

Dear Councillor

**COUNCIL - MONDAY, 9 OCTOBER 2023**

Please find attached, for consideration at the meeting of the Council on Monday, 9 October 2023, the following reports that were unavailable when the agenda was published.

**Agenda No    Item**

5.    **Report of Cabinet - 4 October 2023 (Pages 3 - 36)**

To consider the report and recommendations of the Cabinet meeting held on 4 October 2023.

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

[Agenda for Cabinet on Wednesday, 4th October, 2023, 10.00 am \(newforest.gov.uk\)](https://www.newforest.gov.uk)

7.    **Questions (Pages 37 - 38)**

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

Yours sincerely

**Kate Ryan**  
**Chief Executive**

Encs

This page is intentionally left blank

**COUNCIL – 9 OCTOBER 2023**

## **REPORT OF CABINET – 4 OCTOBER 2023**

### **PART I – ITEMS RESOLVED BY CABINET**

#### **1. TENANT ENGAGEMENT STRATEGY**

##### **PORTFOLIO – HOUSING AND HOMELESSNESS**

###### **CABINET RESOLUTION:**

That Cabinet approve the current draft of the Tenant Engagement Strategy for consultation purposes with the Council's Tenants and relevant stakeholders before a final draft is presented to Cabinet and Council in early 2024.

###### **CABINET DISCUSSION:**

The Portfolio Holder for Housing and Homelessness reported he was delighted to present the Tenant Engagement Strategy. A significant amount of work had gone into the draft strategy which had been discussed with the Tenant Involvement Group and it had received wide ranging support.

The Tenant Engagement Manager reported that the Strategy had been written in response to The Charter for Social Housing Residents – Social Housing White Paper and the Social Housing Regulation Act 2023. It took into account best practice and had been developed in partnership with residents. There were four strategic priorities underpinning the Strategy in order to ensure that tenants were placed at the heart of housing services, that their experiences can drive and shape services as well as hold the Council to account. The priorities sought to listen to our tenants; put tenants first; know our tenants and support engagement and promote how we communicate with tenants.

Members spoke in support of the draft Strategy. A member sought confirmation that there would be extensive consultation on the strategy. This was confirmed by the Portfolio Holder and noted that any feedback received would be fully considered.

It was also questioned by a member how the proposed focus on engagement activities would be representative considering groups in communal settings may have specific views relating to their blocks. In response, the Tenant Engagement Manager acknowledged that it was a four year strategy and there was a lot of work to be carried out. The Housing Hubs would be utilised in the community and that all housing teams would be involved in listening to the voice of tenants in order to understand what the Council does well and what could be done better. It was also recognised that different tenants and communities might prefer different methods of engagement.

## **2. COMMUNITY INFRASTRUCTURE LEVY (CIL) - FRAMEWORK FOR CIL EXPENDITURE**

### **PORTFOLIO – PLANNING AND ECONOMY**

#### **CABINET RESOLUTION:**

That the Cabinet:

- (a) Agree to the proposed introduction of a framework for CIL expenditure (Appendix A) to align funds to identified infrastructure needs;
- (b) Agree to release £1m of CIL in 2023/2024 to fund local infrastructure in the short term;
- (c) Approve to the publication of the Town and Parish council CIL information note at Appendix C;
- (d) Agree to the proposal to report back to Cabinet by the end of the calendar year 2024 with a review of the allocation of the £1m and to finalise the framework for future years; and
- (e) Agree to establishing a Task and Finish Group to review the proposed CIL allocations so that they may directly advise the Portfolio Holder for Planning and Economy. The terms of reference and composition of the Group will be agreed by the Leader of the Council in consultation with Portfolio Holder for Planning and Economy, as an Executive Advisory Task and Finish Group.

#### **CABINET DISCUSSION:**

The Portfolio Holder for Planning and Economy supported the recommendations in the report. He looked forward to working with members, through a Task and Finish Group to consider the proposed CIL allocations in order to spend money on much needed infrastructure projects.

The Planning Implementation and Monitoring Team Leader confirmed that the report proposed a new system, which would include working with the local town and parish councils to seek the submission of funding bids in order to allocate and spend the CIL money. The bidding round would be opened from mid October until mid December. Officers would provide the necessary information and support to the Towns and Parishes in order to seek the best proposals.

The Portfolio Holder for Finance and Corporate confirmed his support to the proposals noting that infrastructure was necessary to follow development. It was important to ensure that work was carried out to deliver the right results with the limited resources available.

