expertise and performance information along with the Executive Head of Regeneration and Property. Decisions to acquire properties will continue to be made through Cabinet in accordance with the Council's current arrangements and scheme of delegation.

### **3. ALTERNATIVE OPTIONS**

- 3.1 The Council could continue to operate under its current approach, but this would be unlikely to bring forward the benefits and reduce the risks intended by taking forward the strategy.

### **4. CONSULTATION**

- 4.1 Both Cabinet and other members have been engaged in the development of the strategy through a range of meetings and workshops.

### **5. IMPLICATIONS**

#### **Risk**

- 5.1 The strategy is a key component in the Council's approach to balancing risk and investment returns from its property portfolio.

#### **Legal Implications**

- 5.2 There are no legal implications as a result of this report

#### **Financial and Resource Implications**

- 5.3 The investment strategy is linked through other Council strategies including the Treasury Management, Capital Strategy and the Capital Programme. The strategy proposes a gradual expansion of the investment portfolio by up to £67m over the next five years.

- 5.4 Investments will be usually acquired through borrowing or through allocation of capital in the event of capital receipts being available

#### **Equalities Impact Implications**

- 5.5 There are no equalities impact implications as a result of this report

### **6 CONCLUSIONS**

- 6.1 In managing and building the Council's property portfolio it is important the Council's acts in a prudent manner and make decisions within an agreed transparent framework. The proposed strategy sets out clear objectives for the direction of the portfolio and puts in place a rigorous process of evaluation against clear criteria for new acquisitions.

#### **BACKGROUND DOCUMENTS:**

Annual Treasury Management Strategy and Annual Non-Treasury Non-Treasury Investment Strategy 2020/21 (FIN2004)

**CONTACT DETAILS:**

**Report Author:** Karen Edwards, Executive Director

**Head of Service:** Paul Brooks, Executive Head of Regeneration and Property



**LSHIM**  
INVESTMENT MANAGEMENT



## Commercial Property Investment Strategy

January 2020

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## Foreword

Lambert Smith Hampton Investment Management (LSHIM) has been appointed by Rushmoor Borough Council (RBC) to act as Investment and Asset Manager on the current Investment & Legacy Portfolios and in further growing a commercial property portfolio. The objective is to create a balanced property investment portfolio, from which to derive a long term secure revenue stream.

This report outlines the objectives for RBC and what LSHIM perceives to be a prudent approach to invest in commercial property, setting out the recommended investment strategy.

LSH is a leading specialist property consultancy with 43 offices and 1400 staff across the UK. LSH Investment Management (LSHIM) is the investment management arm of the business and will be directly responsible for this mandate.

LSHIM acts for Public Sector, Institutional and Private Investor clients wishing to invest in commercial property. Existing public sector clients of LSHIM include Watford Borough Council, Mansfield District Council, Essex County Council Tewkesbury Borough Council and Hambleton District Council.

LSHIM operates independently of LSH. Whilst able to take advantage of the expertise and experience within LSH it is not obliged to do so and can therefore adhere to a policy of using only 'best in class' advisors and service providers in the acquisition and asset management of its client's investments.

## Introduction

The public sector as a whole has been suffering an unprecedented squeeze on capital and revenue budgets following central government “austerity” cuts in Local Authority funding over the last 9 years.

RBC, along with many other local authorities, has not been immune from these budget pressures and with the financial outlook unlikely to change in the short to medium term, the Council needs to find new and innovative ways of creating additional revenue.

In recent years local authorities have spent in excess of £4bn per annum on commercial property across the UK having implemented strategies to acquire income generating assets with the sole purpose of generating additional revenue to support public services. This is quite distinct and not to be confused with buying assets for regeneration purposes and/or promoting local employment. These assets have been purchased both ‘in and out of borough’ meaning that assets are purchased in many cases outside the administrative boundaries of the buying entity.

## Importance of Setting a Strategy with Clear Objectives and Governance

In managing and building a property portfolio, it is important that RBC acts in a prudent manner, and is seen to be doing so, to ensure that the makeup of the portfolio will generate sustainable income streams, preserve value and provide an opportunity for capital growth. To do this, the following is needed:

- A clear portfolio strategy to achieve pre-agreed objectives.
- Rigorous evaluation of potential investments that will stand up to scrutiny, against a set of pre-agreed criteria.
- Investment decisions to be taken following professional advice and recommendations from LSHIM.

To facilitate the above and ensure sound governance, we suggest that a Property Investment Advisory Group (PIAG) be established to provide a forum to ensure the strategy is followed and thereafter managed in a proactive and accountable manner.

It is recommended Cabinet approve the Portfolio Strategy on an annual basis.

The responsibility for ensuring that the acquisition and the on-going financial returns meet the performance targets is held by LSHIM which is a specialist role requiring a combination of property and financial skills and access to the property investment markets. LSHIM will maintain a portfolio overview and implement specific actions required and acquisition recommendations to meet the portfolio objectives. LSHIM will be responsible for the identification, selection, acquisition of stock and its asset management.



## Objectives

We set out below the key objectives that have been discussed and agreed in an earlier workshop which will underpin the investment strategy:

- To prudently invest over a five year period to develop a £178M commercial property portfolio to generate a sustainable income stream, preserve value and provide an opportunity for capital growth;
- RBC wants to expand its investment portfolio with around £67M of further investment over the next five years.
- To ensure a low risk profile investing only in core/core plus assets – typically long leases and better quality buildings;
- To generate an arbitrage in excess of 0.8% on new acquisitions after costs of finance and MRP;
- To manage risk across the portfolio by diversification in asset type and geography;
- To balance investment returns and risk for new acquisitions and across the existing commercial investment portfolio, known as the Investment and Legacy portfolios which LSHIM have previously reviewed.

# Investment Strategy

## Executive Summary

<b>Size</b>	<ul style="list-style-type: none"> <li>• Target portfolio size £178M gross (currently totalling £111M)</li> <li>• Capital to be deployed over a five year period but as soon as prudently possible.</li> <li>• The new acquisitions will comprise between 5 – 9 properties.</li> <li>• Asset values of between £5m - £15m.</li> <li>• Maximum weighting of 20% from any one property.</li> </ul>
<b>Performance Objectives</b>	<ul style="list-style-type: none"> <li>• To achieve an arbitrage of at least 0.80% after costs of finance and MRP.</li> <li>• Where appropriate to outperform the IPD/MSCI Annual Property Fund Index Benchmark.</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>• Create a well-diversified portfolio in properties with good fundamentals and strong tenant demand to ensure the property does not reach obsolescence during the hold period.</li> </ul>
<b>Geographic Allocation</b>	<ul style="list-style-type: none"> <li>• Diversified by location with all locations across the UK considered.</li> </ul>
<b>Sector Allocation</b>	<ul style="list-style-type: none"> <li>• Diversified by sector with a maximum of 35% in a single sector.</li> <li>• Targeting higher allocations in industrial and office.</li> </ul>
<b>Other Restrictions and Guidelines</b>	
<b>Tenants</b>	<ul style="list-style-type: none"> <li>• Maximum rent from any single tenant is 20% of total rental exposure</li> <li>• Tenants are forensically analysed before acquisition to minimise income risk</li> </ul>
<b>Lease Structure</b>	<ul style="list-style-type: none"> <li>• Target an average unexpired lease term in excess of the benchmark.</li> <li>• Ensure that expiries in any one year do not account for more than 25% of the total income.</li> <li>• Core income assets have an unexpired lease term of at least 7.5 years at purchase.</li> <li>• Where possible acquire assets with fixed or RPI uplifts to help de-risk income growth.</li> </ul>
<b>Development</b>	<ul style="list-style-type: none"> <li>• Not to actively seek development opportunities but to review opportunities existing in the portfolio as appropriate.</li> </ul>
<b>Debt</b>	<ul style="list-style-type: none"> <li>• Borrowing through PWLB &amp; MRP.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Acquire properties with appropriate EPCs.</li> <li>• Seek to improve EPC ratings wherever financially prudent.</li> </ul>

## Portfolio Size

Rushmoor Borough Council wants to expand its investment portfolio with £15M of additional investment each year over the next three years followed by a further 2 years of £10M. This combined together with current funding availability provides £67M new investment. LSHIM will aim to invest as prudently and swiftly as possible to create the additional income as soon as possible for the council.

We consider the optimum lot size for acquisitions would be between £5m - £15m in order to diversify the portfolio. This would ensure that no property was accountable for more than 20% based on the aspirational total value of the portfolio. Based on the optimum lot sizes the portfolio will comprise of between 5 and 9 properties of differing values.

## Target returns

There are two principal areas of return from commercial property investment – income and capital growth. For Rushmoor, and most other local authorities, maximising revenue along with ensuring that the investment capital is not eroded by inflation are key considerations. Core and Core-Plus assets will be targeted to achieve a return that is balanced between income and capital growth.

In the current market net initial yields are in the region of between 4.00% - 5.50% for industrial and 5.00% - 6.00% for offices for core / core plus assets. Currently alternatives and retail investments are providing greater returns however these returns can vary greatly depending on property specifics.

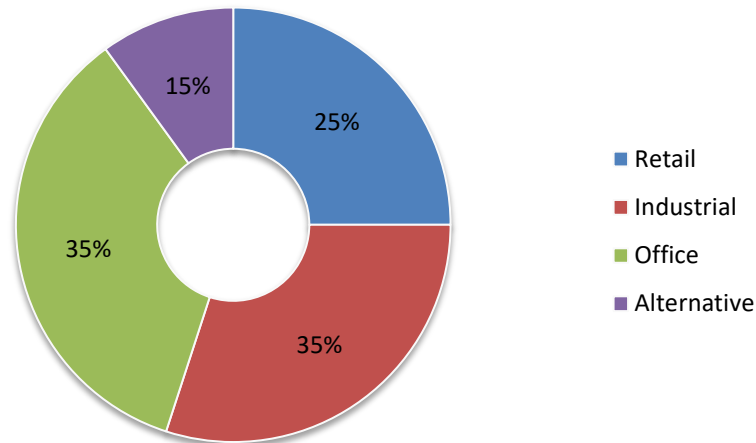
## Property Fundamentals

Properties in either prime or good secondary locations will be acquired meaning at end of lease term they should re-let with minimal voids. LSHIM will recommend properties to RBC that have strong fundamentals ensuring that if a property was to become vacant it could be re-let quickly with minimal cost and income downtime for the council. There will be no investment in speculative development as this increases the risk beyond the objectives.

## Sector Allocation

Our recommendation for maximum portfolio weightings for a core / core plus portfolio is as follows:

### Portfolio Target Weightings



*\*Retail refers to Retail warehousing (highly unlikely to be High Street unless exceptional circumstances dictate otherwise).*

## Tenants

The maximum rent from any single tenant should not exceed 25% of the total rental income. All potential investments will be assessed for strong tenant covenants to meet rental liabilities. LSHIM recommend that for all acquisitions we will instruct a forensic accountant to review the tenant financials for which reliance can be provided. This goes above and beyond the Dunn & Bradstreet reports that we analyse for an initial assessment. This has been very well received by our other local authority clients.

## Lease Structure

Investment opportunities will have an average unexpired lease term of at least 7.5 years at purchase. LSHIM will seek opportunities with good rental growth and potential capital value improvement during the hold period through active asset management i.e. lease re-gear, RPI/CPI and open market rent reviews, refurbishment. The strategy will be based on core / core plus investments, the majority of opportunities will be single occupier however two / three tenant properties will also be considered. This approach keeps on-going management and asset management costs to a minimum.

## Debt

We understand the acquisitions will be made using PWLB monies with MRP. These finance costs can be built into our cash flow models to provide accurate cash flow appraisals showing the ultimate net income RBC will receive.

## Environmental

Properties with appropriate EPCs will be sought (with at least 'D' rating) to reduce the risk of capital expenditure being required to improve the property to a lettable or saleable standard at exit. In addition opportunities to improve EPC ratings wherever financially prudent should be taken through the hold period.

## General

For the sake of clarity we would confirm that our definition of 'Retail' includes out of town retail warehouses and retail warehouse parks as well as stand-alone out of town supermarkets. We are very cautious about in-town retail investments in view of the structural changes in that sector other than prime retail units in 'Cathedral cities' where such meet our minimum return criteria.

Some degree of flexibility will need to be built into the process, as if we were to invest say £7M in a single industrial investment, we would not recommend investing the balance of the Industrial allocation (£1M) in a single, small industrial investment. Instead, we would reallocate this to one of the other sectors or add it to any potential second tranche of capital.

We will look to keep the portfolio as balanced as possible during the investment process, this is difficult at the start and will ultimately depend on the opportunities within the market however, the final portfolio will reflect the target ratings as closely as possible.

## Maintaining value of existing properties in the portfolio

LSHIM will also initiate and oversee the development, implementation and regular review of individual property strategies (Asset Business Plans), which will be implemented by the Asset Manager. Frequently, asset management initiatives are identified at a pre-purchase stage and can often form part of the rationale for a given acquisition. However, other opportunities may arise later on in the ownership of an asset and might be identified by the Fund Manager and Asset Manager.

A strong and close working relationship between the investment, asset and property managers is essential to identify these opportunities to increase income and add value and this is a core strength of our offer.

LSHIM have developed a 'RAG' traffic light system to categorise assets and prioritise key actions and would form part of the agenda for the portfolio review meetings. The 'Action Lists' created following the reviews of the Investment and Legacy portfolios will be used as a basis and tracker for the review meetings.

## Risk Management

Many of the risks within a portfolio are linked to the quality of the assets and the incumbent tenant(s). We have reviewed the existing investment and legacy portfolios and have produced an “Action Plan” to help manage these risks. These considerations are addressed through the due diligence completed by LSHIM and third party professionals. Prior to completion, comprehensive reports will be commissioned from appropriate specialists which will then be reviewed by the Directors at LSHIM and form part of the comprehensive Investment Recommendation (Building Survey, Environmental Report, Measured Survey, Forensic accountant and an Independent Valuation) that LSHIM will prepare for Rushmoor Borough Council.

This due diligence will include building and site specific surveys, estimates of future maintenance costs, estimates of any future capital refurbishment requirements, and the need to understand operational risks. As previously stated, these reports will be commissioned from ‘best in class’ advisors on each and every occasion irrespective as to whether or not they work for LSH.

## Performance Measurement

The performance of the portfolio and each investment should be monitored regularly against targets and Key Performance Indicators (KPIs) of benchmarks. These should not be based on just return performance but include rent collection efficiency, arrears and building inspection frequency.

### Investment Management KPI's

The table below details the aims we have set out for the portfolio. The investment, legacy portfolios and newly acquired properties will be measured against these aims.

	Portfolio	New Acquisitions
Number of Properties	20 – 30*	4 – 7
Number of Tenancies	90 - 120	4 – 10
Gross Income Yield	Above 4.50%	Above 4.50%
Arbitrage	-	Above 0.80%
Vacancy Rate (% of rent)	Below Benchmark (Currently 6.20%)	
Rent with 5+ years	Minimum 40%	
Rent with 10+ years	Minimum 15%	
Largest property (% of value)	Below 30%	
Largest tenant (% of income)	Below 25%	

\*Holder Road & Blackwater Way are identified as a single property each.

A further possible measure once the portfolio has reached full maturity (i.e. all capital has been allocated) is to analyse the portfolio against the MSCI UK Property Index.

### Property Management KPI's

The property management and rent collection roles will be performed by various property managers and RBCs in house team. LSHIM will have monthly management meetings with the various property managers to ensure that the KPIs are being meet.

Our suggested indicators for ensuring a well-managed portfolio consistent with best practice are below:

	Rent Collected	Service Charge Collected
At Quarter Day	70%	65%
7 days post Quarter Day	80%	75%
14 days post Quarter Day	95%	85%
21 days post Quarter Day	99%	95%

*The above is based on collectable monies and to exclude tenants in administration/liquidation or on pre agreed payment plans.*

### Aged Debt

- Debt to be no more than 1.5% of annual contracted rent and service charge

### Charge Raising & Transfer

- All quarterly rent and service charge invoices to be raised at least four weeks before the Quarter day
- Monies will be remitted to the client within 5 working days of allocation

### Service Charge

- Service Charge (including but not restricted to budgets, reconciliation, tenant communication and variances) to be administered in accordance with the RICS Service Charge Code 3rd Edition and updates thereof

### Occupier Satisfaction

- Six Monthly Occupier Meetings to be held on multi let properties
- Tenant Satisfaction Survey to be carried out annually and summary reported back to client within 28 days of final response

## Acquisition Process and Property Selection Criteria

LSHIM will source opportunities for you with an acquisition (and disposal) strategy based on a thorough understanding of your financial objectives, detailed market knowledge, robust due diligence and rigorous valuations.

There are two principal ways by which we will source investment properties – directly from selling agents and from agent introductions.

We inform selling and introducing agents of our current requirements by circulating quarterly summaries of our

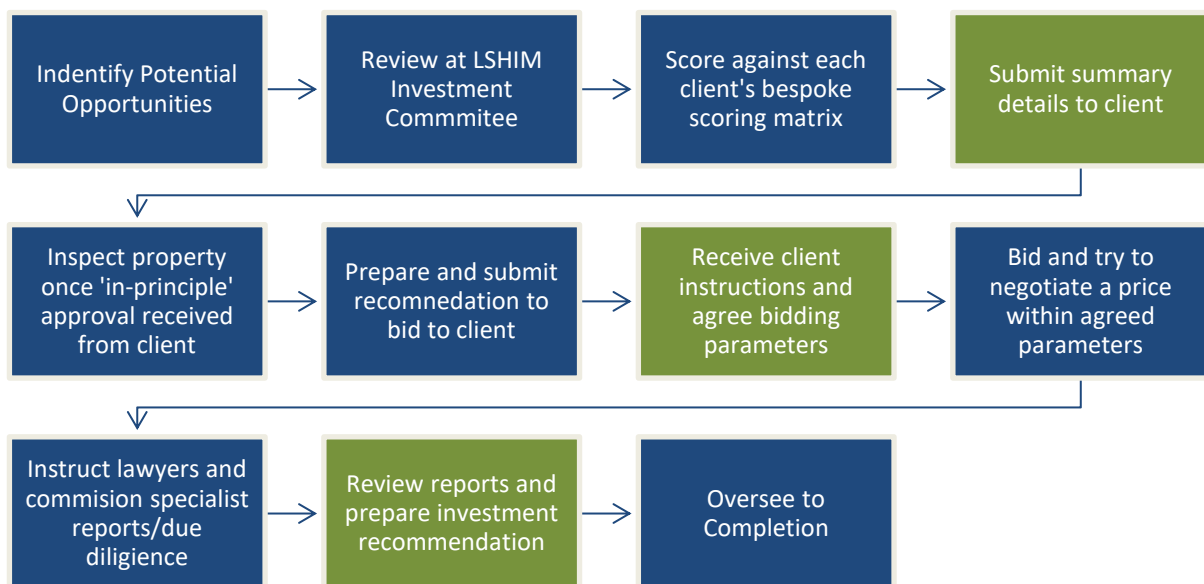
investment criteria by email and more effectively through face to face meetings with investment agents throughout the UK.

This twin-track approach secures a regular flow of potential acquisitions throughout the year and the key to success is to have a streamlined and effective process for evaluating potential opportunities according to the criteria set by and agreed with our clients.

These opportunities may be either on or off market with the latter providing the opportunity to purchase at Market Value but in a non-competitive environment. Frequently, the quid-pro-quo is that the Vendor will expect a quick sale – typically within 15-20 working days from agreeing terms to completion.

The development of the portfolio will be tracked in the Quarterly and Annual reports which set out both portfolio and individual property strategies as well as all the financial data relating to the portfolio.

The chart below summarises the acquisition process:



**Investment Board Decision Required**

**Stage 1:**

LSHIM will source opportunities for acquisition, based upon the parameters set out in the above portfolio strategy. A scoring matrix will be used for initial evaluation to ensure uniform basis of appraisal across different asset classes and locations. The resultant score can then be assessed against a target measure or used for comparison against other opportunities.

**Stage 2:**

Suitable opportunities will be issued by LSHIM to RBC in a summary format which will ensure there are no



conflicts of interest or any historical reasons preventing further due diligence. A decision back from RBC will be needed within 24/48 hours.

**Stage 3:**

LSHIM will inspect the property and carry out detailed due diligence and build cash flow models to establish returns. Assuming the parameters for the portfolio are met, LSHIM will issue a Recommendation to Bid generally within 1 to 2 weeks outlining the key fundamentals along with the maximum recommended offer level. A decision back from RBC will be needed within 24/48 hours.

**Stage 4:**

If the offer is accepted and Heads of Terms issued, exchange and completion could be set for within 10 to 15 working days. LSHIM will instruct and coordinate the relevant surveys required for the acquisition and will liaise with the appointed legal advisors. This will include a Building Survey, Environmental Survey, Forensic Accountant and independent Valuation. Prior to exchange, a detailed Investment Report will be issued by LSHIM to RBC which will provide a detailed analysis and cash flow of the investment but will also provide summaries of all 3rd party advisors reports.

Key to the above is the need for prompt responses by RBC back to LSHIM, in particular at Stage 2 and 3.

## Reporting

LSHIM will provide formal reporting on the progress of each property and the portfolio as a whole on the following basis:

- A written quarterly report on the performance of the portfolio and new acquisitions;
- A quarterly meeting of the Investment Board or equivalent;
- An annual\* report on the performance of the portfolio;
- An annual\* review of the asset strategy for each property;
- An annual\* review of the investment strategy for the portfolio as a whole;
- Ad hoc decision making meetings arranged as required on specific actions.

\*The annual report/reviews will be incorporated into the appropriate quarterly report. These quarterly / annual reports will comprise:

- An update on the Portfolio Strategy;
- A summary of the changes within the portfolio since the last report;
- Updated detail on the portfolio composition and portfolio weightings;
- UK wide commercial property market update;
- Property Management update including an Income Statement, Rental areas;
- Key Performance Indicators;
- Tenancy Schedule – followed by individual property reports on each of the assets.

For the acquisition process LSHIM will provide the following reports:

- **Lightbulb Opportunity** – This will detail the fundamentals of the unit with a brief analysis of the opportunity. This two page document is intended to confirm the council have no conflicts of interest with the property and no historic reasons for not progressing with further due diligence.
- **Recommendation to Bid** – This provides an extensive report following an inspection of the property and in-depth due diligence on the area, property, local market and comparables. LSHIM will run detailed cash flow appraisals and sensitivities and set out the investment rationale. This document will seek your formal approval to bid, up to a maximum agreed level.
- **Investment Recommendation** – If successful in the bidding process, we will prepare this final report which you will receive at least 48 hours prior to completion and which will consolidate the advice of the lawyers, building surveyors and any other professional advisors and provide the formal advice on the basis of which the funds are released from completion.

In addition to the formal reporting LSHIM will also attend the quarterly PIAG meetings covering any acquisitions that have taken place over the last three months, the performance of the portfolio as a whole, potential upcoming issues and general wider market intelligence. In addition we will attend further PIAG meetings as and when planned.

LSHIM will provide a prompt response to any issues raised by Rushmoor and we are available 24/7. Given the importance of this portfolio in contributing to services to Rushmoor Borough Council we will resolve any matters within a reasonable time frame.



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CABINET

4 FEBRUARY 2020

COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES  
PORTFOLIO HOLDER  
REPORT NO. FIN2006

KEY DECISION? YES/NO

### ANNUAL CAPITAL STRATEGY 2020/201

#### SUMMARY AND RECOMMENDATIONS:

##### SUMMARY:

The Council is required to approve a Capital Strategy for 2020/21 before 1 April 2020.

CIPFA has conducted reviews of the “Prudential Code” and the “Treasury Management Code of Practice” in 2017, and the Ministry of Housing, Communities and Local Government (MHCLG) has also issued revised guidance on Local Government Investment. The attached Capital Strategy for 2020/21 (Appendix A) is prepared in accordance with the new guidance.

##### RECOMMENDATION:

Members are requested to recommend to Council:

- (i) Approval of the Capital Strategy and Prudential Indicators

## 1 INTRODUCTION

- 1.1 This report sets out the proposed Capital Strategy for the year 2020/21, including the Prudential indicators for capital finance for 2020/21.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy and Investment Strategy before the start of each financial year.
- 1.3 The CIPFA “Prudential Code” 2017 edition, “Treasury Management Code of Practice” 2017 edition and MHCLG revised guidance 2018 have resulted in the creation of a new Capital Strategy which is required to be approved by the Council before the start of each financial year.

## 2 PURPOSE

- 2.1 The purpose of the Capital Strategy is to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 2.2 The purpose of investment management operations is to ensure that all investment decisions that are made primarily to generate a profit have a suitable level of security and liquidity. Ensuring risks and rewards are monitored regularly.
- 2.3 The second main function of the Capital Strategy is to set the Prudential indicators for affordable, prudent and sustainable capital investment.
- 2.4 Appendix A sets out the Capital Strategy for 2020/21 to 2022/23 and fulfil key legislative requirements as follows:

### Appendix A

- The **Capital Strategy** which sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in accordance with CIPFA's Code of Practice on Treasury Management, the Prudential Code and HHCLG guidance on local government investments.
- 2.5 These policies and parameters provide an approved framework within which officers undertake the day-to-day capital, treasury and non- treasury investment activities.

## 3 SCOPE

- 3.1 This report covers the Council's Capital management activities as set out in paragraphs 2.1 to 2.2 above. A summary of Treasury Management and Commercial investments and the Council's borrowing requirements to fund the Capital strategy are set out. Prudential indicators are identified to set measures for affordability, prudent and sustainable. The funds invested consist of short-term cash available due to timing of income and expenditure, prudential borrowing and the Council's capital receipts.
- 3.2 The Council incurred prudential code borrowing in 2018/19 in the sum of £45.58m in relation to its capital expenditure. Further borrowing to support the financing of its approved capital programme in the year 2019/20 will also be required. It therefore commences the year 2020/21 in a position where its investment holdings continue to remain significant (although, less than in previous financial years) but it also carries some accumulating debt. There

will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.

- 3.3 Careful observation of the “gross debt v capital financing requirement” indicator will need to be undertaken progressively throughout the financial year.
- 3.4 Where a material change occurs to the attached strategies during the year a revised strategy will be presented to full council before the change is implemented.

#### **BACKGROUND DOCUMENTS:**

1. *Treasury Management in the Public Services (CIPFA) 2017 Edition*
2. *The Prudential Code for Capital Finance (CIPFA) 2017 Edition*
3. *SI 2003/3146 - Local Authorities (Capital Finance and Accounting) (England) Regulations 2003*
4. *SI 2004/3055 - Local Authorities (Capital Finance and Accounting) (Amendment)*
5. *Capital Finance: Guidance on local government investment (third edition) (Issued under section 15 (1)(a) of the Local Government Act 2003)*
6. *Prudential Property Investment 2019*

#### **CONTACT DETAIL:**

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# APPENDIX A

## CAPITAL STRATEGY 2020/21

### 1 INTRODUCTION

- 1.1 This capital strategy is a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

### 2 CAPITAL EXPENDITURE AND FINANCING

- 2.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, as outlined in the following account policy for 2020/21:

“Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably (subject to a de minimus capitalisation threshold of £20,000). Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.”

- 2.2 In 2020/21, the Council is planning capital expenditure of £55.4m as summarised below:

**Table 1: Prudential Indicator: Estimate of Capital Expenditure in £ millions**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/223 budget
General Fund services	48	50.6	55.4	50.6	15.6
<b>TOTAL</b>	48	50.6	55.4	50.6	15.6

- 2.3 The main General Fund capital projects in 2019/20 include investment property acquisitions at Frimley 4Business Park, Ashbourne House (Guilford) and Trafalgar House (Winchester). In addition, regeneration property purchases in Union Street (Aldershot) and the Old Police Station site (Farnborough Civic Quarter). In 2020/21 a further £15m of investment properties are due to be purchased alongside £17m of regeneration expenditure. The Council does not plan to incur expenditure of capital expenditure on Treasury Management investments in 2020/21.
- 2.4 **Governance:** Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by Finance who calculate the financing cost (which can be nil if the project is fully externally financed). Corporate Leadership Team (CLT) and Executive Leadership Team (ELT) appraises all bids based on a comparison of service priorities against financing costs. The final capital programme is then presented to Cabinet early February and to Full Council in late February each year. Variation to capital bids and new capital bids can be received during the year.
- For full details of the Council's capital programme, including the project appraisals undertaken, see: Appendix 4, FIN 2007 Revenue budget, Capital Programme and Council Tax
- 2.5 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

**Table 2: Capital financing in £ millions**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
External sources	2.0	4.7	8.0	5.0	2.3
Own resources	0.4	0.2	1.0	0.5	0.1
Debt	45.6	45.7	46.4	45.1	13.2
<b>TOTAL</b>	<b>48.0</b>	<b>50.6</b>	<b>55.4</b>	<b>50.6</b>	<b>15.6</b>

- 2.6 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue, which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and

use of capital receipts are as follows:

**Table 3: Replacement of debt finance in £ millions**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Own resources	0.3	1.4	2.2	3.4	4.4

- The Council's full minimum revenue provision statement is available here: Appendix C, FIN 2004 Annual Treasury Management Strategy and Non-Treasury Investment Strategy

2.7 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £44.3m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

**Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
General Fund services	58.3	106.5	154.0	199.2	211.1
MRP	-0.3	-1.4	-2.2	-3.4	-4.4
IFRIC 4 Lease Adjustment	2.8	2.5	2.3	2.1	1.7
<b>TOTAL CFR</b>	<b>60.8</b>	<b>107.6</b>	<b>154.1</b>	<b>197.9</b>	<b>208.4</b>

2.8 **Asset management:** To ensure that capital assets continue to be of long-term use, the Council is in the process of putting an asset management strategy in place.

2.9 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council is forecasting to receive the following capital receipts over the medium term.

**Table 5: Capital receipts in £ millions**

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/223 budget</b>
Asset sales	0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- The Council's Flexible Use of Capital Receipts Policy is available here: Appendix 5, FIN 2007 Revenue budget, Capital Programme and Council Tax

### **3 TREASURY MANAGEMENT**

- 3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.2 Due to decisions taken in the past, the Council currently has £90.0m borrowing at an average interest rate of 1.1% and £31.3million treasury investments at an average rate of 4.2%.
- 3.4 **Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.9%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).
- 3.5 Projected levels of the Council's total outstanding debt (which comprises borrowing and leases are shown below, compared with the capital financing requirement (see above).

**Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions**

Gross Debt and the Capital Financing Requirement in £ millions	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Debt (incl. leases)	60.8	107.6	154.1	197.9	208.4
Capital Financing Requirement	154.1	197.9	208.4	217.8	224.3
Difference	93.3	90.3	54.3	19.9	15.9

3.6 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

3.7 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity, minimise credit risk and maintain Market in Financial Instrument Directive II (MiFID II) status. This benchmark is currently £94.7m and is forecast to rise to £186.7m over the next three years.

**Table 7: Borrowing and Liability Benchmark in £ millions**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Outstanding borrowing	60.8	107.6	154.1	197.9	208.4
Investment minimum	-10.0	-10.0	-10.0	-10.0	-10.0
Investments held that can be redeemed	-24.2	-22.9	-22.9	-22.9	-22.9
Liability benchmark	46.6	94.7	141.2	185.0	195.5

3.8 The table shows that the Council expects to remain borrowed above its liability benchmark. This is because a deliberate decision has been made to maintain investment fund balances and not deplete to cover potential

borrow costs.

- 3.9 **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

**Table 8: Prudential Indicators: Authorised limit and Operational Boundary for External Debt in £ millions**

	2019/20 limit	2020/21 limit	2021/22 limit	2022/23 limit
Authorised limit – total external debt	122.6	169.1	212.9	223.4
Operational boundary – total external debt	117.6	164.1	207.9	218.4

- Further details on borrowing are contained in the treasury management strategy – Appendix A FIN 2004 Annual Treasury Management Strategy and Non-Treasury Investment Strategy
- 3.10 **Treasury Management Investment Strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 3.11 The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

**Table 9: Treasury Management Investments in £ millions**

	<b>2018/19 actual</b>	<b>2019/20 forecast</b>	<b>2020/21 budget</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>
Near-term investments	2.3	1.0	1.0	1.0	1.0
Longer-term investments	21.9	21.9	21.9	21.9	21.9
<b>TOTAL</b>	<b>24.2</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>	<b>22.9</b>

- Further details on treasury investments are contained in the Treasury Management Strategy - Appendix A FN2004 Annual Treasury Management Strategy and Non-Treasury Investment Strategy

3.12 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Executive Head of Finance and staff, who must act in line with the treasury management strategy approved by Full Council. Year-end report and half-yearly reports on treasury management activity are presented to Licencing, Audit & General Purposes Committee (LA&GP) and Cabinet. The LA&GP Committee is responsible for scrutinising treasury management decisions.

#### **4 NON-TREASURY INVESTMENTS FOR SERVICE PURPOSES**

4.1 The Council makes investments to assist local public services, including making loans to local businesses to promote economic growth, the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even / generate a profit after all costs.

4.2 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Executive Head of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are contained in the investment strategy: Appendix B FIN 2004 Annual Treasury Management Strategy and Investment Strategy

## 5 COMMERCIAL ACTIVITIES

- 5.1 With central government financial support for local public services declining, the Council invests in commercial property purely or mainly for financial gain and lends to its subsidiary for the same reason. Total commercial investments for 2019/20 are forecast to be £110.8m, the portfolio providing a net return after all costs of 3.9%.
- 5.2 With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include level of competition, barriers to entry/exit, and future market prospects

These risks are managed by:

- Assessment of the relevant market sector(s) including the level of competition, barriers to entry/exit, future market prospects
- Assessment of exposure to particular market segments to ensure adequate diversification
- Use of external advisors if considered appropriate by the Executive Head of Finance
- Full and comprehensive report on all new investments to Cabinet
- Continual monitoring of risk across the whole portfolio and specific assets

In order that commercial investments remain proportionate to the size of the Council, these are subject to an overall maximum investment limit of £150m and contingency plans are in place should expected yields not materialise.

- 5.3 **Governance:** Decisions on commercial investments are made by the Executive Head of Regeneration and Property in line with the criteria and limits approved by LA&GP Committee, Cabinet and Full Council in the investment strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.
- Further details on commercial investments and limits on their use are contained in of the investment strategy: Appendix B FIN 2004 Annual Treasury Management Strategy and Investment Strategy

## 6 LIABILITIES

- 6.1 In addition to debt of £154.1m detailed above, the Council is committed to making future payments to cover its pension fund deficit. It has also set aside funds to cover risks of Business Rate Appeals. The Council is also



at risk of having to pay for Local Land Charges but has not put aside any money because the value of claim is unknown.

6.2 **Governance:** Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Executive Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by Finance and reported quarterly to committee. New liabilities exceeding £2m are reported to full council for approval/notification as appropriate.

- Further details on liabilities and guarantees are on page 49 and 50 of the 2018/19 statement of accounts:

<https://www.rushmoor.gov.uk/statementofaccounts>

## 7 REVENUE BUDGET IMPLICATIONS

7.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates and general government grants.

**Table 10: Prudential Indicator: Proportion of Financing Costs to Net Core Revenue Stream in £ million**

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Financing Costs	0.5	2.3	3.5	5.3	6.7
Proportion of Net Core Revenue Stream	4.9%	22.0%	34.0%	56.3%	68.8%

- Further details on the revenue implications of capital expenditure are contained in the 2020/21 revenue budget: Appendix 2, FIN 2007 Revenue budget, Capital Programme and Council Tax

7.2 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Executive Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because the net budget demand on the Council and the risks within the programme have been reviewed and are within the Council's risk appetite and tolerances.

## **8 KNOWLEDGE AND SKILLS**

- 8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Executive Head of Finance is a qualified accountant (Chartered Institute of Public Finance and Accountancy) with 20 years' experience of local government finance, the Executive Head of Regeneration and Property is a qualified surveyor (Royal Institute of Chartered Surveyors). The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury) and RICS.
- 8.2 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and Lambert Smith Hampton Investment Management Ltd (LSHIM) as commercial property consultants as required depending on the nature of the professional advice sought. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

CABINET

COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES PORTFOLIO HOLDER  
REPORT NO. FIN2008

FEBRUARY 2020

KEY DECISION? YES

**ANNUAL REVIEW OF FEES AND CHARGES****SUMMARY AND RECOMMENDATIONS:**

**SUMMARY:** This report sets out recommendations following a review of fees and charges and describes the methodology applied in each case, generating a minimum of £82,102 per annum as a result of RPIX uplift.

**RECOMMENDATIONS:**

- (i) To adopt the various methodologies attached in Appendix A as a basis for uplifting the Council's fees and charges
- (ii) To continue to apply RPIX as the measure of inflation to be applied where an annual inflationary uplift is specified; and
- (iii) To approve the fees and charges set out in Appendix A for implementation on the applicable dates.

**1. INTRODUCTION**

- 1.1 In November 2016, the Cabinet approved a new process for the annual review of the Council's fees and charges, introducing a Fees and Charges booklet, showing current and proposed fees and the methodology for reviewing each type of fee or charge. This report sets out the outcomes from the subsequent review carried out in 2019.
- 1.2 This is a key decision due to the effect of fee setting on the Council's budgets and the wider effect on residents across the Borough.

**2. BACKGROUND**

- 2.1 The review, reported to Cabinet in November 2016, recommended bringing an annual review of all charges, and the methodologies by which they are uplifted, together into a single document, where practical. This meant that individual charges would no longer be considered in isolation and the impact of charges in total (on both the budget and on the Council's residents) could be considered. In addition, the timing of the report meant that the appropriate charges could be built into the budget preparation.

- 2.2 The process also ensures that an annual review of all fees and charges takes place. While not all charges are necessarily increased every year, it is important to review them on a regular basis to ensure that they are set at an appropriate level. Fees and charges are estimated to contribute around £13.2m (or 23%) of the Council's gross income of £57.7m for 2019/20 – a not insignificant sum when compared to the £6.4m received from Council Tax payers, £1m from New Homes Bonus and £3.8m from Business Rates Retention. Indeed, the importance of The Council's own income streams will only grow in the future as some of these central funding streams decline.
- 2.3 The process is in line with the Council's Constitution, which provides, under its Financial Regulations, that "at least once a year the appropriate Heads of Service, in consultation with the Executive Head of Finance, will submit proposals to Cabinet regarding fees and charges for goods and services."
- 2.4 Expected outcomes from the project were:
- An annual process to review fees and charges
  - Linked to the Medium Term Financial Strategy and budget setting processes
  - Ensuring fees and charges are regularly reviewed and are set at an appropriate level and
  - Are transparent, easily found by our customers and have a clear methodology for uplift
- 2.5 The process worked well for 2019/20 enabling charges to be reflected in the budget preparations and providing a single document for strategic consideration of the level of fees and charges across the Council as well as a single point of reference for all the Councils' fees and charges for our customers. For the current review, Heads of Service considered their previously stated methodology for uplift, amending it where appropriate, and discussing potential variations with their portfolio holders.

