

Dear Councillor

COUNCIL - MONDAY, 11 SEPTEMBER 2023

Please find attached, for consideration at the meeting of the Council on Monday, 11 September 2023, the following reports that were unavailable when the agenda was published.

Agenda No Item

5. **Report of Cabinet - 6 September 2023 (Pages 3 - 22)**

To consider the report and recommendations of the Cabinet meeting held on 6 September 2023 (to follow).

For reference, the Cabinet agenda and reports are published on the Council's website at the following link:-

<https://democracy.newforest.gov.uk/ieListDocuments.aspx?CId=133&MId=7731>

6. **Questions (Pages 23 - 24)**

To ask questions under Standing Order 22. Questions received by the deadline are enclosed.

Yours sincerely

Kate Ryan
Chief Executive

Encs

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COUNCIL – 11 SEPTEMBER 2023

REPORT OF CABINET – 6 SEPTEMBER 2023

PART I – ITEMS RESOLVED BY CABINET

1. FEASIBILITY STUDY TO DELIVER LONG TERM VALUE FROM APPLETREE COURT, LYNDHURST

PORTFOLIO – FINANCE AND CORPORATE

CABINET RESOLUTION:

That Cabinet approves a budget of up to £100,000 to undertake feasibility studies for a possible modernisation of Appletree Court as described in this report to inform the wider development of the Council's accommodation requirements as part of its Transformation agenda.

CABINET DISCUSSION:

The Portfolio Holder for Finance and Corporate explained that, following the Covid pandemic, the way the District Council worked had fundamentally changed. The consequence of this change was that there was greater flexibility for staff in their working arrangements but also that Appletree Court (ATC) was now underutilised, particularly in regards to office occupancy rates.

The Portfolio Holder acknowledged that there was a cost involved in undertaking the feasibility study, however the potential benefits of the annual rental and rates as well as building costs savings could be in the range of £400,000, giving a pay-back period of 4-5 years.

The Civic Buildings and Facilities Manager explained that this review formed part of the wider transformation agenda. At present, peak occupancy saw 41% of staff working at ATC at any one time. A search for alternative accommodation within the District had been undertaken, however no suitable alternative property or location had been identified. A development appraisal received from leading property consultants in January 2023 showed the sale or redevelopment of Appletree Court for alternative use was unlikely to yield a capital sum sufficient to fund a relocation to alternative premises or the construction of new headquarters premises elsewhere in the District.

It was explained that the feasibility study would give the Council a better understanding of workspace potential and would ensure that Appletree Court was a vibrant and collaborative working environment. The study would seek opportunities for third parties to use office space which would in turn enable the Council to foster new partnerships whilst developing those already in existence.

Cabinet members agreed that the post-pandemic hybrid working arrangements lend themselves to new ways that office space is utilised. The Leader confirmed that sustainability would be a factor in the evaluation of office space utilisation and that the ultimate aim was for the Council to be more cost-effective in the running of Appletree Court and to stand out as an employer of choice.

2. FINANCIAL MONITORING REPORT (based on performance April to June 2023 inclusive)

PORTFOLIO: FINANCE AND CORPORATE / ALL

CABINET RESOLUTION:

That Cabinet: -

- (a) Approves the revised formulation of the 2023/24 original budget in accordance with the new Portfolio structure (section 2.2 of the Cabinet report)
- (b) Notes the latest budget forecasts of the General Fund (section 5 of the Cabinet report), Capital (section 6 of the Cabinet report) and HRA (section 7 of the Cabinet report)
- (c) Notes the impact that the anticipated pay award is forecast to have on the Council's budgets, and the need to identify mitigating actions to address these additional costs.

CABINET DISCUSSION:

The Portfolio Holder for Finance and Corporate praised the revised budget for 23/24 following the new Portfolio structure, acknowledging the work undertaken in managing the Council's finance and the delivery of a £100,000 net gain for the year. Cabinet noted that a Central Government cap on any increase in the precept remains in place at 3% for 2023/24 and 2024/25, and 2% thereafter, against a background of a Consumer Price Index (CPI) rise for twelve months to July 2023 of 6.8%.

The Strategic Director of Corporate Finances, S151 and Transformation explained that in the main the report dealt with budgets being brought forward from the previous year, as is typical in the first monitoring report of the year. He also explained, as per the Pay Award in section 4 of the report, final figures had not yet been quantified. It was hoped that the respective Trade Unions would agree a position soon and that a subsequent report would explain how this increase in costs would be mitigated by the Council. It was also anticipated that the General Fund would see an additional recycling glass income of £100,000 due to an increase in price per tonne.

PART II – RECOMMENDATIONS TO COUNCIL

3. STRATEGIC RISK REGISTER

PORTFOLIO – LEADER / ALL

RECOMMENDED:

That Council adopt the Strategic Risk Register.

CABINET DISCUSSION:

The Leader explained that the Strategic Risk Register (SRR) was a 'living', working document that records the challenges and risks facing the Council and helps plan the direction taken in mitigating said risks.

The Insurance and Risk Officer, alongside the Executive Management Team (EMT), had undertaken a comprehensive risk review. Following this, the Audit Committee had provided input on the SRR and each risk had been evaluated on its potential impact to the Council. The Leader would remain briefed on the SRR as well as any and all developments.

The SRR also contained proposed Action Plans; these being strategies to avoid, accept or manage risks. The management of risks would be holistic, and the ownership of a risk would be assigned to a specific manager and team.