Non Cabinet members welcomed the recommendations contained in the report. A member spoke about the clarity given within the report on the type of projects which could be considered as infrastructure projects and that the guidance provided would help the Towns and Parishes in their bid submissions.

## **PART II – RECOMMENDATIONS TO COUNCIL**

### **3. MEDIUM TERM FINANCIAL PLAN 2023 ONWARDS**

#### **PORTFOLIO – FINANCE AND CORPORATE / HOUSING AND HOMELESSNESS / ALL**

##### **RECOMMENDED:**

That Council approve;

- (a) That the revised MTFP forecasts, as outlined within the Cabinet report and appendices be adopted;
- (b) That the options identified to close the budget gap for 2024/25 and through to 2027/28 are developed further;
- (c) That the Fees and Charges Policy set out in section 4f of the Cabinet report be adopted; and
- (d) That the reporting timeline as set out in section 6 of the Cabinet report be agreed

##### **CABINET DISCUSSION:**

The Portfolio Holder for Finance and Corporate presented the report. He highlighted he was delighted the Medium Term Financial Plan showed that the Council was in a strong financial position to deliver on all front line services for residents in the short term. However, it was not possible to hide behind the pressures in the plan for the General Fund for the financial years 2025/26 and 2027/28 where the funding with the realignment of the business rates would cause significant financial pressures. It was necessary to look how these could be addressed at an early stage before they were upon us.

In relation to the Housing Revenue Account, there were challenges in order to deliver additional affordable housing as well as the greener housing agenda which would be at a significant cost to the Council. Work would continue with officers to deliver on this.

The Strategic Director Corporate Resource & Transformation reported that this was the first update of the Medium Term Financial Plan since the budget had been agreed in February. He highlighted section 4 (General Fund) of the report and spoke about the funding assumptions which had been made. This included the business rate reset, Government support and pay. He drew attention to the fact there were risks associated with those assumptions, such as the rise in inflation, cost of homelessness and pay and price increases. There was a forecast deficit over the next four years of in excess of £3.5m. It was therefore necessary to work towards closing the gap between the budget requirement and funding available, by making savings and to consider income growth.

The Council had an excellent track record at being proactive in its approach to decision making. Indeed, the following Cabinet report on the agenda was forward thinking about the decision to be taken, in relation to fees and charges. This would have the potential to create additional headroom to address the budget deficit and create opportunities to reinvest in Council priorities. This was a strong position for any authority to be in.

There was a different set of challenges for the Housing Revenue Account, as set out in Section 5 of the Cabinet report. Significant capital expenditure was required to improve

Council owned housing to EPC rating of C by 2030. This was combined with an aspirational priority to increase the number of council owned properties, as well as ensuring properties had ongoing maintenance and that reactive works were carried out.

The recommendations for Council proposed to start the process to identify options to close the budget gap and would be presented to Full Council for consideration in February 2024.

A question was asked by a member regarding whether there would be money set aside now to plan for the future budget deficit. This could be detrimental to service provision to local residents who needed those services now. The member also acknowledged it was a balancing act. The Portfolio Holder for Finance and Corporate responded giving his assurance that this would not be the case and that there was currently a balanced budget. The Council usually carried £3m in the general fund as a reserve, which was considered to be a prudent level. He reported there might be a point between the different financial years where a small excess could be carried over in order to smooth out the transition between the different income streams, but this would have negligible impact on the expenditure of the Council.

A member raised concern in relation to the £1m homelessness budget which was set to decrease over the next three years, particularly as fixed term mortgages would come to an end and there could be an increase in homelessness. The Portfolio Holder for Housing and Homelessness acknowledged this point, but he felt the situation would not get worse and it would be closely monitored. The relevant scrutiny panel would also receive regular updates on the homelessness.

In response to a question about the target for Council housing to be at EPC level C by 2030 and the financial burden associated with this, it was confirmed that the target of 2030 was being worked towards. Government support was expected to continue as this was a significant financial pressure on the Council.