### **3. DETAILS OF THE PROPOSAL**

- 3.1 **General** - Work has been undertaken to compile a single booklet, which details all the Council's fees and charges, the current charge, proposed charge and methodology for calculating the charge. The booklet is attached as Appendix A.
- 3.2 The proposals take into account the Council's medium-term financial strategy, the cost of providing the services, the need to maintain reasonable charges, the rate of inflation and optimising use.
- 3.3 Some of these services do not fully recover costs, due to the concessions we offer to ensure that they are affordable and socially inclusive.
- 3.4 Appendix A does not currently include pricing at our Leisure Centres, which are set by the contract but do allow Members to suggest changes through consultation with our contractors. At times, the Council may suggest

reduced charges to fit with our strategic priorities to support disadvantaged groups or to encourage participation on health programmes. These and other charges may be included in future iterations of the booklet.

- 3.5 **Indexation** - In November 2016, Cabinet approved the use of RPIX as the appropriate index to use for inflationary increases. RPIX is the headline RPI index, minus changes in mortgage interest payments. Taking out mortgage repayments is an appropriate adjustment because the UK housing market plays an influential role in the wider macro-economy. Given that a significant number of householders are owner-occupiers, many of whom are repaying mortgages, changes in interest and mortgage rates can have a considerable impact on spending and the rest of the economy.
- 3.6 Any potential UK future rise in interest rates designed to reduce inflationary pressure, would push up the RPI, but not the RPIX. The effects of the Council's fees and charges policy intentions would therefore be more suited to the selection of RPIX as its inflation index. It is proposed to continue use of this index for the annual uplift of fees and charges, where an inflationary increase is deemed appropriate.
- 3.7 The RPIX inflation rate applied by the Council on its fees and charges for 1st April and each successive financial year will be calculated six months in advance. For 1st April 2020, the RPIX measure for 12 months in September 2019 is 2.4% (RPIX September 2019 "291.5" over September 2018 "284.7"). Increases to the majority of charges have been calculated at RPIX.
- 3.8 **Statutory charges** - Some charges are statutory or set by other bodies, over which Rushmoor has no control. These have been identified within the Fees and Charges document and have been included for information.
- 3.9 **Application of benchmarking** - In some chargeable areas, benchmarking has been used to inform whether fees and charges should be increased.
- 3.10 **Exceptions:** Several chargeable areas are currently undergoing detailed review, (Car parking charges) and therefore no uplift methodology or fee increase is proposed for these areas at present. Any proposals to vary charges in these areas will come forward to Licensing, Audit and General Purposes Committee or Cabinet as appropriate as the reviews conclude. The aim will be to incorporate these charges and the agreed review method within the overall Fees and Charges booklet in the future.
- 3.11 **Flexibility:** Some areas of pricing have been delegated in order to build in an ability to react quickly to market conditions and vary charges in response to local circumstances and competition. Both Princes Hall and Aldershot and Farnborough markets and car boot sales have been granted this flexibility, most recently with markets and car boot sales where charges can be varied in consultation with the appropriate portfolio-holder and the Executive Head of Financial Services. This is especially important as the Council moves towards a more commercial approach to its service provision, enabling services to become more 'fleet of foot' in adapting to changing demand and local conditions. Appendix A therefore includes the current recommended

charges, but these could be subject to change at short notice. The fees and charges booklet therefore needs to be a living document that is updated by services in response to any such amendments to pricing.

- 3.12 **Annual process** – Each year, the relevant sections of the fees and charges booklet is distributed to Heads of Service for updating, in consultation with their portfolio-holder. The service reviews its charging methodology in light of market forces, changes in supply and demand, ethos for concessions, and if applicable, the need to reduce subsidies.
- 3.13 Where an inflationary uplift has been agreed as the methodology for review, the relevant inflationary index (RPIX) will be applied and any necessary rounding adjustments made to provide the final charges for the new year. Where other circumstances have changed during the year that may mean that the current methodology is no longer applicable, a new methodology will need to be proposed and approved by Cabinet. For example, an inflationary uplift may no longer be applicable if benchmarking data shows the Council's charges to be significantly out of kilter with local market competition.
- 3.14 **Garden waste** – As of April 2020, the Council's collection costs will have increased by approximately 8.6% since the start of the contract (2017), but the Council has not increased the subscription price since April 2015. The proposed increase to £42 goes some way to cover this increase in costs. The Council has carried out a benchmarking exercise to compare the charges and subscription numbers of six surrounding LAs. This has suggested there is no correlation between subscription price and take up of service and with the price increase. The Council will continue to be the second cheapest authority in the area for this service. The Council will review the charge again next year in line with the annual fees and charges review.
- 3.15 **On Street Residential Parking Permits** – Increase in line with Hampshire County Council operational policy for residential parking schemes.
- 3.16 **Pest Control** – The provision of pest control by the Council has changed. The council no longer provides a free service for rats, mice, Cockroaches and bed-bugs for domestic premises. A supplier has been appointed who offers discounted rates.
- 3.17 **Taxi charges** – Disclosure and Barring Service (DBS) checks have reduced by £4 as a result of a reduction in rates charged by DBS.
- 3.18 **Allotments** - The charge for a 2.5 rod plot including Cherrywood Road site will be frozen for 2 years, 2020/21 and 2021/22. From 2021/22 all other allotment plots will be increased by RPIX.
- 3.19 **Introduction of new charges** - In areas where charges are being introduced for the first time (enforcement notice fee), it may be appropriate for a detailed paper to be taken to Cabinet for consideration rather than included in the annual fees and charges report. In this way, Cabinet are able

to consider the detailed proposal and the reason for introducing charges, maintaining the detailed consideration and portfolio-holder engagement that is essential for the introduction of new charges. Within the individual report, however, a method for future review (e.g. RPIX or cost recovery) should be proposed. The charges and methodology can then be incorporated into the annual review and the fees and charges booklet moving forward.

#### **4. FINANCIAL AND RESOURCE IMPLICATIONS**

- 4.1 The net additional income to the Council from the proposed charges within this report is estimated to be a minimum of £81,102 per annum as a result of RPIX. This estimate does not include increases at the Princes Hall or where total income will fluctuate according to volume of demand for each individual service or charge.
- 4.2 In addition, collation of the fees and charges in one booklet alongside a single report should save on staff time and administration as the process beds in. The booklet will be available on the Council's website so that all fees and charges are transparently available, which improves the service to our residents and customers and avoid 'waste' by potentially reducing the number of customer enquiries about fees and charges. It will also help in responding to FOI queries as requestors can be referred to a single source.

#### **5. CONCLUSIONS**

- 5.1 The review of Fees and Charges is an annual process, which links to the Medium Term Financial Strategy and contributes to the budget process. The process has a number of advantages as set out in the report including transparency, reduced administration and a robust methodology for reviewing fees.
- 5.2 Fees and charges form a significant part of the Council's income enabling it to provide services to the public. The level of fees and charges can have a significant effect on residents and local businesses and therefore should be given due consideration on a regular basis.
- 5.3 The outcome of the annual review is presented to Cabinet in Appendix A for consideration.

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# APPENDIX A

## *Rushmoor's Fees and Charges*

**2020/21**

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Vat status indicators O/S - Outside scope, EX – Exempt, S – Standard rated

## Alcohol, entertainments & late night refreshment

Temporary event notices	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Notice	£21 (0%)	£21	Statutory charge	O/S
Copy of notice	£10.5 (0%)	£10.50	Statutory charge	O/S

Personal licences	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application for grant	£37 (0%)	£37	Statutory charge	O/S
Copy	£10.5 (0%)	£10.50	Statutory charge	O/S
Notification of change of name or address	£10.5 (0%)	£10.50	Statutory charge	O/S

Premises licences and club premises certificates	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Band A	£100 (0%)	£100	Statutory charge	O/S
Band B	£190 (0%)	£190	Statutory charge	O/S
Band C	£315 (0%)	£315	Statutory charge	O/S
Band D	£450 (0%)	£450	Statutory charge	O/S
Band E	£635 (0%)	£635	Statutory charge	O/S
Band D and is exclusively or primarily used for the supply and consumption of alcohol on the premises	£900 (0%)	£900	Statutory charge	O/S
Band E and is exclusively or primarily used for the supply and consumption of alcohol on the premises	£1905 (0%)	£1,905	Statutory charge	O/S
Additional fee for more than 5000 people - 5,000-9,999 people	£1000 (0%)	£1,000	Statutory charge	O/S
Additional fee for more than 5000 people - 10,000-14,999 people	£2000 (0%)	£2,000	Statutory charge	O/S
Additional fee for more than 5000 people - 15,000-19,999 people	£4000 (0%)	£4,000	Statutory charge	O/S
Additional fee for more than 5000 people - 20,000-29,999 people	£8000 (0%)	£8,000	Statutory charge	O/S
Additional fee for more than 5000 people - 30,000-39,999 people	£16000 (0%)	£16,000	Statutory charge	O/S
Additional fee for more than 5000 people - 40,000-49,999 people	£24000 (0%)	£24,000	Statutory charge	O/S
Additional fee for more than 5000 people - 50,000-59,999 people	£32000 (0%)	£32,000	Statutory charge	O/S
Additional fee for more than 5000 people - 60,000-69,999 people	£40000 (0%)	£40,000	Statutory charge	O/S
Additional fee for more than 5000 people - 70,000-79,999 people	£48000 (0%)	£48,000	Statutory charge	O/S
Additional fee for more than 5000 people - 80,000-89,999 people	£56000 (0%)	£56,000	Statutory charge	O/S
Additional fee for more than 5000 people - 90,000 + people	£64000 (0%)	£64,000	Statutory charge	O/S
Minor variation of a premises licence / club premises certificate	£89 (0%)	£89	Statutory charge	O/S
Provisional statement	£315 (0%)	£315	Statutory charge	O/S
Vary a premises licence to specify a new premises supervisor	£23 (0%)	£23	Statutory charge	O/S
Application to disapply requirement for a premises supervisor in a community premises	£23 (0%)	£23	Statutory charge	O/S
Transfer premises licence	£23 (0%)	£23	Statutory charge	O/S
Interim authority notice	£23 (0%)	£23	Statutory charge	O/S

Notification of interest	£21 (0%)	£21	Statutory charge	O/S
Application for copy of licence or summary	£10.5 (0%)	£10.50	Statutory charge	O/S
Notification of change of name or address	£10.5 (0%)	£10.50	Statutory charge	O/S
Annual Fees -Band A	£70 (0%)	£70	Statutory charge	O/S
Annual Fees -Band B	£180 (0%)	£180	Statutory charge	O/S
Annual Fees -Band C	£295 (0%)	£295	Statutory charge	O/S
Annual Fees -Band D	£320 (0%)	£320	Statutory charge	O/S
Annual Fees- Band E	£350 (0%)	£350	Statutory charge	O/S
Annual Fees - Band D and is exclusively or primarily used for the supply and consumption of alcohol on the premises	£640 (0%)	£640	Statutory charge	O/S
Annual Fees - Band E and is exclusively or primarily used for the supply and consumption of alcohol on the premises	£1050 (0%)	£1,050	Statutory charge	O/S
Annual Fees - 5,000-9,999 people	£500 (0%)	£500	Statutory charge	O/S
Annual Fees - 10,000-14,999 people	£1000 (0%)	£1,000	Statutory charge	O/S
Annual Fees - 15,000-19,999 people	£2000 (0%)	£2,000	Statutory charge	O/S
Annual Fees - 20,000-29,999 people	£4000 (0%)	£4,000	Statutory charge	O/S
Annual Fees - 30,000-39,999 people	£8000 (0%)	£8,000	Statutory charge	O/S
Annual Fees - 40,000-49,999 people	£12000 (0%)	£12,000	Statutory charge	O/S
Annual Fees - 50,000-59,999 people	£16000 (0%)	£16,000	Statutory charge	O/S
Annual Fees - 60,000-69,999 people	£20000 (0%)	£20,000	Statutory charge	O/S
Annual Fees - 70,000-79,999 people	£24000 (0%)	£24,000	Statutory charge	O/S
Annual Fees - 80,000-89,999 people	£28000 (0%)	£28,000	Statutory charge	O/S
Annual Fees - 90,000 + people	£32000 (0%)	£32,000	Statutory charge	O/S

## Allotments

Plots	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Plots of approx. 10 rods	£71 (20%)	£59	* Please see comment below	O/S
Plots of approx. 5 rods (also 10 rods without a water supply)	£50 (19%)	£42	* Please see comment below	O/S
Plots of approx. 2.5 rods	£36 (0%)	£36	* Please see comment below	O/S

\*Following a review by the Leisure & Youth Panel in 15/16, an increase of 20% pa was agreed for the next few years to help reduce the current subsidy. The charge for a 2.5 rod plot including Cherrywood Road site will be frozen for 2 years, 20/21 and 21/22.

From 21/22 all other allotment plots will be increased by RPIX.

A year's notice must be given and the revised charges will come into effect in October each year.

rounded to nearest pound

## Animal licensing

New Licence	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Home boarding of dogs or dog day care - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£212 £59 £271 (0%)	£212 £59 £271	Approved at L,A & GP Cttee 24 Sept 2018 - cost recover basis	O/S
Breeding dogs - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£240 £72 £312 (0%)	£240 £72 £312	as above	O/S
Boarding for cats or dogs (in a cattery or kennel) - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£219 £71 £290 (0%)	£219 £71 £290	as above	O/S
Hiring out horses - 2 A licence Application Fee B Enforcement Fee Total New application A+B	£240 £79 £319 (0%)	£240 £79 £319	as above	O/S
Pet shops - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£240 £72 £312 (0%)	£240 £72 £312	as above	O/S
Keeping or training animals for exhibition - 1,3,4 A licence Application Fee B Enforcement Fee Total New application A+B	£212 £59 £271 (0%)	£212 £59 £271	as above	O/S
Wild Animals (2 yr Renewal) - 2	399 (0%)	£399	as above	O/S

1- plus additional vet fee where applicable; 2 - plus additional fee for a listed, specialist vet on each inspection; 3-three year licence fee; 4 - previously enforced by HCC

## Animal licensing

Renewals	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Home boarding of dogs or dog day care - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£101 £59 £160 (0%)	£101 £59 £160	Approved at L,A & GP Cttee 24 Sept 2018 - cost recover basis	O/S
Breeding dogs - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£125 £72 £197 (0%)	£125 £72 £197	as above	O/S
Boarding for cats or dogs (in a cattery or kennel) - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£101 £71 £172 (0%)	£101 £71 £172	as above	O/S
Hiring out horses - 2 A licence Application Fee B Enforcement Fee Total New application A+B	£139 £79 £218 (0%)	£139 £79 £218	as above	O/S
Pet shops - 1 A licence Application Fee B Enforcement Fee Total New application A+B	£101 £59 £160 (0%)	£101 £59 £160	as above	O/S
Keeping or training animals for exhibition - 1,3,4 A licence Application Fee B Enforcement Fee Total New application A+B	£101 £59 £160 (0%)	£101 £59 £160	as above	O/S
Wild Animals (2 yr Renewal) - 2	£399 (0%)	£399	Reviewed by L&GP April 2018	O/S

1- plus additional vet fee where applicable; 2 - plus additional fee for a listed, specialist vet on each inspection; 3-three year licence; 4 - previously enforced by HCC

Also in relation to the above Animal licences (excluding Dangerous Wild Animals Licence)

Each Additional Licensable Activity	50 (0%)	£50	Approved at L,A & GP Cttee 24 Sept 2018 -	O/S
Application for re-rating	75 (0%)	£75	as above	O/S
Transfer/Variation	50 (0%)	£50	as above	O/S
Additional copy of licence	30 (0%)	£30	as above	O/S

all Animal licences excluding Wild Animals wef 1st October 2018,  
Wild Animals wef 1st April 2018

## Building control

Archived Documents	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Re-Opening Closed Files	£78 (0%)	£78	costs recovery	S
Copies Of Approvals And Completion Certificates	£20 (0%)	£20	see above	S

Standard charges for the creation or conversion to new housing	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Full Plans Notice - Plan Charge No. of Dwellings - 1	£350 (4%)	£336	building control fees have been reviewed for 2020/21, with an overall impact is a 5% increase - cost recovery	S
Full Plans Notice - Plan Charge No. of Dwellings - 2	£440 (5%)	£420	as above	S
Full Plans Notice - Plan Charge No. of Dwellings - 3	£540 (5%)	£516	as above	S
Full Plans Notice - Plan Charge No. of Dwellings – 4+	Ring for quote	Ring for quote	as above	S
Full Plans Notice - Inspection Charge No. of Dwellings - 1	£570 (6%)	£540	as above	S
Full Plans Notice - Inspection Charge No. of Dwellings - 2	£775 (5%)	£740	as above	S
Full Plans Notice - Inspection Charge No. of Dwellings - 3	£970 (5%)	£920	as above	S
Full Plans Notice - Inspection Charge No. of Dwellings – 4+	Ring for quote	Ring for quote	as above	S
Building Notice No. of Dwellings - 1	£1100 (10%)	£1,000	as above	S
Building Notice No. of Dwellings - 2	£1300 (8%)	£1,200	as above	S
Building Notice No. of Dwellings - 3	£1600 (0%)	£1,600	as above	S
Building Notice No. of Dwellings – 4+	Ring for quote	Ring for quote	as above	S
Regularisation No. of Dwellings - 1	£1100 (10%)	£1,000	as above	O/S
Regularisation No. of Dwellings - 2	£1300 (8%)	£1,200	as above	O/S
Regularisation No. of Dwellings - 3	£1600 (0%)	£1,600	as above	O/S
Regularisation No. of Dwellings – 4+	Ring for quote	Ring for quote	as above	O/S

<b>Domestic extensions to a single building</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Single storey extension floor area not exceeding 10m <sup>2</sup> Full plan notices - plan charge	£240 (9%)	£220	building control fees have been reviewed for 2020/21, with an overall impact is a 5% increase - cost recovery	S
Single storey extension floor area not exceeding 10m <sup>2</sup> Full plan notices - inspection charge	£260 (2%)	£254	as above	S
Single storey extension floor area not exceeding 10m <sup>2</sup> Building Notice	£580 (0%)	£580	as above	S
Single storey extension floor area not exceeding 10m <sup>2</sup> Regularisation	£680 (0%)	£680	as above	O/S
Single storey extension floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Full plan notices - plan charge	£240 (9%)	£220	as above	S
Single storey extension floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Full plan notices - inspection charge	£440 (5%)	£420	as above	S
Single storey extension floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Building Notice	£790 (1%)	£780	as above	S
Single storey extension floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Regularisation	£925 (5%)	£880	as above	O/S
Single storey extension floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Full plan notices - plan charge	£240 (9%)	£220	as above	S
Single storey extension floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Full plan notice - inspection charge	£600 (2%)	£590	as above	S
Single storey extension floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Building Notice	£985 (1%)	£975	as above	S
Single storey extension floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Regularisation	£1150 (6%)	£1,080	as above	O/S
Two storey extension floor area not exceeding 40m <sup>2</sup> Full plan notices - plan charge	£240 (9%)	£220	as above	S
Two storey extension floor area not exceeding 40m <sup>2</sup> Full plan notices - inspection charge	£530 (4%)	£510	as above	S
Two storey extension floor area not exceeding 40m <sup>2</sup> Building Notice	£890 (1%)	£880	as above	S
Two storey extension floor area not exceeding 40m <sup>2</sup> Regularisation	£1100 (12%)	£985	as above	O/S
Two storey extension to a dwelling house exceeding 40m <sup>2</sup> , but not exceeding 200 m <sup>2</sup> Full plan notices - plan charge	£240 (9%)	£220	as above	S
Two storey extension to a dwelling house exceeding 40m <sup>2</sup> , but not exceeding 200 m <sup>2</sup> Full plan notices - inspection charge	£825 (6%)	£775	as above	S
Two storey extension to a dwelling house exceeding 40m <sup>2</sup> , but not exceeding 200 m <sup>2</sup> Building Notice	£1250 (9%)	£1,150	as above	S
Two storey extension to a dwelling house exceeding 40m <sup>2</sup> , but not exceeding 200 m <sup>2</sup> Regularisation	£1300 (3%)	£1,260	as above	O/S
Loft conversion that does not include the construction of a dormer Full plan notices - plan charge	£240 (9%)	£220	as above	S
Loft conversion that does not include the construction of a dormer Full plan notices - inspection charge	£360 (8%)	£332	as above	S
Loft conversion that does not include the construction of a dormer Building Notice	£700 (4%)	£675	as above	S
Loft conversion that does not include the construction of a dormer Regularisation	£825 (6%)	£775	as above	S
Loft conversion that includes the construction of a dormer Full plan notices - plan charge	£240 (9%)	£220	as above	S
Loft conversion that includes the construction of a dormer Full plan notices - inspection charge	£430 (4%)	£415	as above	S
Loft conversion that includes the construction of a dormer Building Notice	£800 (3%)	£780	as above	O/S
Loft conversion that includes the construction of a dormer Regularisation	£920 (5%)	£880	as above	S
Erection or extension of a non-exempt attached or detached domestic garage or carport up to 100m <sup>2</sup> Full plan notices - plan charge	£240 (9%)	£220	as above	S
Erection or extension of a non-exempt attached or detached domestic garage or carport up to 100m <sup>2</sup> Full plan notices - inspection charge	£260 (8%)	£240	as above	S
Erection or extension of a non-exempt attached or detached domestic garage or carport up to 100m <sup>2</sup> Building Notice	£575 (5%)	£550	as above	S
Erection or extension of a non-exempt attached or detached domestic garage or carport up to 100m <sup>2</sup> Regularisation	£700 (8%)	£650	as above	O/S



Conversion of a garage to a dwelling to a habitable room(s) Full plan notices - plan charge	£240 (9%)	£220	as above	S
Conversion of a garage to a dwelling to a habitable room(s) Full plan notices - inspection charge	£220 (10%)	£200	as above	S
Conversion of a garage to a dwelling to a habitable room(s) Building Notice	£485 (4%)	£465	as above	S
Conversion of a garage to a dwelling to a habitable room(s) Regularisation	£600 (5%)	£570	as above	O/S
Underpinning, less than £25,000 - Fixed price Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Underpinning, less than £25,000 - Fixed price Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Underpinning, less than £25,000 - Fixed price Building Notice	individually determined fees	individually determined fees	as above	S
Underpinning, less than £25,000 - Fixed price Regularisation	individually determined fees	individually determined fees	as above	O/S
Renovation of a thermal element to a single dwelling, less than £25,000 - Fixed price Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Renovation of a thermal element to a single dwelling, less than £25,000 - Fixed price Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Renovation of a thermal element to a single dwelling, less than £25,000 - Fixed price Building Notice	individually determined fees	individually determined fees	as above	S
Renovation of a thermal element to a single dwelling, less than £25,000 - Fixed price Regularisation	individually determined fees	individually determined fees	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - Estimated cost less than £1000 Full plan notices -	£200 (11%)	£180	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - Estimated cost less than £1000 Full plan notices -	£0.00	£0	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - Estimated cost less than £1000 Building Notice	£200 (11%)	£180	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - Estimated cost less than £1000 Regularisation	£275 (0%)	£275	as above	O/S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £1001-£5000 Full plan notices - plan charge	£240 (9%)	£220	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £1001-£5000 Full plan notices - inspection charge	£0 (0%)	£0	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £1001-£5000 Full plan notices - inspection charge	£240 (9%)	£220	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £5001 - £25 000 Full plan notices - plan charge	£320 (0%)	£320	as above	O/S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £5001 - £25 000 Full plan notices - plan charge	£240 (20%)	£200	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £5001 - £25 000 Full plan notices - inspection	£180 (20%)	£150	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £5001 - £25 000 Building Notice	£420 (20%)	£350	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £5001 - £25 000 Regularisation	£440 (0%)	£440	as above	O/S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £25 001 - £50 000 Full plan notices - plan charge	£240 (9%)	£220	as above	S

Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £25 001 - £50 000 Full plan notices - inspection	£270 (8%)	£250	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £25 001 - £50 000 Building Notice	£510 (9%)	£470	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £25 001 - £50 000 Regularisation	£560 (0%)	£560	as above	O/S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £50 001 - £75 000 Full plan notices - plan charge	£240 (9%)	£220	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £50 001 - £75 000 Full plan notices - inspection	£420 (5%)	£400	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £50 001 - £75 000 Building Notice	£660 (6%)	£620	as above	S
Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of an extension no additional charge) - £50 001 - £75 000 Regularisation	£720 (0%)	£720	as above	O/S
Window Replacement - Up to 4 Full plan notices - plan charge	£130 (8%)	£120	as above	S
Window Replacement - Up to 4 Full plan notices - inspection charge	£0 (0%)	£0	as above	S
Window Replacement - Up to 4 Building Notice	£130 (8%)	£120	as above	S
Window Replacement - Up to 4 Regularisation	£230 (0%)	£230	as above	O/S
Window Replacement - 5 to 20 Full plan notices - plan charge	£200 (0%)	£200	as above	S
Window Replacement - 5 to 20 Full plan notices - inspection charge	£0 (0%)	£0	as above	S
Window Replacement - 5 to 20 Building Notice	£200 (0%)	£200	as above	S
Window Replacement - 5 to 20 Regularisation	£330 (0%)	£330	as above	O/S
Electrical work - Any (other than rewire) Full plan notices - plan charge	£400 (5%)	£380	as above	S
Electrical work - Any (other than rewire) Full plan notices - inspection charge	£0 (0%)	£0	as above	S
Electrical work - Any (other than rewire) Building Notice	£400 (5%)	£380	as above	S
Electrical work - Any (other than rewire) Regularisation	£490 (0%)	£490	as above	S
Electrical work - Rewire or new dwelling Full plan notices - plan charge	£520 (2%)	£510	as above	S
Electrical work - Rewire or new dwelling Full plan notices - inspection charge	£0 (0%)	£0	as above	S
Electrical work - Rewire or new dwelling Building Notice	£520 (2%)	£510	as above	S
Electrical work - Rewire or new dwelling Regularisation	£600 (0%)	£600	as above	O/S

<b>Other, Non domestic work - extensions and new build</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Floor area not exceeding 10m <sup>2</sup> Full plan notices - plan charge	individually determined fees	individually determined fees	building control fees have been reviewed for 2020/21, with an overall impact is a 5% increase cost recovery	S
Floor area not exceeding 10m <sup>2</sup> Full plan notices - inspection charge	individually determined fees	individually determined fees		S
Floor area not exceeding 10m <sup>2</sup> Regularisation	individually determined fees	individually determined fees	as above	O/S
Floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Floor area exceeding 10m <sup>2</sup> , but not exceeding 40 m <sup>2</sup> Regularisation	individually determined fees	individually determined fees	as above	O/S
Floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Full plan notices	individually determined fees	individually determined fees	as above	S
Floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Floor area exceeding 40m <sup>2</sup> , but not exceeding 100 m <sup>2</sup> Regularisation	individually determined fees	individually determined fees	as above	O/S

<b>All other non-domestic work - alterations</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Underpinning - Estimated cost less than £50 000 Full plan notices - plan charge	individually determined fees	individually determined fees	building control fees have been reviewed for 2020/21, with an overall impact is a 5% increase cost recovery	S
Underpinning - Estimated cost less than £50 001 Full plan notices - inspection charge	individually determined fees	individually determined fees		S
Underpinning - Estimated cost less than £50 002 Regularisation	individually determined fees	individually determined fees		O/S
Window Replacement including shop fronts (non-competent persons scheme) - Per installation up to 4 Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Window Replacement including shop fronts (non-competent persons scheme) - Per installation up to 4 Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Window Replacement including shop fronts (non-competent persons scheme) - Per installation up to 4 Regularisation	individually determined fees	individually determined fees	as above	S
Window Replacement including shop fronts (non-competent persons scheme) - Per installation over 4 up to 20 windows Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Window Replacement including shop fronts (non-competent persons scheme) - Per installation over 4 up to 20 windows Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Window Replacement including shop fronts (non-competent persons scheme) - Per installation over 4 up to 20 windows Regularisation	individually determined fees	individually determined fees	as above	O/S
Renovation of a thermal element Estimated cost less than £50 000 Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Renovation of a thermal element Estimated cost less than £50 001 Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Renovation of a thermal element Estimated cost less than £50 002 Regularisation	individually determined fees	individually determined fees	as above	O/S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - Estimated cost less than £5 000 Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S

Alterations not described elsewhere including structural alterations and installation of controlled fittings - Estimated cost less than £5 000 Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - Estimated cost less than £5 000 Regularisation	individually determined fees	individually determined fees	as above	O/S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £5001 - £25 000 Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £5001 - £25 000 Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £5001 - £25 000 Regularisation	individually determined fees	individually determined fees	as above	O/S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £25 001 - £50 000 Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £25 001 - £50 000 Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £25 001 - £50 000 Regularisation	individually determined fees	individually determined fees	as above	O/S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £50 001 - £100 000 Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £50 001 - £100 000 Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Alterations not described elsewhere including structural alterations and installation of controlled fittings - £50 001 - £100 000 Regularisation	individually determined fees	individually determined fees	as above	O/S
Installation of mezzanine floor up to 500m <sup>2</sup> - Fixed price Full plan notices - plan charge	individually determined fees	individually determined fees	as above	S
Installation of mezzanine floor up to 500m <sup>2</sup> - Fixed price Full plan notices - inspection charge	individually determined fees	individually determined fees	as above	S
Installation of mezzanine floor up to 500m <sup>2</sup> - Fixed price Regularisation	individually determined fees	individually determined fees	as above	O/S

### Camping and caravan site licence

Camping and caravan site licence	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Camping and caravan site licence	FREE	FREE		EX

### Car boots and markets

Car boot admission	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Aldershot - 9am to 10am	£3 (0%)	£3	No plans to change for 2020/21 - fees market lead	EX
Aldershot -After 10 - There is no charge for children under 10	£0.2 (0%)	£0.2		EX
Farnborough - 9am to 11am	£5 (0%)	£5		EX
Farnborough – after 11 - There is no charge for children under 10	£0.5 (0%)	£0.50		EX

Car boot traders	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Small car	£8 (0%)	£8	No plans to change for 2020/21 - fees market lead	EX
Large car	£10 (0%)	£10	as above	EX
Van	£12 (0%)	£12	as above	EX
Extra trailer - small	£5 (0%)	£5	as above	EX
Extra trailer - large	£10 (0%)	£10	as above	EX

<b>Aldershot Market - per three metre pitch</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Regular traders	£25 (0%)	£25	No plans to change for 2020/21 - fees market lead	EX
Casual traders	£35 (0%)	£35	as above	EX
Rent a gazebo, for a regular trader	£2.5 (0%)	£2.50	as above	EX
Rent a gazebo, for a casual trader	£3 (0%)	£3	as above	EX
General waste bin - Regular traders	£14 (0%)	£14	as above	EX
Recycling bin - Regular traders	£10 (0%)	£10	as above	EX
Recycling bin - Casual traders	£12 (0%)	£12	as above	EX
Electric - Regular traders	£1 (0%)	£1	as above	EX
Electric - Casual traders	£1.5 (0%)	£1.50	as above	EX

<b>Farnborough Market - per three metre pitch</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Regular traders	£32.5 (0%)	£32.50	No plans to change for 2020/21 - fees market lead	EX
Casual traders	£42.5 (0%)	£42.50	as above	EX
Rent a gazebo, for a regular trader	£2.5 (0%)	£2.50	as above	EX
Rent a gazebo, for a casual trader	£3 (0%)	£3	as above	EX
General waste bin - Regular traders	£14 (0%)	£14	as above	EX
General waste bin - Casual traders	£16 (0%)	£16	as above	EX
Recycling bin - Regular traders	£10 (0%)	£10	as above	EX
Recycling bin - Casual traders	£12 (0%)	£12	as above	EX
Electric - Regular traders	£1 (0%)	£1	as above	EX
Electric - Casual traders	£1.5 (0%)	£1.50	as above	EX

<b>Craft fayre</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
3x3m pitch	£20 (0%)	£20	No plans to change for 2020/21 - fees market lead	EX
4x3m pitch	£30 (0%)	£30		EX
6x3m pitch	£40 (0%)	£40		EX
Electricity	£1 (0%)	£1		EX

### Car parks

<b>Birchett Road car park, Aldershot - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 2 hours	£1 (0%)	£1.00	Reviewed annually	S
8am to 6pm - Up to 3 hours	£1.5 (0%)	£1.50	see above	S
8am to 6pm - All day	£5 (0%)	£5	see above	S
6pm to 9am	£1 (0%)	£1	see above	S
Sunday - All day	£0.6 (0%)	£0.60	see above	S

<b>Co-op car park, Aldershot - Monday to Sunday</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 2 hours	£1 (0%)	£1	Reviewed annually	S
8am to 6pm - All day	£10 (0%)	£10	see above	S
6pm to 9am	£1 (0%)	£1	see above	S
Sunday - All day	£0.6 (0%)	£0.60	see above	S

<b>Cove Green pavilion car park, Farnborough - Monday to Sunday</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
	FREE	FREE	Designated as free car park	S

<b>Council Offices car park, Farnborough</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday - Permit holders and visitors to the council only	FREE	FREE	Reviewed annually	S
Saturdays, Sundays and public holidays - 8am to 6pm - Up to 1 hour	£0.6 (0%)	£0.60	see above	S
Saturdays, Sundays and public holidays - 8am to 6pm - Up to 2 hours	£1.2 (0%)	£1.20	see above	S
Saturdays, Sundays and public holidays - 8am to 6pm - Up to 3 hours	£1.7 (0%)	£1.70	see above	S

<b>Cross Street, Aldershot - Monday to Sunday</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	S
8am to 6pm - Up to 2 hours	£1 (0%)	£1	as above	S
6pm to 8am	£1 (0%)	£1	as above	S
Sunday - All day	£0.6 (0%)	£0.60	as above	S

<b>Farnborough Community Centre car park - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - cost per hour	£0.6 (0%)	£0.60	as above	S
8am to 6pm - All day	£5.5 (0%)	£5.5	as above	S
8am to 6pm - Two day	£11 (0%)	£11	as above	S
8am to 6pm - Three day	£16.5 (0%)	£16.50	as above	S
8am to 6pm - four day	£22 (0%)	£22	as above	S
8am to 6pm - Five day	£27.5 (0%)	£27.50	as above	S
6pm to midnight	£1 (0%)	£1.00	as above	S
6pm to 8am	£1 (0%)	£1	as above	S

<b>Farnborough Leisure Centre car park - Mondays to Sundays (including public holidays) *Partial rebate available to leisure</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
6am to 8pm - up to 1 hour	£0.6 (0%)	£0.60	as above	S
6am to 8pm - up to 2 hours	£1.2 (0%)	£1.20	as above	S
6am to 8pm - up to 3 hours	£1.7 (0%)	£1.70	as above	S
6am to 8pm - up to 4 hours	£2 (0%)	£2	as above	S
6am to 8pm - Over 4 hours	£6 (0%)	£6	as above	S
11pm to 6am	£1 (0%)	£1	as above	S

High Street multi-storey car park, Aldershot - Mondays to Sundays (including public holidays)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
<b>Ground floor &amp; Level 2</b>				
8am to 6pm - Up to 2 hour	£1 (0%)	£1.00	Reviewed annually	S
8am to 6pm - Up to 3 hours	£1.5 (0%)	£1.50	see above	S
Sunday - All day	£0.6 (0%)	£0.60	see above	S
6pm to 8am	FREE	FREE	see above	S
<b>Levels 3 &amp; 4</b>				
8am to 6pm - Up to 1 hour	£0.5 (0%)	£0.50	as above	S
8am to 6pm - Up to 2 hours	£1 (0%)	£1	as above	S
8am to 6pm - Up to 3 hours	£1.5 (0%)	£1.50	as above	S
8am to 6pm - Up to 4 hours	£2 (0%)	£2	as above	S
8am to 6pm - Up to 5 hours	£2.5 (0%)	£2.50	as above	S
8am to 6pm - All day	£3.6 (0%)	£3.60	as above	S
8am to 6pm - 2 days	£7.2 (0%)	£7.20	as above	S
8am to 6pm - 3 days	£10.8 (0%)	£10.80	as above	S
8am to 6pm - 4 days	£14.4 (0%)	£14.40	as above	S
8am to 6pm - 5 days	£18 (0%)	£18	as above	S
Sunday - All day	£0.6 (0%)	£0.60	as above	S
6pm to 8am	FREE	FREE	as above	S
<b>Levels 5-9 (currently not available for use )</b>				

Kings Moat car park - Monday to Sunday	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Up to 1 hour	£0.7 (0%)	£0.70	as above	S
Up to 2 hours	£1.3 (0%)	£1.30	as above	S
Up to 3 hours	£1.8 (0%)	£1.80	as above	S
All day	£5.5 (0%)	£5.50	as above	S

Napier Gardens car park - Monday to Sunday (including public holidays)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
8am to 6pm - up to 1 hour	£0.3 (0%)	£0.30	as above	S
8am to 6pm - up to 2 hours	£0.5 (0%)	£0.50	as above	S
8am to 6pm - up to 3 hours	£0.7 (0%)	£0.70	as above	S
8am to 6pm - up to 4 hours	£0.9 (0%)	£0.90	as above	S
8am to 6pm - up to 5 hours	£1.1 (0%)	£1.10	as above	S
8am to 6pm - 5 hours or over	£3.5 (0%)	£3.50	as above	S
6pm - 9pm	£1 (0%)	£1	as above	S

<b>Parsons Barracks car park - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to five hours cost per hour	£0.5 (0%)	£0.50	Reviewed annually	S
8am to 6pm - All day	£5 (0%)	£5	as above	S
8am to 6pm - Two day	£10 (0%)	£10	as above	S
8am to 6pm - Three day	£15 (0%)	£15	as above	S
8am to 6pm - four day	£20 (0%)	£20	as above	S
8am to 6pm - Five day	£25 (0%)	£25	as above	S
6pm to 8am	£1 (0%)	£1	as above	S
Commercial vehicles parking overnight - 8pm to 8am	£2 (0%)	£2	as above	S
Sunday - All day	£0.6 (0%)	£0.60	as above	S