Cabinet agreed that the document must be well managed and that all members should familiarise themselves with the SRR and provide feedback on any areas of concern.

The Leader explained, following a question from a Councillor, that partnership work with the Citizens Advice Bureau on the matter of unclaimed benefits was ongoing and that the Revenue and Benefits team would continue to work to reach those vulnerable, hard-to-reach individuals who might be eligible for additional support. The Portfolio Holder for Community, Safety and Wellbeing explained that a Community Forum was in development and that the District Council would lead this, alongside charities as well as the Town & Parish Councils. This would help address the issue of how best to reach residents most in need of support. The Portfolio Holder for Finance and Corporate reiterated that the Council, within the New Forest Partnership, had recently completed a campaign to support residents with the cost-of-living crisis and to assist people in checking if they are entitled to state benefits.

The Chairman of the Audit Committee, in reference to point 5.2 of the report, informed the Cabinet that he had received answers to the questions raised by the Committee and that he was satisfied with the responses.

Attachments – Background Report to Cabinet (Appendix 1)

4. VEHICLE AND PLANT REPLACEMENT PROGRAMME

PORTFOLIO – ENVIRONMENT AND SUSTAINABILITY / FINANCE AND CORPORATE

RECOMMENDED:

That Council approve: -

- (a) A supplementary budget of £126,000 for the revised budgets for Vehicles and Plant Replacement Programme for 2023/24; and
- (b) A revised budget of £2.102 million for the Vehicle and Plant Replacement Programme for 2024/25.

Note:-

The Cabinet also resolved: -

To note the intention to develop a new fleet strategy, which will set the future approach to the replacement of our assets, capturing the opportunities to reduce emissions in line with the declared Climate and Nature Emergency.

CABINET DISCUSSION:

The Portfolio Holder for Environment and Sustainability reminded members that the Council's fleet and plant were an essential part of the Council's services, and that the Council currently utilises 265 vehicles within its fleet. These vehicles oversee the waste and recycling, housing maintenance, street scene & grounds maintenance, and parking enforcement & engineering works.

The Medium-Term Financial Plan and annual budget, agreed in February 2023, included a £3.2 million budget for the vehicles and plant replacement programme. £150,000 had been allocated to the fleet upgrade for waste strategy implementation.

An important part of the process was also the reduction in emissions from the NFDC fleet, in line with the Council's Climate Emergency Action Plan. The Council currently operated four electric vehicles and an increasing proportion of battery powered tools. It was explained that investment was required to allow a greater proportion of the fleet to be considered for electric vehicle replacement. With this, fuel options to reduce emissions in the wider fleet, such as hydrogen and lower emission hydrocarbons, would be considered. A fleet strategy would be developed which was expected to be completed in February 2024.

Cabinet agreed that replacements should occur where necessary, when a vehicle or infrastructure had reached the end of its lifespan; the Leader confirmed that there were vehicles within the fleet which had been in operation for over 10 years.

In response to a question on market pressures, the Transport and Depot Manager explained that the Council would continue to observe the market and react in an appropriate manner, ensuring that the requisite infrastructure was in place. The replacement of a vehicle would occur following a rigorous assessment where, for example, whole life costs and running costs would be measured first before a judgement was made. On a financial basis, the aim was to ensure that the Council received value for money.

Attachments – Background Report to Cabinet (Appendix 2)

STRATEGIC RISK REGISTER**1. RECOMMENDATIONS**

- 1.1 Cabinet are asked to recommend Council adopt the Strategic Risk Register.

2. INTRODUCTION AND PURPOSE

- 2.1 The Strategic Risk Register (Appendix 1), now included within this report contains the significant risks, as identified by senior and executive council officers in consultation with the Portfolio Holders, in the Council achieving the priorities set out in the 'Community Matters Corporate Plan 2020-24'.

3. BACKGROUND

- 3.1 Risk management aims to identify the risks that may impact on the Council achieving its objectives. Its purpose is to evaluate, design and implement effective measures to reduce both the likelihood and potential impact of these risks occurring.
- 3.2 The Council has a statutory responsibility to have in place arrangements for managing risks under the Accounts and Audit Regulations; which require a sound system of internal control, facilitates the effective exercise of the Council's functions and includes arrangements for the management of risk. As such it features strongly in the Council's Local Code of Practice for Corporate Governance and is one of the primary assurance strands in the Annual Governance Statement, which places significant reliance on a robust risk management framework.

4. STRATEGIC RISK REGISTER

- 4.1 The Strategic Risk Register (Appendix 1) captures the most significant cross cutting risks to the delivery of the current Corporate Plan and the proposed actions to mitigate these risks.
- 4.2 These risks have been identified with senior and executive council officers working alongside the Portfolio Holders to ensure a joined-up approach in capturing and documenting these risks.
- 4.3 The strategic risk register encompasses a total of eight risks of significance, including one further addition incorporated since the last update. The revised register, which can be found in the appendix 1, outlines a detailed narrative of the actions necessary to manage residual risk adequately. Importantly, while some actions are ongoing, others have specific endpoints.

5. AUDIT COMMITTEE COMMENTS

- 5.1 At its meeting on 31 July 2023, the Audit Committee reviewed and noted the Strategic Risk Register, as part of its six-monthly review process and commented on Strategic Risk 5 and 7.