<b>Peabody Road, Farnborough - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 1 hour	£0.4 (0%)	£0.40	as above	S
8am to 8pm - Up to 2 hour	£0.7 (0%)	£0.70	as above	S
8am to 8pm - Up to 3 hour	£1 (0%)	£1.00	as above	S
8am to 8pm - Up to 4 hour	£1.3 (0%)	£1.30	as above	S
8am to 8pm - Up to 5 hour	£1.5 (0%)	£1.50	as above	S
8am to 6pm - All day	£3.5 (0%)	£3.50	as above	S
8am to 6pm - Weekly ticket (five consecutive days)	£17.5 (0%)	£17.50	as above	S
6pm to 8am	£1 (0%)	£1	as above	S
Commercial vehicles parking overnight - 8pm to 8am	£2 (0%)	£2	as above	S

<b>Pinehurst multi-storey car park - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - up to 1 hour	£0.6 (0%)	£0.60	as above	S
8am to 8pm - Up to 2 hours	£1.1 (0%)	£1.10	as above	S
8am to 8pm - Up to 3 hours	£1.6 (0%)	£1.60	as above	S
8am to 8pm - Up to 4 hours	£2.1 (0%)	£2.10	as above	S
8am to 8pm - Up to 5 hours	£2.6 (0%)	£2.60	as above	S
8am to 6pm - All day	£4 (0%)	£4	as above	S
8am to 6pm - Two day	£8 (0%)	£8	as above	S
8am to 6pm - Three day	£12 (0%)	£12	as above	S
8am to 6pm - four day	£16 (0%)	£16	as above	S
8am to 6pm - Five day	£20 (0%)	£20	as above	S
6pm to 8am	£1 (0%)	£1	as above	S



<b>Princes Gardens car park</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday 8am to 7pm - Up to one hour	£0.8 (0%)	£0.80	Reviewed annually	S
Monday to Friday 8am to 7pm - Up to two hour	£1.6 (0%)	£1.60	as above	S
Monday to Friday 8am to 7pm - Over two hours	£10 (0%)	£10	as above	S
Saturday 8am to 7pm - Up to one hour	£0.6 (0%)	£0.60	as above	S
Saturday 8am to 7pm - Up to two hours	£1.2 (0%)	£1.20	as above	S
Saturday 8am to 7pm - Up to three hours	£1.8 (0%)	£1.80	as above	S
Saturday 8am to 7pm – Over three hours	£10 (0%)	£10	as above	S
Sunday	£0.6 (0%)	£0.60	as above	S
Mondays to Sundays 7pm to 8am – any length of stay	£1 (0%)	£1	as above	S

<b>Princes Hall car park</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday Before 6pm - * an hour	Parking Permit Only	Parking Permit Only	as above	S
Monday to Friday After 6pm - * an hour	£0.6 (0%)	£0.60	as above	S
Saturdays and public holidays - Any time * per hour	£0.6 (0%)	£0.60	as above	S
Saturdays and public holidays - Any time all day	£5 (0%)	£5.00	as above	S
Sunday - All day	£0.6 (0%)	£0.60	as above	S

<b>Queensmead car park - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Blue zone 30 min stay	£0.5 (0%)	£0.50	as above	S
8am to 8pm - Up to 1 hour	£0.7 (0%)	£0.70	as above	S
8am to 8pm - Up to 2 hours	£1.3 (0%)	£1.30	as above	S
8am to 8pm - Up to 3 hours	£1.8 (0%)	£1.80	as above	S
8am to 8pm - Over 3 hours	£5.5 (0%)	£5.50	as above	S
8pm to 8am	£1 (0%)	£1	as above	S

<b>Union Street East car park - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Minimum charge £1 for 2 hours the £0.50 per hour up to 5 hours	£0.5 (0%)	£0.50	as above	S
8am to 6pm - All day	£5 (0%)	£5	as above	S
8am to 6pm - Two day	£10 (0%)	£10	as above	S
8am to 6pm - Three day	£15 (0%)	£15	as above	S
8am to 6pm - four day	£20 (0%)	£20	as above	S
8am to 6pm - Five day	£25 (0%)	£25	as above	S
6pm to 8am	£1 (0%)	£1	as above	S

<b>Union Street West car park - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Minimum charge £1 for 2 hours the £0.50 per hour up to 5 hours	£0.5 (0%)	£0.50	Reviewed annually	S
8am to 6pm - All day	£5 (0%)	£5	as above	S
8am to 6pm - Two day	£10 (0%)	£10	as above	S
8am to 6pm - Three day	£15 (0%)	£15	as above	S
8am to 6pm - four day	£20 (0%)	£20	as above	S
8am to 6pm - Five day	£25 (0%)	£25	as above	S
6pm to 8am	£1 (0%)	£1	as above	S

<b>Westmead House car park</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Sunday (including public holidays) – 6pm – 8am	£1 (0%)	£1	as above	S
Saturday and Sunday - 8am to 6pm -up to 2 hours per hour	£0.6 (0%)	£0.60	as above	S
Saturday and Sunday - 8am to 6pm -3 hours	£1.7 (0%)	£1.70	as above	S
Saturday and Sunday 8am to 8pm - 4 hours	£2 (0%)	£2	as above	S
8am to 8pm - Over 4 hours	£6 (0%)	£6	as above	S

<b>Westmead car park - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to one hour	£0.7 (0%)	£0.70	as above	S
8am to 8pm - Up to two hours	£1.3 (0%)	£1.30	as above	S
8am to 8pm - Up to three hours	£1.8 (0%)	£1.80	as above	S
8am to 8pm - Up to four hours	£2 (0%)	£2	as above	S
8am to 8pm - Up to five hours	£2.5 (0%)	£2.50	as above	S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	S
24 hours (including overnight charge)	£6 (0%)	£6.00	as above	S
8pm to 9am	£1 (0%)	£1	as above	S

### **Car parks – permits**

<b>High Street multi-storey, Aldershot (Levels3-4)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday - a year	£864 (0%)	£864	as above	S
Monday to Saturday- a year	£1036 (0%)	£1,036	as above	S
Monday to Sunday - a year	£1065 (0%)	£1,065	as above	S

<b>Napier Gardens, Farnborough</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Sunday - a year (Traders permit)	£75 (0%)	£75	as above	S

<b>Parsons Barracks, Aldershot</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday - a year	£1200 (0%)	£1,200	as above	S
Monday to Saturday- a year	£1440 (0%)	£1,440	as above	S
Monday to Sunday - a year	£1468 (0%)	£1,468	as above	S

<b>Peabody Road, Farnborough</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday - a year	£840 (0%)	£840	Reviewed annually	S
Monday to Saturday- a year	£1008 (0%)	£1,008	as above	S
Monday to Sunday - a year	£1176 (0%)	£1,176	as above	S

<b>Pinehurst, Farnborough</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday to Friday - a year	£960 (0%)	£960	as above	S

### **CCTV**

<b>Per DVD</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Copy of CCTV footage (individuals only)	£10 (0%)	£10	Statutory	S
Copy of CCTV footage (Non-individual)(per camera and DVD)	£120 (0%)	£120	Cost recovery basis	S

### **Cemeteries**

<b>Interment fees</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Resident - For a stillborn child or child under 1 month	No charge	No charge		
Non-resident - For a stillborn child or child under 1 month	£132 (2%)	£129	Increase by RPIX	O/S
For a child aged 1 month but less than 12 years	£174 (2%)	£170	Increase by RPIX	O/S
For a person aged 12 years or over at a single depth	£1637 (2%)	£1,599	Increase by RPIX	O/S
Additional payment for interment at double depth	£795 (2%)	£776	Increase by RPIX	O/S
For the burial of cremated remains	£531 (2%)	£519	Increase by RPIX	O/S
Non-resident - For the burial of cremated remains	£1063 (2%)	£1,038	Increase by RPIX	O/S

<b>Exclusive rights of burial</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Adults earthen graves for a period of 30 years	£1893 (2%)	£1,849	Increase by RPIX	O/S
Children's grave for a period of 30 years	£878 (2%)	£858	Increase by RPIX	O/S
Cremated remains for a period of 30 years	£1034 (2%)	£1,010	Increase by RPIX	O/S
Extension of burial of five years up to 30 years	£168 (2%)	£164	Increase by RPIX	O/S
Extension of cremated remains grave up to 30 years	£168 (2%)	£164	Increase by RPIX	O/S
Registering transfer of right of burial or statutory declaration	£168 (2%)	£164	Increase by RPIX	O/S

<b>Memorials</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Any type of headstone not exceeding 4'0" in height (Kerbstones must not exceed 6'6" x 2'6" in designated areas)	£325 (3%)	£317	Increase by RPIX	O/S
Scrolls, vases or tablets laid horizontally at the head of the grave	£325 (3%)	£317	Increase by RPIX	O/S
Each additional inscription	£144 (2%)	£141	Increase by RPIX	O/S

### **Contaminated land enquiries**

<b>Contaminated land enquiries</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
These are subject to FOI (Freedom of Information) / EIR (environment Information Regulations ) and therefore not chargeable unless under prescribed circumstances				

## Council Offices tenants

Council Offices tenants	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Office space in the Council Offices	Subject to negotiation	Subject to negotiation		S

## Crematorium

Cremation fees	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Cremation of a person aged over 18 years (includes the Cameo Environmental Levy Charge)	£926 (2%)	£905	Increase by RPIX	EX
Cremation of a child aged under 18 years	No Charge	No Charge		
Cameo Environmental Levy (included in the cremation fee above)	£56 (2%)	£55	the CAMEO - mercury abatement charge set by Federation of British Cremation Authorities new charge is from 1st January 2020	EX

Miscellaneous cremation fees	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Interment or scattering of cremated remains (only payable if cremation took place at another crematorium)	£93 (2%)	£91	Increase by RPIX	EX
Temporary deposit of cremated remains (per month - first month free)	£32 (3%)	£31	Increase by RPIX	EX
Urns – Polytainer (included as part of cremation fee)	£24 (4%)	£23	Increase by RPIX	EX
Urns -Wooden casket	£52 (2%)	£51	Increase by RPIX	EX
Forwarding cremated remains by post	By arrangement	By arrangement		EX
Certified extract from Register of Cremation	£29 (4%)	£28	Increase by RPIX	EX
Transfer for memorial vault	No charge	No charge		EX
Exhumation (on receipt of a Home Office licence)	£256 (2%)	£250	Increase by RPIX	EX

Chapel fees	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Use of chapel for additional service time	£128 (2%)	£125	Increase by RPIX	EX
Use of chapel for memorial service, but no cremation	£295 (2%)	£288	Increase by RPIX	O/S
Use of chapel of rest (per day or part of a day)	£27 (4%)	£26	Increase by RPIX	EX

Book of Remembrance	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
First two lines	£103 (2%)	£101	Increase by RPIX	S
Each additional line	£7 (0%)	£7	Increase by RPIX	S
Extra cost for illustration	£77 (3%)	£75	Increase by RPIX	S

Memorial vaults	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
20 year period, including plaque	£1725 (2%)	£1,685	Increase by RPIX	S
30 year period, including plaque	£2225 (2%)	£2,173	Increase by RPIX	S
50 year period, including plaque	£2594 (2%)	£2,533	Increase by RPIX	S
Additional charge for photograph to be included on plaque	£120 (3%)	£117	Increase by RPIX	S

<b>Woodland book</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Two year period	£223 (2%)	£218	Increase by RPIX	S
Five year period	£323 (3%)	£315	Increase by RPIX	S
Ten year period	£515 (2%)	£503	Increase by RPIX	S

<b>Memorial vase</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Five year period	£323 (3%)	£315.00	Increase by RPIX	S
Ten year period	£515 (2%)	£503.00	Increase by RPIX	S
Extra cost for photograph	£120 (3%)	£117.00	Increase by RPIX	S

<b>Floris plaques</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Inscription only	£396 (2%)	£387	Increase by RPIX	S
Posy holder or emblem	£431 (2%)	£421	Increase by RPIX	S
Ceramic inset	£490 (2%)	£479	Increase by RPIX	S
Photograph	£530 (2%)	£518	Increase by RPIX	S

<b>Octagonal memorial planter</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Five year period	£323 (3%)	£315	Increase by RPIX	S
Ten year period	£515 (2%)	£503	Increase by RPIX	S

<b>Memorial benches</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
20 year period	£1419 (2%)	£1,386	Increase by RPIX	S
Additional plaque for existing memorial bench	£167 (2%)	£163	Increase by RPIX	S

<b>Roses, trees and shrubs</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Bush roses (seven year period)	£412 (2%)	£402	Increase by RPIX	S
Standard roses, trees & shrubs (seven year period)	£490 (2%)	£479	Increase by RPIX	S
Additional cost for black granite plaque which can have up to five relatives names and an illustration	£152 (3%)	£148	Increase by RPIX	S

## Design

<b>Charges for external work</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per hour	£30 (0%)	£30		S

## DBS recharges to outside organisations

	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Recharge for doing DBS checks for outside organisations	£15 (0%)	£15	cost recovery	S

## Dog warden

	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Seizure of stray dogs – per dog	£25 (0%)	£25	Statutory charge	O/S
Kennelling charges – 1 or 2 days	£39 (3%)	£38	Increase by RPIX	O/S
Kennelling charges – Each additional days	£24 (4%)	£23.00	Increase by RPIX	O/S

## Electoral register

Electoral register	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Proof that you are on the electoral register - certificate of residency - Per register 1st December to 1st December	£0	£0	Free of charge guidance from The Electoral Commission re EU General Data Protection Regulation	
The fees for sale of the full register and notices of alteration - in data format	£20 (0%)	£20	Statutory charge	O/S
The fees for sale of the full register and notices of alteration - in data format per 1000 entries	£1.5 (0%)	£1.50	Statutory charge	O/S
The fees for sale of the full register and notices of alteration - in printed format	£10 (0%)	£10	Statutory charge	O/S
The fees for sale of the full register and notices of alteration - in printed format per 1000 entries	£5 (0%)	£5	Statutory charge	O/S
The fees for sale of the list of overseas electors in data format	£20 (0%)	£20	Statutory charge	O/S
The fees for sale of the list of overseas electors - in data format per 100 entries	£1.5 (0%)	£1.50	Statutory charge	O/S
The fees for sale of the list of overseas electors - in printed format	£10 (0%)	£10	Statutory charge	O/S
The fees for sale of the list of overseas electors - in printed format per 100 entries	£5 (0%)	£5	Statutory charge	O/S

## Enforcement Notice Fee

Charges under Housing act 2004 Section 49 part 1 Notice /Order type	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
<u>Improvement Notice</u> 1-4 Hazards	£290 (0%)		cost recovery	O/S
5 or more hazards	£390 (0%)			
Hazard Aware Notice	£160 (0%)		see above	O/S
<u>Prohibition Order</u> 1-4 Hazards	£290 (0%)		see above	O/S
5 or more hazards	£390 (0%)			
<u>Emergency Prohibition Order</u> 1-4 Hazards	£290 (0%)		see above	O/S
5 or more hazards	£390 (0%)			
Emergency Remedial Action	£290 (0%)		see above	O/S
Demolition Order	£290 (0%)		see above	O/S
Variation of Notice / Order	£80 (0%)		see above	O/S

## Environmental protection

Environmental Permitting Regulations 2016	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
LAPPC part B permits	Statutory – charge dependent on type and process	Statutory – charge dependent on type and process	Statutory – charge dependent on type and process	O/S

## Fixed penalty notices

Depositing litter including gum & cigarettes	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Per offence	£75 (0%)	£75	Set by DEFRA with min and max charge	O/S

Failing to pick up dog faeces on designated land	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Per offence	£50 (0%)	£50	Set by DEFRA with min and max charge	O/S

<b>Abandoning a vehicle</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£120 (0%)	£120	Set by DEFRA with min and max charge	O/S
Per offence full amount	£200 (0%)	£200	Set by DEFRA with min and max charge	O/S

<b>Graffiti &amp; fly posting</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£50 (0%)	£50	Set by DEFRA with min and max charge	O/S
Per offence full amount	£75 (0%)	£75	Set by DEFRA with min and max charge	O/S

<b>Offences in relation to waste receptacles</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£60 (0%)	£60	Set by DEFRA with min and max charge	O/S
Per offence full amount	£80 (0%)	£80	Set by DEFRA with min and max charge	O/S

<b>Failure to produce authority to transport controlled waste</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£180 (0%)	£180	Set by DEFRA with min and max charge	O/S
Per offence full amount	£300 (0%)	£300	Set by DEFRA with min and max charge	O/S

<b>Nuisance parking (sale and repair)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£60 (0%)	£60	Set by DEFRA with min and max charge	O/S
Per offence full amount	£100 (0%)	£100	Set by DEFRA with min and max charge	O/S

<b>Failure to produce waste carrier's licence</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£180 (0%)	£180	Set by DEFRA with min and max charge	O/S
Per offence full amount	£300 (0%)	£300	Set by DEFRA with min and max charge	O/S

<b>Failure to comply with Community Protection Notice</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£60 (0%)	£60	Set by DEFRA with min and max charge	O/S
Per offence full amount	£100 (0%)	£100	Set by DEFRA with min and max charge	O/S

<b>Fly-tipping</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per offence paid within 10 days	£200 (0%)	£200	Set by DEFRA with min and max charge	O/S
Per offence full amount	£400 (0%)	£400	Set by DEFRA with min and max charge	O/S

<b>Food hygiene</b>				
<b>Food hygiene courses</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Per person	£50 (0%)	£50	Discretionary charge - market rate for provision of Courses	EX

## Funfairs and circuses

	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Funfairs and circuses (without performing animals)	Subject to negotiation	Subject to negotiation		EX

## Gambling, gaming & lotteries

<b>Bingo premises licence</b>	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Non conversion provisional statement (hold a provisional statement)	£690 **	£690	* these fees will be reviewed by L,A&GP	O/S
Non conversion - other premises (first time grant)	£1920 **	£1,920	see above	O/S
Annual fees	£550 **	£550	see above	O/S
Variation	£1750 **	£1,750	see above	O/S
Transfer	£665 **	£665	see above	O/S
Reinstatement	£665 **	£665	see above	O/S
Provisional statement (pending premises build):	£1920 **	£1,920	see above	O/S

<b>Adult gaming centre premises licence</b>	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Non conversion provisional statement (hold a provisional statement)	£690 **	£690	* these fees will be reviewed by L,A&GP	O/S
Non conversion - other premises (first time grant)	£1100 **	£1,100	see above	O/S
Annual fees	£550 **	£550	see above	O/S
Variation	£1000 **	£1,000	see above	O/S
Transfer	£665 **	£665	see above	O/S
Reinstatement	£665 **	£665	see above	O/S
Provisional statement (pending premises build):	£1100 **	£1,100	see above	O/S

<b>Family entertainment centre premises licence</b>	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Non conversion provisional statement (hold a provisional statement)	£550 **	£550	* these fees will be reviewed by L,A&GP	O/S
Non conversion - other premises (first time grant)	£1100 **	£1,100	see above	O/S
Annual fees	£450 **	£450	see above	O/S
Variation	£1000 **	£1,000	see above	O/S
Transfer	£525 **	£525	see above	O/S
Reinstatement	£525 **	£525	see above	O/S
Provisional statement (pending premises build):	£1100 **	£1,100	see above	O/S

<b>Betting (tracks) premises licence</b>	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Non conversion provisional statement (hold a provisional statement)	£550 **	£550	* these fees will be reviewed by L,A&GP	O/S
Non conversion - other premises (first time grant)	£1370 **	£1,370	see above	O/S
Annual fees	£550 **	£550	see above	O/S
Variation	£1250 **	£1,250	see above	O/S
Transfer	£525 **	£525	see above	O/S
Reinstatement	£525 **	£525	see above	O/S
Provisional statement (pending premises build):	£1370 **	£1,370	see above	O/S



Betting (other) premises licence	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Non conversion provisional statement (hold a provisional statement)	£690 **	£690	* these fees will be reviewed by L,A&GP	O/S
Non conversion - other premises (first time grant)	£1655 **	£1,655	see above	O/S
Annual fees	£415 **	£415	see above	O/S
Variation	£1500 **	£1,500	see above	O/S
Transfer	£665 **	£665	see above	O/S
Reinstatement	£665 **	£665	see above	O/S
Provisional statement (pending premises build):	£1665 **	£1,665	see above	O/S

Other premises licence charges	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Change of circumstances	£28.5 **	£28.50	* these fees will be reviewed by L,A&GP	O/S
Copy of a premises licence	£17.5 **	£17.50	see above	O/S

Family entertainment gaming machine permit	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application fee	£300 (0%)	300.00	Statutory charge	O/S
Renewal	£300 (0%)	300.00	Statutory charge	O/S

Prize gaming permit	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application fee	£300 (0%)	£300	Statutory charge	O/S
Renewal	£300 (0%)	£300	Statutory charge	O/S

Prize gaming permit	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application fee	£200 (0%)	£200	Statutory charge	O/S
Fast track	£100 (0%)	£100	Statutory charge	O/S
Annual fee	£50 (0%)	£50	Statutory charge	O/S
Renewal	£200 (0%)	£200	Statutory charge	O/S
Variation	£100 (0%)	£100	Statutory charge	O/S

Club machine permit	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application fee	£200 (0%)	£200	Statutory charge	O/S
Fast track	£100 (0%)	£100	Statutory charge	O/S
Annual fee	£50 (0%)	£50	Statutory charge	O/S
Renewal	£200 (0%)	£200	Statutory charge	O/S
Variation	£100 (0%)	£100	Statutory charge	O/S

Licensed premises gaming machine permit	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application fee	£150 (0%)	£150	Statutory charge	O/S
Annual fee	£50 (0%)	£50	Statutory charge	O/S
Variation	£100 (0%)	£100	Statutory charge	O/S
Transfer	£25 (0%)	£25	Statutory charge	O/S

Licensed premises gaming machine notification	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Application fee	£50 (0%)	£50	Statutory charge	O/S

Other permit and notification charges	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Change of name	£25 (0%)	£25	Discretionary up to a statutory limit.	O/S
Copy of permit	£15 (0%)	£15	Discretionary up to a statutory limit.	O/S

Small society lotteries	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Registration	£40 (0%)	£40	Statutory charge	O/S
Annual fee	£20 (0%)	£20	Statutory charge	O/S

### Hair and beauty registration

Acupuncture, tattooing, ear piercing and electrolysis registration	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Per premises	£177 (2%)	£173	Increase by RPIX	O/S
Per person	£99 (2%)	£97	Increase by RPIX	O/S

### Halls and pavilions

Per session	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Southwood Community Centre – per hour	£18.5 (3%)	£18.00	Increase by RPIX	S
Cove Green Pavilion	£17.5 (3%)	£17.00	Increase by RPIX	EX
Rectory Road Pavilion	£17.5 (3%)	£17.00	Increase by RPIX	EX
Blunden Hall – Morning sessions	£22 (2%)	£21.50	Increase by RPIX	EX
Blunden Hall – Afternoon sessions	£22 (2%)	£21.50	Increase by RPIX	EX
Blunden Hall – Evening sessions	£30 (2%)	£29.50	Increase by RPIX	EX
Blunden Hall – Parties	£46 (2%)	£45.00	Increase by RPIX	EX
Note: Sessions generally as follows: Morning: 9am-1.30pm Afternoon: 1.30pm-6pm Evening: 6pm-11pm				
rounded to 50p				

### Highways

Access protection marking	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Single	£175 (0%)	£175	cost basis recharge	S
Double	£215 (0%)	£215	cost basis recharge	S
For lines over 10m addition charge per metre		£5	cost basis recharge	S

### HMO licensing

Licence Fee (5-year licence)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Per HMO, occupied by up to 5 persons	£800 (2%)	£781	Increase by RPIX	O/S
Per HMO, occupied by between 6-10 persons	£1004 (2%)	£981	Increase by RPIX	O/S
Per HMO, occupied by between 11-15 persons	£1198 (2%)	£1,170	Increase by RPIX	O/S
Per HMO, occupied by between 16-20 persons	£1403 (2%)	£1,370	Increase by RPIX	O/S
Per HMO, occupied by 21+ residents	£1599 (2%)	£1,562	Increase by RPIX	O/S

## Land charges

Land charges	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
LLC1 charges - LLC1 - search in the whole register	£36 (0%)	£36	To be reviewed in 2020/21	O/S
LLC1 charges - Additional parcels of land each	£6 (0%)	£6	as above	O/S
(1 ) Full search charges - LLC1 and CON 29 ® -Full search - apply using online form per search	£145.2 (0%)	£145.20	as above	LLC1 element = O/S CON29 element =S
Full search charges - LLC1 and CON 29 ® -Additional parcels of land each	£16.8 (0%)	£16.80	as above	LLC1 element = O/S CON29 element =S
CON 29 (R) charges - CON 29 ®	£91 (0%)	£91	as above	S
CON 29 (O) - optional enquiries - Questions 4 and 21 , 22	£32.5 (0%)	£32.50	as above	S
CON 29 (R) charges - Additional parcels of land each	£9 (0%)	£9.00	as above	S
CON 29 (O) - optional enquiries -All other optional enquiries each	£10 (0%)	£10	as above	S
CON 29 (O) - optional enquiries - Additional enquiries (applicant's own), each	£20 (0%)	£20	as above	S

Note - (1) rate shown including Vat, mixed supply for VAT purposes

## On street parking

Alexandra Road - Monday to Saturday (including public holidays)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	Reviewed annually	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

Grosvenor Road - Monday to Sunday (including public holidays)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

High Street (short stay bays) - Monday to Sunday (including public holidays)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>High Street (long stay bays) - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	Reviewed annually	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Station Road (short stay bays) - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 6pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 6pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 6pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>Station Road (Long stay bays) - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Heathland Street - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>Crimea Road - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Northmead - charges apply 5pm- 10pm. (7am-5pm no parking as loading bay only )</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
20 mins	£0.2 (0%)	£0.20	as above	O/S
40 mins	£0.4 (0%)	£0.40	as above	O/S
60 mins	£0.6 (0%)	£0.60	as above	O/S

<b>Pickford Street - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Birchett Road (short stay bays)- Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	Reviewed annually	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>Birchett Road (long stay bays)- Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Edward Street - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Barrack Road - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Frederick Street - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>Gordon Road - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>Victoria Road (short stay bays) - Monday to Sunday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 10pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 10pm - Up to 30 mins	£0.4 (0%)	£0.40	as above	O/S
8am to 10pm - Up to 45 mins	£0.6 (0%)	£0.60	as above	O/S
8am to 10pm - Up to 60 mins	£0.8 (0%)	£0.80	as above	O/S

<b>Victoria Road (long stay bays) - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 8pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	Reviewed annually	O/S
8am to 8pm - All day	£5.5 (0%)	£5.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>East Station Road parking area - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
7am to 5pm - Up to 5 hours - per hour	£0.6 (0%)	£0.60	as above	O/S
7am to 5pm - All day	£5.5 (0%)	£5.50	as above	O/S
7am to 5pm - Two day	£11 (0%)	£11	as above	O/S
7am to 5pm - Three day	£16.5 (0%)	£16.50	as above	O/S
7am to 5pm - Four day	£22 (0%)	£22	as above	O/S
7am to 5pm - Five day	£27.5 (0%)	£27.50	as above	O/S
Sunday - All day	FREE	FREE	as above	O/S

<b>Salisbury Road parking area - Monday to Saturday (including public holidays) White bays - 8am - 7pm and Red bays - 8am -</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Up to 20 mins	£0.2 (0%)	£0.20	as above	O/S
Up to 40 mins	£0.4 (0%)	£0.40	as above	O/S
Up to 60 mins	£0.6 (0%)	£0.60	as above	O/S

<b>Station Road - Monday to Friday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - All day	£5 (0%)	£5	as above	O/S

<b>Camp Road - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 6pm - Up to 30 mins	£0.3 (0%)	£0.30	as above	O/S
8am to 6pm - Up to 60 mins	£0.5 (0%)	£0.50	as above	O/S

<b>Lynchford Road - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 6pm - Up to 30 mins	£0.3 (0%)	£0.30	as above	O/S
8am to 6pm - Up to 60 mins	£0.5 (0%)	£0.50	as above	O/S

<b>Queens Road - Monday to Saturday (including public holidays)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
8am to 6pm - Up to 15 mins	£0.2 (0%)	£0.20	as above	O/S
8am to 6pm - Up to 30 mins	£0.3 (0%)	£0.30	as above	O/S
8am to 6pm - Up to 60 mins	£0.5 (0%)	£0.50	as above	O/S

<b>Resident parking permits</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
First permit a year	£50 (11%)	£45	Increase in line with Hampshire County Council operational policy for residential parking schemes	O/S
Second permit a year	£75 (15%)	£65		O/S
Lost or damaged permit	£10 (0%)	£10		O/S
Visitor Permit ( new permit	£15			

### **Out-of-hours emergency service**

<b>Out-of-Hours Emergency Service</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Call-out charge to attend to incidents	This charge is out-of- hours officer time which is charged at a minimum of two hours	This charge is out-of- hours officer time which is charged at a minimum of two hours		O/S

### **Parking penalty charge**

<b>Parking penalty charge</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Contravention Level High - Paid within 14 days	£35 (0%)	£35	Statutory charge	O/S
Contravention Level High - Paid after 14 days	£70 (0%)	£70	Statutory charge	O/S
Contravention Level High - Paid after Charge Certificate	£105 (0%)	£105	Statutory charge	O/S
Contravention Level Low - Paid within 14 days	£25 (0%)	£25	Statutory charge	O/S
Contravention Level Low - Paid after 14 days	£50 (0%)	£50	Statutory charge	O/S
Contravention Level Low - Paid after Charge Certificate	£75 (0%)	£75	Statutory charge	O/S

### **Pests & pest control**

<b>Pests &amp; pest control</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Domestic Premises - Rats, mice	No longer provide as a free service. Have an appointed supplier who offers discounted rates	Free service offered for single family dwellings		O/S
Domestic Premises - Cockroaches, bedbugs		No longer provided as a service, except for those in receipt of qualifying benefits in non commercial premises		O/S

### **Planning application fees**

<b>Householder planning applications</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
To alter or add to an existing property	£206 (0%)	£206	Fees set nationally	O/S
To erect outbuildings, fences, access alterations, etc within the boundaries of your property	£206 (0%)	£206	see above	O/S
To alter, or add to, two or more existing properties	£407 (0%)	£407	see above	O/S

<b>Outline planning applications</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
For a site area up to 2.5 hectares - for each 0.1 hectare (or part of) of the site area	£462 (0%)	£462	Fees set nationally	O/S
For a site area over 2.5 hectares	£11,432, plus £138 for each additional 0.1 hectare. Up to a maximum of £150,000	£11,432, plus £138 for each additional 0.1 hectare. Up to a maximum of £150,000	see above	O/S

<b>Full planning permission or reserved matters application</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Erection of housing - For a development of 50 or fewer houses	£462 for each house	£462 for each house	Fees set nationally	O/S
Erection of housing - For a development of more than 50 houses	£22,859 plus £138 for each additional house. Up to a maximum of £300,000	£22,859 plus £138 for each additional house. Up to a maximum of £300,000	see above	O/S
Erection of glasshouses on agricultural land - New floor space up to 465 square metres	£96 (0%)	£96	see above	O/S
Erection of glasshouses on agricultural land - New floor space of more than 465 square metres	£2580 (0%)	£2,580	see above	O/S
Erection of other agricultural buildings on agricultural land - New floor space up to 465 square metres	£96 (0%)	£96	see above	O/S
Erection of other agricultural buildings on agricultural land - New floor space of more than 465 square metres, but not exceeding 540 square metres	£462 (0%)	£462	see above	O/S
Erection of other agricultural buildings on agricultural land - New floor space of more than 540 square metres, but not exceeding 4,215 square metres	£462 for the first 540 square metres, plus £462 for each additional 75 square metres	£462 for the first 540 square metres, plus £462 for each additional 75 square metres	see above	O/S
Erection of other agricultural buildings on agricultural land - New floor space of more than 4,215 square metre	£22,859 plus £138 for each additional 75 square metre. Up to a maximum of £300,000	£22,859 plus £138 for each additional 75 square metre. Up to a maximum of £300,000	see above	O/S
Erection, alterations or replacement of plant or machinery - For a site area of up to 5 hectares	£462 for each 0.1 hectare	£462 for each 0.1 hectare	see above	O/S
Erection, alterations or replacement of plant or machinery - For a site area of more than 5 hectares	£22,859, plus £138 for each additional 0.1 hectare. Up to a maximum of £300,000	£22,859, plus £138 for each additional 0.1 hectare. Up to a maximum of £300,000	Fees set nationally	O/S
Erection, alterations or replacement of plant or machinery - Work to enclose the boundaries of your property, such as erecting gates,	£206 (0%)	£206.00	see above	O/S
Erection, alterations or replacement of plant or machinery - Car parks, service roads and other accesses	£234 (0%)	£234.00	see above	O/S
The winning and working of minerals - For a site area of up to 15 hectares	£234 for each 0.1 hectare	£234 for each 0.1 hectare	see above	O/S
The winning and working of minerals - For a site area of more than 15 hectares	£34,934, plus £138 for each additional 0.1 hectare. Up to a maximum of £78,000	£34,934, plus £138 for each additional 0.1 hectare. Up to a maximum of £78,000	see above	O/S
The winning and working of minerals - For all other cases where the site is more than 15 hectares	£234 for each 0.1 hectare. Up to a maximum of £300,000	£234 for each 0.1 hectare. Up to a maximum of £300,000	see above	O/S



<b>To change a building to use as one or more separate houses</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Where the change of use is for up to 50 houses	£462 for each additional house	£462 for each additional house	Fees set nationally	O/S
Where the change of use is for more than 50 houses	£22,859 plus £138 for each additional house (over 50). Up to a maximum of £300,000	£22,859 plus £138 for each additional house (over 50). Up to a maximum of £300,000	see above	O/S
To make a material change in use of a building or land, other than as above	£462 (0%)	£462	see above	O/S

<b>Other applications</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
To vary a condition imposed on an earlier permission	£234 (0%)	£234	Fees set nationally	O/S
To remove a condition imposed on an earlier permission	£234 (0%)	£234	see above	O/S
To renew temporary permission	£234 (0%)	£234	see above	O/S

<b>Advertisements</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
To advertise the nature of the business or activity carried out on the premises	£132 (0%)	£132	Fees set nationally	O/S
To advertise the goods sold or services provided on the premises	£132 (0%)	£132	see above	O/S
To advertise the name and qualifications of the person carrying out the business or activity or supplying goods or services	£132 (0%)	£132	see above	O/S
Advance signs directing people to a business, but which are not situated on or visible from the site	£132 (0%)	£132	see above	O/S
All other advertisements	£462 (0%)	£462	see above	O/S

<b>Lawful development certificates</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Lawful development certificate for an existing use of land or an operational development not supported by an 'established use' certificate	Same as for an equivalent planning application	Same as for an equivalent planning application	Fees set nationally	O/S
Lawful development certificate for an existing use of land or an operational development supported by an 'established use' certificate	Half the fee of an equivalent planning application	Half the fee of an equivalent planning application	see above	O/S
Lawful development certificate for a proposed use of buildings or land	Half the fee of an equivalent planning application	Half the fee of an equivalent planning application	see above	O/S

<b>Conditions applications</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Approval of details required by conditions - per application (not condition)	£116 (0%)	£116	Fees set nationally	O/S
Confirmation that the conditions have been complied with - per request	£116 (0%)	£116	see above	O/S
For householders applying for the above - for each request	£34 (0%)	£34	see above	O/S

<b>Applications for new planning permission to replace existing (known as extant) planning permission</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Household application	£68 (0%)	£68	Fees set nationally	O/S
Major application	£690 (0%)	£690	see above	O/S
Other applications	£234 (0%)	£234	see above	O/S
<b>Applications to make non-material changes</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Household application	£34 (0%)	£34	Fees set nationally	O/S
Other applications	£234 (0%)	£234	see above	O/S

<b>All other applications</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
For other applications not mentioned above	£234 for each 0.1 hectare of the site, up to a maximum of £2,028	£234 for each 0.1 hectare of the site, up to a maximum of £2,028	Fees set nationally	O/S

<b>Determinations</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Larger home extensions under Schedule 2, Part 1, Class A paragraph A.1(g) of the General Permitted Development Order 2015	£96 (0%)	£96	Fees set nationally	O/S
Agriculture / forestry buildings or private ways	£96 (0%)	£96	Fees set nationally	O/S
Demolition of building only (where no other development is taking place)	£96 (0%)	£96	see above	O/S
Installation of a radio mast, antennae over 4m above roof of building, radio equipment housing over 2.5 cubic metres, development ancillary to equipment housing or public call box	£462 (0%)	£462	see above	O/S

### **Planning information fees**

	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Building regulation application decisions and completion certificates Per document	£20 (0%)	£20	no planned increase in fees for 2020/21	O/S
Replies to written requests from solicitors, developers or professional agents	£40 (0%)	£40	see above	O/S
Advice on obligations in legal agreements First obligation	£250 (0%)	£250	see above	O/S
Advice on obligations in legal agreements Each obligation after that	£40 (0%)	£40	see above	O/S
Advice on obligations in legal agreements Carry out site visit	£240 (0%)	£240	see above	O/S
General research enquiries - Zoning	£60 (0%)	£60	see above	O/S
General research enquiries - Listed building	£60 (0%)	£60	see above	O/S
General research enquiries - Conservation area	£60 (0%)	£60	see above	O/S
General research enquiries - Tree Preservation Order	£60 (0%)	£60	see above	O/S
General research enquiries - Planning or building regulation history	£200 (0%)	£200	see above	O/S
General research enquiries - Permitted planning use	£335 (0%)	£335	see above	O/S
Information on other developments in the surrounding area - Site specific	£200 (0%)	£200	see above	O/S
Information on other developments in the surrounding area - Site specific (including land and specifying its uses)	£240 (0%)	£240	see above	O/S
Information on other developments in the surrounding area - Informal confirmation of whether planning permission or building regulation approval is required for a development that has already been carried	£265 (0%)	£265	see above	O/S
Photocopying and microfiche charges A4	£0.2 (0%)	£0.20	see above	O/S
Photocopying and microfiche charges A5	£0.5 (0%)	£0.50	see above	O/S

Photocopying and microfiche charges A2	£10 (0%)	£10	see above	O/S
Photocopying and microfiche charges A1	£18 (0%)	£18	see above	O/S
Photocopying and microfiche charges A0	£30 (0%)	£30	see above	O/S

### Planning pre-application advice

Pre-application advice	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Major	£720 (0%)	£720	Fees agreed at Cabinet 6/3/18	O/S
Minor	£240 (0%)	£240	see above	O/S
Householder	£40 (0%)	£40	see above	O/S

### Princes Hall

Main Hall (Non-commercial within Borough) Per hour	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Monday- Wednesday	£71 (1%)	£70	RPIX increase. In practice, hire charges are often agreed by negotiation, (during quieter periods, late bookings, etc), and established regular hirers will not be disadvantaged.	S*
After midnight rate x 1.5	£107 (2%)	£105		S*
Thursday - Friday	£92 (2%)	£90		S*
After midnight rate x 1.5	£138 (2%)	£135		S*
Saturday	£112 (2%)	£110		S*
After midnight rate x 1.5	£168 (2%)	£165		S*
Sunday (Bank holiday)	£133 (2%)	£130		S*
After midnight rate x 1.5	£199 (2%)	£195		S*

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Main Hall (Commercial) Per hour	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Monday-Wednesday	£122 (2%)	£120	Main auditorium RPIX increase. In practice, hire charges are often agreed by negotiation, (during quieter periods, late bookings, etc), and established regular hirers will not be disadvantaged.	S*
After midnight rate x 1.5	£184 (2%)	£180		S*
Thursday-Friday	£143 (2%)	£140		S*
After midnight rate x 1.5	£214 (2%)	£210		S*
Saturday	£163 (2%)	£160		S*
After midnight rate x 1.5	£245 (2%)	£240		S*
Sunday (Bank holiday)	£184 (2%)	£180		S*
After midnight rate x 1.5	£275 (2%)	£270		S*

Tichborne Suite (Non -commercial) Per hour	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Monday-Saturday	£36 (3%)	£35	Tichborne suite - RPIX increase. In practice, hire charges are often by negotiation.	S*
After midnight rate x 1.5	£54 (2%)	£53		S*
Sunday	£46 (2%)	£45		S*
After midnight	£69 (1%)	£68		S*

S\* - hire is generally VATable but if the hire is self-contained then exempt VAT

<b>Tichborne Suite (Commercial) Per hour</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday-Saturday	£51 (2%)	£50	Tichborne suite, RPIX increase. In practice, hire charges are often by negotiation.	S*
After midnight	£76 (1%)	£75		S*
Sunday	£71 (1%)	£70		S*
After midnight	£107 (2%)	£105		S*

<b>Edinburgh Suite Per hour</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Non-commercial Monday-Saturday	£26 (4%)	£25	RPIX increase.	S*
Non-commercial Sunday	£36 (3%)	£35		S*
Commercial Monday-Saturday	£36 (3%)	£35		S*
Commercial Sunday	£51 (2%)	£50		S*
after midnight rate is x 1.5				S*

<b>Foyer Bar</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Non-commercial Monday-Saturday	£26 (4%)	£25	RPIX increase.	S*
Non-commercial Sunday	£36 (3%)	£35		S*
Commercial Monday-Saturday	£36 (3%)	£35		S*
Commercial Sunday	£51 (2%)	£50		S*
after midnight rate is x 1.5				S*

<b>Princes Suite (Non Commercial)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday-Saturday	£46 (2%)	£45	RPIX increase. In practice, hire charges are often by negotiation.	S*
After midnight	£69 (1%)	£68		S*
Sunday	£71 (1%)	£70		S*
After midnight	£107 (2%)	£105		S*

<b>Princes Suite (Commercial)</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Monday-Saturday	£71 (1%)	£70	RPIX increase. In practice, hire charges are often by negotiation.	S*
After midnight	£107 (2%)	£105		S*
Sunday	£102 (2%)	£100		S*
After midnight	£153 (2%)	£150		S*

<b>Other</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Stewards – per hour	£10 (5%)	£9.50	cost recovery	S
Door supervisors – per hour	£24 (9%)	£22.00	as above	S
Box office open at event – per performance (Monday- Saturday)	£100 (0%)	£100	as above	S
Box office open at event – per performance (Sunday)	£120 (0%)	£120	as above	S
Tickets – if Princess Hall sells	£0.05 (0%)	£0.05	as above	S
Tickets – if hirer sells	£0.1 (0%)	£0.10	as above	S

Other charges (Non -commercial)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Ticket sales	5% of gross	5% of gross	Charge for service	S
Inclusion on 'What's On' Brochure	£150 (0%)	£150	as above	S
Full stage lighting/sound equipment including services of one technician	£100 (0%)	£100.00	Cost recovery	S
Use of baby-grand piano on stage	£90 (0%)	£90.00	as above	S

Other charges (Commercial)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Ticket sales	10% of gross	10% of gross	Charge for service	S
Inclusion on 'What's On' Brochure	£150 (0%)	£150	as above	S
Full stage lighting/sound equipment including services of one technician	£200 (0%)	£200.00	Cost recovery	S
Use of baby-grand piano on stage	£120 (0%)	£120.00	as above	S

### Print charges

Print charges	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Graphics A0 1 to 10	£15 (0%)	£15	basis of charges drawn up with due regard to demand expectations. Costs of production vary depending upon market prices for paper, service production and supply charges	S
Graphics A0 11+	£12 (0%)	£12		S
Graphics A1 1 to 10	£8 (0%)	£8		S
Graphics A1 11+	£6 (0%)	£6		S
Graphics A2 1 to 10	£5 (0%)	£5		S
Graphics A2 11+	£3.75 (0%)	£3.75		S
CAD colour A0 1 to 10	£4 (0%)	£4	as above	S
CAD colour A0 11+	£3 (0%)	£3	as above	S
CAD colour A1 1 to 10	£3 (0%)	£3	as above	S
CAD colour A1 11+	£2.25 (0%)	£2.25	as above	S
CAD colour A2 1 to 10	£2 (0%)	£2	as above	S
CAD colour A2 11+	£1.5 (0%)	£1.50	as above	S
CAD mono A0 1 to 10	£2 (0%)	£2	as above	S
CAD mono A0 11+	£1.5 (0%)	£1.50	as above	S
CAD mono A1 1 to 10	£1.5 (0%)	£1.50	as above	S
CAD mono A1 11+	£1.15 (0%)	£1.15	as above	S
CAD mono A2 1 to 10	£1 (0%)	£1	as above	S
CAD mono A2 11+	£0.75 (0%)	£0.75	as above	S
Lamination A0 1 to 10	£10 (0%)	£10	as above	S
Lamination A0 11+	£7.5 (0%)	£7.50	as above	S
Lamination A1 1 to 10	£7 (0%)	£7	as above	S
Lamination A1 11+	£5.25 (0%)	£5.25	as above	S
Lamination A2 1 to 10	£4 (0%)	£4	as above	S
Lamination A2 11+	£3 (0%)	£3	as above	S

Lamination A3 Per sheet	£1.25 (0%)	£1	as above	S
Lamination A4 Per sheet	£1 (0%)	£1.00	as above	S
Comb binding from	£0.4 (0%)	£0.40	as above	S
Finishing per hour	£36 (0%)	£36	as above	S
Scanning A0 1 to 10	£4 (0%)	£4	as above	S
Scanning A0 11+	£3 (0%)	£3	as above	S
Scanning A1 1 to 10	£2 (0%)	£2	as above	S
Scanning A1 11+	£1.5 (0%)	£1.50	as above	S
Printing A4 Black and White 1-250	£0.03 (0%)	£0.03	as above	S
Printing A4 Black and White 251-500	£0.03 (0%)	£0.03	as above	S
Printing A4 Black and White 501+	£0.02 (0%)	£0.02	as above	S
Printing A3 Black and White 1-250	£0.5 (0%)	£0.50	as above	S
Printing A3 Black and White 251-500	£0.05 (0%)	£0.05	as above	S
Printing A3 Black and White 501+	£0.04 (0%)	£0.04	as above	S
Printing A4 Colour 1-250	£0.15 (0%)	£0.15	as above	S
Printing A4 Colour 251-500	£0.14 (0%)	£0.14	as above	S
Printing A4 Colour 501+	£0.12 (0%)	£0.12	as above	S
Printing A3 Colour 1-250	£0.2 (0%)	£0.20	as above	S
Printing A3 Colour 251-500	£0.18 (0%)	£0.18	as above	S
Printing A3 Colour 501+	£0.16 (0%)	£0.16	as above	S
Card A4 per sheet	£0.07 (0%)	£0.07	as above	S
Card A3 per sheet	£0.14 (0%)	£0.14	as above	S
Engagement in substantial Printing services with outside bodies			subject to negotiation with clients	S

### Property inspections

Property Inspections	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Inspections requested by the British High Commission (Housing Services)	£151 (3%)	£147	Increase by RPIX	O/S

### Room charges

room charges per hour	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Concorde	£35 (0%)	£35	No change benchmarked against other authorities	S
Wellington	£20 (0%)	£20		S
Montgomery	£20 (0%)	£20	as above	S
Vulcan	£20 (0%)	£20	as above	S
Chamber	£30 (0%)	£30	as above	S
Refreshments - per head	£1 (0%)	£1	as above	S

### Scrap metal dealer's licence

For three years	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Scrap Metal Dealers – Site Licence – New or Renewal	£400 **	£400	* to be reviewed at L,A &GP	O/S
Scrap Metal Dealers – Collectors Licence – New or Renewal	£160 **	£160	as above	O/S
Variation to either Site or Collectors Licence	£80 **	£80	as above	O/S

### Sex shops

Sex shops	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Initial application	£1115 (0%)	£1,115	cost recovery	O/S
Application to transfer a licence	£1115 (0%)	£1,115	as above	O/S
Renewal of a licence	£270 (0%)	£270	as above	O/S

### Street naming and numbering

Street naming and numbering	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Change of house name (where property has no postal number)	£50 (0%)	£50	cost recovery	O/S
Change of building name/address for commercial units	£100 (0%)	£100	cost recovery	O/S
New development application fee plus costs per plot as below :	£75 (%)	£75	benchmarked across area	O/S
New Development of 1 (flat fee for 1 property )	£25 (0%)	£25	cost recovery	O/S
New Development of 2-10 plots (per plot))	£25 (0%)	£25	cost recovery	O/S
New Development of 11-25 plots (per plot)	£20 (0%)	£20	as above	O/S
New Development of +6 plots (per plot)	£15 (0%)	£15	as above	O/S
New Development of 50 + plots (per plot)	£10 (0%)	£10	as above	O/S
Naming of new block of flats/building	Included in new development fee	Included in new development fee	as above	O/S
Change to new addresses due to the development changing after the schedule has been issued	£15 (0%)	£15	as above	O/S
Research archive for address history	£150 (0%)	£150	as above	O/S

### Street trading

Street trading	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Street trading consent	£342 **	£342	* to be reviewed at L,A &GP	O/S
Street trading consent - profits to charity	£117.5 **	£117.50	as above	O/S

### Tables and chairs on the highway

Tables and chairs on the highway	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Permit	£187 **	£187	* to be reviewed at L,A &GP	O/S

\*\* these fees are currently being reviewed and any changes will be presented to Licencing, Audit and general purposes committee for approval

## Taxi licence fees

Vehicles	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Hackney carriage vehicle licence	£200 **	£200	* to be reviewed at L,A &GP	O/S
Private hire vehicle licence	£170 **	£170	as above	O/S
Plate fee new	£31 **	£31	as above	O/S
Plate fee renewal	£23 **	£23	as above	O/S
Hard plate exemption	£10 **	£10	as above	O/S

Drivers	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Private hire driver licence - One year	£70 **	£70	* to be reviewed at L,A &GP	O/S
Private hire driver licence - Three year	£200 **	£200	as above	O/S
Hackney carriage driver licence – One year	£80 **	£80	as above	O/S
Hackney carriage driver licence – Three year	£225 **	£225	as above	O/S
Combined driver( HC and PH) driver licence – One year	£80 **	£80	as above	O/S
Combined driver( HC and PH) driver licence – Three year	£225 **	£225	as above	O/S
Knowledge test	£35 **	£35	as above	O/S
DVLA data subject enquiry fee	£5 **	£5	as above	O/S
Disclosure and Barring Service (DBS) Check (enhanced) - wef October 2019 (following DBS service changing charges)	£40 (-9%)	£44	as above	O/S

Other (miscellaneous)	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Replacement driver/vehicle/operator licence	£20 **	£20	* to be reviewed at L,A &GP	O/S

Operators	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Private hire operator's licence – One year	£215 **	£215	* to be reviewed at L,A &GP	O/S
Private hire operator's licence - Three year	£350 **	£350	as above	O/S
Private hire operator's licence - Five year	To be established	To be established	as above	O/S
Disclosure and Barring Service (DBS) Check (basic) wef oct 2019 (following DBS service changing charges)	£23 (-12%)	£26	as above	O/S

## Waste Management

Admin charges for new bins	Charge for 2020/21	Charge for 2019/20	Methodology in reviewing the charge	VAT indicator
Administration charge for provision of bins – single property	£32.5 (3%)	£31.50	Increase by RPIX	S
Administration charge for provision of bins – up to 5 properties	£51 (2%)	£50.00	Increase by RPIX	S
Administration charge for provision of bins – up to 20 properties	£76.5 (3%)	£75	Increase by RPIX	S
Administration charge for provision of bins – over 20 properties	£102.5 (3%)	£100	Increase by RPIX	S



<b>Developer charges for new bins</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
140L bin (delivered)	£33.87 (0%)	£33.87	cost recovery	S
240L bin (delivered)	£36.87 (0%)	£36.87	as above	S
360L bin (delivered)	£54.87 (0%)	£54.87	as above	S
240L glass bin (delivered)	£64.87 (0%)	£64.87	as above	S
Glass box (delivered)	£8.45 (0%)	£8.45	as above	S
1100L refuse bin (delivered)	£164.87 (0%)	£164.87	as above	S
1100L recycling bin (delivered)	£214.87 (10%)	£194.87	as above	S

<b>Bulky waste collection</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Standard charge for up to 3 items (Every fridge to count as 3 items)	£38 (0%)	£38	Proposal to hold prices due to HWRC proposed changes	O/S
Concessions	£19.5 (0%)	£19.50	see above	O/S

<b>Garden waste composting service</b>	<b>Charge for 2020/21</b>	<b>Charge for 2019/20</b>	<b>Methodology in reviewing the charge</b>	<b>VAT indicator</b>
Maximum 240L per collection,	£42 (8%)	£39	Increase to reflect the accumulative increase in contractor costs since 2017. Review annually	O/S
Single-use sacks	£10 (0%)	£10		O/S

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**CABINET**

**4<sup>th</sup> February, 2020**

**COUNCILLOR DAVID CLIFFORD  
LEADER OF THE COUNCIL  
REPORT NO. ELT2001**

**KEY DECISION? NO**

**COUNCIL BUSINESS PLAN  
QUARTERLY UPDATE OCTOBER – DECEMBER 2019/20**

**SUMMARY AND RECOMMENDATIONS:**

This paper sets out the Council Business Plan performance monitoring information for the third quarter of 2019/20, building on the 16 priorities under the four themes of People, Place, Partnerships and Better Public Services.

The paper brings together the performance monitoring of the actions identified as key activities in 2019/20 from our three year business plan and the two key programmes of work which are vital for delivering the priorities, the Regeneration Programme and the ICE Programme.

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

**1. Introduction**

- 1.1 In July 2019 the Council agreed the vision for the borough (Your future, your place - a vision for Aldershot and Farnborough 2030) and our three-year Council Business Plan with sixteen priorities under the four themes of People, Place, Partnerships and Better Public Services, which will help realise the vision. This paper sets out performance monitoring information for the Council Business Plan for the period of October to December 2019.
- 1.2 Whilst this report is written under the name of the Leader there are three Portfolio Holders who are responsible for monitoring the delivery of the Council Business Plan, Cllr Adrian Newell who is Democracy, Strategy and Partnership Portfolio Holder, Cllr Martin Tennant who is the Major Projects and Property Portfolio Holder and Cllr Ken Muschamp who is Customer Experience and Improvement Portfolio Holder.

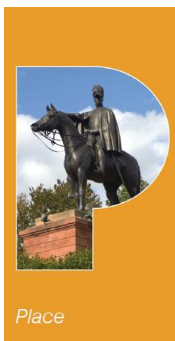
**2. Detail**

- 2.1 The Council Business Plan is a three year plan, which will deliver the Cabinet's 16 priorities which are set out under the four themes of People, Place, Partnerships and Better Public Services:



## People

- We will help improve the health and wellbeing of residents
- We will encourage volunteering and being involved, and help people become more connected within their communities
- We will help residents to remain independent in their homes
- We will help our residents and businesses be sustainable – including reducing waste, recycling more and making sustainable transport choices e.g. cycling



## Place

- We will continue to drive forward the regeneration of Aldershot and Farnborough town centres
- We will maintain and develop excellent indoor and outdoor facilities
- We will increase our response to addressing climate change and other environmental issues
- We will facilitate more homes being built that will meet the needs of local people
- We will work to grow the local economy in a sustainable way



## Partnerships

- We will work with our partners to help people feel safer
- We will strengthen relationships with the voluntary and community sectors to maximise the value they bring to our community
- We will continue to support our military community
- We will work with schools, businesses and other partners to improve educational attainment and raise career aspirations



## **Better public services**

- We will transform and modernise the way we deliver our services to customers
- We will listen and learn from our residents and businesses and excellent services to residents
- We will manage our finances well, increase income and deliver the savings and efficiencies we need to ensure we can deliver excellent services to residents

- 2.2 The Council Business Plan sets out what the Council is planning to delivery over the three years and the key activities over the next year (2019/20) that will help to deliver the priorities and support the realisation of the vison.

### **3. Key programmes of work that support the Council Business Plan**

- 3.1 There are two key programmes which are vital for delivering the priorities and the Council Business Plan, the Regeneration Programme and the ICE Programme.
- 3.2 Cabinet established the 'Regenerating Rushmoor' programme in June 2018 to enable delivery of the Council's regeneration ambitions. The programme is a partner co-ordinated approach addressing economic and place-making challenges and opportunities across the Borough. It directly addresses a number of priorities in the Council Plan, in particular "driving forward with the regeneration of Aldershot and Farnborough town centres. The programme sets out a vision for the town centres in 2028:

*"In 2028 the town centres of Aldershot and Farnborough will have a compelling offer and be vibrant and vital - they will have experienced a significant transformation and renaissance. With prosperous economies, they will be key destinations for residents, visitors, employers and investors. High-quality mixed-use redevelopment is offering an attractive environment with a distinctive retail, leisure, cultural, employment and residential offer. Aldershot and Farnborough town centres will be places that people are proud of and want to visit and spend their time and money in – whether by day or in the evening. Catering for everyone, they will offer a dynamic programme of cultural events, markets and activities building upon their unique heritage and histories. They will have strong reputations as family friendly town centres that positively complement their respective global brands'.*

- 3.3 The Council's transformation programme, known as the ICE programme, was confirmed on 15 October, 2019 and the agreed programme outcomes are as follows:

#### **Improved and modernised core business**

This means:

- The Council will be thinking digitally and understanding how it can use technology to improve services, increase productivity and create capacity and flexibility
- The Council will have redesigned services, targeting its resources on residents' and businesses' needs and our agreed priorities
- Everyone will feel well informed and connected and can collaborate in ways that support the delivery of the Council's collective priorities and not just its individual work
- A clear workforce strategy will be in place to make sure the Council have the skills it needs now – and tomorrow

#### **Consistently excellent Customer Experience**

This means:

- The Council will offer consistently excellent customer service with a single/combined customer service as close to the customer as possible. The Council will work towards delivering a single-view of the customer throughout the Council.

- The Council will have implemented and simplified the technology and processes it needs to create consistent and excellent customer journeys for many of its services across multiple channels
- The Council's customers will have more opportunities to 'self-serve', reducing contact and saving time and money
- Customers will be happy and confident to self-serve and use lower-cost channels
- The Council will be more visible out in the borough and better connected in how it looks after the place
- The Council will be making sure the residents and businesses are well informed about its priorities, services and campaigns

### **Enable efficiencies, delivered savings and generated more income**

This means:

- The Council will have achieved at least £1.5 million of ongoing net expenditure reductions by the end of the programme
- The Council will be thinking about the future of services across the borough differently and taking opportunities to manage, reduce or turn off demand
- The Council will be thinking and working in a 'commercially aware' way - understanding and managing costs better, and maximising opportunities to generate income and to recover its costs
- The Council will be using procurement to help deliver efficiencies and savings whilst ensuring that wider policy requirements are met.

## **4. Performance monitoring**

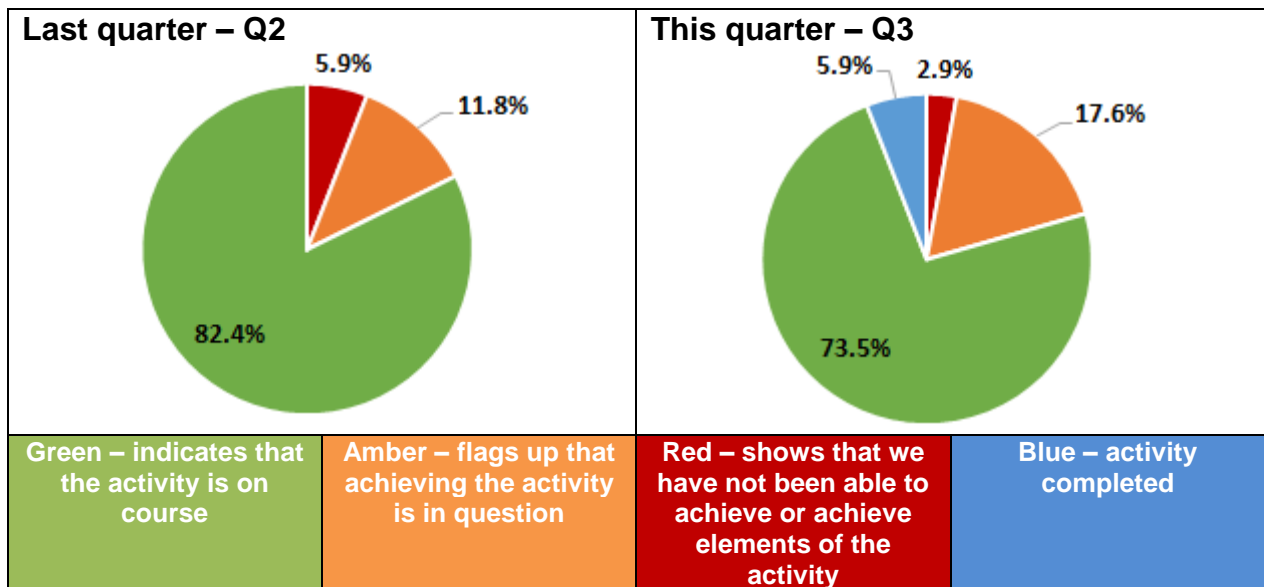
- 4.1 The monitoring of progress being made to deliver against the priorities, is in three parts. Firstly the monitoring of the Council Business Plan key activities for 2019/20 minus the activities which are under either the Regeneration Programme or the ICE Programme. Secondly the monitoring of the Regeneration Programme and thirdly, the monitoring of the ICE Programme.
- 4.2 The framework and processes for performance monitoring are currently being reviewed in order to provide a system which enables the Council to clearly and easily see how progress is being made with the priorities and how the Council is performing. This work is being developed and further changes will be made in the next quarter.
- 4.3 A set of performance indicators and measures across a range of Council services at the end of quarter three (December 2019) have also been prepared. These illustrate performance and any areas which need to be addressed are being raised with the relevant Portfolio Holders. These performance indicators and measures can be found at:  
<https://www.rushmoor.gov.uk/councilplan>

## **5. Council Business Plan**

- 5.1 Annex A sets out the detailed progress this quarter against the activities in the Council Business Plan. As can be seen significant progress has been made across a wide range of the full list of priority areas identified by the Cabinet. Where progress has been less than ideal a series of appropriate

actions have been identified and are being put in place to address this underperformance. As part of developing the Council's future plans an ongoing process of risk assessment takes place with consideration most recently including Brexit, the implications for delivery of some projects as a result of administering the December General Election and the potential impact of further spending cuts/income generation initiatives from Hampshire County Council.

5.2 Overall performance for this Quarter is illustrated by the pie charts below:



5.3 Progress this quarter within each of the four themes of the Council Business Plan can be summarised as:

- **People** – there was good progress this quarter. We held our successful firework spectacular and held many town centre events in the lead up to Christmas. We were involved in a number of remembrance events and worked with partners to help deliver the Community Carol Services.
- **Place** – overall there was good progress this quarter. However, there were some areas where progress has not been as expected, this includes the Heritage trails but options are being reviewed for financing the remaining costs of the project. The work towards responding to the climate change emergency is slightly delayed and the options for the position of the closed circuit cycle track are being developed due to the original site being unsuitable. So far this financial year we have delivered 162 units of affordable housing which means we have exceeded our annual target of 150 units per year.
- **Partnership** – overall, again, there was good progress this quarter. However, there were some areas where progress has been less good: the development the Skills Strategy has been deferred to 2020/21 to follow the completion of the Strategic Economic Framework and recruitment of new economy staff and due to the

Election in December the Council visit to Gorkha is likely to be later than planned.

- **Better Public Services** – in the quarter we launched a new waste services customer portal and developed our Organisational Health Dashboard which will be finalised and in place for Quarter 4. However due to the Election in December the introduction of customer accounts as part of the electoral services review has been delayed, there is also a slight delay in the revised Constitution going to Council, this will now be in February.

## **6. Regeneration Programme**

6.1 Programme progress is set out at Annex B. In early 2020 some of the key regeneration projects will start on site, the first being Union Street, with the demolition of 53-55 High Street, and the much-awaited highway works at Invincible Road. The programme has experienced significant slippage, due to initial indicative timescales which were overly optimistic. As we continue to refine and resource the programme timescales will become more realistic but slippage on a programme of this scale will continue to be a risk for the council both reputationally and financially. The programme will aim to mitigate these as far as possible and in particular as the RDP evolves revised project plans will include a review of timescales in early 2020.

### **6.2 Programme highlights for this quarter:**

- Union Street (Project A2) – The Union Street Scheme was agreed by the Rushmoor Development Partnership for public consultation planned for 16 and 18 January 2020. In December the RDP attended the Aldershot Community Christmas Festival, and had a stand in prime location which consistently had a flow of visitors throughout the day. The main objective of the day was to promote and encourage attendance at the January events. This was also an opportunity for residents to engage and join a mailing list to receive regular updates. The RDP also in this quarter launched a website detailing key projects and the facility for residents to leave feedback. A social media campaign has begun with the creation of Twitter and Facebook accounts, to promote the consultation events, and capture comments. The Winter issue of Arena included a related article and cited the Council discussions with the UCA, which again has generated social media activity. Follow up promotional work for the consultation events will continue to take place. The University of Creative Arts (UCA), also agreed in principle to leasing student accommodation within the development which is anticipated to help to increase footfall within the town centre, and combined with some residential apartments contribute to the sustainability of new commercial units on the ground floor of the scheme.
- Civic Quarter (Project F1) – Quarter 3 saw the project nearing completion of the first of seven RIBA development stages. In stage 1, the RDP built on the public engagement carried out earlier in the year and began to explore placemaking options and undertake capacity testing to understand what could be possible, in terms of the potential development mix on the site. The next stage in the progression of the masterplan (RIBA stage 2) is



concept and design. This stage will see the project through to a planning application submission during 2020.

- High Streets Task Force (HSTF) - Aldershot town centre has been selected by the government as one of a small number of pilot areas in the country to receive expert support and funding to help with town centre regeneration. Being included in this pilot scheme means that the Council will benefit from bespoke expert support and guidance from the new High Streets Task Force including face-to-face support, access to cutting-edge research, new online training, and local footfall data. Being a pilot town also gives the council the opportunity to bid for funding for projects up to £25m.

## **7. ICE Programme**

7.1 Programme progress is set out at Annex C. The programme status overall remains 'Green' but trend is down as a result of resource pressures in some areas of the programme, particularly the CRM project (Project Ref WS1/6), where additional technical resource is required in delivering this project and those resources are currently focused on other areas of the programme. Progress on agreeing an approach to Benefits Realisation has been slower than anticipated and approval of the approach which will now slip into Jan/Feb 2020. However, this is not a programme critical path item. Overall the programme continues to deliver on-time and on-budget.

### **7.2 Programme highlights this quarter:**

- Programme continues to deliver existing milestones on time and on budget. This implementation of CRM is underway, the roll-out of Microsoft Modern Workplace products (Office 365) is underway and work is advanced on the planning for upgrading computers to the latest Microsoft operating system Windows 10
- ICE Projects completed in last period include: Review of Car Parking Services, completion of implementation of new self-service environmental portal, roll-out of 'Yammer' Social Media communication tool to the organisation, development of draft Workforce Strategy
- Work has commenced on process redesign (WS1/3) and the future service redesign approach agreed and with Programme Board in late December. Review work commences in the Licensing Service in February 2020
- Initial work on Benefit Realisation undertaken but finalising this work has slipped against plan. Approval of approach will now be Jan/Feb 2020
- Further work to scope workstream 4 will be undertaken in January and linked with the 2020/21 budget process and finalisation of the savings plan
- Initial Programme Budget being developed

## **7. Conclusion**

8.1 Cabinet's views are sought on the performance made towards delivering the Council Business Plan during October to December 2019.

**COUNCILLOR DAVID CLIFFORD**

## **LEADER OF THE COUNCIL**

### **BACKGROUND DOCUMENTS:**

None

### **CONTACT DETAILS:**

Andrew Colver, Head of Democracy, Strategy and Partnerships – 01252 398820,  
[andrew.colver@rushmoor.gov.uk](mailto:andrew.colver@rushmoor.gov.uk)

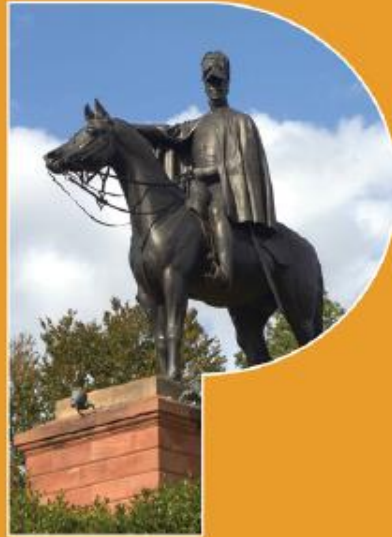
Sharon Sullivan, Policy Officer - 01252 398465, [sharon.sullivan@rushmoor.gov.uk](mailto:sharon.sullivan@rushmoor.gov.uk)

# Annex A - Council Business Plan key activities in 2019/20

## Quarter three - October to December 2019



*People*



*Place*

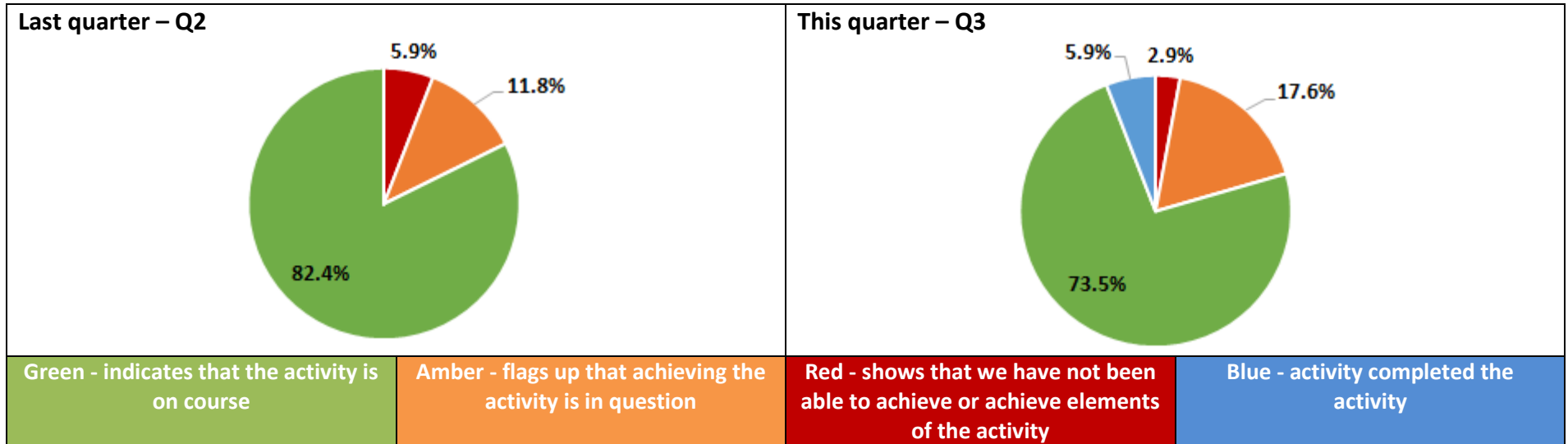


*Partnerships*



*Better  
Public Services*

### Overall performance of Council Business Plan key activities for 2019/20 – minus Regeneration Programme and ICE Programme activities



## People

Activities	Time-scales	Outcomes/deliverables	Lead Officer	Comment	
Delivery of Strategic Housing actions within the Housing and Homeless Strategy, and Delivery Plan	July 2019 Jan 2020	Taking 6 monthly updates to Strategic Housing and Local Plan Group - informing service delivery	ZP	Last quarter	This quarter
				Up to date and Rough Sleeping Strategy being presented to Strategic Housing and Local Plan Group in January 2020.	
Administration of Disabled Facilities Grants to enable people to remain independent in their own homes and review of options once the future of the Better Care fund is understood	Ongoing	Helping people to live independent lives in homes that are suitable for their needs.	JD	Last quarter	This quarter
				62% of total budget spent, 76 Disabled Facilities Grants completed to December 2019	
Plan and deliver support programme to young people <ul style="list-style-type: none"> <li>• Creation of the Rushmoor Youth Forum</li> <li>• Development of action plan for 2020/21</li> </ul>	April 2019  Dec 2019	Plan developed to complement deprivation strategy and action plan. Plan of activities and support to young people across the Borough	EL	Last quarter	This quarter
				Next forum on 13th January at Aldershot Football club. Youth activity brochure articles received. Brochure to be compiled and sent to print January 2020.	
Review of strategy, plans and processes to tackle areas of deprivation <ul style="list-style-type: none"> <li>• To understand and share data from the 2019 Indices of Multiple Deprivation (Data due to be released in September 2019)</li> </ul>	Dec 2019	People understand what the new data means for Rushmoor and its residents Assessment of implications based on data.	AC EL SS	Last quarter	This quarter
				Data discussed and shared with partners.  Approach agreed by CLT.	

<ul style="list-style-type: none"> <li>Develop a plan targeting the areas of most need. The plan will form the basis for the overall community development work.</li> </ul>	Jan 2020	Amended structure for the Community Development Team with clear objectives and focus on place.		Internal working group in progress – plan to be developed.	
Work with our contractors to help Rushmoor residents increase recycling and reduce waste	2019	Demonstrated through engagement with residents via the Recycling Support Officer. Residents increase their participation with recycling and decrease their contamination.	RW	Last quarter	This quarter
<p>Develop an action plan to promote health and well-being specifically in areas identified as in greatest need. Review approach and identify required resources by December 2019.</p> <ul style="list-style-type: none"> <li>Plan prepared</li> <li>Delivery Commenced</li> </ul>	March 2020 May 2020	Plan developed to compliment deprivation strategy and action plan	AD	Last quarter	This quarter
<p>Continue to support community groups</p> <ul style="list-style-type: none"> <li><b>Aldershot Civic Society</b> –Enable effective engagement between the society and the Rushmoor</li> </ul>	Ongoing	Ensure that the society has a role in influencing the Town Centre	CE TM	Last quarter	This quarter
				The Council has continued to engage with the Civic Society’s and its community engagement process to	

<p>Development Partnership on proposals for the Union Street East. Engage regularly with the society and its members through regular attendance at their meetings, meetings of the Aldershot Task Force.</p>		<p>Strategy and shaping and delivering the Transition Plan.</p>	
<ul style="list-style-type: none"> <li> <b>Aldershot Community Together</b>            Organise meetings every two to three months of the whole Aldershot Community Together group to update on Aldershot town centre and agree and update on ongoing projects. To work with the residents of the Aldershot Community Together groups to organise Aldershot town centre events including Victoria Day and the Aldershot Community Christmas Festival         </li> </ul>	<p>Ongoing</p>	<p>Residents of the Aldershot Community Together group are well informed about, and engaged with, Aldershot town centre’s regeneration, transition schemes and events.</p>	<p>DP</p> <p>produce a Town Centre Vision. The draft was presented to PPAB in November. Since then a further meeting has been held by the Civic Society to look at connectivity. The Council has also facilitated a discussion with the RDP to discussion design for Union Street East. A follow up meeting after the public consultation is being held</p>

<ul style="list-style-type: none"> <li>• <b>Heart of Farnborough -</b> <ul style="list-style-type: none"> <li>○ Two meetings held in 2019/20 (November/February)</li> <li>○ Develop and action plan for 2020/21</li> <li>○ Establish support structure for the group</li> </ul> </li> <li>• <b>Farnborough Society</b></li> </ul>	<p>March2020</p> <p>March 2020</p> <p>March 2020</p> <p>Ongoing</p>	<p>Emerging group to develop and co-deliver events and other projects in Farnborough</p> <p>Society has a role in influencing the Town Centre and shaping and delivering the Civic Quarter.</p>	<p>AC</p>	<p>The third Heart of Farnborough meeting will be held on 14<sup>th</sup> January and subject to there being sufficient interest from attendees, support arrangements for the group will be developed with a programme of meetings.</p>	
<p>Deliver, enable and facilitate the 2019/20 events programme. Including:</p> <ul style="list-style-type: none"> <li>• 4 Armoured Med Farewell Parade</li> <li>• Get involved fair</li> <li>• Victoria Day</li> <li>• Armed Forces Day Military Day Parade</li> <li>• Rushmoor Community Food Festival</li> <li>• Rushmoor fireworks spectacular</li> <li>• Remembrance Sunday Events</li> <li>• Aldershot and Farnborough Town Centre Events</li> <li>• Carol Service</li> </ul>	<p>11 May</p> <p>1 June</p> <p>8 June</p> <p>29 June</p> <p>14 Sept</p> <p>2 Nov</p> <p>10-11 Nov</p> <p>Ongoing</p> <p>4 Dec</p>	<p>Increase community involvement and pride in the Borough.</p>	<p>AC</p> <p>JA</p> <p>DP</p>	<p>Last quarter</p>	<p>This quarter</p>



## Place

Activities	Time-scales	Outcomes/deliverables	Lead Officer	Comment	
Heritage trails - Feasibility work has been completed and the plans proposed and agreed <ul style="list-style-type: none"> <li>• Part funding sought and obtained</li> <li>• Additional funds being sought</li> <li>• Works procured</li> <li>• Projects delivered in accordance with plans</li> </ul>	Aug 2019 Aug 2019 Nov 2019 Spring 2020	New heritage trails provided in Aldershot to connect residents and visitors to Aldershot's military and civilian history. Project meets the pride in place and health and well-being agenda.	MS AC	Last quarter	This quarter
Moor Road playing fields - Funding has been sought and obtained and the plans proposed and submitted for planning consent <ul style="list-style-type: none"> <li>• Agree and commence procurement process</li> <li>• Review and award tenders</li> <li>• Commence project</li> <li>• Open facilities</li> </ul>	Aug 2019 Sept 2019 Autumn 2019 Spring 2020	A new community facilities provided in Farnborough, including updated play area, a multi use games area, a pump track and outdoor gymnasiums	MS MS/AF	Last quarter	This quarter
Establish and open the Southwood Park SANG in line with the management plan and requirements from Natural England	Initial opening Aug 2019	SANG open and management plan developed enabling the regeneration of our town centres	JD/AF	Last quarter	This quarter
				Eastern side ready for opening - awaiting for park free works and car park details.	