- 5.2 Strategic Risk 5; 'Ensuring robust security measures to protect the Council's digital data and ICT assets from external threats', the Committee raised general queries relating to arrangements for overall network security and the data centre back up, answers to which were being given.
- 5.3 Strategic Risk 7; 'Delivering Council Services Through Adverse Environmental Conditions', and the action detailed as E 'Set up links to town and parish councils as they would be involved in implementing actions through adverse conditions.' it was explained that additional Emergency Planning staffing resource had recently been obtained, and officers undertook to provide details on progress when the next risk register update was given to the Committee.

6. FINANCIAL IMPLICATIONS

- 6.1 There are none arising directly from this report, although strong risk management and a solid understanding of risk helps to support robust financial management.

7. ENVIRONMENTAL MATTERS AND EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 There are no direct environmental or equality and diversity implications arising from this report.

8. DATA PROTECTION IMPLICATIONS

- 8.1 There are no data protection implications arising from this report.

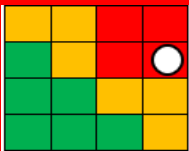
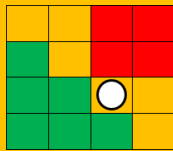
9. LEADER'S COMMENTS

- 9.1 As Leader, I value the work undertaken by Portfolio-holders and EMT to revise the strategic risk register and understand more fully how these significant risks may impact the Council and our communities going forward, and what risk management work is underway. Also the input of Audit Committee to this important governance process. Due to the nature of these risks they cannot often be reduced through addressing likelihood or impact to 'green', but I am reassured that the right actions are underway and look forward to the next iteration which will outline lead accountability for delivery.

For further information

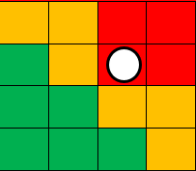
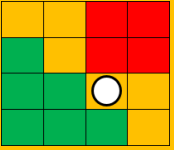
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1. Supporting Communities

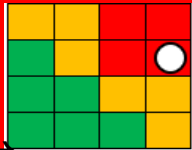
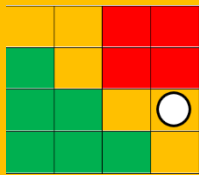
Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 3 x Impact 4 = High 12</p> 	<p>Communities are likely to be negatively impacted due to the current rate of inflation driven (in part) by a high utility price, and the knock-on implication this is having to the cost of food, whilst in the context of a sustained inflated fuel price. This will create additional pressures on local businesses and job security.</p> <p>Communities are impacted through a shortage of housing including affordable housing Supply being delivered within the District.</p> <p>The Council needs to do more to support communities with enhanced digital channels for transacting and communicating with the Council.</p> <p>There will also be some challenges around the delivery of the Freeport.</p>	<ul style="list-style-type: none"> A. Targeted funding streams and support for voluntary and community sectors B. Engagement in discussions of fundamental activities such as Solent Freeport and County Deals C. Close working partnerships with key stakeholders such as the Community Safety Partnership and the Skills Advisory Group D. Effectively review and apply the Council's Local Plan, including active monitoring of the implementation, while proactively working with developers to provide enabling infrastructure and continuously reviewing the Local Plan. E. Roll-out Digital Strategy prioritising customer needs. F. Corporate Plan 2020-2024 and the development of the next Corporate Plan in 2023 G. Collaborative working with key partners through the Cost of Living Steering Group to implement a Poverty Action Plan H. Establishment of a referral system to aid vulnerable residents I. Regular engagement with the voluntary sector J. Participation on the board and its sub-committees of Solent Freeport Consortium Limited, ensuring collaborative working and shared goal achievement to advance the economic, social and environmental well-being of the District K. The Council's Housing Revenue Account is actively seeking opportunities to bring forward additional affordable homes within the District, under Council ownership. 	<p>Likelihood 2 x Impact 3 = Medium 6</p> 	<ul style="list-style-type: none"> A. Allocate resource to support Corporate Plan priorities B. Continue to work in partnership for example with the Solent Freeport and with other public sector partners to explore new and existing opportunities to deliver to residents and businesses C. Understanding the results from the resident survey and taking stock of these learning points to ensure they feed into the Corporate Plan 2025-2028 D. Continued support to the Cost of Living Steering Group is provided, bringing a multi-agency approach to tackling issues affecting the most vulnerable in the community, working alongside the Local Partnership Campaign Manager to explore and promote further support to household. E. Continuing to explore all housing enabling avenues across planning and housing.

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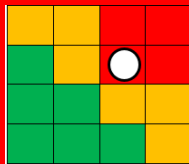
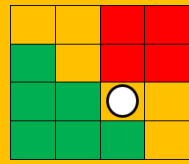
2. Achieving future financial resilience

Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 3 x Impact 3 = High 9</p>  <p>10</p>	<p>The Council's Medium Term Financial Plan is affected by numerous external economic factors, such as the high bank base rate and the current rate of inflation (cost of living). These factors place significant pressure on expenditure and impact the ability to generate income, noting the longer-term implications of recovering from economic challenges.</p> <p>Other factors, more specific to the Council include pay award, levelling up, the fair funding review, the impact of a business rate reset and increased salary costs resulting from a need to align pay with the wider market.</p> <p>The Council may also need to do more to support communities due to the potential for closure of local businesses and job losses as a result of the cost of living crisis.</p> <p>Given financial constrains affecting the Local Government sector as a whole, Local Authority Partners, may look to the District Council to support their own respective financial sustainability over the Medium term.</p>	<ul style="list-style-type: none"> A. Regular review of the Council's MTFP including reserve levels and future changes to funding B. Annual budget setting for revenue and capital including funding C. Utilisation of external financial support that provides support for funding modelling D. Regular budget monitoring reports and updates to senior officers and Members E. Currently in the process of creating a Transformation Strategy that contains ample measures to support the successful implementation of the plan. This strategy encompasses numerous actions that will aid effective delivery of the transformation plan F. Development of savings plans and invest to save initiatives G. Treasury Management Strategy to ensure the Council is acting within the prudential indicators H. Maintain appropriate level of financial reserves as contingency arrangements to provide resilience over the medium term I. Development of capital plans in accordance with Capital Strategy with full financial appraisal and revenue implications J. Working with County Council, Towns and Parishes to maximise opportunities for joint working 	<p>Likelihood 2 x Impact 3 = Medium 6</p> 	<ul style="list-style-type: none"> A. Continue to keep abreast of developments in: <ul style="list-style-type: none"> - pay award - Fair Funding - National Business Rate Policy - Levelling Up - County Deals B. Maintain momentum and presence within the delivery of the Solent Freeport C. Development of the Transformation Programme to deliver enhanced services and financial efficiencies to support the delivery of the Medium Term Financial Plan D. Keep up discussions with upper and lower tier authority partners to ensure effective and efficient service delivery to residents

3. Ensuring efficient and effective internal control, governance and compliance

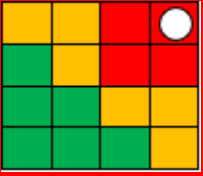
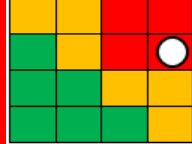
Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 3 x Impact 4 = High 12</p> 	<p>As a local authority we need to show appropriate compliance and controls:</p> <ul style="list-style-type: none"> - Financial Regulations - Financial Management Code - Payment Card Industry Data Security Standard Accreditation - Production and publication of various statutory documents - Effectiveness of the Capital Change and Delivery Board - Effectiveness of the new Project Management Framework - Timeliness of External Audit completion <p>We continue to follow best practise in terms of documenting our Annual Code of Corporate Governance review, and preparation of an Annual Governance Statement, both with actions plans.</p>	<ul style="list-style-type: none"> A. Annual internal audit plan developed by senior officers and members is targeted at key risks areas and responsive to new areas of risk B. External/internal audit regime C. Annual Assurance Statements compiled testing compliance with key business activities, supporting Annual Governance Statement compilation D. Range of performance indicators that monitor internal controls E. Maintenance of a range of policies that underpin the control framework – Financial Regulations, Counter Fraud Strategy, Risk Management Framework, Contract Procedure Rules coupled with staff training F. Regular reporting at Audit Committee G. Compliance with Transparency Code H. Compliance with Local Code of Corporate Governance I. Key compliance roles identified and assigned i.e., Section 151 Officer, Monitoring Officer, Data Protection Officer, H&S, Facilities Lead etc J. Compliance with information governance including the UK General Data Protection Regulation and Data Protection Act 2018 K. Review and update of Business Continuity Plans L. Housing and Facilities Compliance reported regularly through EMT M. Information Governance Team in place with regular reporting through EMT. N. Financial Regulations and workflows built into core financial system 	<p>Likelihood 2 x Impact 4 = Medium 8</p> 	<ul style="list-style-type: none"> A. Continue through information governance work programme, including updated document retention and destruction schedules for all services. B. Management to undertake actions from the internal audit reports C. Ongoing engagement with external audit. D. Continue to assess the effectiveness of the new Project Management framework for projects to ensure appropriate Governance arrangements are in place for all projects. E. Financial Management Code – complete outstanding actions identified through the initial assessment. F. Enhance member and officer development by offering continuous training, development and engagement opportunities. G. Continue to ensure high levels of statutory compliance standards across services.

4. Creating the right culture, capacity and capability

Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 3 x Impact 3 = High 9</p> 	<p>The Council needs to attract, recruit and retain the high calibre of employee that it requires to fulfil its expectations in Service delivery.</p> <p>The Leadership review has concluded and the Council now has a settled top tier leadership structure. There is however a risk around the time required to achieve organisational/cultural change.</p> <p>The pandemic demonstrated the Council's ability to adapt to changing circumstances swiftly and ensure prioritised operations continued. Accordingly, it is crucial that we continue this momentum and uphold the positive experiences and benefits that have emerged from recent changes. Moreover, steps must be taken to address and improve upon any negative experiences and challenges encountered in service delivery, thereby ensuring a more efficient and satisfactory experience for all involved.</p> <p>There are still some actions to complete as a result of the staff survey completed during 2022.</p>	<ul style="list-style-type: none"> A. Employee Forum to encourage collaboration and engender a culture that enables change and innovation B. Learning and development programme to be developed and rolled out to provide training, tools and techniques to develop the necessary skills C. Regular 1-1's and annual PDI process D. Investigation and identification of further collaborations that will support building capacity and capability (and resilience) including both public and corporate business E. Staff Suggestion scheme F. Transformation framework in progress G. Communications plan (internal) allowing for regular staff engagement/progress updates H. Staff/union engagement I. Project management/capability J. Performance management and key performance indicators in place K. Staff/officer wellbeing and support L. Development of Workforce Strategy and enabling an agile workforce M. Corporate plan 2020-2024 N. Hybrid working increasing potential pool of staff O. More support and training on virtual working/managing staff P. Further ICT training to ensure maximum return on investment 	<p>Likelihood 2 x Impact 3 = Medium 6</p> 	<ul style="list-style-type: none"> A. Embedding of new Council Leadership structure (including necessary backfill) B. Progress learnings from employee survey C. HR developing plans to work with third parties to deliver a consistent and structured approach to training and development D. Keep abreast of developments in pay award negotiations and be ready to respond accordingly. E. Transformation plan being formulated to include design principles for a new operating model, approach, implementation, and necessary resources. A key aspect of the design principles will be our people strategy and organisational development opportunities. A Transformation Strategy will be presented to the new administration in 2023. F. Continue to identify further opportunities that should be progressed in connection with improving service delivery G. Allocate resource to support Corporate Plan ambitions H. Continue to work in partnership with other public sector partners to explore new and existing opportunities to deliver to residents and businesses


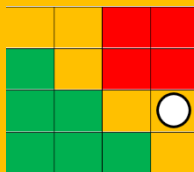
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5. Ensuring robust security measures to protect the Council's digital data and ICT assets from external threats

Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 4 x Impact 4 = High 16</p> 	<p>This risk relates to the Council's ability to defend itself against the constantly evolving threat from cyber based attack. The Council, in common with other public bodies, should be regarded as a high-profile target given the impact and publicity a successful attack can have.</p> <p>The current insurance market for public sector cyber risks is volatile.</p>	<ul style="list-style-type: none"> A. Up to date Disaster Recovery plan is in place B. Awareness training of officers and staff on the threats of cyber attacks C. Continued reviewing and tightening of existing IT Security Policy to ensure measures adapt to the changing threat, including awareness, familiarisation and training. D. Acceptable use of IT policy to ensure staff are using equipment safely and appropriately. E. Relationships with other agencies to ensure best practice is established 	<p>Likelihood 3 x Impact 4 = High 12</p> 	<ul style="list-style-type: none"> A. Continued development of O365 services to improve email and anti-virus protections B. Carry out annual penetration test C. Ongoing refresher training on cyber risks for all staff D. To look at service provisions externally that can assist with cyber risks.

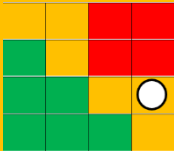
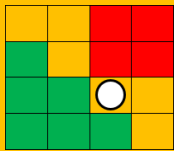
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6. Ability to be agile and shift focus in response to policy and national political change

Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 3 x Impact 4 = High 12</p> 	<p>The significance of the current cost of living crisis and inflation, coupled with the need to repay the COVID bill may impact on government priorities and planning.</p> <p>Changes in national politics and the required general election (by Jan 2025), as well as a new NFDC administration with an altered political balance all have the potential to have an impact.</p> <p>Other legislation that will affect the council include:</p> <ul style="list-style-type: none"> - Levelling up white paper - The environment bill - Future planning reform - Changes the regulatory landscape to housing <p>There is a possibility of experiencing a shift in the political landscape leading up to the general election.</p>	<p>A. Continuous monitoring of political landscape to allow for early indicators of policy change</p> <p>B. Prudent financial and strategy assumptions to allow for agile responses</p> <p>C. Corporate Plan 2020-2023 reviewed and updated where appropriate as changes identified that could impact on the Council and its plans i.e., Covid-19</p> <p>D. Section 151 Officer role providing advice to the Council on current/ future financial challenges</p> <p>E. Reports to committee include explicit assessment of implications and therefore should identify/reflect current and future challenges</p> <p>F. The Executive should conduct horizon scanning to proactively anticipate and identify potential challenges and opportunities in order to influence outcomes through consultation.</p> <p>G. Membership of Local Government Association etc providing information/insights to the Council</p> <p>H. Members' roles and responsibilities including involvement in local networks, County Council, other agencies and national forums, enabling insight to be gained and shared with the Council</p> <p>I. Staff membership of professional bodies enabling own development and also providing for insights through membership of challenges that may present themselves to the Council</p> <p>J. Officer/member forums and networks</p> <p>K. Review of Coastal Strategy and Actions. Climate Change Action Plan</p>	<p>Likelihood 2 x Impact 4 = Medium 8</p> 	<p>A. Making sure the workforce is aware that training is available.</p> <p>B. Ensuring professional training availability as this impacts departments e.g., Planning and Legal</p> <p>C. Encouraging staff to undertake professional development and service-related training.</p> <p>D. Prepare and implement the national changes arising out of the new Social Housing Charter, which represents the biggest change in social housing for 40 years. Work has been ongoing for the last 2 years to prepare and implement the necessary changes including reporting to EMT, Housing & Homelessness Overview & Scrutiny Panel and Cabinet.</p>

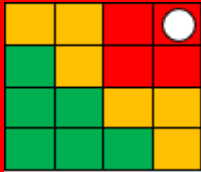
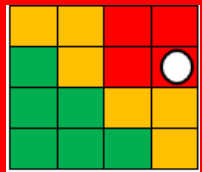
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7. Delivering Council Services through adverse environmental conditions

Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 2 x Impact 4 = Medium 8</p> 	<p>The following may affect the delivery of Council Services from a national and local perspective:</p> <ul style="list-style-type: none"> - Natural disasters / local power outages - Workforce Strike Action - Global Pandemic - Terrorism - Riot/Rebellion - Flooding - Major pollutions of surface waters and groundwaters - Adverse Weather - Fire - Nuclear Powered Vessels related to pollution - Coastal Erosion - Industrial Strikes <p>The Council has appointed a dedicated resource to lead on Emergency Planning and Business Continuity.</p>	<ul style="list-style-type: none"> A. Business Continuity framework and individual service continuity plans B. Threat response plans which will include ICT Infrastructure response, alternative accommodation provisions and reallocation of staff. C. Emergency Planning Strategy and defined roles assigned D. Communication with NFDC residents on all platforms e.g., social media 	<p>Likelihood 2 x Impact 3 = Medium 6</p> 	<ul style="list-style-type: none"> A. Annual programme of Emergency Planning training to be established. Robust training continues to be arranged and carried out for officers involved in emergency planning. Work continues in ensuring business continuity plans are in place, including for interruptions due to energy outages. B. Review and challenge of functional Service Continuity Plan and conclude Business Continuity Planning. C. Regular reporting to EMT on progress against Emergency Planning and Business Continuity action plan. D. continuity to increase capacity for service to manage this risk. E. Set up links to Town and Parish councils as they would be involved in implementing actions through adverse conditions.

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8. Responding to the Climate and Nature Emergency

Inherent Risk Score	Current circumstance	Risk Control	Residual Risk Score	Action Required
<p>Likelihood 4 x Impact 4 = High 16</p> 	<p>16</p> <p>NFDC declared a Climate Change and Nature Emergency in 2021 in response to global temperature rise and the associated impacts on natural and built environments. Declaring an emergency demonstrates NFDC’s commitment to the legally binding target set by Central Government for the UK to reach net zero carbon by 2050, however progress in achieving the agreed targets is significantly off track at national and global levels.</p> <p>As a result of climate change, the New Forest area is expected to experience:</p> <ul style="list-style-type: none"> Hot drier summers and warmer winters More frequent and extreme heatwaves, droughts flooding and coastal erosion <p>Failing to reduce emissions, improve environmental quality and adequately adapt to climate change will have impacts for NFDC residents, tenants, businesses, visitors, and the economy.</p> <p>Responding at a pace and scale comparable to the declared emergency will ensure that the environmental, social, financial and reputational risks to NFDC are minimised, and any opportunities arising from the changing climate are maximised.</p> <p>National and local actions are key to achieving environmental goals, which include grid decarbonisation, policy planning, and enabling a green economy. However, funding these initiatives is challenging and could affect residents' costs of living.</p>	<p>A. Deliver organisational and area-wide actions to reduce emissions, adapt to climate change and safeguard the natural environment, as outlined in the Climate Change and Nature Emergency Action Plan</p> <p>B. Deliver, monitor and report on four key programmes of work: carbon reduction, climate adaptation, nature recovery and programme management</p> <p>C. Governance and oversight from Climate and Nature Steering Group and Environment Overview and Scrutiny Panel</p> <p>D. Climate Change and Nature Emergency Annual Report to inspire behaviour change, demonstrate corporate leadership and ensure transparency, accountability, and governance - detailing action to date, progress against targets and future actions</p> <p>E. Service risk assessments and business continuity plans to be developed</p> <p>F. Consideration of climate change and sustainability issues in the early stages of all activities, including projects, plans, strategies, and procurements</p> <p>G. Prioritisation of climate change and sustainability in the Corporate Plan, Local Plan and other key strategies</p> <p>H. Ensuring adequate resources for climate and sustainability efforts including third party financial support</p>	<p>Likelihood 3 x Impact 4 = High 12</p> 	<p>A. Successful delivery of projects within the organisational and area-wide Climate Change and Nature Emergency Action Plan</p> <p>B. Climate and Sustainability to be identified as key priorities in the new Corporate Plan, Local Plan and other key strategies e.g., Greener Housing Strategy</p> <p>C. Development of policy framework to ensure business as usual activities of NFDC services contribute positively to climate and sustainability objectives</p> <p>D. Creation of a 5-year strategy and action plan with aligned resources and targets</p> <p>E. Inclusion of climate change risks in service level risk assessments and business continuity plans</p> <p>F. Training for officers and members, particularly O&S panel members, on climate change, nature and sustainability issues</p> <p>G. Aligning level of resourcing to meet emerging corporate priorities</p>

VEHICLE AND PLANT REPLACEMENT PROGRAMME**1. RECOMMENDATIONS**

1.1 Cabinet recommend that Council approve:

- A supplementary budget of £126,000 for the revised budgets for Vehicles and Plant Replacement Programme for 2023-24
- A revised budget of £2.102 million for the Vehicle and Plant Replacement Programme for 2024-25.

1.2 Cabinet note the intention to develop a new fleet strategy, which will set the future approach to the replacement of our assets, capturing the opportunities to reduce emissions in line with the declared Climate and Nature Emergency.

2. INTRODUCTION

2.1 The Council's vehicles and plant (V&P), required for frontline services, are replaced according to an annual programme which is set as part of the Council's annual budget process.

2.2 The replacement programme for 2023/24 has been reviewed in light of increasing costs, procurement requirements and extended vehicle lead times. Some items originally due replacement in 2023/24 will necessarily need to be rephased to 2024/25.