Review of the litter enforcement pilot being operated by East Hampshire District Council	March 2020	Competition of a review of the pilot scheme with options for future delivery.	JD KH	Last quarter	This quarter	
				Review started. Completion due in March, 2020.		
Continued implementation of the comprehensive development at Wellesley	Oct 2019	Handover of Sports Pitch Land. Design work on new pavilion and A325 Crossing at Pennefathers Road.	TM, JT	Last quarter	This quarter	
				Handover of sports pitch land now scheduled for April 2020. Initial meeting with preferred architect for pavilion. Crossing under construction.		
	Oct 2019	Commencement of conversion/refurbishment of Cambridge Military Hospital (CMH)		CMH refurbishment commenced		
	Dec 2019	Delivery of 6 supported housing units in Corunna Zone		Grainger to deliver, practical completion planned for Nov 2020		
		2021 Extra Care housing in Buller Zone. Commencement of delivery of allotments	Some amendments are being made to s106 agreement. Hampshire and RBC are procuring a Registered Provider to deliver in 2024.			

<p>Accelerate Housing Delivery through:</p> <ul style="list-style-type: none"> <li>Working with developers and partners to overcome issues preventing development</li> <li>Develop the Affordable Housing Delivery Programme to ensure use of commuted sum and other finance is fully utilised and resources from Homes England and other funding is maximised</li> </ul>	<p>April 2020</p>	<p>Completion of a minimum target of 150 affordable units within the financial year</p>	<p>ZP</p>	<p>Last quarter</p>	<p>This quarter</p>
<p>Implement Housing Company through:</p> <ul style="list-style-type: none"> <li>Development of business plan</li> <li>Establishing Board and effective governance arrangements</li> <li>Implement effective arrangements for delivery of new build housing</li> <li>Development of Policies and processes</li> <li>Achievement of housing and financial targets as per business case and plan</li> </ul>	<p>Sept 2019 Oct 2019 Sept-Dec 2019 July to Oct 2019 Feb 2020 2019-2022</p>	<p>Initial Business Plan approved Company incorporated Procure delivery partner  Policies agreed by Board  Transfer of existing properties to company Development of new properties</p>	<p>TM</p>	<p>Last quarter</p>	<p>This quarter</p>
<p>Respond to the declaration by the Council of a climate change emergency</p> <ul style="list-style-type: none"> <li>Establish a working group</li> <li>Meet with carbon neutral organisations</li> <li>Obtain data on Rushmoor's Carbon Footprint</li> <li>Develop strategy and action plan</li> </ul>	<p>Aug 2019 Oct 2019 Nov 2019 Feb 2020</p>	<p>Develop and commence delivery of a plan to enable a green and sustainable Rushmoor and a carbon neutral Council by 2030</p>	<p>AC AD</p>	<p>Last quarter</p>	<p>This quarter</p>

				Action Plan to be developed following Cabinet discussion.	
<p>Closed circuit cycle track in the Borough:</p> <ul style="list-style-type: none"> <li>• Hold discussions with Garrison regarding long-term lease of land</li> <li>• Feasibility work undertaken</li> <li>• Plans proposed and cabinet approval</li> <li>• Commence funding application to British Cycling</li> <li>• Planning application</li> <li>• Funding sought and obtained</li> <li>• Final design work agreed</li> <li>• Works procured</li> <li>• Projects delivered in accordance with plans</li> </ul>	<p>Aug 2019</p> <p>From Sept 2019</p> <p>Project plan to be updated</p>	<p>A multi - disciplined cycle facility incorporating a closed road circuit, a bmx pump track, balance and ride area, and a mountain bike skills course. The facility will be of regional significance for cycling in the South East as well as encouraging local people to become active and learn to ride.</p>	<p>MS</p> <p>AC</p>	Last quarter	This quarter
	<p>Developing options, including Wellesley sports pitches, revised timeline is being developed.</p>				
<p>Support the growth and development of the digital sector of the economy including facilitating the delivery of the Games Hub</p>	<p>2019</p> <p>2019-2022</p>	<p>Identify and engage digital businesses through programme of visits</p> <p>Seek funding opportunities to support development and acceleration of digital businesses</p>	<p>TM</p>	Last quarter	This quarter
	<p>Series of visits being undertaken with EM3 LEP to digital businesses. Digital Factory ESF Expression of Interest supported by MHCLG to progress to business case. This will provide start up and acceleration</p>				

	2019-2022	Develop programme of digital events linked to development of Games Hub	support to digital businesses across Basingstoke (lead), Rushmoor and Winchester Events programme delayed by contractual issues on Games Hub which will be explored. Digital Skills training now to be a longer term project 2019-22
	2019-2022	Work with FCot to promote digital skills training	

## Partnership

Activities	Time-scales	Outcomes/deliverables	Lead Officer	Comment	
Deliver the Safer North Hampshire Community Safety Partnership Plan and objectives set out by the SNH Board.	2019/20	Improved feeling of safety and reduced fear of crime.	CR	Last quarter	This quarter
				Works continues to focus ON the delivery of the partnership Plan with more accountability and transparency. The Plan has been published and agencies have been asked to submit evidence to show how they are contributing towards the combined identified priorities of the CSP. Ongoing work from the shared service has provided education events, prevention roadshows and case-based interventions.	
Deliver focussed programme to reduce levels of antisocial behaviour in Aldershot Town Centre.	Oct 2019	Improved feelings of safety and reduced fear of crime amongst residents and visitors.	CR	Last quarter	This quarter
				Focused approach to deployment of resources, with regular review meetings and hi-vis Council Patrols being sent to hotspot. Evidence is being obtained to support further enforcement action. RBC has taken action on an	

				individual breaching their injunction a number of times.	
<p>Develop a delivery plan for the Council to support the improvement of education attainment, to include work with Hampshire County Council to identify priority areas:</p> <ul style="list-style-type: none"> <li>• Preparation and approval of support plans</li> <li>• Develop a programme of support to schools based on improving aspirations in our most deprived areas</li> <li>• Deliver support work in schools</li> <li>• Reading groups in primary schools</li> </ul>	<p>Oct 2019 Nov 2019</p>	<p>Improvement in educational attainment levels particularly in secondary education by 2020/21 following a clear needs analysis based on current issues and risks in schools. Success and good news stories from local schools communicated.</p>	EL	Last quarter	This quarter
<p>Generate and support targeted employment and skills opportunities to improve outcomes for residents through:</p> <ul style="list-style-type: none"> <li>• Delivery of Rushmoor Employment and Skills Zone programme</li> </ul>	Oct 2019	RESZ Partners consulted on the emerging Skills Strategy.	DW	Last quarter	This quarter
	Dec 2019 onwards	3-year Action Plan in place setting out key employment and skills activity in response to the Skills Strategy and the priority work areas of RESZ Partners.		Development of Skills Strategy deferred to 2020/21 following completion of Strategic Economic Framework and completion of recruitment of new economy staff	
	Jan 2020 to March 2022	Action plan delivered		RESZ work continuing to be delivered	

<p>Support and enable a councillor shadowing programme for students in the Borough.</p> <ul style="list-style-type: none"> <li>• Agree key dates with the college and share information with Members</li> <li>• Introductory Sessions with Officers and Member</li> <li>• Councillor Shadowing activities</li> <li>• End of Programme</li> </ul>	<p>Sept 2019 Oct-Dec 2019 Jan-Feb 2020 March 2020</p>	<p>Provides leadership and experience for young people. Involvement in local democracy encouraged Two cohorts undertaken.</p>	<p>JS</p>	<p>Last quarter</p>	<p>This quarter</p>
<p>Develop a delivery plan for ensuring effective working arrangements with the voluntary sector</p> <ul style="list-style-type: none"> <li>• Co-ordinate work with RVS including use of shared resources</li> <li>• Attend voluntary sector forum meetings</li> <li>• Establish support arrangements with RVS, CMPP and other organisations co-ordinating volunteering</li> <li>• implement volunteering scheme for staff to support local projects</li> </ul>	<p>Oct 2019 Sept 2019 Jan 2020 Aug 2019</p>	<p>A more co-ordinated approach to supporting the 3<sup>rd</sup> sector – outlining how the Council will work with the voluntary sector to improve our communities. Increase in the number of people volunteering locally.</p>	<p>AC EL</p>	<p>Last quarter</p>	<p>This quarter</p>



<p>Progress Military covenant priorities</p> <ul style="list-style-type: none"> <li>• Complete Defence Employers Recognition Scheme Silver application</li> <li>• Establish new working arrangements with the Garrison</li> <li>• Identify and deliver programme of joint events in 2019/20</li> <li>• Prepare new style events programme for 2020/21</li> <li>• Scope requirements for achieving Defence Employers Recognition Scheme Gold Status</li> </ul>	<p>May 2019</p> <p>Oct 2019</p> <p>Dec 2019</p> <p>Dec 2019</p> <p>March 2020</p>	<p>Silver award achieved</p> <p>Working arrangements agreed with Garrison and the areas of focus</p> <p>Three events supported per year</p> <p>Future plan for Gold submission including timescales and allocated resources.</p>	<p>AC</p> <p>EL</p>	<p>Last quarter</p>	<p>This quarter</p> <p>Programme of priorities and events developed for 2020.</p> <p>Workshop in January will be attended to help understand scope for achieving Gold status.</p>
<p>Establishing international links with:</p> <ul style="list-style-type: none"> <li>• Gorkha Municipality, Nepal <ul style="list-style-type: none"> <li>• Formal signing ceremony</li> <li>• Visit to Gorkha to establish cultural/business links</li> </ul> </li> </ul>	<p>Jan 2020</p> <p>March 2020</p>	<p>Links established.</p> <p>Memoranda of understanding agreed</p> <p>Business and community links established.</p>	<p>AC</p>	<p>Last quarter</p>	<p>This quarter</p> <p>4 -person delegation from Gorkha will visit Rushmoor 29 January–1 February 2020 to sign agreement. Visit to Gorkha now likely to be June <b>Date to be changed to June 2020</b></p>
<p>Establishing international links:</p> <ul style="list-style-type: none"> <li>• Rzeszow, Poland <ul style="list-style-type: none"> <li>• Formal signing ceremony</li> <li>• Establish trade/educational links</li> </ul> </li> </ul>	<p>Sept 2019</p> <p>Feb 2020</p>	<p>Links established.</p> <p>Memoranda of understanding agreed</p> <p>Business and community links established.</p>	<p>AC</p>	<p>Last quarter</p>	<p>This quarter</p> <p>Agreement signed. Representatives may be invited to Air Show to progress trade links.</p>
<p>Establishing international links:</p>		<p>Links established.</p>	<p>AC</p>	<p>Last quarter</p>	<p>This quarter</p>

<ul style="list-style-type: none"> <li>• Dayton, Ohio, United States             <ul style="list-style-type: none"> <li>• Formal signing ceremony</li> <li>• Visit to Rushmoor to establish business/education/cultural links</li> </ul> </li> </ul>	<p>June 2019</p> <p>March 2020</p>	<p>Memoranda of understanding agreed</p> <p>Business and community links established.</p>		<p>Agreement signed. Delegation invited to Rushmoor to progress business/cultural links.</p>
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## Better Public Services

Activities	Time-scales	Outcomes/deliverables	Lead Officer	Comment	
Developing the Corporate planning and performance framework Prepare a 10 year vision <ul style="list-style-type: none"> <li>Leadership programme to engage on the vision</li> </ul> Prepare a Council three year Business Plan Prepare a Council Dashboard <ul style="list-style-type: none"> <li>Identify the key indicators which are needed to measure how we are doing as a Council</li> <li>Identify how best to present the information and whether and programs or software will be needed</li> </ul>	July 2019  July 2019 Dec 2019	Vision approved New plan approved and in place New performance framework agreed Dashboards in place and being used Set up arrangements with Members	AC JR SS	Last quarter	This quarter
Public access portal(s) - <ul style="list-style-type: none"> <li>Waste Services Customer Portal</li> </ul>	2019	Launch a new online service for rubbish, recycling and bulk waste collections	NH	Last quarter	This quarter
Review commercial property assets and investments and develop a programme of regular review	Dec 2019	Initial review of investments completed and a plan in place to review the remainder	PB	Last quarter	This quarter
				Project completed  Review with LSHIM as Asset Managers undertaken and now subject to agreed work stream on initial 'Investment'- income producing and 'Legacy'- Income producing,	

				portfolios. Regular reviews taking place.	
<p>Council Offices</p> <ul style="list-style-type: none"> <li>• Re-location of Farnborough RVS</li> <li>• Modernising the Workplace Environment – Workstyle (Modern, flexible desking and storage)</li> <li>• Future Council Offices Options – linked to re-generation</li> <li>• Green issue – Car Club</li> </ul>	Aug 2019	RVS located within Council Offices. Increased income generated	NH	Last quarter	This quarter
	Ongoing	Offices modernised and improved/greater efficiency		RVS relocation complete	
	2020	Future of Council Offices		A number of minor moves planned for Q1/2 2020	
	Sept 2019	Staff Car Club Pilot scheme		Baseline works underway	
<p>Full review of the Council's Constitution</p> <ul style="list-style-type: none"> <li>• Redraft Parts 1-3 (Responsibility for Functions) and proposed updates to codes and protocols</li> <li>• Internal and Member Consultation</li> <li>• Report to LAGP</li> <li>• Report to Council</li> </ul>	July-Sept 2019	Improved clarity around delegation arrangements and responsibilities	JS	Last quarter	This quarter
	Mid Sept to Mid Oct	Codes and Protocols reflect up to date guidance and regulations		Arrangements for external review of the proposed update have been made. Revised Constitution has been scheduled for submission to Council in February 2020.	
	Nov 2019	New constitution reflects current working methods and the requirements of effective decision making		<b>Date to be changed to February 2020</b>	
	Dec 2019				
<p>Implementing the electoral service review</p> <ul style="list-style-type: none"> <li>• introduce customer account</li> <li>• Establish measures</li> </ul>	Dec 2019	Redesign of service agreed	AC VP JF	Last quarter	This quarter
	Oct 2019	Pilot work undertaken on new service design and working arrangements		Introduction of customer account delayed due to parliamentary election.	
	Nov 2019				

<ul style="list-style-type: none"> <li>• Re-design the service for Military personnel and dependents</li> <li>• Prepare plan for future changes</li> </ul>	Feb 2020	New customer account agreed	<p><b><i>Date changed to March 2020</i></b></p>
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# Rushmoor Borough Council Regeneration Programme

## Programme Monitoring Report February 2019 Quarter 3

### Programme Description

Cabinet established the 'Regenerating Rushmoor' programme in June 2018 to enable delivery of the Council's regeneration ambitions. The programme delivery is a partner co-ordinated approach addressing economic and place-making challenges and opportunities across the Borough. It directly addresses the 'Place' priorities in the Council Plan, in particular "driving forward with the regeneration of Aldershot and Farnborough town centres".

The programme sets out a vision for the town centres in 2028:

*"In 2028 the town centres of Aldershot and Farnborough will have a compelling offer and be vibrant and vital - they will have experienced a significant transformation and renaissance. With prosperous economies, they will be key destinations for residents, visitors, employers and investors. High-quality mixed-use redevelopment is offering an attractive environment with a distinctive retail, leisure, cultural, employment and residential offer. Aldershot and Farnborough town centres will be places that people are proud of and want to visit and spend their time and money in – whether by day or in the evening. Catering for everyone, they will offer a dynamic programme of cultural events, markets and activities building upon their unique heritage and histories. They will have strong reputations as family friendly town centres that positively complement their respective global brands'.*

The programme is managed through four workstreams currently comprising the following projects.

Workstream 1 RDP Projects	Workstream 2 Property or Major Works	Workstream 3 Third Party Projects	Workstream 4 Feasibility/Options Appraisal/Strategy
A2: Union Street, Aldershot	A3 & A7 The Station & surrounding area, including Windsor Way & High Street Bus Interchange	A1: The Galleries & High Street Multi-Storey Car Park	F5: Future of the Council Offices site
F1: Civic Quarter	A5: The Games Hub (refurbishment works)	F2: Farnborough Transport Package	F6: New Leisure Centre Feasibility
A6: Parsons Barracks	F3: Invincible Road	F9: Voyager House	F8: Farnborough North/ Hawley Lane
	B3: Southwood Country Park (development of buildings)		A8: Aldershot Town Centre Strategy



<b>Programme Summary</b>	<b>Period October 2019 - January 2019</b>	<b>Version 0.1</b>	<b>Last Updated: 7<sup>th</sup> January 2020</b>
<b>Overall Programme Status</b>	<b>Outcomes</b>	<b>Budget</b>	<b>Timescales</b>

<b>Programme Commentary including key successes and issues</b>
<p>Q3 saw an number of key pieces of work conclude which will enable start on site for Union Street, with the demolition of 53-55 High Street, and the highway works at Invincible Road early in 2020. A comprehensive update to members took place on 8 January.</p> <p><b>Programme highlights for this quarter:</b></p> <ul style="list-style-type: none"> <li> <p><b>Union Street (Project A2)</b> – Union Street (Project A2) – The Union Street Scheme was agreed by the Rushmoor Development Partnership for public consultation planned for 16 and 18 January 2020. In December the RDP attended the Aldershot Community Christmas Festival, and had a stand in prime location which consistently had a flow of visitors throughout the day. The main objective of the day was to promote and encourage attendance at the January events. This was also an opportunity for residents to engage and join a mailing list to receive regular updates. The RDP also in this quarter launched a website detailing key projects and the facility for residents to leave feedback. A social media campaign has begun with the creation of Twitter and Facebook accounts, to promote the consultation events, and capture comments. The Winter issue of Arena included a related article and cited the Council discussions with the UCA, which again has generated social media activity. Follow up promotional work for the consultation events will continue to take place. The University of Creative Arts (UCA), also agreed in principle to leasing student accommodation within the development which is anticipated to help to increase footfall within the town centre, and combined with some residential apartments contribute to the sustainability of new commercial units on the ground floor of the scheme. Site assembly is progressing well.</p> </li> <li> <p><b>Civic Quarter (Project F1)</b> – Quarter 3 saw the project nearing completion of the first of seven RIBA development stages. In stage 1, the RDP built on the public engagement carried out earlier in the year and began to explore placemaking options and undertake capacity testing to understand what could be possible, in terms of the potential development mix on the site. The next stage in the progression of the masterplan (RIBA stage 2) is concept and design. This stage will see the project through to a planning application submission during 2020.</p> </li> <li> <p><b>High Streets Task Force (HSTF)</b> - Aldershot town centre has been selected by the government as one of a small number of pilot areas in the country to receive expert support and funding to help with town centre regeneration. Being included in this pilot scheme means that the Council will benefit from bespoke expert support and guidance from the new High Streets Task Force including face-to-face support, access to cutting-edge research, new online training, and local footfall data. Being a pilot town also gives the council the opportunity to bid for funding for projects up to £25m.</p> </li> </ul>

**Programme Commentary including key successes and issues**



With a number of projects moving to the next stage and some at implementation ensuring sufficient resources and expertise both in the regeneration team and supporting services such as finance, legal and property will be a key task during Q4 to prevent delays and bottlenecks and reduce risk. Cabinet will be asked to include additional funding in the budget to support the programme.

**Forthcoming Matters for consideration by Members**


The following matters are anticipated to be brought forward in the next quarter:

- LEP Funding Submission Approval (on the allocation of a successful bid, Cabinet approval required to accept funds.)
- Remaining land assembly and associated matters for the Union Street scheme
- Consideration of the Union Street Project Plan from the RDP and approach to funding and delivery
- Actions associated with potential end users for the Union Street scheme including a lease with The University of Creative Arts
- Consideration of matters associated with the Civic Quarter including pre planning and site clearance




Progress Summary by project

Project	Description	Funding	Key Activities	Key Activities	Status	Project Narrative
			Sept 2019 -Dec 2019	Jan 2020 – Mar 2020		
<b>Workstream 1 – RDP Projects</b>						
<b>A2: Union Street</b>	This project will redevelop a key area within the town centre and will create a new revitalised and vibrant space, with a residential-led mixed use development to provide approx. 140 residential homes with the ground floor to accommodate town centre uses all within the heart of the town.	<u>External</u> £5m HIF £1.1m EM3 LEP (to be confirmed)  <u>Capital</u> 19/20 £5.7m	Demolition Contractor appointed  Pre demolition surveys complete on some properties within the site  HIF Funding Secured  Community Updated on demolition Works within the town centre	Vacant possession of the entire site  Pre-planning public consultation  Finalise Heads of Terms with UCA  Pre-Demolition survey & works for the entire site  Demolition (53-55 High Street) & Enabling works to start on site  Project Plan (for Cabinet approval)  Formal pre application meeting  Planning Application submission  Lease surrender of 38-46 Union Street		<p>Good progress has been made in the last quarter and pre demolition and enabling works have started on site. A detailed project plan has been completed (subject to Cabinet approval).</p> <p>The RDP has established a programme of community engagement activities in order to share proposals, obtain feedback to develop a collaborative approach to the scheme. The RDP now has a website and social media presence, with Facebook and Twitter accounts being created, allowing residents to engage online.</p> <p>The RDP is exploring and taking forward options associated with the end users for the scheme. In addition to this the Council is actively engaging with University of Creative Arts, in order to negotiate leasing options for student's accommodation within the scheme. This is a significant boost to the development and will breathe new life into the town, offering opportunities to boost Aldershot's cultural and creative heritage alongside contributing to the sustainability of the new ground floor commercial units. Additionally, this provides an income stream.</p> <p>The Council continues to acquire properties within the development area in order to complete land assembly, this is ongoing.</p>
<b>F1: Civic Quarter</b>	The civic quarter will be an exciting mixed-use space, providing new opportunities	<u>Capital</u> 19/20 £10m	Pre-Demolition works of Elles Hall (EH) on going.	EH development site to be Hoarding, and		The emerging masterplan continues to develop, and move onto the concept & design stage, which will begin to shape a




## Rushmoor Borough Council Regeneration Programme Monitoring Report

Project	Description	Funding	Key Activities Sept 2019 -Dec 2019	Key Activities Jan 2020 – Mar 2020	Status	Project Narrative
	for town centre living alongside active ground floor uses, such as cafes and restaurants alongside the re-provision of leisure and community facilities. This will enhance the town centre and improve connectivity between the town and the business park.	20/21 £10m 21/22 £19m	Pre- Demolition Survey of EH  Farnborough Parking Study commissioned  Ecology Survey commissioned  Topographical Survey commissioned	appropriate signage to be installed.  Closure of EH carpark and Decommissioning of associated PND's  Repair hoarding associated with the former police station site.  Review final parking study results (due end of Jan)  RDP to progress masterplan options  Seek external funding opportunities to assist with scheme delivery		planning application submission for submission during 2020.  The design and concept stage will provide the opportunity for further stakeholder/community engagement. The Council is keen to facilitate the development of community stakeholder groups, to hopefully create community cohesion and empower residents to have their say. The Council will continue to develop engagement activities and is supporting the Heart of Farnborough Group to become established  The possibility of a combined leisure / community hub will also be further explored and investigated potentially co-locating a number of complimentary social and recreational uses close together that interact with and are complimentary to each other. The overall aim is to arrive at a balanced and focused scheme which successfully weighs the site's development potential against public aspirations.
<b>A6: Parsons Barracks</b>	This site is currently a long stay car park close to the town centre, the entrance of which is off Ordnance Road. The site has been identified as a key site to redevelop and the RDP is tasked with taking forward the site as part of their portfolio. Options for this site are currently being explored and include residential, a hotel, food, retail and the option of a Care Home facility as end uses. Profit from the disposal of this site with contribute to the overarching Aldershot Town Centre regeneration.	Aligned to the project plans being developed by the RDP	Parsons Barracks Project Plan Option Approved at Cabinet 15.10.19.	On going process of due diligence by potential end user  Aim to move forward resolution of outstanding legal issues relating to the disposal of land - <i>expected to continue into the next quarter</i> as this will involve the DIO		The RDP will continue to pursue end user options in relation to this site.




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Project	Description	Funding	Key Activities Sept 2019 -Dec 2019	Key Activities Jan 2020 – Mar 2020	Status	Project Narrative
<b>Workstream 2 - Property or Major Works</b>						
<b>A3 &amp; A7 The Station and surrounding area, including Windsor Way &amp; High Street Bus Interchange</b>	Aldershot Railway Station is a key gateway into the town and as such has been identified as needing improvements. This project includes public realm improvements to the railway station forecourt, a revised public transport interchange and the redevelopment of the bus station site for a mixed-use development scheme. The Council will also be facilitating the installation of public art to enhance the area.	£900k EM3 LEP £620K RBC £180k HCC £220k HCC (Windsor Way) £100k NSIP	Continued engagement with HCC and South Western Railway to get to a stage of finalising drawings	Update funding profile for the LEP  Finalise overall scheme costings  Move to implementation		Detailed costings have been provided by Hampshire County Council, cost estimations are slightly higher than anticipated and a review of the scheme design is currently underway. Whilst the scheme is still expected to proceed the design review may impact project times scales. The target date for the completion of the review is end Feb 2020. The Council will continue ongoing dialogue with impacted residents and stakeholders once the scheme is confirmed.
<b>A5: The Games Hub</b>	The Games Hub scheme perfectly combines the past and the present, consisting of a digital Hub to produce a collaborative workspace for existing and aspiring entrepreneurs and develop businesses working in the gaming and digital sector. The desired outcomes from this project are growth of the digital economy including; job creation; jobs safeguarding; and office floorspace refurbishment. This is all in the heritage setting of the Old Town Hall.	867k - LEP; £10k OPE, RBC 40K (revenue) Council budget needs to be revised to reflect the actual cost of works £867k	LEP funding secured  Contract for works appointed.	Monitor status in relation RnPF's funding Complete Legal work connected with lease. Appoint contractor for refurb works, tenders received Bank funding approval for the Rock n Pop Foundation to purchase building.		The project has progressed well in Q3 and secured LEP funding. The project is currently on track as per the revised timescales. The refurb of the building is due to start late in late Feb 2020 for a 14-week programme works and anticipated opening summer 2020.
<b>F3: Invincible Road</b>	Improved access/egress from Invincible Road onto Elles Road	£150 – 250k s106 funding from HCC Estimated costs £180k subject to HCC approval	Contractor for works appointed HCC approval	Finalise drawings with Hampshire County Council		Work is now anticipated to start on site in Feb 2020. This is however subject to the legal process being complete, which involves a number of parties. This is the major contributory factor to delays on this project.




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Project	Description	Funding	Key Activities Sept 2019 -Dec 2019	Key Activities Jan 2020 – Mar 2020	Status	Project Narrative
<b>B3: Southwood Country Park (development of SANG including former golf club buildings)</b>	<p>This is an exciting opportunity to retain large open green space within the borough. this is a 57-hectare area of natural green open space in Farnborough. The first phase of the country park (western side) opened in September 2019.</p> <p>Covering more than 30 hectares, it offers a network of formal and informal paths, with a 2.4-kilometre circular walking route, starting from the 31-space Kennels Lane car park. There is dog-proof fencing along the boundaries of Ively Road.</p> <p>It will also consider, evaluate and recommend supplementary uses for the site and associated buildings, and, where agreed, implement those uses</p>	<p>£58k revenue, £422k capital, £40k RBC contribution to EA feasibility study, £15k for buildings options study and £17k for hoardings in 19/20.</p> <p>Majority to be recouped from developer SANG contributions.</p>	<p>Eastern side of the site car park open</p>	<p>Develop designs for visitor centre</p> <p>Member Engagement</p> <p>Continued to work to keep the site secure</p>		<p>Architects produced a feasibility study for a new SANG visitor centre, comparing a refurbished scheme or new build option within the project. On balance a new building was the preferred option and architects have now produced two refined new build designs for further consideration. As the designs develop, member and public engagement will be planned.</p>
<b>Workstream 3 - Third Party Projects</b>						
<b>A1: The Galleries &amp; High Street Multi-Storey Car Park</b>	<p>This scheme is integral to the regeneration of Aldershot Town Centre. Shaviram Aldershot Ltd is proposing a scheme of 600 new homes together with new ground floor commercial floorspace. The proposals also include a large, new public space that could be the focus for town centre events. In order to bring forward the proposals, we have approved, in principle, to relinquish our land interest in the High Street multi-storey car park and to take a long-term lease on a new 250 space car park, which will form part of the</p>	<p><u>External</u></p> <p>£2.4m HIF (SANGS) £1m HIF (sewer diversion)</p>	<p>HIF Funding secured</p> <p>Pre-planning public engagement undertaken by Shaviram</p>	<p>Planning Application submission</p> <p>Establish impact on infrastructure – Sewer diversion</p>	  	<p>Whilst RBC actions on this project are on target the project is currently experiencing delays mainly due to staffing changes at a consultancy level within Shaviram Aldershot Ltd, The Council have been advised that this project remains a flagship scheme and Shaviram are committed to the delivery of the project, they are working hard to resolve any issues that have caused delays. The Council continues to support pre-planning discussions.</p>

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Project	Description	Funding	Key Activities Sept 2019 -Dec 2019	Key Activities Jan 2020 – Mar 2020	Status	Project Narrative
	proposed redevelopment. This will mean that the existing car park will be redeveloped as part of the scheme.					
<b>F2: Farnborough Transport Package</b>	Lynchford Road Farnborough - Localised widening to improve traffic flow and reduce journey times. Improvement to connectivity between M3 and the new Exhibition Centre	Hampshire County Council secured LEP funding	Design, development and business case work is progressing for the scheme.	Hampshire County Council will develop scheme designs and undertake the appropriate studies in order to progress the scheme		Hampshire County Council in the next period will continue to develop a project plan and timeline for this scheme and will engage with stakeholders as required.  RBC input is expected to be minimal
<b>F9: Voyager House</b>	Partner with the CCG to provide new Health Facility in Southwood.	Capped budget of £5.584m with spend over this being met by CCG	Tenders for the works received and assessed	Fit out works will commence		Rushmoor Borough Council acquired the Voyager Building in Apollo Rise (Southwood Business Park) for the CCG and providers to occupy as Tenants, in order for them to accommodate and co-locate primary care practices and community services in a way not currently possible within Farnborough.  The CCG have entered into an Agreement to lease and will ultimately lease the property with the Council as Landlord
<b>Workstream 4 – Feasibility/Options Appraisal/Strategy</b>						
<b>A8: Aldershot Town Centre Strategy</b>	Completion of a comprehensive strategy and transition plan for Aldershot Town Centre.	Strategy and transition plan are developed funding requirements will be identified for any additional projects and will be brought forward through the Council's normal budgetary processes.	Aldershot Task Force – programme of consultation & engagement. Civic Society – Purposive conversation programme will feed resident views on the Town Centre into the Aldershot Town Centre Strategy.	Development and complete specification for retail/leisure usage study Continue to develop transition plan for Aldershot for the duration of the construction works  Ongoing engagement with stakeholders including Aldershot Civic Society		5G ambitions being explored through wider piece of work with EM3 Local Enterprise Partnership  <b><i>NB This project will be revised following notification of the Council being selected as a pilot for the High Streets task Force</i></b>

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Project	Description	Funding	Key Activities Sept 2019 -Dec 2019	Key Activities Jan 2020 – Mar 2020	Status	Project Narrative
<b>F5: Future of the Council Office site in relation the Civic Quarter Development</b>	Consideration of future options for the Council Offices site and the development of options for the future location of the council.	Funding requirements will be identified for any additional projects and will be brought forward through the Council's normal budgetary processes.	Review stock condition survey	Options for use of council offices site will be considered as part of the RDP civic quarter masterplan  Council will need to consider the principle of whether to free up site early in 2020		Options for use of council offices site will be considered as part of the RDP civic quarter master planning. Members will be involved in pre-planning engagement activity  Funding for feasibility/options work in the event of relocation provisionally included in budget for 2020/21
<b>F6: New Leisure Centre Feasibility in relation to the Civic Quarter Development</b>	A new leisure centre is being considered as part of the Civic Quarter development however, in order to assess the best location and format feasibility work is still on going.	£100,000 for further feasibility and design work  Procurement budget also in place	Cabinet approval for a new Leisure Centre	Move forward Leisure Operator procurement  Appoint an architect to work with the Civic Quarter masterplanners		The facilities mix for the new leisure centre was agreed at cabinet 16.12.19 along with a budget of £100,000 (set aside form Civic Quarter Farnborough Development Capital Budget) to be used for feasibility and design work. A project plan is being developed and the Council will be looking to appoint an architect in the next quarter, to develop the design and concept stage of the process as well as explore options for the appointment of a build contractor. A further report will go to cabinet in due course.  £10,000 was also set aside to work with the Rushmoor Indoor Bowls club on options for alternative future provision
<b>F8: Farnborough North/ Hawley Lane</b>	This scheme has several objectives: to assist Network Rail in making Farnborough North safer for pedestrians Potential relocation of builder's merchants to an improved location at Hawley Lane and redevelopment of site.		Feasibility work has been undertaken for the scheme and has provided some options for consideration.	In the next period the Council will aim to re-engage with Network Rail to establish their plans and consider whether work on this project should continue		Farnborough North is a complex site having a number of elements that will need close coordination and engagement in order to make progress. The Council is in ongoing discussions with Network Rail, who are currently re-designing their proposed bridge for the scheme. The Council continues to engage with an adjacent land user with a view to potential relocation. The Council continues to progress the Hawley Lane scheme, including improvements to the access.



Summary of Key Programme Risks by Workstream			
<p><b>Workstream 1</b> – Project A2, has given rise to significant health and safety risks which have now been mitigated as work has begun on site. The timeline for the project has been accelerated in terms of demolition work to address these concerns. There are risks associated with external funding and the need to meet certain milestones in order to draw down funding. The RDP is aware of the milestones and is aligning the project to achieve funding targets.</p> <p>Risks associated with resourcing and expertise of major projects are under active management.</p>	<p><b>Workstream 2</b> – Projects in this work stream have several issues that are a potential risk. Project A3 has risks associated with the costings of the project which will have an impact on project timescales. Steps are being taken to mitigate this and the scheme design is under review. F3 has experienced delays, issues have now been resolved, and the project is anticipated to move forward, once all parties involved complete the necessary legal documentation.</p>	<p><b>Workstream 3</b> – These projects are working to anticipated milestones advised by third parties and/or funding related timescales.</p>	<p><b>Workstream 4</b> – Should Project F8 proceed there are risks associated with an agreement with Network Rail which is anticipated to be mitigated through the normal internal legal and property process.</p>





# ICE Programme - Quarterly Progress Report

This report provides a programme level summary of progress against the Councils transformation programme, known as the ICE Programme. The programme is managed in four workstreams WS1 – WS4. This report sets out the status of the programme overall and provides a high-level view of the status of all projects currently live in the programme by workstream.