2.3 Latest market testing has shown continued significant increases in prices, which will affect the size of the budget required in 2023/24. Council approval is needed so that the procurement and ordering of these assets can be progressed.

2.4 As part of its commitment to addressing the Climate and Nature Emergency, the Council is also developing a new fleet strategy.

3. BACKGROUND

3.1 The Council has a fleet of 265 vehicles and plant items, which deliver operational services, primarily:

- Waste and Recycling
- Housing Maintenance
- Streetscene & Grounds Maintenance
- Parking Enforcement and Engineering Works.

3.2 These assets are procured and maintained by the Council's in-house Transport department. All assets are placed on the overarching replacement programme, with assets being replaced at the end of their economic life (which considers individual maintenance records as opposed to being purely time driven).

3.3 The budget for replacement vehicles and plant in 2023/24 was agreed as part of the Medium-Term Financial Plan and Annual Budget report to Cabinet in February 2023.

The original budget for 2023/24 was set at £3.212 million, including £150,000 of fleet upgrades needed for the waste strategy implementation.

4. CHALLENGES IN DELIVERY OF THE V&P REPLACEMENT PROGRAMME

Timelines

- 4.1 The original 2023/24 programme was large and complex with over 80 individual assets due for replacement. Many of these assets include ancillary equipment including racking and tracking, which must be accounted for in individual specifications and agreed with the end-user departments.
- 4.2 The vehicle manufacturing sector has suffered from lengthening lead times for the supply of assets from point of order, as a result of covid-19 and Brexit and more recently the war in Ukraine. The council assesses lead times as part of the procurement process, but current lead times are significant - for example:

Item	Approx. lead time 2019	Approx. lead time 2023
Panel van (transit size)	16 weeks	48 weeks
Refuse collection vehicle (HGV)	26 weeks	54 weeks

- 4.3 These lead times mean that it is becoming increasingly difficult to both order and receive new assets within the same financial year. In February 2023, the replacement programme for 2 years was approved, giving an improved chance of completing the 24-25 programme on schedule.
- 4.4 For now, some assets due for replacement in 2023/24 need to be re-phased into 2024/25.

Pricing

- 4.5 Material costs have been increasing, along with energy. This has caused prices to rise on a regular basis, making budgetary forecasting difficult. The current rate of inflation and the global pressures are leading to a significant increase in cost for some items. It is clear that, although prices have risen, demand is still at the same level. For the items in the revised 23-24 replacement programme that have not yet been ordered, there is on average an expected 20% increase in cost. The implications of this are shown in section 6.

5. FLEET STRATEGY

- 5.1 Reduction in emissions from the NFDC fleet will play a part in the Council's Climate Emergency Action Plan. Currently the majority of the fleet and heavy plant are diesel engines, with 4 small electric vans and an increasing proportion of battery powered tools. HGV's account for 56% of the emissions, despite representing only 9% of the vehicles, plant and tools that are required to operate frontline services.
- 5.2 The four small electric vans are used by the Public Conveniences and Enforcement teams. The 4 electric vehicles have been reliable and cost less to maintain than the diesel equivalent, with an average annual saving on Service, Repairs and Maintenance (SMR), fuel and tax of £1,600 per vehicle.

- 5.3 The vehicle charging infrastructure at the Council’s Marsh Lane Depot in Lymington is currently at capacity. The likelihood is that significant investment will be required to allow a greater proportion of the fleet to be considered for electric vehicle replacement. There is currently no electric vehicle charging infrastructure at the depot in Ringwood. The new depot at Hardley, due for completion in 2024, has been designed with underlying infrastructure in place to allow for installation of charging points in future.
- 5.4 Consideration of the following is needed:
- Options for emissions reduction in the wider fleet, considering electric, hydrogen and lower emission hydrocarbons such as Hydrogenated Vegetable Oils
 - Relative costs of alternatively-fuelled vehicles and plant and their diesel equivalents
 - Cost of investment in depot infrastructure
 - Options for non-depot-based fleet, such as Housing Maintenance vehicles
- 5.5 A fleet strategy will be developed which will account for the issues above. This strategy will be completed for February 2024.

6. FINANCIAL IMPLICATIONS

Capital

- 6.1 The table below shows the status of the 2023/24 replacement programme, along with the status of the 2024/25 forecast, relating to the rephased vehicles from 2023/24:

	2023/24	2024/25
	Budget	Budget
Original Replacement Programme	3,062,000	1,309,000
Original Waste Strategy	150,000	
Original Budget Set February 2023	3,212,000	1,309,000
Rephasing due from 2022/23	106,000	
Rephasing to be moved into 2024/25	(556,000)	556,000
Latest Budget	2,762,000	1,865,000
Savings identified within the programme	(48,000)	
Inflation Adjustment Required (replacement programme)	174,000	237,000
Inflation Adjustment Required (waste strategy – see note 6.3)	43,000	
Total Forecast Cost	2,931,000	2,102,000

- 6.2 Cabinet are being asked to recommend Council approve a Supplementary Budget of £126k, with a total budget of £2,931k. The revised 2024-25 budget is £2.102 million (a net increase of £237k). It should also be noted that this budget is based on most recent market information available, but the price of individual items will not be known until the procurement process is complete.
- 6.3 In July, the Portfolio Holder for Finance and Corporate Services approved a supplementary budget, as per the Council’s Financial Regulations, for 5 bin lifts which are to be added to existing vehicle assets as part of the transition to wheeled bins for garden waste collections. The cost of each of these additional assets

increased from £26k to £34.5k, leaving a requirement for a £42,500 supplementary budget. Subsequently, the opportunity arose to consider an alternative electric bin lift. Such lifts will save on fuel and would be self-funding over a 5-year period. The additional purchase cost of these lifts (£42.5k in total) will be met through existing budget allocated to sustainability projects.