<b>Programme Summary</b>	<b>Period October - December 2019</b>	<b>Version 0.1</b>	<b>Updated: 16<sup>th</sup> January 2020</b>
<b>Overall Programme Status</b>	<b>Outcomes – On target</b>	<b>Budget – on target</b>	<b>Timescales – on target</b>

## Programme commentary including key success and issues

The programme status overall remains 'Green' but trend is down as a result of resource pressures in some areas of the programme, particularly the CRM project (Project Ref WS1/6), where additional technical resource is required in delivering this project and those resources are currently focused on other areas of the programme. Progress on agreeing an approach to Benefits Realisation has been slower than anticipated and approval of the approach which will now slip into Jan/Feb 2020. However, this is not a programme critical path item. Overall the programme continues to deliver on-time and on -budget. Highlights from the last period include:

1. Programme continues to deliver existing milestones on time and on budget. This implementation of CRM is underway, the roll-out of Microsoft Modern Workplace products (Office 365) is underway and work is advanced on the planning for upgrading computers to the latest Microsoft operating system Windows 10
  2. Work has commenced on process redesign (WS1/3) and service redesign order agreed and with Programme Board in late December. Review work commences in the Licensing Service in February 2020
  3. Project statuses remain as end of December – unchanged by exception reports. Programme Trend has moved from flat to down as a result of resource pressure, particularly in respect of CRM project WS1/6 workload.
  4. Initial work on Benefit Realisation undertaken but this work has slipped against plan. Approval of approach will now be Jan/Feb 2020
  5. ICE Projects completed in last period include: Review of Car Parking Services, completion of implementation of new self-service environmental portal, roll-out of 'Yammer' Social Media communication tool to the organisation, development of draft Workforce Strategy
- Further work to scope workstream 4 required  
Initial Programme Budget being developed

**Karen Edwards, ICE Programme Sponsor**

Workstream 1 - Customer			Version Control	0.1	Period	Oct 2019 – Dec 2019
Project Ref	Project Description	Progress	Trend	Status	Notes	
WS1/1	Customer Insight/Understanding our customers and demand	Scheduled for delivery by Dec 2019	↑	Complete	Now part of Business as Usual	
WS1/2	Customer charter/promises (common standards)	Scheduled for delivery by Mar 2020	→			
WS1/3	Process redesign for self-service	Car Parking review complete October 2019. Revised Schedule of further reviews now agreed and commencing in Feb 2020	→			
WS1/4	New website - to enable transactional services	Scheduled for delivery 2020/21. Initial 'discovery' phase commencing in January 2020.	→	N/A		
WS1/5	Environmental Services portal projects	Project completed October 2019.	↑	Complete		
WS1/6	Create the 'Rushmoor Customer Service' implement and CRM capability and start to build a single customer view	Procurement of Goss CRM system complete. Implementation underway. Initial CRM functionality available from April 2020	↓		Resource pressure in project	
WS1/7	Love Rushmoor App - refresh/replacement	Scheduled development not until 2021	→	N/A		
WS1/8	Communications strategy – enabling customer and behaviour change	Research phase being undertaken. Scheduled for delivery September 2020	→	N/A		
Workstream Commentary			Issues or Risks			
Workstream 1 overall progress is good. Critical to delivering transformation and savings is WS1/3 process redesign. Resource Pressure on CRM Project.			Project Capacity to undertake service reviews may not be sufficient			
			Organisational capacity to participate in review progress may not be sufficient			

Workstream 2 - Digital				Version Control	0.1	Period	Oct 2019 – Dec 2019
Project Ref	Project Description		Progress		Trend	Status	Notes
WS2/1	1. Office 365 'The Modern Workplace' (including roll-out of Exchange, Word, Excel, PP and embedded accessibility)		Good progress on implementing new Office 365 products. Yammer roll-out completed		→		
WS2/2	2. Flexible and mobile working - office modernisation		Project delivery to be scheduled in January 2020		→	N/A	
WS2/3	3. Team working, collaboration and new Intranet		Project delivery to be scheduled		→	N/A	
WS2/4	4. Performance management and business intelligence		Project delivery to be scheduled in January 2020		→	N/A	
WS2/5	5. Modernising Line of Business Applications		Projects underway: New Legal Service system, New Housing System and new HR e-learning system Property system being scoped		→		Eight weeks planned slippage on Legal system due to resource constraints
WS2/6	6. IT Infrastructure and Cloud Migration		Implementation of upgrade to Windows Server and cloud migration, together with roll-out of Windows 10 underway. Overall project will take until summer 2020 to complete. Will provide infrastructure to run many of the new 'Modern Workplace' services		→		
Workstream Commentary				Issues or Risks			
<p>Workstream 2 overall progress is good. Some limited slippage on new system replacement but overall delivery on track.</p> <p>Focus on WS2/1 over next couple of months in designing data and information storage and governance</p>				Ability to recruit and retain staff with the right skills because of the competitive nature of the IT recruitment market			

Workstream 3 – People & Culture				Version Control	0.1	Period	Oct 2019 – Dec 2019
Project Ref	Project Description		Progress		Trend	Status	Notes
WS3/1	Workforce strategy		First draft of Workforce Strategy now produced. Final version to be available by March 2020.		→		
WS3/2	Leadership training		First cohort of Leadership Training complete. Second cohort commences Feb 2020.		→		
WS3/3	Learning and development programme		Project to be scoped		→	N/A	
WS3/4	Culture, values and behaviour change		Project to be scoped		→	N/A	
WS3/5	Improving internal communications and collaboration		Initial work on internal communications underway. Outcome of this work will be the development of a communication strategy linked to WS3/1 Workforce Strategy. Opportunity to use new technology coming on stream in first half of 2020 will also be used to improve internal communication (see WS2/1 Modern Workplace)		→		
WS3/6	Organisational Redesign		Redesign underway with target to complete phase 1 changes by end of March 2020		→		
Workstream Commentary				Issues or Risks			
Workstream 3 overall progress is good. Further work is being undertaken to ensure projects are scoped and linked with opportunities presented for the use of new technology.				Resource capacity to undertake projects limited but being balanced with organisational demands			
				Impact of organisational redesign WS3/6 may impact on programme delivery and morale at some points from February 2020 onwards			

Workstream 4 – Cost & Commercial			Version Control	0.1	Period	Oct 2019 – Dec 2019
Project Ref	Project Description		Progress	Trend	Status	Notes
WS4/2	Better access to financial information		Work to commence early 2020	→	N/A	
WS4/4	Reducing debts and increasing income from existing services		Project being scoped for implementation 2020	→	N/A	
WS4/5	Commercial strategy and management of assets		Project being scoped for implementation 2020	→		
WS4/6	New procurement strategy and savings from procurement		New procurement strategy has been developed (in draft)	→		
WS4/7	Review of better use of council buildings		Consultants appointed to undertake initial scoping	↑		
Workstream Commentary			Issues or Risks			
Workstream 4 is currently scoping projects which will commence implementation from Q4.			Resource capacity to undertake WS4/1 & 2 projects limited. Vacancies in property service and capacity in Legal Services remain a concern but recruitment is underway and consultant/interim support in place.			

For further information the programme mandate can be found at <https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?CId=138&MIId=684>

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CABINET

**COUNCILLOR MARTIN TENNANT**  
**MAJOR PROJECTS AND PROPERTY**  
**PORTFOLIO HOLDER**

4 FEBRUARY 2020

REPORT NO. RP2004

**KEY DECISION: YES**

**ESTABLISHING A LOCAL HOUSING COMPANY - THE HOUSING COMPANY  
 BUSINESS PLAN**

**SUMMARY AND RECOMMENDATIONS:**

This report presents the five-year Business Plan for the Council's Local Housing Company.

The Cabinet is requested to recommend to Council that it:

- Approves the draft five-year Business Plan in Appendix One to be submitted to the Chief Executive of the Council as shareholder representative in substantially the same form, once the company has been incorporated, when it will become the Approved Business Plan for the company.
- Agrees the sale of 12 Arthur Street and 154 Ship Lane to the Housing Company at market value subject to the relevant valuation.
- Delegates authority to the Chief Executive as shareholder representative to approve any variations in the delivery programme contained in the Business Plan, provided these variations can deliver the outcomes of the Business Plan, and be achieved within the approved budget.
- Appoints a third member of the Council to the Shadow Board to become a Council appointee to the Company Board of Directors on incorporation of the company.
- Agrees the procedures set out in paragraph 4.17 of the report for the agreement of subsequent business plans or project business plans,
- Agrees the arrangements for performance and governance reporting set out in para 4.18 of the report

**1. INTRODUCTION**

- 1.1 In April 2019 the Council approved the creation of a wholly owned company limited by shares, to deliver housing in the Borough. The approval authorised the Chief Executive, in conjunction with the statutory officers, to establish the company and complete the relevant paperwork as required.
- 1.2 Progress has been made in preparing
- A shareholder agreement
  - A funding agreement
  - Articles and Memorandum of Association, and
  - The company Business Plan

- 1.3 A shadow board of directors has been formed and has been meeting regularly.
- 1.4 This report seeks approval of the company's draft five-year Business Plan (attached at Appendix One).
- 1.5 This is a key decision due to the level of investment required.

## **2. BACKGROUND**

- 2.1 The decision to form a local housing company was taken to allow the Council to participate in the local housing market and to achieve financial sustainability. A business case, including a financial model, was approved by Council in April 2019.
- 2.2 Establishing the housing company is a key priority of the Council's Business Plan April 2019 - March 2022, under the theme "Place".

## **3. DETAILS OF THE PROPOSAL**

### ***General***

- 3.1 Following, the Council's decision to establish a housing company, officers and the shadow board have been preparing the company's business plan and the documentation necessary to incorporate the company

### ***Shadow Board of Directors***

- 3.2 In April 2019 Council approved the appointment of a Shadow Board to comprise the Deputy Leader of the Council and two other members. Currently Cllr Ken Muschamp(Deputy Leader of the Council) and Cllr Keith Dibble ( Leader of the Labour Group) are serving as Shadow Board members and until his recent resignation Cllr Woolley was the third Director.
- 3.3 Under previous approvals the Shadow Board members become the Council's appointments to the Board of Directors on incorporation of the Company. A third member will need to be appointed before incorporation.
- 3.4 The Board is advised by the Head of Economy, Planning and Strategic Housing, supported by other officers of the Council.
- 3.5 The Shadow Board has met four times to consider the company documentation, company policies and the draft five-year business plan.

### ***Company documentation***

- 3.6 The Council has engaged Freeths to act as the Council's legal advisers for setting up the housing company. They have prepared the documents required to incorporate the housing company.

### ***The Articles of Association***

- 3.7 This document is based on the Model Articles for Private Companies Limited by shares as set out in the Companies (Model Articles) Regulation 2008. It sets

out the way in which the company is run, governed and owned, including the number and appointment of Directors, decision making by the Board of Directors, the responsibilities and powers of Directors, the conduct of meetings and the issue, consolidation and transfer of shares.

***The Shareholder Agreement***

- 3.8 This agreement covers the relationship between the company and its only shareholder; the Council. It lists operational matters where the company requires consent of the Council. It allows the company to act in accordance with the Business Plan but any significant departures from the Business Plan require Council consent.

***Facility Agreement***

- 3.9 The funding to be provided by the Council to the Housing Company will be in the form of loans covered by this facility agreement.
- 3.10 Drafts of these documents have been prepared and have been considered and approved by the Shadow Board at their meeting of 24 July 2019. They will be submitted to the Chief Executive as shareholder representative for approval under delegations granted by Council on 11 April 2019.

**4. THE FIVE-YEAR BUSINESS PLAN**

- 4.1 A five-year Business Plan has been prepared to cover Company activity for the first years of its operation. It includes a programme to create a property portfolio of 57 units, based on taking a transfer of Council owned properties or sites.

***The Sites***

- 4.2 The sites to be used to create the Company's property portfolio are listed in Table 1 below. This list is not fixed. As further work is done on site capacity and planning issues, sites may be removed and others may be added as opportunities arise.
- 4.3 To deliver its programme, the company will need to take ownership of Council owned properties and sites. This will take place in phases. The Council will be responsible for determining site capacity and will develop proposals to a point where planning permission can be applied for. An option appraisal will be completed for each site. Where the best option, against financial, social or environmental criteria, is for the Council to sell to the Company, the Council will enter into discussions with the Company to achieve a disposal at the appropriate open market value
- 4.4 A price will be agreed at which the land/property will be transferred. The Company will need to satisfy itself that the price agreed is no more than the appropriate open market value for its purpose; does not compromise the viability of its programme to deliver homes for private market rent; and allows it to meet its performance measures as set out in its business plan.

- 4.5 It is proposed that approval is sought to agree the transfer of 12 Arthur Street and 154 Ship Lane. It is proposed that Cabinet grants authority to sell at the open market value subject to the relevant valuation.

**Table 1: The sites**

Site	Potential no. units	Estimated completion
12 Arthur Street (A)	3	2020/21
Ship Lane Cemetery Lodge (F)	1	2020/21
Land adj. 3A Arthur Street (F)	4	2020/21
Land adj. 69 Victoria Road (F)	2	2020/21
Land at Churchill Crescent (F)	8	2021/22
237 High Street, (A)	6	2021/22
Redan Road Depot (A)	6	2021/22
Pool Road Depot (A)	6	2021/22
Manor Park Cottage New Build (A)	1	2022/23
Land adj Fleet Road Scout Hut (F)	6	2022/23
Union Street East Car park (F)	8	2022/23
11 Wellington Street (A)	2	2022/23
Land at Water Lane (F)	2	2023/24
Manor Park Cottage (A)	1	2023/24
Manor Park Lodge (A)	1	2023/24

***Programme***

- 4.6 The first eight sites in the programme are allocated for transfer/development between 2020/21 - 21/22. The eight sites are divided into four tranches of activity

Tranche One

- 12 Arthur Street, Aldershot – transfer of an existing property
- 154 Ship Lane, Farnborough – transfer of an existing property

Tranche Two

- Land adjacent 3a Arthur Street, Aldershot – development site
- Land adjacent 69 Victoria Road, Aldershot – development site

Tranche Three

- Land at Churchill Crescent – development site
- 237 High Street – development site

Tranche Four (Scheme development yet to start)

- Redan Rd
- Pool Rd

***Financial modelling***

- 4.7 Financial modelling for the development sites in the first three tranches has used cost and valuation figures derived from architects, valuers and from

comparable sites. The remainder of the programme was modelled using generic assumptions. As the programme progresses more accurate costs will feed into the model.

- 4.8 The modelling produces financial information on company expenditure to create its portfolio of assets and the resulting requirement for funding from the Council.
- 4.9 Over the first five years of operation it is anticipated that the Company will need to borrow approximately £11,289,900. The current proposed profile of borrowing is set out below.

**Table 2**

	Q4 2019/20 £'000	2020/21 Yr 1 £'000	2021/22 Yr 2 £'000	2022/23 Yr 3 £'000	2023/24 Yr 4 £'000	2024/25 Yr 5 £'000
Finance required for period	0.	3,194.5	5,522.8	1768.6	703.7	100.3
Cumulative finance required	0	3,194.5	8,717.3	10,485.9	11,189.6	11,289.9

- 4.10 Income in the form of net rent from the properties created, will be used to repay loans from the Council. The model demonstrates that by year 15, debt will peak at £11,770,300 then start to decline as rental income will be sufficient to start paying down loans. By year 44, the loans will be discharged.
- 4.11 Further opportunities to grow the portfolio are not factored into the model, however, additional units could be added by acquisition of properties or sites from the market. This would increase the loan requirement but could generate additional income and further opportunity for capital growth.
- 4.12 The model currently shows a consistent rate of return to the Council (as 100% shareholder and lender) of 2.5%. This is achieved without factoring in any capital growth and assuming rent and cost inflation for the first three years are 1.3% and 2.2% respectively and 2.5% thereafter.

**Funding**

- 4.13 The Company is wholly reliant on the Council for funding. This will take the form of loans to buy property from the Council and to fund development costs. Current financial modelling based on 15 sites and 57 dwelling units indicates an eventual peak requirement of £11,770,300 on which the Council will charge an interest rate of 5.5%.
- 4.14 To finance these loans, the Council will borrow as part of its overall Treasury Management Strategy. The current financial model has been prepared on the basis that long-term funding can be obtained at 3.0%. The Council approved its annual Treasury Management Strategy & Annual Capital Strategy for 2019/20

on 21 February 2019 and the potential borrowing and capital expenditure requirements in relation to the Company were included within these strategies. Future financial years' compilation of both the annual Treasury Management & Annual Capital Strategies will include amounts to ensure the Council's capital expenditure and borrowing commitments to the Company.

- 4.15 The margin between the rates specified at 4.13 & 4.14 will provide the Council with an average net income of £283,000 each financial year (measured over the first 10-year operation of the company). This net income amount will be achieved once the Company has developed its initial target unit volume of 57 dwellings (currently planned to be achieved in the 4th year of Company operations).
- 4.16 The total returns to the Council are shown in Table 3, attached at Appendix Two.

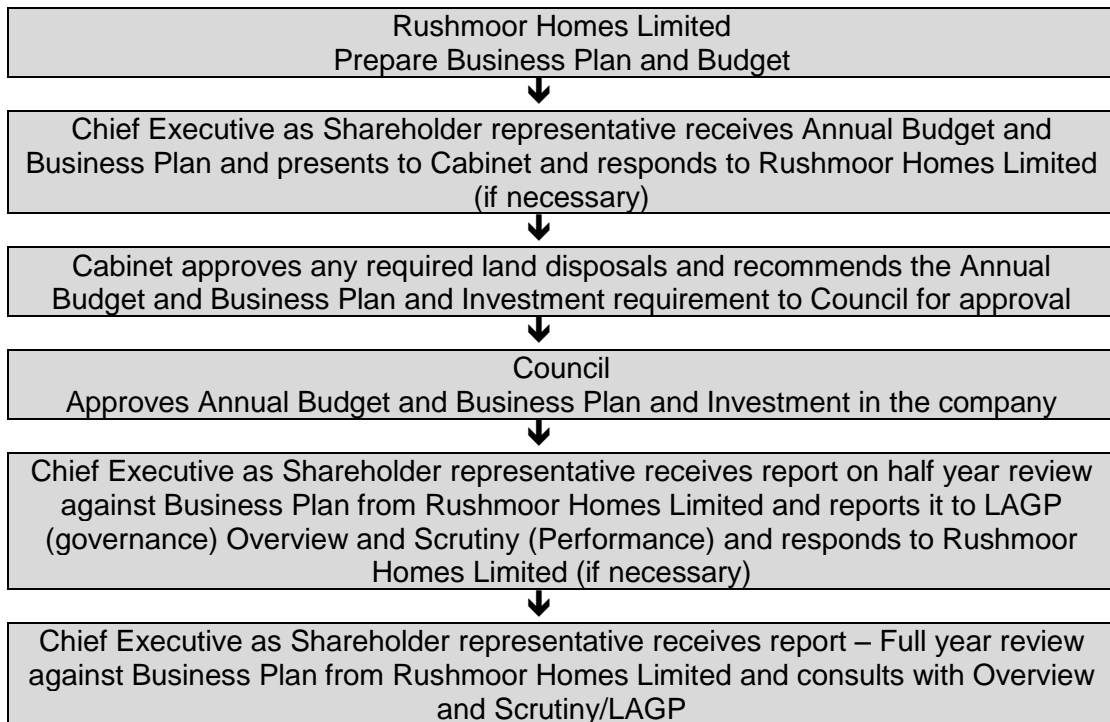
***Approval of the Business Plan***

- 4.17 The Business Plan covers a rolling five-year period and will be updated annually or in circumstances where the Company wishes to pursue opportunities outside the parameters of the Approved Business Plan. Provided the overall funding requirement is not to be exceeded and the number of units to be produced is no lower than set out in the Approved Business Plan, the Company can amend the way the programme is to be delivered by seeking shareholder consent which will be referred to the Council's Cabinet.

***Governance***

- 4.18 Governance arrangements for the Company are set out in the Articles of Association, however, because it is a Company wholly owned by the Council, there are additional governance arrangements. These are set out in section 16 of the Business Plan and cover Company reporting to the Chief Executive as shareholder representative and reporting by the Shareholder representative to Council; Cabinet; Licencing, Audit and General Purposes Committee; Overview and Scrutiny Panel and Policy and Projects Advisory Board, as appropriate. A summary of these arrangements is set out in the diagram below.

## Annual Cycle of Rushmoor Homes/Council Governance



### ***Operational Matters***

- 4.19 The Company will use Rushmoor Borough Council staff to conduct its business, aided by specialist consultants where necessary. A set of policies to cover rents, rent arrears, lettings and repairs and maintenance have been considered by the Shadow Board. The Company will procure experienced managing agents to provide tenancy and property management services.

## **5. EXTERNAL SCRUTINY**

- 5.1 The Council's Treasury Management consultants, Arlingclose, have had an opportunity to review the Business Plan. A summary of their comments and adjustments made to the financial model and Company Business Plan in response, is contained in Appendix Three. The changes are modest. As a consequence the company will need to borrow £85,800 less from the Council. This is of benefit to the Company but will marginally reduce the amount received by the Council in interest charges.

## **6. IMPLICATIONS**

### ***Risks***

- 6.1 A risk register is attached at Appendix Four. The risks relate to reductions in income from the Company's portfolio and increases in its costs. These events could increase Company indebtedness such that it can no longer be considered a going concern. In these circumstances the Council would not receive repayment of its loans and interest. Once a portfolio has been created these risks can be mitigated by an exit strategy relying on disposal of units. This risk

is higher in the first five years of trading and at times where the Company's asset base is below or close to its debt liabilities.

### ***Legal Implications***

- 6.2 The Company will be a separate but wholly owned legal entity. Legal advice has been sought on the appropriate structure and documentation required. Proper governance arrangements are proposed to manage performance and to provide scrutiny.

### ***Financial and Resource Implications***

- 6.3 The creation of the Company requires a significant investment on the part of the Council, however, it represents an opportunity to participate in the housing market and to make a return on the capital invested.
- 6.4 The table in Appendix Two shows the net yield to the Council in relation to interest income and costs on borrowing, and the net yield arising from use of Council staff and start up costs. Overall the table shows the Council will benefit from an annual income of £293k by year five of operation, based on the current portfolio of properties.
- 6.4 The current level of development activity proposed can be supported by existing Council staff with assistance from specialist consultants. Any greater volume of work or shorter timescales would require further resources.

### ***Equalities Impact Implications***

- 6.5 There are no equalities issues arising from this report.

### ***Other***

- 6.6 The Council will continue to meet the holding costs for properties in the list at paragraph 4.6 of this report until such time as the properties are transferred to the Housing Company.

## **7. CONCLUSIONS**

- 7.1 A wholly owned Company will give the Council freedom to participate in the housing market, to meet housing needs and to achieve greater financial sustainability. Following a Council decision to set up a company, a five-year business plan has been prepared with the housing company shadow board for the Council's consideration. This represents an important stage in meeting one of the Council's key objectives and provides a firm basis from which to grow a housing business.

### **BACKGROUND DOCUMENTS:**

Council report 11 April 2019 Proposal for the establishment of a Council owned Housing Company.

### **CONTACT DETAILS:**

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## **INDEX OF APPENDICES:**

Appendix 1: "Rushmoor Homes Ltd" Business Plan April 2020 to March 2025

Appendix 2: Table: Net income received by the Council

Appendix 3: Table of comments from Arlingclose review of Business Plan and responses and amendments to Business Plan

Appendix 4: Risk Register



# DRAFT

V17

## Draft Local housing Company Business Plan

### Executive Summary

**This is the first business plan of the newly formed Rushmoor Homes Limited.**

**The company is a wholly owned company limited by shares. Rushmoor Borough Council is the sole shareholder and owns 100% of the company.**

**The company has been set up by Rushmoor Borough Council to meet a number of objectives. The principal aim is to increase housing supply by providing good quality private rented homes in the borough as well as operating in a commercial manner that will yield returns to the Council.**

**The company aims to achieve a portfolio of approximately 50 – 60 homes over the first five years of operation. It will use properties and sites that are currently in the ownership of Rushmoor Borough Council but will consider opportunities to acquire land or properties to expand its holdings.**

**The plan provides an indicative programme that shows a graduated start to its developing its portfolio: delivering four units in the first year and six units in the second year; gaining momentum by year three and four when 26 units and 18 are expected; followed by 1 unit in year five.**

**To deliver this programme the company will secure finance from the Council to fund development and operating costs. The debt incurred will accumulate to a total of £11,770,700 in year 15 after which it will decline and be paid off by year 44. The programme as currently modelled does not include planned sale of properties.**

**The company expects to achieve net rents of £560,000pa by year five. These will be used to cover operating costs, finance costs and tax.**

# DRAFT

The company is operating in an area of high housing demand. Local rentals have not significantly increased in recent months. Although past trends cannot predict future performance, they indicate strong growth has occurred over the long term. The recent RICS Residential Market Survey predicts rental growth of 2% over the next twelve months and increasing to 3% by the 5 Year time horizon. Employment levels remain strong so that housing demand can be translated into transactions. In this market the company aims to provide homes for working households with an income of between £30,000 and £60,000. The expected programme is comprised primarily of one and two bedroom homes.

This business plan provides detail on the first four properties/sites to be acquired/developed by the company. The property transfers and the funding that is required by Rushmoor Homes for its first year of trading is set out in the plan for approval by its Shareholder.

Rushmoor Homes Ltd is funded 100% by Rushmoor Borough Council. To determine the level of funding it requires and to continually monitor the viability of its business plan the company uses a financial model that was developed with the Council. This is used to evaluate individual development schemes as well as the complete programme.

In its first year the company will contract to use Council staff to carry out the day to day functions of the business, with consultants employed where additional expertise is needed. Monitoring of performance will be carried out by the Council, as shareholder, through governance procedures established by the Council.

# DRAFT

## 1.0 Introduction

This business plan sets out the aims of Rushmoor Homes Limited for the first five years of its operation. The plan takes account of the housing market context within which the company will work and the risks that may arise from operating in this environment. Rushmoor Borough Council, as the company's sole shareholder, has provided the company with a set of objectives and targets which will be monitored by the Council as shareholder and through agreed governance arrangements. A prospective development programme is set out based on a limited portfolio of properties and sites currently in the ownership of Rushmoor Borough Council, to be delivered through the company's proposed work plan.

Underpinning the company's activity is the ability to draw finance from the Council and the plan identifies the resources required to deliver the target number of new homes over a five year timescale.

## 2.0 Background

Rushmoor Homes Ltd was set up following a business case prepared by Rushmoor Borough Council for the establishment of a housing delivery vehicle to allow the Council to participate directly in the housing market. It is a wholly owned company limited by shares. The company is run by a Board of Directors appointed by its shareholder.

## 3.0 Company purpose

The purpose of the housing company, as defined by Rushmoor Borough Council, is to participate directly in the housing market by providing quality homes for rent. It will take a transfer of the Council's existing residential properties and create a residential private market rent property portfolio. It will seek to help the Council with its need for affordable and temporary accommodation provided this can be done without significantly compromising its financial viability and where a company is the best means of achieving the required outcomes;

As the sole shareholder, Rushmoor Borough Council has influence over outputs e.g. type of housing, rents, returns to the Council which it will exercise through the approval process for this Business Plan.

## 4.0 Company Values

The way in which the company operates is an important part of the business plan. The company strives to become the best landlord in the borough and seeks to become:

- A trusted partner of its shareholder: Rushmoor Borough Council

# DRAFT

- A trusted private sector landlord providing quality homes and services
- A business that operates with integrity and treats tenants, contractors and partners with respect.
- A learning organisation that acknowledges and learns from mistakes, and recognises good work.

## 5.0 Company Objectives

Reflecting the purpose set by the Council, the Company's objectives are

- to take a transfer of existing residential properties owned and let by the Council;
- to develop/acquire property to assemble a residential property portfolio that may contain a range of tenures;
- provide quality homes for rent in the private rented market to meet housing need and create a revenue stream providing a return on investment to its Shareholder (the Council);
- to remain financially viable and commercially sustainable;
- to assist the Council in meeting requirements for affordable housing and temporary accommodation where a company is the best means of achieving the required outcomes;
- to provide an efficient landlord service including housing management and maintenance;
- to maintain its properties to a standard that meets tenants reasonable expectations; protects Shareholder reputation and shareholder investment in the company, and
- create saleable, realisable assets should the generation of capital receipts become a priority for its Shareholder.

### Potential Customers

The company will focus on providing good quality, well maintained homes. It will initially offer homes to small, working households whose incomes will be broadly in the range of £30,000 -£60,000pa. The properties will be let on 6 month assured shorthold tenancies. These will continue as periodic tenancies provided tenants pay their rent and abide by other terms of their tenancy. The company will take a commercial approach to letting its homes, making sure tenants have the ability to pay their rent.

The company's aspiration is to be commercially successful so that in time, provided its financial viability is not significantly compromised, the company could consider introducing an element of affordable/discounted housing to meet the needs of those on lower incomes.

Modelling of scenarios with varying amounts and types of housing at a discounted rent (affordable) indicate that this is unlikely to be possible without some form of subsidy in

# DRAFT

the short/medium term. The Company will need to substantially out perform its business plan to build a surplus if it is to provide affordable housing without subsidy.

## 6.0 Targets

The company's targets are as follows:

- To deliver 57 homes for private market rent by 2023/24
- To put in place a pipeline of future properties to take forward a programme beyond 2023/24.
- To provide homes for rent where the asset value is greater than total scheme costs and shows a return on investment of 2% (excluding capital growth in portfolio assets).
- Repay initial loans by year 44
- Provide the Council with £283,000 net income on average over the first 10 years.

An internal rate of return that takes account of growth in property values has not been calculated because of the difficulty in predicting house prices over a 40 year period. However, for each project, monitoring will be carried out to determine when sale of a property could increase the overall rate of return.

## 7.0 Returns to Shareholder

As well as helping to meet housing need the company seeks to provide a commercial return to its shareholder. To achieve this and ensure sustainability the company will:

- Pay a margin on loans from RBC
- Use income to pay down debt within 44 years
- Monitor performance of assets to provide advice on whether disposals could be considered if cash is required by RBC
- Maximise income, and efficiency of property management services.
- Pay the Council commercial rates for Council staff working on company business.
- To discharge debt before paying dividends.

## 8.0 The Programme

In the first five years [Rushmoor Homes] will seek to create a property portfolio as shown in table 3. This is based on property currently in the ownership of the Council.

**Table 3: Property Portfolio**

	Q4 2019/20	Full Yr 2020/21	Full Yr 2021/22	Full Yr 2022/23	Full Yr 2023/24	Full Yr 2024/25
Number of Properties transferred	0	4	0	0	2	0
Number of Properties developed and completed	0	6	26	18	1	0

# DRAFT

Number of properties acquired	TBC	TBC	TBC	TBC	TBC	TBC
Cumulative number of properties	0	10	36	54	57	57

This programme is based on taking a transfer of Council owned properties/sites. In a competitive market this will be the easiest way to generate units in the short term. Additional units could be added by acquisition of individual units from the market or by taking development opportunities if they arise. It is likely any such acquisitions will require purchase at discount to the market sale values

The programme will be financed by Rushmoor Borough Council in the form of loan notes charged at 5.5% pa. This is a commercial rate for lending to a newly formed wholly owned company.

A more detailed programme of work for the first five years of operation is set out in appendix 1. The business plan will be reviewed annually and will take account of any changes arising from sites falling out of the programme or new sites being added.

## 9.0 Company Financial Profile

The following tables set out the key income and expenditure for the company together with its requirement for capital. The costs included in the business plan are based on current estimated costs for the two existing properties being transferred and estimates for two initial development schemes which have been designed but are subject to planning permission. These properties are:

- 12 Arthur Street, Aldershot – transfer only
- Ship Lane Cemetery Lodge, Farnborough – transfer only
- Land adjacent 3a Arthur Street, Aldershot - development
- Land adjacent 69 Victoria Road, Aldershot – development

Further detail on these sites is contained in appendix two. As proposals for these four sites are developed, current appraisals will need to be revised to take account of more accurate information as it becomes available.

The second phase of the programme includes a site at Churchill Crescent which presents an opportunity to achieve approximately 8-12 units. Again current appraisals will need to be revised as the scheme is finalized.

Costs all other schemes in the programme use the assumptions developed for the financial model. As the initial schemes move through the development process costs will be tested and confirmed and future schemes will start to be developed in detail. Cost inflation is



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included in the model at 2.2% for the first three years of operation and 2.5% from year four.

The financial model will continue to be updated with this information to ensure that individual projects and the programme remain viable. This information will inform subsequent updates to the Business Plan.

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**Table 4 : Company Assets and Expenditure on Assets**

	Q4 2019	Full Yr 2020/21 Yr 1	Full Yr 2021/22 Yr 2	Full Yr 2022/23 Yr 3 £000	Full Yr 2023/24 Yr 4	Full Yr 2024/25 Yr 5	Full Yr 2034/35 Yr 15	Full Yr 2044/45 Yr 25	Full Yr 2063/64 Yr 44
<b>Asset expenditure in period</b>									
Land transferred from RBC for shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capitalised expenditure on assets	0.0	2,094.4	4,794.7	1,527.4	118.5	0.0	0.0	0.0	0.0
Land transferred from RBC for loan note	0.0	976.5	540.1	80.0	475.0	0.0	0.0	0.0	0.0
<b>Total - Asset expenditure in period</b>	<b>0.0</b>	<b>3,070.9</b>	<b>5,334.8</b>	<b>1,607.4</b>	<b>593.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Assets cumulative</b>									
Land transferred from RBC for shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capitalised expenditure on assets	0.0	2,094.4	6,889.1	8,416.5	8,535.0	8,535.0	8,535.0	8,535.0	8,535.0
Land transferred from RBC for loan note	0.0	976.5	1,516.6	1,596.6	2,071.6	2,071.6	2,071.6	2,071.6	2,071.6
<b>Total - Assets cumulative</b>	<b>0.0</b>	<b>3,070.9</b>	<b>8,405.7</b>	<b>10,013.1</b>	<b>10,606.6</b>	<b>10,606.6</b>	<b>10,606.6</b>	<b>10,606.6</b>	<b>10,606.6</b>

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Table 5: Company Balance Sheet

	Q4 2019	Full Yr 2020/21 Yr 1	Full Yr 2021/22 Yr 2	Full Yr 2022/23 Yr 3 £000	Full Yr 2023/24 Yr 4	Full Yr 2024/25 Yr 5	Full Yr 2034/35 Yr 15	Full Yr 2044/45 Yr 25	Full Yr 2063/64 Yr 44
<b>Assets</b>									
Assets (Cumulative)	0.0	3,070.9	8,405.6	10,012.9	10,606.4	10,606.3	10,606.3	10,606.6	10,606.7
Assets cash (Cumulative)	-	-	-	-	-	-	-	-	565.0
Net all assets (Cumulative)	0.0	3,070.9	8,405.6	10,012.9	10,606.4	10,606.3	10,606.3	10,606.6	11,171.7
<b>Financing</b>									
Accumulated (Profit)/Loss	0.0	123.7	311.8	473.1	583.3	683.7	1,164.1	(46.9)	(11,171.6)
Financing - Loans	0.0	(3,194.5)	(8,717.3)	(10,485.9)	(11,189.6)	(11,289.9)	(11,770.3)	(10,559.6)	0.0
Financing - Equity	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total finance	0.0	(3,070.9)	(8,405.6)	(10,012.9)	(10,606.4)	(10,606.3)	(10,606.3)	(10,606.6)	(11,171.7)

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Table 6 A Company Profit and Loss : Income

	Q4 2019	Full Yr 2020/21 Yr 1	Full Yr 2021/22 Yr 2	Full Yr 2022/23 Yr 3	Full Yr 2023/24 Yr 4	Full Yr 2024/25 Yr 5	Full Yr 2034/35 Yr 15	Full Yr 2044/45 Yr 25	Full Yr 2063/64 Yr 44
	£								
RENT INCOME (gross)	0	(44,400)	(197,500)	(528,800)	(666,800)	(705,700)	(903,400)	(1,156,400)	(1,848,700)
Voids and bad debts 4%	0	1,800	7,900	21,200	26,800	28,400	36,300	46,500	74,300
Management fee 10% gross rent (incl.marketing and letting)	0	4,400	19,800	53,100	67,000	70,900	90,700	116,100	185,700
Inventory costs	0	200	900	2,300	2,800	3,000	3,800	4,900	7,800
Insurance	0	600	2,600	6,900	8,500	9,000	11,500	14,700	23,600
Gas safety	0	200	1,000	2,700	3,400	3,600	4,600	5,900	9,400
Routine maintenance	0	1,500	6,900	18,300	22,800	24,000	30,700	39,300	62,900
Service charge	0	600	3,200	8,900	11,000	11,400	14,600	18,600	29,800
Major repair provision	0	0	0	0	0	0	12,000	15,400	24,600
<b>Total deductions</b>	0	<b>9,300</b>	<b>42,300</b>	<b>113,400</b>	<b>142,300</b>	<b>150,300</b>	<b>204,200</b>	<b>261,400</b>	<b>418,100</b>
<b>NET RENT</b>	0	<b>(35,100)</b>	<b>(155,200)</b>	<b>(415,400)</b>	<b>(524,500)</b>	<b>(555,400)</b>	<b>(699,200)</b>	<b>(895,000)</b>	<b>(1,430,600)</b>

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Table 6B Company Profit and Loss: Operating Costs

		Yr 1	Yr2	Yr 3	Yr 4	Yr 5	Yr 15	Yr 25	Yr 44
<b>OPERATING COSTS</b>									
Contract payments to RBC (*) for:	0	95,000	35,900	36,800	37,700	38,600	49,500	63,400	101,300
Property management									
Acquisition and Development	If necessary external company/consultant costs may need to be added here								
Financial advice									
Accountancy									
Legal									
Office accommodation									
Telephony and IT									
Banking costs									
Printing and Stationery									
Travelling and Entertainment									
Training									
Consultants fees									
<b>TOTAL OPERATING COSTS</b>	0	95,000	35,900	36,800	37,700	38,600	49,500	63,400	101,300

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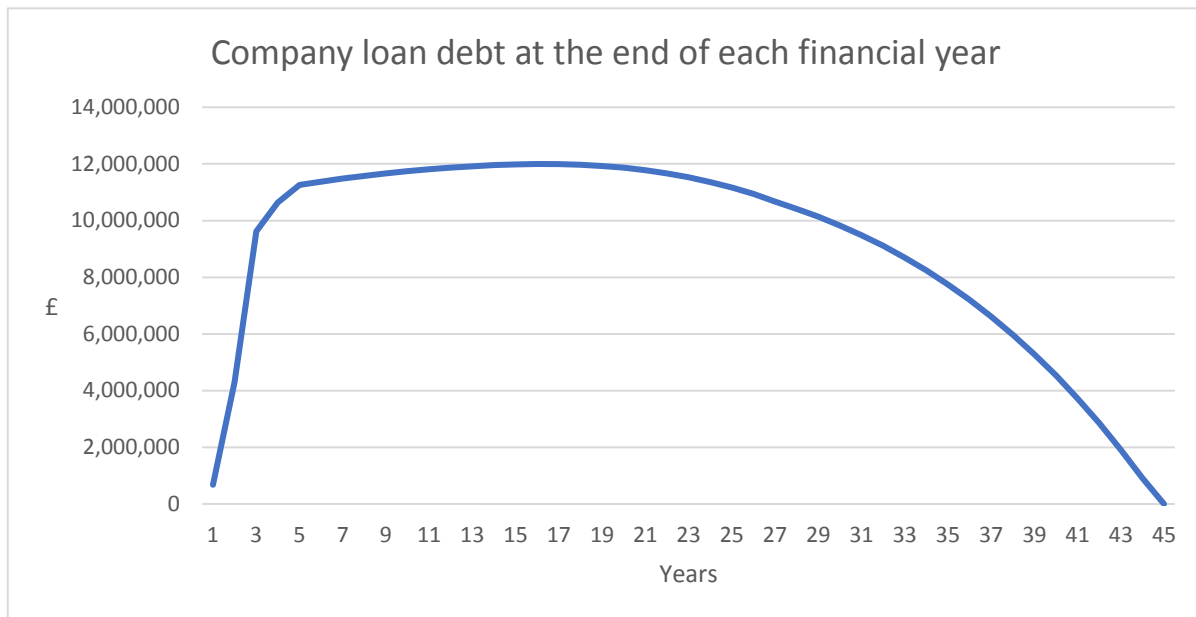
Table 6C Company Profit and Loss: Finance, Taxation and Net Profit and Loss

<b>FINANCING AND TAXATION</b>									
Interest payments	0	63,800	307,400	539,900	597,000	617,200	646,500	586,800	7,400
Corporation Tax	0	0	0	0	0	0	0	4,700	250,100
<b>TOTAL FINANCE &amp; TAX COSTS</b>	<b>0</b>	<b>63,800</b>	<b>307,400</b>	<b>539,900</b>	<b>597,000</b>	<b>617,200</b>	<b>646,500</b>	<b>591,500</b>	<b>257,500</b>
* Includes £60,000 set up costs in first full year									
<b>NET PROFIT(-)/LOSS</b>	<b>0</b>	<b>123,700</b>	<b>188,100</b>	<b>161,300</b>	<b>110,200</b>	<b>100,400</b>	<b>(3,200)</b>	<b>(240,100)</b>	<b>(1,071,800)</b>

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## 10.0 Loan Debt

To bring forward the programme as set out in section 8.0 the total loan debt incurred over the first five years of operation is £11,375,600. This will increase to a peak of £11,996,700 by year 15 before beginning, gradually to decline.



## 11.0 Development Programme Tasks

For the existing properties that are to transfer to the Housing Company the following tasks need to be completed

- Transfer of site / property with associated valuation and legal work
- Taking properties into management

For each of the development sites listed the following tasks need to be completed

- Transfer of site / property with associated valuation and legal work
- Novation of any contracts currently in place with the Council
- Planning application to be handled by consultant architects
- Planning consent achieved
- Building regulations consent
- Preparation or employers requirements
- Tender
- Tender evaluation
- Pre contract work
- Contracts signed
- Contract lead in
- Start on site
- Project monitoring
- Completion
- Handover
- Letting

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In addition the company will need at the appropriate times to:

- Explore options for acquiring properties on the open market, offering a solution to empty property owners and acquiring development opportunities
- Explore options for providing housing at a discounted rent and the opportunities to obtain subsidy to enable this to occur
- The level of activity shown above can be delivered using existing RBC staff contracted to the company with support from consultants. A more aspirational level of activity would need additional staff resources.

In the period following set up the company will need to establish its policies on issues such as rents, tenancies and repairs and maintenance, along with its brief for developments.

Once into its third year of operation it will be in a position to investigate and take up additional development opportunities and to consider whether it can provide a limited number of affordable homes in future years.

## 12.0 Operational Management

Rushmoor Homes has contracts with Rushmoor Borough Council for staff that are carrying out the following functions

- Administration and support of the Company and its Board
- Purchase of sites and properties
- Coordinating planning applications
- Commissioning architects
- Commissioning and overseeing managing agents
- Assessing Company funding requirements
- Entering into Loan documents
- Administering invoicing and payments
- Preparing Annual accounts
- Preparing VAT
- Tax accounting

These staff are charged to Rushmoor Homes on a cost recovery basis.

To assist with the management of the tendering and construction phase of the development programme it is possible that the company will procure development management services from another Council owned housing company, registered provider or other commercial partner.

### Property management

In order to provide good quality property management the Company will procure experienced managing agents using a specification that reflects the property management policies of the company.

In time and when there is sufficient scale the company will give consideration to whether these services or elements of these services can be taken in house.



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## 13.0 Operating Context and the Housing Market

Initially the company's activity will be focused in the borough of Rushmoor. In time its property portfolio may expand into the local housing market area and beyond.

Based on market information set out in this section the company will be operating in a market where there is continuing demand for privately rented homes. There may be competition at the top end of the market with the new homes being marketed by Grainger plc, however, if the company pitches its target tenants correctly and provides a professional landlord service it is likely to secure tenants and minimise voids.

Growth in capital values has slowed recently but over the long term (based on past trends) the company can expect to see gains in the capital value of its portfolio.

### **Performance of the local housing market**

Rushmoor is an area experiencing high housing demand which is not met in full by housing supply. As a consequence prices have risen substantially. For the principal post code areas in the borough, Zoopla (May 2019) reports a 20% increase in prices over the last five years. The last 12 months, however, have shown an increase in prices of under 1%. The growth in prices for flats has been lower than for "all property types". There is a continuing issue with affordability and access to home ownership with a median house price to median income ratio of 9.16<sup>1</sup>. The general trend indicates a level of house price growth that has the potential to capital returns on investment above those represented by rental return only.

Following the national trend, the number of households in privately rented accommodation has increased significantly<sup>2</sup>. Census data on tenure by local authority area showed an increase in households renting from private sector landlords from 6.6% in 2001 to 17.6% in 2011. It is expected that difficulties in saving for a deposit, which remains a particular challenge in the South East, strict mortgage lending criteria and high prices means many households will have to rent privately to meet their housing needs.

As well as those who use the private rented sector because of difficulties in accessing home ownership there are others who choose this tenure for its flexibility and others who are supported in the sector through the welfare system.

In general terms private renters tend to be younger (56% under 44). Single person households and couples with no dependent children account for 48% of households in this sector and 63% of households are in full time employment.<sup>3</sup>

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<sup>1</sup> (Source: Office for National Statistics, house price to residence based earnings ratio April 2019)

<sup>2</sup> The English Housing Survey: Private Rented Sector, 2016-17 reported that the proportion of private rented sector households has doubled since 1996-97 and the overall size of the private rented sector has increased over this time from 2.1 million households in 1996-97 to 4.7 million households in 2016-17. Growth was particularly strong after 2006-07 but appears to have slowed in more recent years.

<sup>3</sup> (Source: Ministry of Housing Communities and Local Government Statistical data sets Table F3101) **Pack Page 381**

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**Table 1: Rents (£) per calendar month**

Rushmoor	Room	1 bed	2 bed	3 bed	4 bed+
Median private rent	461	744	941	1,162	1,498

Source: Private Rental Market Statistics, Valuation Office Agency April 2018 – March 2019

**Table 2: Current Asking Rents Zoopla Sept 2019**

Post code	Property Type	
	1 bed flat	2 bed flat
GU11	£733 pcm (11) <sup>4</sup>	£959 pcm (17)
GU12	£696 pcm (8)	£870 pcm (13)
GU14	£807 pcm (39)	£1,123 pcm (21)

## Employment and Incomes

In March 2019 1.2% of Rushmoor's working age population (16 -64) were claiming out-of-work benefits principally, for the reason of being unemployed. This indicates high levels of employment in the borough

Median annual incomes are £32,209 (£2,684 pcm) and lower quartile incomes £23,383 (£1,948 pcm). At this level of income a number of rents in table 2 would represent more than 30% of gross income for a single earner household, therefore, the company's rental offer will need to be targeted at those earning above median incomes or households with two incomes.

Annual income growth in the UK as at March 2019 was 3.2% (year on year 3 months average)

## Buy to let

The private rented sector in Rushmoor is dominated by landlords owning a small number of properties. Many of these landlords will have acquired their properties under buy to let mortgages.

Tax changes which increased stamp duty on buy to lets; the phasing out of higher rate tax relief and strict mortgage lending criteria may have the effect of reducing the number of Buy to Let landlords.

## Private sector investment in private rent

This sector is relatively new to Rushmoor. As part of the Wellesley development a number of private rent units are being developed. The first of these are currently being let. Developed by Grainger plc, they are flats aimed at professional people. Asking rents are over £900 per month. Build to rent is helpful on larger development sites generating income without competing with sales, therefore, Grainger may continue to include this form of tenure in the private sector element of the 4850 new homes to be delivered at Wellesley.

<sup>4</sup> Brackets indicate sample size

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## The future

Past trends would indicate good levels of rental and house price growth. In the short term this may be compromised by the effects of Brexit, particularly a no deal Brexit. However, the need for housing persists, whether this translates into housing demand will be determined by whether income are sufficient to meet deposit requirements and borrowing costs, particularly if mortgage interest rates rise.

The Nationwide House Price Index July 2019 showed annual house price growth remained below 1% with a modest month on month rise in house prices of 0.3% after seasonal adjustments. Their survey data suggests consumer confidence remains subdued. Price growth and market transactions are likely to remain at current levels supported by rising employment, earnings growth and low borrowing costs.

Saville's UK Housing Market Update September 2019 reported that house prices remained flat with annual growth a 6%. Transaction levels have reduced and are unlikely to change due to the current economic and political uncertainty.

Local asking rents collected from Rightmove also show limited growth over the 9 months from February 2019 to November 2019. For this reason modelling has used rental inflation rates of 1.3% for the first three years of the programme, rising to 2.5% in year four.

Mortgage rates are rising and further rises will limit the capacity for further house price growth.

These measures of the housing market will continue to be monitored regularly.

## **14.0 Risk and Exit Strategy**

**Funding costs** – in its early life the company will be dependent on Rushmoor Borough Council finance. The terms on which this is available may change depending upon circumstances prevailing at the time.

**Funding availability** – Changes in national or local priorities and policies may restrict RBC's ability to provide funding.

**Rental income** – the Company relies on rental income to fund its operations and to make a return. Rental income could be at risk if there is a downturn in demand fuelled by decreasing incomes or rental inflation falls below cost inflation. Rents could be affected by national policy changes, for example rent controls.

**Capital growth** – while house price inflation has not been factored into the financial model, the Company could sell its assets (with the approval of RBC) at which point any capital growth will be realisable. Because of the cyclical nature of the housing market there will be times when house price inflation slows, if this occurs it could affect the return that is achievable.

**Increased Costs** – the company is at risk of rising costs across a range of its functions including repairs costs, construction cost, poor project management

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**Expansion** – although an indicative initial portfolio of properties has been identified opportunities to expand may be limited in a highly competitive housing and land market. In addition as more detailed site investigation and appraisals are carried out some sites in the indicative programme may not proceed. In the event that expansion is possible the company will need to monitor the effect that its activities are having on the local market.

**Capacity** – In order to build out the programme more quickly than currently scheduled or to increase the programme, the number of staff, their skills and expertise, would need to be increased.

**Operational risks** – these centre around tenancy management and the risk of bad debts, damage to property and voids all of which can affect net rental income. For this reason ensuring the quality of managing agent and careful selection and support for tenants is important.

**National policy** – There is some uncertainty about the role of local authority controlled companies with little clarity on policy from government. There is a risk that government may not sanction continued use of companies to provide housing although there has not been any further guidance following the Social Housing Green Paper “published in August 2018.

A risk register is attached at appendix three.

## Exit Strategy

The company will monitor quarterly risks against a number of thresholds and in particular will check the following risk indicators

- Demand for rental units
- Rental values and rental inflation over time
- Sale values
- Cost inflation over time
- Regulatory changes affecting the operation of the rental market

If these are exceeded the company will consider implementing a exit strategy as outlined below :

The company will procure asset valuations as required.

If there are changes in the risk indicators that will have a negative effect on the business plan the company’s financial model will be re run to quantify the effect.

If the effect is that the company’s ability to generate a profit or repay its debt is impaired compared with the baseline model, the following will be considered

- The possibility of refinancing to reduce interest costs
- A review of operating costs to see if savings can be made
- A review of assets to determine if a sale of a property(ies) will improve performance
- A review of performance of development, management and contractors’ performance.
- A review of isage of assets to determine if better value from alternative letting strategies can

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This quarterly review of risks, any modelling and consequential review of costs and performance will be reported to the Housing Companies Board and if in the view of the Board appropriate the Council as shareholder.

If appropriate the Council will be asked to approve actions proposed by the company to mitigate the negative effects of movements in the risk indicators

If in the view of the Council as shareholder, there is little prospect of the company mitigating the risks so that it returns to operating within reasonable tolerances of the original baseline model and business plan, the Council may consider options to mitigate its risk and ensure it recovers the maximum value to repay its own borrowing. Options that may be considered are:

- Winding up of the company and disposal of property – This option is highly dependent on the capital values of the property in comparison to debt. Over time it is likely that capital values will grow. However in early stages there is a risk that values may not cover the Council's debt particularly if there is a significant market down turn
- Winding up of the company and retention of the property by the Council as temporary accommodation – The Council is not able to hold rental property in general but can do so for the purposes of providing temporary accommodation. This depends on the need of the Council for such accommodation and the potential income/cost for this accommodation
- Sale of the company either in whole or to create a joint venture – The value of the company to an existing company in the rental market may represent a better value option particularly in the early stages. The ability of a company already operating in the rental market to share or absorb the overhead costs of management and maintenance may result in a better value proposition. Entering into a joint venture may enable the Council to maximise value over the longer term
- Alternative management options – The Council could explore whether alternative approaches to managing the company in a more arms length arrangement particularly if alternative markets are being considered could deliver better value

In deciding on what actions to take, the company will need to be fully aware of the value of its assets. There is a risk that the value of schemes in development may not allow full recovery of money spent, therefore, the company is at greatest risk of not being able to raise sufficient funds to pay off its borrowings in the development phase of the programme. In order to secure its position the Council will need to ensure that appropriate collateral warranties are in place to secure its interests where it may wish to exit or in the event of insolvency.

## **15.0 Development and Approval of the Business Plan**

Rushmoor Borough Council, as sole Shareholder, exercises its influence and control through the Shareholder agreement which requires Council consent to a range of company actions; and through its annual consideration and approval of the company's business plan. A limited number of actions are permissible without recourse to the Council to allow ease of operation. The company can enter into property transactions and into contracts as set out in the Approved Business Plan.

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Directors and presentation to the Council as shareholder, with consideration by the Council's Cabinet and Full Council as necessary.

The Plan will cover a rolling five year period and will be updated annually or if the company wishes to pursue opportunities outside of the parameters of the business plan.

Rushmoor Homes Ltd will develop its programme as set out in the approved business plan and develop for each project a business case and project plan which will be prepared and approved by the Board of Directors and the Council as Shareholder.

## 16.0 Governance

Governance of the company is detailed in the Articles of Association, however, as a company wholly owned by Rushmoor Borough Council there are particular governance arrangements in place.

- Annually the Board prepares its Business Plan and its budget for the Chief Executive of Rushmoor Borough Council, as shareholder, to present to RBC's Cabinet.
- RBC's Cabinet agrees any land disposals required by the Business Plan and recommends the Business Plan, the annual budget and investment required to the Council
- The Council approves the annual budget Business Plan and investment in the company.
- The Board prepares a half year report to the Chief Executive, as Shareholder, reviewing progress against the Business Plan. The Shareholder presents these reports to RBC's Licensing, Audit and General Purposes Committee (governance) and its Overview and Scrutiny Panel (performance)
- The Board prepares a full year report on progress against the Business Plan and company governance for the Chief Executive of RBC, as Shareholder, and the Chief Executive will present this report and consult with Policy and Projects Advisory Board, Licensing Audit and General Purposes Committee and Overview and Scrutiny Panel.
- The Shareholder will feedback comments from Cabinet, Council, PPAB, O&S LA&GP to Rushmoor Homes Ltd as necessary.

## 17.0 Conclusions

This business plan outlines proposals for the first years of Rushmoor Homes' operation. It shows a programme for delivering 55 homes for private market rent that will contribute to providing good quality homes in this tenure and provide a return to the company's shareholder; Rushmoor Borough Council.



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## Appendix Two

### 1. 12, Arthur Street.

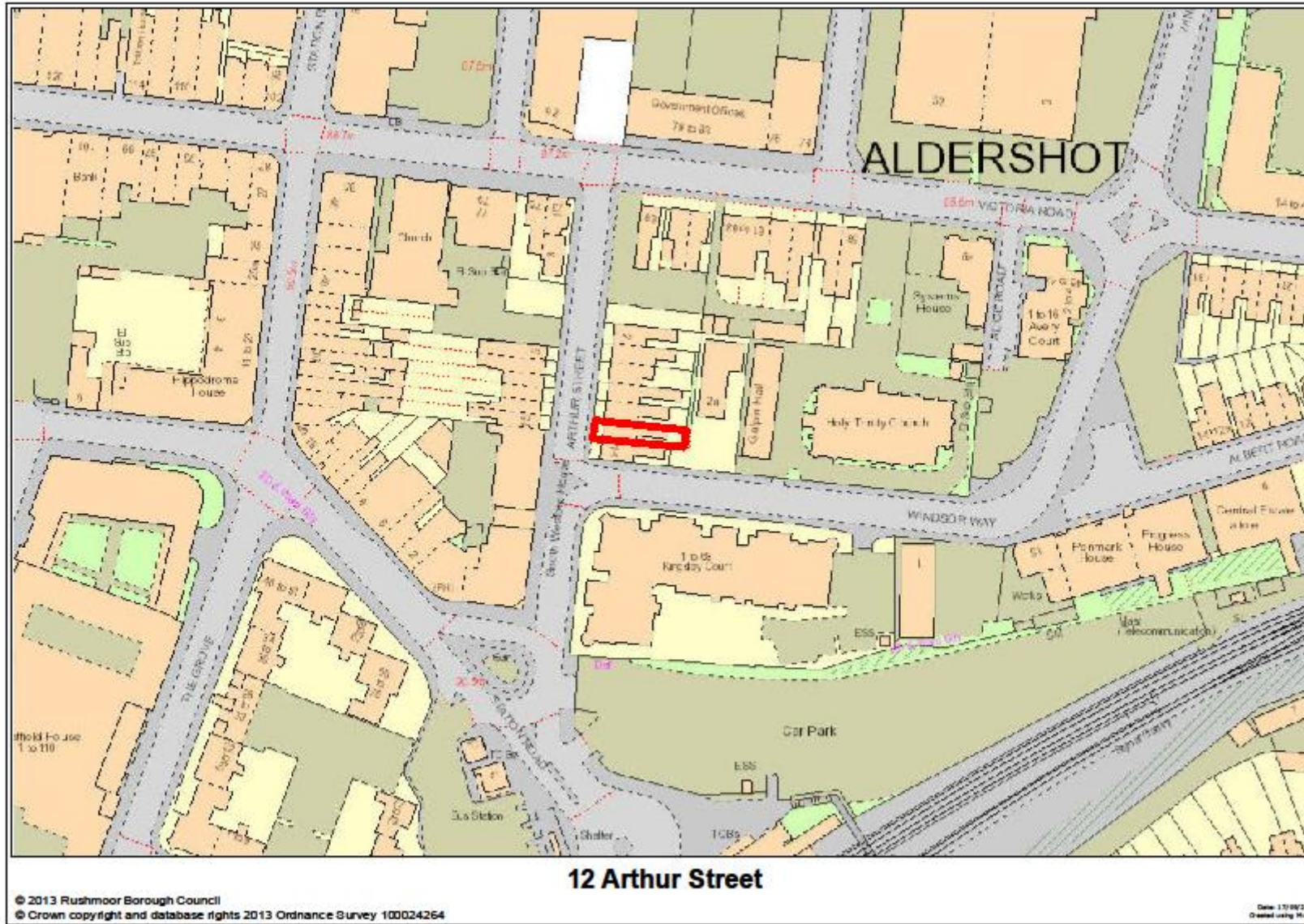
Site details	
Address	12 Arthur Street Aldershot GU11 1HL
Description	3 Flats in converted Victorian house Flat 1 - 581sqft/ 53.94sqm Flat 2 – 594sqft/ 55.17sqm Flat 3 – 700sqft/ 65.08sqm
Site Area	133sqm
Title	Registered HP733478
Access to Highway	Confirmed against Planning Map
Planning	Planning permission granted 29 03 2017 for change of use from B3 to C3 use.
Utilities	Checked 2016 - new requests required
Valuation	Carter Jonas April 2019 £540,000 residential use with vacant possession £486,000 residential use, flats let on assured shorthold tenancies
Option appraisal	To be completed
Financial appraisal	IRR over 50 years 4.7%. NPV at 5% shows payback by year 55
Return on costs	7%
Cost to value	68%

### Indicative Programme

Calendar Month 2019/2020	Project Month	2019/20							2020/21	
		O	N	D	J	F	M	A	M	J
		1	2	3	4	5	6	7	8	
<b>12 Arthur Street</b>										
Valuation	✓									
Option Appraisal										
Cabinet Report to transfer site to Housing Co.										
Transfer										
In management										



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## 2. Ship Lane Cemetery Lodge, 154 Ship Lane, Farnborough

Site details	
Address	Ship Lane Farnborough
Description	3 bedroom house let on assured shorthold tenancy
Site Area	133sqm
Title	Registered HP812119
Access to Highway	See attached GIS plan
Planning	Established residential use
Utilities	Checked 2016 new requests required
Valuation	Estimated £500,000 to be confirmed
Option appraisal	To be confirmed
Financial appraisal	IRR over 50 years 8.227% NPV @5% shows payback at year 31
Return on costs	1.2% (net rent/purchase price)
Cost to value	80 - 90%

### Indicative Programme

Calendar Month 2019/2020		2019/20							2020/21	
		O	N	D	J	F	M	A	M	J
Project Month		1	2	3	4	5	6	7	8	
<b>Ship Lane Cemetery Lodge</b>										
Valuation	✓									
Option Appraisal										
Cabinet Report to transfer site to Housing Co.										
Transfer										
In management										



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## 3. Land adjacent 3a Arthur Street, Aldershot

Site details	
Address	Arthur Street Aldershot GU11 1HJ
Description	Vacant site last used for parking – 5 - spaces
Site Area	150sqm
Title	Registered HP781025
Access to Highway	GIS plan attached
Planning	Term contract parking 89/00035/RBC
Utilities	Checked 2016. New requests needed
Valuation	Market value for residential with planning permission £55,000 (excluding S106 contributions) Market value without planning permission £122,000
Option appraisal	TBC
Financial appraisal	IRR over 50 years 4.8% NPV@5% payback by year 53
Return on costs	3.6% (Net rent £30,590/ costs £864,360)
Cost to value	111% costs £864,360/GDV £775,000

### Indicative Programme

Calendar Month 2019/2020	Project Month	2019/20							2020/21	
		O	N	D	J	F	M	A	M	J
		1	2	3	4	5	6	7	8	
<b>Land adjacent 3a Arthur Street</b>										
Valuation	✓									
Option Appraisal										
Cabinet Report to transfer site to Housing Co.										
Transfer								★		
Pre application discussions										
Apply for Planning Permission										
Planning consent								★		
Develop Specification										





# DRAFT

## 4. Land adjacent to 69 Victoria Road

Site details :	
Address	Car Park adj 69 Victoria Road Aldershot GU11 1SJ
Description	A vacant car park at the junction of Arthur Street and Victoria Road. Used informally as car parking
Site Area	172sqm
Title	HP809050 attached
Access to Highway	GIS plan attached
Planning	Checked 2019 - no record of planning permission
Utilities	Checked 2016 new request needed
Valuation	£0 market value with residential planning permission £60,000 market value without planning permission
Option appraisal	TBC
Financial appraisal	IRR 4.5% over 50 years NPV @ 5% shows payback at year 56
Return on costs	3.8% Net rent £16,456/Costs £430,156
Cost to value	97% Costs £430,156/GDV £440,000

### Indicative Programme

Calendar Month 2019/2020	Project Month	2019/20							2020/21	
		O	N	D	J	F	M	A	M	J
		1	2	3	4	5	6	7	8	
<b>Land adjacent 69 Victoria Road</b>										
Valuation	✓									
Option Appraisal										
Cabinet Report to transfer site to Housing Co.										
Transfer								★		
Pre application discussions										
Apply for Planning Permission										
Planning consent								★		
Develop Specification										



# DRAFT



# DRAFT

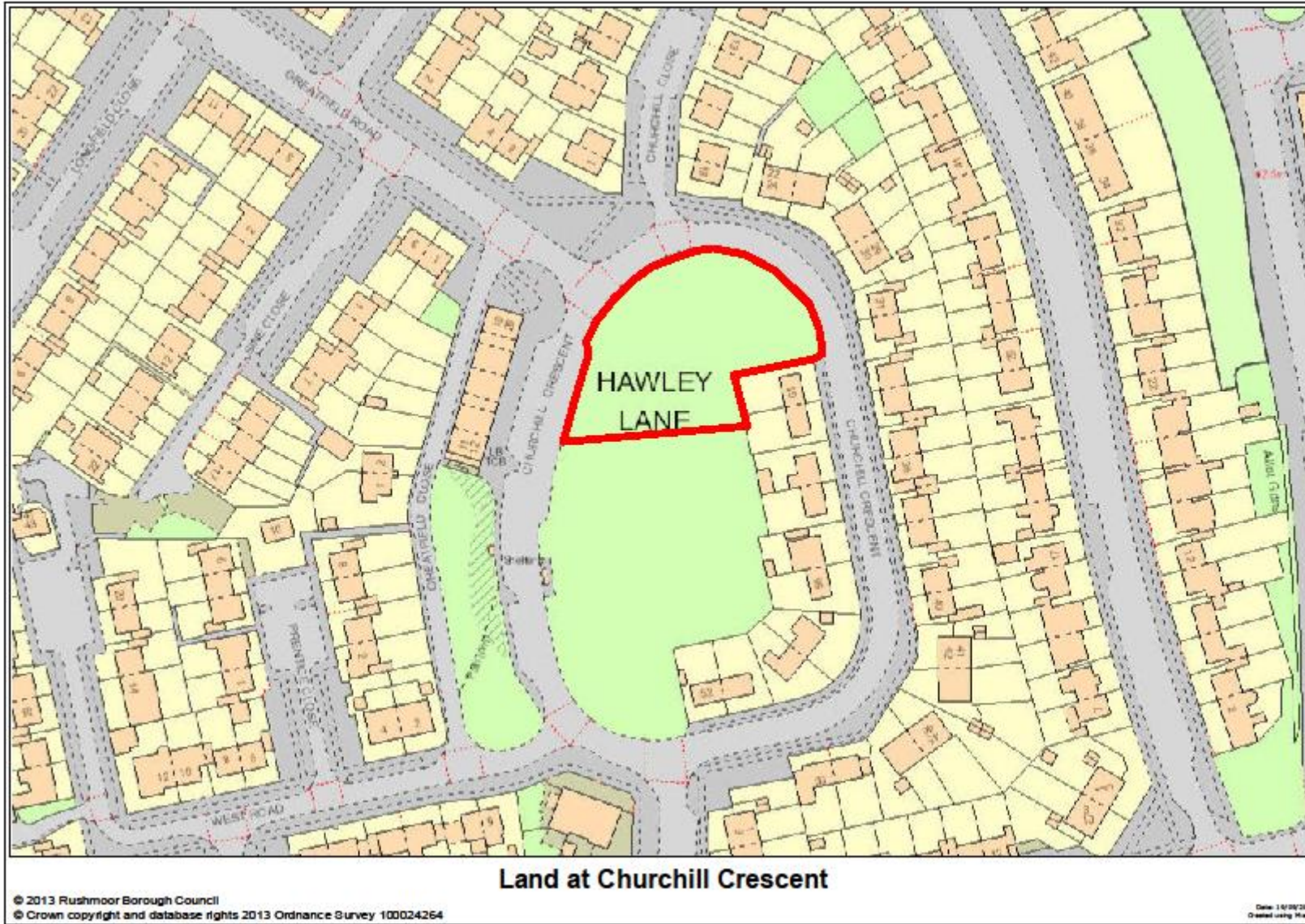
## 5. Land at Churchill Crescent

Site details	
Address	Land at Churchill Cres Farnborough GU14 8EL
Description	Amenity space
Site Area	To be confirmed
Title	Registered HP662356
Access to Highway	confirmed
Planning	
Utilities	Checked 2016. New requests needed
Valuation	Currently included in model at £120,000 RICS valuation commissioned
Option appraisal	TBC
Financial appraisal	
Return on costs	
Cost to value	

Calendar Month	M	A	M	J	J	A	S	O	N	D	J	F
Project Month	1	2	3	4	5	6	7	8	9	10	11	12
<b>Land at Churchill Crescent</b>												
Instruct Valuers												
Valuation												
Preparation of planning submission												
Option appraisal												
Planning consent												
Cabinet report re transfer to housing co.									15			
Transfer											Aug 2020	→



# DRAFT



Land at Churchill Crescent

# DRAFT

## Appendix Three

Risk No.	Risk Description	Risk Mitigation Owner	Initial Risk Value			Risk Action	Actions	Residual Value			Date Closed
			Likelihood	Impact	Risk Value			Likelihood	Impact	Risk Value	
1	Increase in Public Works Loan Board interest charges		1	3	3	TREAT (Mitigate to reduce risk, controls)	Rerun business plan, with sensitivities, to understand interest rate risk impact, keep a live exit strategy	1	2	2	
2	Changes in national or local priorities and policies restrict RBC's ability to fund		2	3	6	TERMINATE (eliminate risk)	Re run business plan to understand impact. Consider alternative funding sources. Consider disposals and exit strategy.	2	2	4	
3	Reduced rental values - including risk of introduction of rent controls		2	3	6	TERMINATE (eliminate risk)	Consistent monitoring of rental market and business plan to determine if sale of property is appropriate.	1	2	2	
4	Reduced capital growth rate		1	2	2	TERMINATE (eliminate risk)	Have a live exit strategy in place, and review continued investment appetite	1	1	1	
5	Repairs costs rising		2	3	6	TREAT (Mitigate to reduce risk, controls)	A good understanding of the condition of the property in the portfolio and age and replacement date of building elements Keep under review to determine whether sale of property is appropriate	1	2	2	
6	Increase in construction costs		2	3	6	TERMINATE (eliminate risk)	Re run business plan to understand impact. Open tendering of construction contracts. Consider disposals and exit strategy, if costs will not be covered by rents	2	2	4	
7	Poor project management leading to cost increases/delays/		2	3	6	TREAT (Mitigate to reduce risk, controls)	Assess need for external project management expertise. Thoroughly risk assess project prior to commencement and during construction period. Be clear about contractual responsibilities and include provision in scheme costs for client variations or do not permit client changes once contract is signed	1	2	2	
8	Business plan not performing as expected		1	3	3	TREAT (Mitigate to reduce risk, controls)	Review underlying assumptions, and assess if relevant in current climate, rerun with sensitivities to provide options, and implement strategic changes	1	2	2	
9	Changes to taxation, corporation tax, SDLT, VAT		1	3	3	TREAT (Mitigate to reduce risk, controls)	Take advice as to options to change business model to mitigate impact of taxation changes	1	2	2	
10	Expansion opportunities limited		1	3	3	TREAT (Mitigate to reduce risk, controls)	Review underlying assumptions, and assess if relevant in current climate, rerun with sensitivities to provide options, and implement strategic changes	1	2	2	
11	Limited capacity to deliver programme - skills and expertise		3	3	9	TREAT (Mitigate to reduce risk, controls)	Consider costs of acquiring staff with relevant skills, training options, use of consultants. Re run business plan with these additional costs and adjust business plan outcomes.	2	2	4	
12	Operational risks - bad debts, damage to property, voids		3	3	9	TREAT (Mitigate to reduce risk, controls)	Specify rigorously and employ a suitably qualified managing agent. Careful tenant selection. Tenant support.	2	2	4	
13			1	1	1			1	1	1	

## APPENDIX 2

<b>TABLE 3</b>	<b>Q4 2019 £000</b>	<b>Full Yr 2020/21 Yr 1 £000</b>	<b>Full Yr 2021/22 Yr 2 £000</b>	<b>Full Yr 2022/23 Yr 3 £000</b>	<b>Full Yr 2023/24 Yr 4 £000</b>	<b>Full Yr 2024/25 Yr 5 £000</b>	<b>Full Yr 2034/35 Yr 15 £000</b>	<b>Full Yr 2044/45 Yr 25 £000</b>	<b>Full Yr 2063/64 Yr 44 £000</b>
Income received for interest charges to the company	0.0	63.8	307.4	539.9	597.0	617.2	646.5	586.8	7.4
Cost of Council borrowing	0.0	34.8	167.7	294.5	325.6	336.7	352.6	320.1	4.0
<b>Net yield to the Council in relation to interest income/costs on borrowing</b>	<b>0.0</b>	<b>29.0</b>	<b>139.7</b>	<b>245.4</b>	<b>271.4</b>	<b>280.5</b>	<b>293.9</b>	<b>266.7</b>	<b>3.4</b>
Income from company for supply of Council staff	0.0	95.00	35.9	36.8	37.7	38.6	49.5	63.4	101.3
Direct employment costs of Council staff supplied to company plus other direct costs incurred	0.0	65.0	24.0	25.0	25.0	26.0	33.0	42.0	68.0
<b>Net yield to the Council in relation to Council staff and initial start-up costs</b>	<b>0.0</b>	<b>30.0</b>	<b>11.9</b>	<b>11.8</b>	<b>12.7</b>	<b>12.6</b>	<b>16.5</b>	<b>21.4</b>	<b>33.3</b>
<b>Total all net income received by the Council</b>	<b>0.0</b>	<b>59.0</b>	<b>151.6</b>	<b>257.2</b>	<b>284.1</b>	<b>293.1</b>	<b>310.4</b>	<b>288.1</b>	<b>36.7</b>



<p><b>COMMENTS CONTAINED WITHIN THE ARLINGCLOSE REVIEW</b></p>	<p><b>RESPONSES AND AMENDMENTS TO THE BUSINESS PLAN RELATING TO COMMENTS WITHIN THE ARLINGCLOSE REVIEW</b></p>
<p>1.4 The cost of recharges of support costs from the Council are only being inflated by 1.5% and not at the rate of inflation used for all other costs.</p>	<p>The financial model (and resulting tables of financial information shown in the Business Plan tabled at the Shadow Housing Board 09 12 2019) has now been updated to apply the inflation rate used for all other costs raising the rate up to 2.5%</p>
<p>1.5, 3.14 &amp; 3.15 Rental inflation has been set at 2.5% in the model but the latest data available suggests that this is only 1.3%.</p>	<p>Local rental figures have been checked. These indicated a slowed growth rate therefore, the financial model (and resulting tables of financial information shown in the Business Plan tabled at the Shadow Housing Board 09 12 2019) has now been updated to apply an income inflation rate of 1.3% for the first 3 years of the company operation ... then from month 37 onwards the income inflation rate has been reset to 2.5%</p>
<p>3.16 Cost price inflation has been modelled at 2.5%. With the current average of all CPI forecasts monitored by HM Treasury being 2.2% we are happy that 2.5% is used in the model.</p>	<p>The financial model (and resulting tables of financial information shown in the Business Plan tabled at the Shadow Housing Board 09 12 2019) has now been updated to apply a cost inflation rate of 2.2% for the first 3 years of the company operation, then from month 37 onwards, the cost inflation rate has been reset to 2.5%</p>
<p>1.6 &amp; 3.17 One of the main risks outlined in the business plan is a change in the cost of funding and this has recently taken place with the change in PWLB rates announced on 9th October 2019. The 50-year PWLB rate is currently higher than the 2.80% used in the model and the cost of debt should be increased.</p>	<p>It is acknowledged that the PWLB rate has increased. The financial model (and resulting tables of financial information shown in the Business Plan tabled at the Shadow Housing Board 09 12 2019) has now been updated for the potential that the PWLB 50-year rate is 3.0% (Published rate 3.20% less "certainty adjustment" of 0.20%). An ongoing review of the published PWLB rates is being undertaken by the Finance Unit of the Council.</p> <p>The commercial interest rate charged into the company model remains at 5.5%. The result of the increase in PWLB borrowing therefore does not directly affect the company financial model but does result in a modestly lower return on interest yield (commercial rate minus the PWLB long-term rate) to the Council (when compared to previous versions of the company financial model).</p>
<p>1.7 Assumptions have been made in the model around taxation and the treatment of the loan interest charged to the company by the Council, this may need to be revisited. It is also noted that State Aid has not been mentioned.</p>	<p>These comments (at 1.7) made by Arlingclose expand to content related to the following paragraphs of their Review document ... 4.6, 4.7 &amp; 4.8. References in these (Arlingclose) paragraphs are made to "Transfer Pricing", "Thin Capitalisation" &amp; "State Aid"</p> <p>See the following cells, each with comment on "Transfer Pricing", "Thin Capitalisation" &amp; State Aid".</p>

### APPENDIX 3

<p>"Transfer Pricing"</p>	<p>The UK's transfer pricing legislation details how transactions between connected parties are handled and in common with many other countries is based on the internationally recognised 'arm's length principle'. The 'arm's length principle' applies to transactions between connected parties. For tax purposes such transactions are treated by reference to the profit that would have arisen if the transactions had been carried out under comparable conditions by independent parties.</p> <p>The Council intends to make land transfers to the company at market value subject to use for market rent and provide Council staffing resources at full cost recovery ... i.e. cost of (proportionate employment) + element of Council overheads. Some of the sites are marginal for housing use. It may be that the Council will sell these sites for no consideration in order to enable a viable scheme to be developed. In these circumstances the Council may rely upon disposal for less than best consideration on the grounds that it will help secure improvement of economic, social or environmental wellbeing of its area. This would be an approach that the Council might adopt if it wished to secure housing with a Registered Provider or a private company in these circumstances. Therefore it is not considered that there are any circumstances intended where the transfer price of goods or services between the two parties varies from the "transfer pricing" principle.</p>
<p>"Thin Capitalisation"</p>	<p>It should be noted that taxation advice had previously been sought from Freeths who produced a Tax Advice review for the Council in June 2018. It is notable in this review that the subject of "thin capitalisation" was considered. A summary of the comments from Freeths about this matter were contained in their document &gt; "A key corporation tax consideration for the wholly owned company (WOC) will be the deductibility of finance costs – as the WOC's finance will be provided by a connected party (the Council), it will be important to ensure that all transactions between the WOC and the Council take place on arm's length terms. With regard to finance costs, there are two important points to keep in mind:</p> <p>There are specific rules which can apply to limit the amount of interest expenses which can be deducted when computing profits. These rules typically apply where finance is provided by a connected party and the rate of interest is considered to be excessive (thereby reducing the level of profits subject to corporation tax). <i>These rules are unlikely to be relevant as the Council is required to transact with the WOC on commercial terms in order to comply with the Council's non-tax obligations.</i></p> <p>It will however be important to note that it may in future be necessary to evidence the commerciality of the loans for tax purposes in future. The 'Corporate Interest Restriction' rules have recently been introduced: These rules apply to limit the amount of interest that a group may deduct when calculating profits. The deductible group interest expense is limited, with the limit calculated using group earnings before income tax depreciation and amortisation (EBITDA). The rules will only apply to limit deductible interest if the aggregate net interest cost of the group exceeds £2m. With regard to the WOC, the current funding cost is expected to be in the region of c£14m, and the proposed rate of interest charged to the WOC is in the region of 5% to 5.5%. Therefore the WOC will have an interest expense of c£700k to c£770k and will be below the current £2m threshold.</p>