Revenue

- 6.4 Due to the increase in prices as shown above, there is a knock-on implication to the revenue budgets (split between General Fund and Housing Revenue Account) as the costs of the Vehicles are depreciated over the period of their useful economic life. The full impact of the additional £169,000 capital outlay required is approximately £30,000 in a full year.
- 6.5 The next Financial Monitoring Report will pick up any revenue implications to 2023/24 as a result of the rephasing's into 2024/25. The Medium-Term Financial Plan will pick up on the impact of the increased costs in the 2024/25 programme.

7. CRIME & DISORDER IMPLICATIONS

- 7.1 There are none.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 The council declared a Climate and Nature Emergency in 2022. Reductions in council vehicle emissions are a key element of this work. One of the criteria assessed when scoring vehicle/plant tenders from suppliers is the level of CO2 emissions in grammes per km. This leads to lower emissions being scored higher. Suppliers are also asked to describe how the vehicle/body can be made more environmentally friendly.
- 8.2 The future fleet strategy will set out the long-term approach to emissions reductions.

9. EQUALITY & DIVERSITY IMPLICATIONS

- 9.1 There are none.

10. DATA PROTECTION IMPLICATIONS

- 10.1 There are none.

11. PORTFOLIO HOLDER COMMENTS – ENVIRONMENT AND SUSTAINABILITY

- 11.1 The Council's fleet of vehicles and plant is essential to allow us to provide key services to the public across the district, including waste collection, street cleaning and housing maintenance. The revisions to the replacement programme within this report will ensure we can continue to develop our fleet, and I am particularly keen to see how the future fleet strategy will help the Council to reduce it's vehicle emissions as part of the Climate and Nature Emergency.

12. PORTFOLIO HOLDER COMMENTS – FINANCE AND CORPORATE

- 12.1 As outlined in the report, the vehicle manufacturing industry as a whole continues to present challenges in terms of lead times and rising costs. Therefore it is necessary to readjust the replacement programmes for this year and next year, and I support the request for supplementary budget in light of the market issues. Through efficient use of our vehicle resources, timely maintenance and effective procurement we will continue to ensure that costs are minimised as far as possible, whilst ensuring our assets are fit for purpose for these essential frontline services.

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Background Papers:

None

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FULL COUNCIL – 11 SEPTEMBER 2023 – QUESTIONS UNDER STANDING ORDER 22

Question 1

From Cllr J Davies to the Portfolio Holder for Planning and Economy, Cllr Tipp

Pennington, like many villages across our district, needs to keep its shops. They're a vital part of any thriving community. In recent years, our shopping parades (especially South Street) have come under increasing pressure with developers using new permitted development rights to change shops into houses and flats.

Would the District Council consider making an Article 4 direction for both Pennington Square (encompassing South Street parade) and Fox Pond shops to remove permitted development rights?

Question 2

From Cllr Millar to the Portfolio Holder for Planning and Economy, Cllr Tipp

The new allotment space for the new developments at Augustus Park uses treated water rather than having a borehole that taps into the abundance of water running beneath Fordingbridge. Given the cost of treating water, should Council now institute a policy that all future allotments agreed within any planning development are built with a water strategy that minimises the use of treated water.

Question 3

From Cllr M Wade to the Portfolio Holder for Finance and Corporate, Cllr Heron

In these times of belt tightening and a cost-of-living crisis, how can the Leader of the Council justify spending a proposed £100k on a consultant's report for the forward use for Appletree Court? Does he realise how profligate and navel gazing this looks to our beleaguered residents?

Question 4

From Cllr Clark to the Portfolio Holder for Finance and Corporate, Cllr Heron

To what extent has this council investigated the use of Reinforced Autoclaved Aerated Concrete (RAAC) within its estate? Have the use of such concrete been discovered and what programme of remedial action has been planned?

Question 5

From Cllr A Wade to the Portfolio Holder for Planning and Economy, Cllr Tipp

This is a follow-up to a question submitted to the Council meeting held on 10 July 23, regarding the Planning Committee's decision to grant permission to re-develop the site of the former Fawley Power Station.

The application 19/10581 is still "Awaiting decision", subject to a completed Section 106 agreement. The Council's Case Officer addressed the Planning Committee at their December 2022 meeting with an "Update".

The completed S106 was expected in January this year, and the Service Manager - Development Management, has emailed the Committee with another message stating the delay lays with the applicant.

Are the Council Officers trying to get the applicant to agree to unreasonable demands set by this Council and can the Portfolio Holder carefully and clearly state what the issues are?"

Question 6

From Cllr Brand to the Portfolio Holder for Community Safety, Cllr Poole

Following a report that shows Lyndhurst and Minstead has the most unsolved burglaries in the Country at 84. Isn't that appalling?

Local businesses have lost faith in the local Police due to consistent thefts from their shops. This is not unique to Lyndhurst, however.

So, is it about time we prioritised theft from businesses and residential properties as part of our Community Safety plan for the New Forest?