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	<p>It will however be important to consider loans made to the WOC, both in the context of any other group lending made by the Council and also if a later decision is made to expand the activities of the WOC, such that the £2m threshold could be breached.</p>
<p>“State Aid”</p>	<p>State Aid is an advantage that may be given by public authorities to undertakings (any entity which places goods or services on the market) which may distort competition and affect trade in the European Union. Hence, determination of State Aid implications needs to be considered in the circumstances of the Council lending funds to the company.</p> <p>Quantification of State Aid can be calculated by modelling the Net Present Value (NPV) of the Council's investment (into the company) using both the "offered rate" (to show the actual cost to the company) compared to a "reference rate" (an equivalent rate that the company would be able to procure in the market). The calculation is performed over three-year rolling periods utilising a discount rate that is linked (by adding 100 basis points) to a Base Rate that is calculated in accordance with communications from the European Commission. This Base Rate is derived from 1-year money market rates (1-year IBOR) and is fixed by the EC. Observation on-line in November 2019 shows a rate of 0.90%.</p> <p>For borrowers that do not have a credit history or a rating based on a balance sheet approach, such as certain special-purpose companies or start-up companies, it is noted that the base rate should be increased by at least 400 basis points in order to determine the reference rate.</p> <p>A reasonable assessment of the Council's lending to the company reveals a rate “offered” of 5.50% and a “reference” rate of 4.90% (0.90% + 400 basis points). There is room therefore for the “reference” rate to be increased by a further 60 basis points to match the “offered” rate. If the “offered” rate exceeds the “reference” rate then the calculation described in this cell will have no relevance.</p> <p>If the reference rate is found to exceed the offered rate then a de minimis regulation is employed that sets a threshold figure below which the above quantification will not apply because it will be assumed that the aid will not distort competition. Currently this de minimis limit is 200000 Euros (measured over a three year rolling period).</p>
<p>1.8 The Councils suggested MRP policy will have a major impact on the returns to the Council and this should be cleared with the Councils external auditor.</p>	<p>The Council's policy on Minimum Revenue Provision (MRP) is approved in advance of each financial year at each Full Council in the latter half of February preceding the coming financial year ... e.g. the MRP for the year 19/20 was contained within Appendix 3 of the Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2019/20 Agenda item No. 6(3) within the agenda for Full Council 21<sup>st</sup> February 2019. Page 221 of the agenda pack.</p> <p>Reference within the MRP for 19/20 provides the following: “1.7 Where loans are made to other bodies and designated as capital expenditure, no MRP will be charged. However, the capital receipts generated by the repayments on those loans will be set aside to repay debt instead.”</p> <p>The above reference will appear within future MRP policies submitted to the Council for approval.</p>



### APPENDIX 3

<p>1.9 The business plan includes all the relevant information expected by the guidance issued by the Secretary of State, but some additional information should be included:</p>	<p>Arlingclose make specific reference to the following:</p> <ul style="list-style-type: none"> <li>• Market assessment</li> <li>• Affordable Rent</li> <li>• Risks</li> <li>• Exit Strategy</li> </ul> <p>Each of these references is reviewed in the following cells</p>
<p>“Market assessment”</p>	<p>Recent conversations with a leading agency in the area indicate that although there has been a slowdown in the sales market there remains high demand for housing for rent with homes letting quickly. It was the view of the agents that prices are starting to rise due to demand vs supply. In the earlier part of the year there had been a significant level of new supply locally which while it had not materially affected letting rates had limited the ability to increase initial rents. However annual rent reviews are not meeting market resistance to increases.</p>
<p>“Affordable Rent”</p>	<p>A version of the financial model has previously been tested in relation to affordable rent housing units. Advice was given by a consultant appointed by the Council (Regenco) on this matter. Building development costs were linked to the introduction of a capital grant injection held on the company balance sheet during the time of creation, and related rental income estimates were subsequently reduced to accord with the terms of “affordable rent”. The grant lays dormant on the company balance sheet as time progresses producing a corresponding lower company debt (interest) requirement, but this is exceeded by the resulting reduction in rental income. From a financial stance the conclusion was that the impact of dealing with affordable housing is unlikely to enhance Business Plan prospects and would be significantly negative without capital subsidy. The company could therefore not undertake this type of housing unless it was in receipt of subsidy or had become established and generated a surplus which with the Council it wished to invest in this way.</p>
<p>“ Risks”</p>	<p>The risk rating for increases in the Public Works Loan Board interest charges has been adjusted to reflect that changes have occurred recently. Although these recent changes have not significantly adversely affected the business plan the risk of such changes occurring has been increased.</p> <p>An additional risk has been added to reflect the possibility of changes in central government’s approach to the use of wholly owned companies to delivery housing.</p>
<p>“Exit Strategy”</p>	<p>In the context of the housing company its “Exit Strategy” is a contingency plan that could be executed by the Council (as business owner) to liquidate its assets and carry out disposal of the tangible business assets once predetermined criteria has been met or exceeded. An Exit Strategy taking account of the matters set out below has now been developed and is included within the Business Plan</p> <p>The prospect of the company’s forward financial/operational plans being significantly impaired by the following predetermined criteria should be included in its Exit Strategy:</p> <ul style="list-style-type: none"> <li>• Changes in Government legislation regarding private landlord operations (that may result in cost increase or income restriction)</li> </ul>



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	<ul style="list-style-type: none"> <li>• Local economic changes affecting private landlord operations (that may result in cost increase or income restriction/significant void periods)</li> <li>• A long &amp; continued decline in property valuations</li> <li>• Imposition of Government changes in Local Authority lending methodology</li> <li>• A change in the Council’s treasury management policy resulting in PWLB (or other) funding becoming too expensive to negotiate an ongoing commercial rate for the company’s borrowing ... leading to the other lending options from other potential funders becoming too high to consider as an alternative funding solution</li> <li>• Change in the Council’s stance regarding its control and ownership of a company</li> <li>• Failure of building contractors to complete on time and/or within budget plan</li> </ul> <p>The company should therefore consider continued monitoring of matters such as:</p> <ul style="list-style-type: none"> <li>• The availability to the Council of its ability to acquire a long-term lending rate (PWLB &amp; other) ... linked to the commercial rate that the company will be required to undertake</li> <li>• The availability of other (private) funding solutions</li> <li>• Local market availability of private rented units</li> <li>• Local market rent indices</li> <li>• Local market property valuations</li> <li>• Cost inflation</li> <li>• Government/Local changes in the requirements on private landlord management of their dwelling units</li> </ul> <p>It is likely that the financial risks associated with the company are higher during the first 4 years when it is in the development stage of the 15 sites/57 units. Contingency plans in order to mitigate financial burden and operational disruption should be raised in advance for all site developments. A summary of these individual contingency plans should be constantly monitored including a quantification of a financial loss measure that could trigger the need for the company to exit the market and wind the business up.</p>
<p>5.1 If the Council is relying on the use of the Localism Act 2011 and pre-commencement powers to deliver housing, then there is a specific provision within the 2011 Act which require that where activities are carried out for a commercial purpose then this must be through a company structure ... continued in paragraphs 5.2 &amp; 5.3</p>	<p>Arlingclose indicate that the Council cannot make a “commercial” charge for the staff who will be utilised to carry out functions for the company. Senior management have been consulted about the matter of making a commercial charge via a private company owned by the Council. In this circumstance it is not considered worthwhile to pursue the creation of a specific company in order to make charges for staffing on a commercial basis.</p> <p>The current financial model now contains cost estimates for the use of Council staff based on the calculation of staffing cost of employment + proportion of administrative and central overheads ... charged now at cost + fair apportionment of overheads ... not prepared on a commercial basis.</p>





<b>Housing Company</b>	
Project Manager	Project Sponsor
<b>Sally Ravenhill</b>	<b>Karen Edwards Corporate Director</b>

**Project Risk Analysis**

Risk No.	Risk Description	Risk Mitigation Owner	Initial Risk Value			Risk Action	Actions	Residual Value			Date Closed
			Likelihood	Impact	Risk Value			Likelihood	Impact	Risk Value	
1	Regulatory Change		1	3	3	TREAT (Mitigate to reduce risk, controls)	Consider regulatory changes. Assess potential for company to adapt to changes. Re run business plan in consultation with Housing Company. Review exit strategy and potential for disposals.	1	2	2	
2	Increase in Public Works Loan Board interest charges		2	3	6	TREAT (Mitigate to reduce risk, controls)	Rerun business plan in consultation with Housing Company. Run sensitivity testing, to understand interest rate risk impact. Check exit strategy and consider appetite for continuing to invest in the Housing company and consider disposals.	2	2	4	
3	Changes in national or local priorities and policies restrict RBC's ability to fund		2	3	6	TERMINATE (eliminate risk)	Re run business plan to understand impact. Consider alternative funding sources. Check exit strategy. Check asset values. Consider disposals.	2	2	4	
4	Reduced rental values - including risk of introduction of rent controls		2	3	6	TERMINATE (eliminate risk)	Consistent monitoring of rental market and business plan. Re run financial modelling in consultation with Housing Company to determine impact and consider if sale of property is appropriate.	2	2	4	
5	Reduced capital growth rate		1	2	2	TREAT (Mitigate to reduce risk, controls)	Have a good understanding of the housing market and asset values. Check appetite for continuing investment in housing assets. Consider potential for disposals in consultation with Housing Company.	1	1	1	
6	Repairs costs rising		2	3	6	TREAT (Mitigate to reduce risk, controls)	A good understanding of the condition of the property in the portfolio and age and replacement date of building elements Keep under review to determine whether sale of high cost properties is appropriate. Tender repairs contract regularly	1	2	2	
7	Increase in construction costs		2	3	6	TERMINATE (eliminate risk)	Re run business plan to understand impact. Open tendering of construction contracts. Consider disposals and exit strategy, if costs will not be covered by rents	2	2	4	
8	Poor project management leading to cost increases/delays/		2	3	6	TREAT (Mitigate to reduce risk, controls)	Make sure that the company is employing the necessary expertise in project management. Make sure that the company has processes that thoroughly risk assesses projects prior to commencement and during construction period. Be sure the company is clear about contractual responsibilities and include provision in scheme costs for client variations or do not permit client changes once contract is signed	1	2	2	
9	Business plan not performing as expected		1	3	3	TREAT (Mitigate to reduce risk, controls)	Review underlying assumptions, and assess if relevant in current climate, rerun financial modelling with sensitivities to provide options , and implement strategic changes	1	2	2	
10	Changes to taxation, corporation tax, SDLT, VAT		1	3	3	TREAT (Mitigate to reduce risk, controls)	Take advice as to options to change business model to mitigate impact of taxation changes	1	2	2	

11	Expansion opportunities limited	1	3	3	TREAT (Mitigate to reduce risk, controls)	Review underlying assumptions, and assess if relevant in current climate, rerun with sensitivities to provide options. Consider impact of not growing the company for private market rent encourage the company to consider opportunities in other types of housing	1	2	2
12	Limited capacity to deliver programme - skills and expertise	3	3	9	TREAT (Mitigate to reduce risk, controls)	Make sure the company is employing and retaining staff with relevant skills considers training options and use of consultants. Consider the impact of additional costs on the business plan.	2	2	4
13	Operational risks - bad debts, damage to property, voids	3	3	9	TREAT (Mitigate to reduce risk, controls)	Specify rigorously and employ a suitably qualified managing agent. Careful tenant selection. Tenant support.	2	2	4

CABINET

4 FEBRUARY 2020

KEY DECISION? YES

COUNCILLOR MARINA MUNRO  
PLANNING AND ECONOMY  
PORTFOLIO HOLDER  
REPORT NO. EPSH2004**ADMINISTRATION AND MONITORING OF S.106 AGREEMENTS****SUMMARY AND RECOMMENDATIONS:**

This report seeks Cabinet approval to introduce a monitoring fee for s106 Agreements/Unilateral Undertakings. The Council has previously charged such a fee from 2012 until 2016 when it stopped for legal reasons. Since this time further case law and Government guidance has confirmed the ability and appropriateness of charging such fees.

Recently the Government has introduced additional responsibilities for producing an Annual Infrastructure Statement and the need to strengthen resources monitoring s106 Agreements has been identified.

It is recommended that Cabinet agrees:

1. To introduce an administration and monitoring fee comprising 5% of the total financial contributions offered to Rushmoor Borough Council in any S.106 agreement or undertaking up to a maximum of £25,000 for full or hybrid applications and £12,500 for outline applications. This should take effect in respect of any application received on or after 1<sup>st</sup> April 2020 and should be payable on implementation of the development.

**1.0 INTRODUCTION**

- 1.1 This paper recommends that the Council adopts a scheme of charging for the administration and monitoring of S.106 agreements.

**2.0 BACKGROUND**

- 2.1 In accordance with a decision of Cabinet in September 2012, the Council imposed an administration and monitoring fee comprising 5% of the total financial contributions offered in any S.106 agreement or undertaking up to a maximum of £20,000 for full or hybrid applications and £10,000 for outline applications. This took effect in respect of any application received on or after 1<sup>st</sup> October 2012.

- 2.2 Following the High Court case of **Oxfordshire County Council v Secretary of State for Communities and Local Government and Other [2015] EWHC (Admin)** the Council acted on advice from the (then) Head of Legal Services to the effect that fees for administration and monitoring of planning obligations in s106 agreements could not legally be collected as they were not necessary to make development acceptable in planning terms. Charging of Administration and monitoring fees therefore ceased in 2016.
- 2.3 In a subsequent case **R (on the application of Khodari) v Kensington and Chelsea RLBC [2017] EWCA Civ 333**, the Court of Appeal came to a different conclusion, finding that s106(1)(d) permits an obligation requiring a sum to be paid to a local authority and that the obligation to pay the monitoring fee falls within this section. The Court of Appeal decision also considered Regulation 122 of CIL. The decision indicated that, providing the formal recommendation in the planning officer's report or the committee debate prior to determining the application does not indicate that a monitoring fee is a reason for granting planning permission, then such an obligation is acceptable.
- 2.4 The latest version of National Planning Policy Guidance (NPPG) dating from 1<sup>st</sup> September 2019 states:

"Authorities can charge a monitoring fee through section 106 planning obligations, to cover the cost of monitoring and reporting on delivery of that section 106 obligation. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation." and

"Fees could be a fixed percentage of the total value of the section 106 agreement or individual obligation; or could be a fixed monetary amount per agreement obligation (for example, for in-kind contributions). Authorities may decide to set fees using other methods. However, in all cases, monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring. Authorities could consider setting a cap to ensure that any fees are not excessive.

Authorities must report on monitoring fees in their infrastructure funding statements."

### **Receipts from S.106 Agreements**

- 2.5 In Rushmoor between 30 and 60 S.106 agreements or undertakings are completed in each financial year.
- 2.6 Receipts from S.106 undertakings are included in the quarterly reports to the Development Management Committee. In the first two quarters of 2019/20 receipts were £693,000 of which £39,100 comprised transport contributions sought under obligations to HCC. For the previous financial year 2018/19 the total receipts were £1,717,628.50 (of which £124,649.65 comprised transport contributions sought under obligations to HCC).

## Practice by Other Authorities

- 2.7 Whilst the legal proceedings referred to above gave rise to some scaling back, charging for administration and compliance monitoring of S.106 agreements is commonplace, with some using the receipts to fund specific posts. The approach is divided between levying a fixed fee, making a fixed charge per clause within agreements, and applying a charge based on a percentage of the financial element incorporated in each agreement or undertaking.
- 2.8 The following are on record as the current practices of a sample of Local Authorities:

Guildford Borough Council	£750 minimum plus £750 per payment trigger
Hart District Council	5% Monitoring and collection fee
South Downs National Park	£440 per covenant
Bracknell Forest	A scale of charges per obligation based on estimates of officer time at £80 per hour.
Plymouth City Council	£667 per financial obligation and trigger point
Braintree District	£300 plus £300 per obligation or trigger
Chichester District	Between £163 and £5,106 depending on number of residential units

## Practice by Hampshire County Council

- 2.9 Hampshire County Council resolved on 10<sup>th</sup> December 2019 to introduce a monitoring fee in respect of S.106 agreements with effect from 1<sup>st</sup> April 2020. Their adopted approach will be to charge a fee of £500 'per obligation' in respect of agreements to which they are a signatory. This is in effect a charge for each clause in the agreement relating to an HCC requirement.
- 2.10 Currently the only Rushmoor obligations affected by this introduction would be those where HCC is a joint signatory as Highway Authority where a transport contribution has been sought. This would either feature a single obligation in respect of the financial contribution, or in some circumstances possibly two or three where a travel plan or other associated provision is required. Such obligations would therefore typically involve HCC adding a £500 - £1500 fee in respect of such agreements.

## 3.0 DETAILS OF THE PROPOSAL

- 3.1 The proposal is to impose an administration and monitoring fee comprising 5% of the total financial contributions offered to Rushmoor (Excluding any sums pursuant to obligations sought by HCC as a signatory) in any S.106 agreement or undertaking up to a maximum of £25,000 for full or hybrid applications and £12,500 for outline applications. It is proposed the administration and monitoring fee will take effect in respect of any application received on or after 1<sup>st</sup> April 2020 and should be payable on implementation of the development.

- 3.2 Based on past receipts it is estimated the total sum of S.106 contributions likely to be collected on behalf of Rushmoor in this financial year could be in the region of £1-1.5 million.
- 3.3 Application of a fixed fee approach would realise a total of some £42,000 (assuming an average of £700 per agreement and completion of the upper end of 60 agreements). A fee of 5% on all financial elements (other than those sought by HCC obligations) based on the above estimate across the board would, by comparison, realise between £50,00 and £75,000 in the year.
- 3.4 The monitoring fee would cover a proportion of the staffing costs incurred by the Council in producing section 106 legal agreements and towards the monitoring of the legal agreements which is required to satisfy the legal duty upon the Council to produce an Annual Infrastructure Funding Statement.
- 3.5 In particular following consideration of the management of s106 by the Head of Economy, Planning and Strategic Housing a post of Housing Enabling and s106 Officer has been created. This role will coordinate the overall monitoring of s106s to ensure that the Council has a robust process of collection of obligations and coordination of their expenditure and recording. Planning Officers, Legal Services and Revenues staff will also continue to play significant roles in the monitoring and collection of s106 contributions and a sum of £75,000 at the upper end of estimates is considered to be within the costs incurred by the Council in undertaking this function. The fee will be reviewed as part of the normal Council processes considering any impacts which arise and the appropriate level of the fee.
- 3.6 The imposition of a percentage fee on the total financial contribution is considered to be simple and transparent. It is consistent with the NPPF and CIL regulations and can be set out in standard letters advising applicants of the need for a S.106 agreement or undertaking.
- 3.7 A typical unilateral undertaking involves financial contributions in the region of £5000-£10,000 giving rise to a charge of an additional £250-£500. In exceptional cases such as Wellesley or proposed schemes for town centre regeneration, a pro-rata percentage fee in relation to the associated large and significant financial contributions could be substantial and would be difficult to justify in relation to the work generated. It is therefore considered that such contributions should be subject to a maximum of £25,000 for full or hybrid applications and £12,500 for outline applications.

#### **4. ALTERNATIVE OPTION**

- 4.1 The alternative option would be not to introduce an administration and monitoring fee. However, this could undermine the Council's ability to fulfil its legal requirements by producing an accurate Annual Infrastructure Funding Statements.



## **5. IMPLICATIONS**

### **Risks**

- 5.1 There are not considered to be any risks associated with the implementation of the recommendations of this report.

### **Legal Implications**

- 5.2 The annual monitoring requirements for section 106 agreements are set out in the Community Infrastructure Levy Regulations 2019 (as amended). The introduction of an administration and monitoring fee will enable the Council to satisfy these legal requirements.

### **Financial and Resource Implications**

- 5.3 Section 106 receipts are an important source of funding for the Council in delivering vital/important infrastructure and enhanced facilities for all residents in the Borough. In order to ensure that the Council is able to collect the income due against s106 planning obligations, this report proposes to introduce a monitoring fee which will be used to provide the necessary resources to administer and monitor s106 agreements.

The report indicates that between £50,000 and £75,000 could be raised through the additional charge. All such income would be ring-fenced against the costs the Council incurs in the administration and monitoring of s106 agreements.

### **Equalities Impact Implications**

- 5.4 No equalities implications have been identified arising from the proposed introduction of an administration and monitoring fee.

## **6. CONCLUSIONS**

- 6.1 The introduction of an administration and monitoring fee comprising 5% of the total financial contributions offered in any S.106 agreement or undertaking up to a maximum of £25,000 for full or hybrid applications and £12,500 for outline applications will enable the Council to satisfy the requirements of the Community Infrastructure Levy Regulations 2019 (as amended). The Council has charged an administration and monitoring fee in the past and planning guidance and legislation has recently confirmed that such an approach is acceptable.

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CABINET

**COUNCILLOR MARINA MUNRO**  
**PLANNING AND ECONOMY PORTFOLIO**  
**HOLDER**  
**REPORT NO. EPSH2005**

4 FEBRUARY 2020

KEY DECISION? NO

**SELF-BUILD AND CUSTOM HOUSEBUILDING REGISTER - INTRODUCTION  
 OF ADDITIONAL LOCAL ELIGIBILITY CRITERIA AND A FEE CHARGING  
 SCHEDULE**

**SUMMARY AND RECOMMENDATIONS:**

This report seeks Cabinet's approval to introduce additional local eligibility criteria in the form of a local connection test to determine entry to the Council's self-build and custom housebuilding register. It also seeks approval for the introduction of a fee charging schedule for entry to the register and for applicants to remain on the register on an annual basis.

The Council has a duty to maintain a self-build and custom housebuilding register and a duty to grant a sufficient number of planning permissions to meet the demand for self-build and custom housebuilding as evidenced by the register. The introduction of a local connection test and fees to enter and to remain on the register will ensure that the Council's register is a realistic and genuine reflection of local demand and that the duty to grant permission is not inflated by demand arising from outside of Rushmoor.

It is recommended that Cabinet agrees:

1. To introduce a local connection test as set out in Section 3.6.
2. To introduce a fee for entry to the Council's register and for applicants to remain on Part 1 of the register.
3. To delegate authority to the Head of Finance to determine the fees to be charged on a cost recovery basis.

**1. INTRODUCTION**

- 1.1. This report seeks Cabinet's approval to introduce a local connection test to determine entry to the Council's self-build and custom housebuilding register and a charging schedule for entry and to remain on the register, as permitted by the Self-Build and Custom Housebuilding Regulations 2016. Introducing the proposed tests and fees would ensure that the Council's register is a more reliable reflection of genuine local demand for self-build and custom housebuilding and that the Council's duty to grant sufficient development permissions to meet the demand, as detailed below, is not inflated by speculative demand arising from outside the Borough.

## 2. BACKGROUND

- 2.1. In April 2016, the Self-Build and Custom Housebuilding (Register) Regulations 2016 came into force, implementing the Self-Build and Custom Housebuilding Act 2015. The Act requires local authorities to 'keep a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self-build and custom housebuilding projects' and to have regard to their registers when carrying out functions related to planning, housing, land disposal and regeneration.<sup>1</sup> The Act also imposes a duty on local authorities to grant 'suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area', as evidenced by an authority's self-build and custom housebuilding register.<sup>2</sup> In October 2016, the Self-Build and Custom Housebuilding Regulations 2016 updated the (Register) Regulations, and the Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 came into effect. The former allow local authorities to set local eligibility criteria to determine entry to registers and to set fees for applicants to enter and to remain on registers, whilst the latter define the time in which local authorities must meet the duty to grant permission.
- 2.2. The government argues that self-build and custom housebuilding can play a key role in increasing housing supply and enabling more people to meet their aspirations of home ownership. Whilst the Self-Build and Custom Housebuilding Act and the associated regulations aim to make it 'easier for ordinary people to build their own homes', the government claims that further benefits of self-build and custom housebuilding include contributing to economic growth, increased provision of affordable market housing, increased design quality, environmental sustainability, more-innovative building techniques and entrepreneurialism.<sup>3</sup>

### Defining Self-Build and Custom Housebuilding

- 2.3. The National Custom and Self-Build Association (NaCSBA) defines self-build as projects where an individual or a group of individuals directly organises the design and construction of a new home. This definition encompasses the 'traditional' self-build home where a self-builder manages the design and build process and completes much of the building work themselves. It also includes projects where a self-builder arranges for an architect, contractor or other professional to construct a home, as well as community projects where members organise and undertake much of the construction work themselves.
- 2.4. Custom build refers to projects where an individual or group of individuals commissions a specialist developer to deliver a home. Custom build is more of a 'hands-off approach', and developers take on 'most of the gritty issues',

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<sup>1</sup> Self-Build and Custom Housebuilding Act 2015, s. 1(1).

<sup>2</sup> Housing and Planning Act 2016, s. 10(1)(2).

<sup>3</sup> HM Government (2011) Laying the Foundations: A Housing Strategy for England, p. 14; also see Department for Communities and Local Government (2017) Fixing Our Broken Housing Market.

including providing sites, managing construction and arranging finance. However, individuals and groups can arrange to finish a project themselves to reduce costs.

- 2.5. The government does not distinguish between self-build and custom build. For example, the Housing and Planning Act 2016 states that self-build and custom housebuilding ‘means the building or completion by (a) individuals, (b) associations of individuals, or (c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals’. The Act also clarifies that self-build and custom housebuilding ‘does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person’.<sup>4</sup>

#### Self-Build and Custom Housebuilding Register

- 2.6. As required by the Self-Build and Custom Housebuilding Act, the Council maintains a self-build and custom housebuilding register. As of 1st January 2020, the Council has received 176 eligible applications for entry to its register.
- 2.7. As noted above, the Self-Build and Custom Housebuilding Act places a duty upon the Council to give suitable development permission to meet the demand for self-build and custom housebuilding arising within each ‘base period’, as evidenced by the number of register entries. A base period is a period of twelve months, and local authorities must grant the required number of development permissions relating to a base period within the subsequent three-year period.<sup>5</sup> However, it should be noted that there is no requirement for local authorities to provide land or plots to applicants and that entry on a register is not a guarantee of planning permission. The table below summarises the number of eligible applications that the Council has received since the first base period in April 2016 and the equivalent number of self-build and/or custom-build plots/dwellings which must be granted permission in the subsequent three-year period.

Base Period	Applications Received / Dwellings to Be Permitted	Development Permissions Required
01/04/2016 – 30/10/2016	49	31/10/2016 – 30/10/2019
31/10/2016 – 30/10/2017	47	31/10/2017 – 30/10/2020
31/10/2017 – 30/10/2018	41	31/10/2018 – 30/10/2021
31/10/2018 – 30/10/2019	32	31/10/2019 – 30/10/2022
31/10/2019 – 30/10/2020	7 (as of 1st January 2020)	31/10/2020 – 30/10/2023

<sup>4</sup> Housing and Planning Act 2016, s. 9(1).

<sup>5</sup> Note that the first base period was a seven-month period.

- 2.8. The Council received 49 eligible applications for entry to the self-build and custom housebuilding register within the first base period and was required to grant an equivalent number of permissions for self-build and/or custom-build plots/dwellings between 31st October 2016 and 30th October 2019.<sup>6</sup> Officers have undertaken an analysis of the Council's planning records to determine the number of self-build and custom-build plots/dwellings which were permitted within this period, and this indicates that seven eligible dwellings received permission. It is unclear what, if any, repercussions there might be for the failure to meet the duty, although it is likely that many local authorities have also failed to meet the duty initially.

### **3. PROPOSAL**

#### To Introduce Local Eligibility Criteria to Determine Entry to the Register

- 3.1. The government sets the basic eligibility criteria for entry to self-build and custom housebuilding registers. The Self-Build and Custom Housebuilding Regulations 2016 state that an individual is eligible for entry to a register if they are:

- Aged 18 or over;
- A British citizen, a national of a European Economic Area (EEA) state other than the United Kingdom, or a national of Switzerland; and
- Seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority's area for their own self-build and custom housebuilding.

The Regulations make provision for individuals who wish to come together to build homes for themselves as part of a group (for example, community groups) and refer to such groups as 'associations'. An association is only eligible to be entered on to a register if all members of the association meet the above eligibility requirements. When applying to be entered on to a register, groups of individuals who wish to register as an association must appoint a lead contact.

- 3.2. The Self-Build and Custom Housebuilding Regulations 2016 allow local authorities to set additional eligibility criteria to determine entry to self-build and custom housebuilding registers. Local authorities can apply two optional local tests, which are limited to a 'local connection test' and/or a 'financial solvency test'. However, the Council does not currently apply these optional tests.

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<sup>6</sup> Rushmoor's self-build and custom housebuilding register was established in August 2015 before the commencing of the Self-Build and Custom Housebuilding Act in April 2016. Whilst 34 eligible applications for entry were received within the first base period, a number of applications were received before April 2016. Because the Self-Build and Custom Housebuilding (Register) Regulations 2016 required local authorities to obtain certain information from applicants which had previously not been required to determine eligibility, the Council contacted all applicants who had made an application before the regulations came into effect to obtain this information. Because fifteen applicants provided the information and confirmed their eligibility for entry to the register within the first base period, these applications are considered to have been received within this base period.

- 3.3. It is proposed that the Council introduces additional local eligibility criteria in the form of a 'local connection test' to determine entry to the self-build and custom housebuilding register. The register would be divided into two parts in line with the Regulations; Part 1 would comprise applicants that meet the 'local connection test', whilst Part 2 would include applicants that meet all the entry criteria apart from the 'local connection test'. The significance of dividing the register on this basis is that only Part 1 entries (applicants with a local connection) would be covered by the duty to grant planning permission. However, it should be noted that local authorities are required to have regard to all entries on their registers (including Part 1 and Part 2 entries) when carrying out their planning, housing, land disposal and regeneration functions.
- 3.4. Because of the complexity of collecting and analysing relevant information, it is not proposed to introduce a financial solvency test, which is limited to an assessment of whether an applicant can afford to purchase land for their own self-build and custom housebuilding. However, this position will be kept under review.
- 3.5. The government's National Planning Practice Guidance (NPPG) states that local authorities should 'determine the rationale for introducing a local eligibility test and hence the specific conditions set'. It notes that local authorities 'may wish to consider criteria based upon residency, having a family member residing in the local area and/or having an employment connection to the local area'.<sup>7</sup>
- 3.6. The proposed criteria for determining a local connection are set out below. To demonstrate a sufficient local connection, all applicants (individuals and all members of an association of individuals) would be expected to meet at least one of the following criteria to be eligible for entry to Part 1 of the register:
- Currently resident in Rushmoor and has lived in the Borough continuously for at least one year from the date of the application;
  - Has lived in Rushmoor for three out of the last five years from the date of the application;
  - Currently employed in Rushmoor and has been employed in the Borough continuously for at least one year from the date of the application;
  - Currently self-employed primarily in Rushmoor with an ongoing viable venture, with a registered business address in Rushmoor, and has been continuously for at least one year from the date of the application;
  - A close family relative currently lives in Rushmoor and has done so for at least five years from the date of the application. A close family

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<sup>7</sup> National Planning Practice Guidance, para. 20, ref. ID: 57-020-20170728.

relative is proposed to be defined as parents, grandparents, children, grandchildren and siblings;

- Currently serving in the regular armed forces or has served in the regular armed forces within five years of the date of the application;<sup>8</sup>
  - The applicant has demonstrated to the Council's satisfaction that a local connection applies through special/exceptional circumstances.
- 3.7. The requirements are based upon the adopted local connection conditions outlined within the Council's Housing Allocation Scheme, which is used to assess and prioritise applicants for social housing owned by Registered Social Landlords. However, where appropriate, the conditions have been adapted for the purposes of assessing local demand for self-build and custom housebuilding as opposed to social housing need. For example, it should be noted that the Housing Allocation Scheme has additional criteria in respect of injured serving or former members of the reserve forces and family and bereaved family of service personnel and does not specify a minimum period of time for applicants to have been employed.
- 3.8. The significance of a local connection test is that only register entries that meet the additional local criteria would be covered by the duty to grant planning permission. Of the 176 applicants currently on Rushmoor's register, 48 have indicated that they have no local connection to Rushmoor. However, because the Council does not currently apply additional local eligibility criteria, these 48 applications must be included within the duty to grant permission.
- 3.9. The proposed local connection test will ensure that the Council's self-build and custom housebuilding register is a realistic reflection of local demand and that the duty to grant permission is not inflated by demand arising from outside of Rushmoor. This is particularly relevant given the Borough's proximity to the Thames Basin Heaths Special Protection Area (SPA) and the need for all net new dwellings in the Borough to provide adequate mitigation in the form of suitable alternative natural greenspace (SANG) and contributions towards strategic access management and monitoring (SAMM) measures to mitigate and avoid the potential adverse impact of development upon the SPA. Because SANG capacity is finite and given that the Council must grant a sufficient number of planning permissions to meet demand, the proposed test is not considered to be unreasonable.
- 3.10. If the proposed test is introduced, the Council will contact all applicants currently on Rushmoor's register to determine their continued eligibility.

#### To Introduce Fees for Entry and to Remain on the Register

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<sup>8</sup> Regulation 5(3) of the Self-Build and Custom Housebuilding Regulations 2016 states that a local connection test 'must include provision that any person in the service of the regular armed forces of the Crown is deemed to satisfy the test whilst in service and for a period after leaving service equal to the length of the longest of any periods required by the test for a condition to be satisfied'.



- 3.11. The Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 allow local authorities to charge a fee to individuals and associations of individuals to be entered on to a register for a base period or for part of a base period and on an annual basis to remain on a register. The NPPG states that fees can only be set ‘on a cost recovery basis’ and that they ‘must be proportionate, reflect genuine costs incurred and should not act as a deterrent for people to be entered on or remain on the register’.<sup>9</sup>
- 3.12. Given the increased administration of determining eligibility for entry to the Council’s register, it is proposed that the Council charges a fee for entry. It is also proposed to charge an annual fee to those who wish to remain on Part 1 of the register (applications that satisfy the local connection test and which are covered by the duty to grant planning permission) in order to recover the costs associated with ensuring that the register remains up to date and checking that applicants remain eligible. It should be noted that the Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 do not permit an annual fee to be charged to those who wish to remain on Part 2 of a register.
- 3.13. The introduction of fee charging will help to ensure that applicants on the Council’s register are genuinely interested in obtaining a plot in Rushmoor for their own self-build or custom housebuilding and further ensure that the register is a realistic reflection of local demand.
- 3.14. It is proposed that the Head of Finance will determine the level of fees to be charged for entry to the register and to remain on Part 1 of the register. Fees will be set on a cost recovery basis and reflect the costs incurred in administering the register. The table below includes details of local authorities in Hampshire and Surrey authorities close to Rushmoor that have introduced additional eligibility criteria for entry to their registers and fees on a cost recovery basis. For information, it also includes authorities that do not charge fees despite the introduction of additional eligibility tests.

Local Authority	Local Connection Test	Financial Solvency Test	Entry Fee	Part 1 Annual Fee
Basingstoke and Deane	x	x	£15	£0
Fareham <sup>10</sup>	✓	x	£0	£0
Guildford	✓	✓	£26 (Part 1 entry)  £10.50 (Part 2 entry)	£10.50

<sup>9</sup> National Planning Practice Guidance, para. 034, ref. ID: 57-034-20170728.

<sup>10</sup> Note that Fareham Borough Council previously charged an entry fee of £20 and an annual fee of £10 to remain on Part 1 of its register but removed the charges in November 2018.

Local Authority	Local Connection Test	Financial Solvency Test	Entry Fee	Part 1 Annual Fee
Hart	✓	✓	£75 (individual application)  £125 (association application)	£30
New Forest	✓	✗	£0	£0
Portsmouth	✓	✗	£0	£0
Runnymede	✓	✓	£65	£60
Surrey Heath	✓	✗	£0	£0
Waverley	✓	✗	£30	£15
Winchester	✓	✗	£0	£0

3.15. As noted, it is proposed that the Council will contact applicants currently on the register to determine continued eligibility. As part of this process, it is anticipated that applicants who remain eligible for entry will be asked if they wish to remain on the register for the next base period (31st October 2020-30th October 2021). Current applicants would not be required to pay an entry fee or a fee to remain on Part 1 of the register for the next base period but would be required to pay a fee if they wish to remain on the register for subsequent base periods (31st October 2021 onwards).

3.16. The fees charged for entry and to remain on the register will be reviewed regularly.

### Alternative Options

3.17. There are several alternative options which could be taken, including:

- Do not introduce a local connection test or fee for entry and to remain on the register (i.e. maintain the current situation);
- Introduce a financial solvency test;
- Introduce a local connection test but no fees;
- Introduce fees but not a local connection test.

3.18. Officers believe that it would be prudent to introduce the proposed local connection test and fees to ensure that the Council's register is a realistic reflection of local demand for self-build and custom housebuilding. Failure to introduce the tests and fees would mean that the Council's register would remain unregulated and that the duty placed upon the Council to grant sufficient permission to meet demand would continue to be inflated by applicants who may not have a local connection or a genuine demand for a plot in Rushmoor. Although a financial solvency test would enable for an assessment of whether an applicant can afford to purchase land and would therefore provide a further indication of how realistic the demand is, it is not recommended at this stage to introduce such a test owing to the complexity of obtaining and analysing relevant information. However, this position will be kept under review.

## **Consultation**

- 3.19. There is no statutory requirement to consult on the proposals, although the NPPG states that local authorities 'should consider consulting' before they introduce a local connection test or financial solvency test.<sup>11</sup> However, given that the proposed local connection test is based upon the adopted local connection criteria set out within the Council's Housing Allocation Scheme, it is not considered necessary to consult on the matter. The proposed fees will also be set on a cost recovery basis, as permitted by the Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016.
- 3.20. Officers consulted members of the Council's Strategic Housing and Local Plan Group at an early stage and received unanimous support to progress work on these proposals.

## **4. IMPLICATIONS**

### **Legal Implications**

- 4.1. The legal requirements of the Self-Build and Custom Housebuilding Act and the associated regulations are summarised throughout this report.

### **Financial and Resource Implications**

- 4.2. The costs of implementing the proposals can be absorbed by existing budgets, and there are considered to be no adverse resource implications arising from the proposals. The proposed fees will set on a cost recovery basis and will reflect the costs associated with administering the register.

### **Equalities Impact Implications**

- 4.3. No equalities impact implications arising from the proposals have been identified.

## **5. CONCLUSIONS**

- 5.1. The Self-Build and Custom Housebuilding Act 2015 places a duty upon the Council to maintain a register of individuals and associations of individuals who are seeking to acquire land in Rushmoor to build a home, and to grant a sufficient number of planning permissions to meet the demand for self-build and custom housebuilding, as evidenced by the register.
- 5.2. The introduction of a local connection test to determine eligibility for entry to the register and the charging of fees to be entered on to and to remain on the register will ensure that the register is a more reliable reflection of genuine local demand for self-build and custom housebuilding and that the Council's duty to grant sufficient permissions is not inflated by speculative demand arising from outside the Borough.

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<sup>11</sup> National Planning Practice Guidance, para. 019, ref. ID: 57-019-20170728.

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