#### **Attachments – Background Report to Cabinet (Appendix 1)**

#### **4. ANNUAL FEES AND CHARGES FOR 2024 – CAR PARKING AND KEYHAVEN MOORINGS**

##### **PORTFOLIO: ENVIRONMENT AND SUSTAINABILITY**

##### **RECOMMENDED:**

That Council approve:

- i. that the 2024 town & village and amenity car park tariffs be increased by £1.00 per tariff, except for the 1-hour tariff which will remain at £1.00, and the “up to 20 hours” tariff which will increase by £3.
- ii. that the 1-hour tariff is applicable in all car parks throughout the year.
- iii. that the increase in charges for NFDC parking clocks be agreed; namely;
  - Short stay annual clocks from £30.00 to £40.00
  - Long stay annual clocks from £140.00 to £220.00
  - Long stay quarterly clocks from £40.00 to £65.00

- iv. that the Council allocate 4 days of free parking in town centre car parks to support local businesses during December 2023, as detailed in section 7 of the Cabinet report.
- v. that the Keyhaven fees and charges as detailed at Appendix A to the Cabinet report be approved.

### **CABINET DISCUSSION:**

The Portfolio Holder for Environment and Sustainability presented the report. He thanked the Overview and Scrutiny Panel for its input and comments. The approach to the fees and charges in the current economic climate was felt to be fair and balanced and the recommendations were fully supported. Moving forwards, the Portfolio Holder reported that the development of a parking strategy was essential and he looked forward to working with members of a Task and Finish Group.

The Assistant Director for Place Operations reported that the fees and charges for car parking and Keyhaven moorings were proposed to be introduced from 1 January 2024 and therefore needed to be determined in the autumn. There were 44 Council owned car parks in the District and the council also sold short and long stay car parking clocks to 32,000 people. Historically, the District Council had not raised car parking charges, in some cases they had not increased since 2018. The proposed charges were set out in the recommendations. Benchmarking had been carried out with other comparable local authorities, in Fareham and Christchurch.

There was a proposed price increase to the short and long stay parking clocks and this cost had also been benchmarked. It was proposed that a Parking Strategy be developed on the longer term development of the service.

In relation to Keyhaven Moorings, a 10% increase was recommended across all fees and this was comparable with other mid-stream moorings in Lymington and Hamble.

Some non Cabinet members raised concern about the rise in parking charges and in particular to the parking clock, suggesting this was a significant percentage price increase, particularly in relation to the long stay parking clock. It was felt that people could stop using town centre car parks, opting to park on the street as an alternative. There could potentially be a detrimental impact on local businesses, particularly those who might purchase the clocks for their members of staff.

The Portfolio Holder for Environment and Sustainability responded acknowledging that increases were never welcomed, however he felt the proposals still offered exceptional value for money. He spoken about the charges in adjoining areas being significantly higher than those proposed in the report. A short stay parking clock with the proposed increase would cost less than 80p per day to park in a car park for up to 3 hours and could be used 7 days a week. Other charges had not increased for up to 6 years, however, it was no longer sustainable to leave them as they were. The hourly rate of £1 in car parks would remain, which was positive in order to support local residents and businesses. This would continue to be available in all car parks.

Other members expressed the view that the proposed new car parking charges would provide good value for money when compared to the surrounding local authorities. It was also acknowledged that the fees and charges needed to pay for the maintenance and upkeep of the car parks.

Finally, other Portfolio Holders spoke in support of the recommendations contained in the report, reiterating previous comments that the proposed rise in cost would continue to provide exceptional value for money, particularly when looking at the benchmarking with comparable authorities. The car parking strategy would enable a further analysis of the costs involved to maintain the car parks.

**Attachments – Background Report to Cabinet (Appendix 2)**



CABINET – 4 OCTOBER 2023

PORTFOLIO: FINANCE &  
CORPORATE / HOUSING AND  
HOMELESSNESS / ALL

## MEDIUM TERM FINANCIAL PLAN 2023 ONWARDS

### 1. RECOMMENDATIONS

- 1.1 Cabinet are asked to recommend to Council;
- a) That the revised MTFP forecasts, as outlined within the report and appendices be adopted;
  - b) That the options identified to close the budget gap for 2024/25 and through to 2027/28 are developed further;
  - c) That the Fees and Charges Policy set out in section 4f of the report be adopted; and
  - d) That the reporting timeline as set out in section 6 be agreed

### 2. PURPOSE OF REPORT

- 2.1 To consider the initial development of the Medium-Term Financial Plan 2023 onwards for the General Fund and consider the factors that will influence its delivery and that of the annual budget strategy 2024/25.
- 2.2 To consider the initial development of the Housing Revenue Account Budget for 2024/25 and confirm the factors that will influence the delivery of the Housing Revenue Account over a longer-term period.
- 2.3 To establish a Fees and Charges policy position and set out parameters for decision making on fees growth covering the Council's Medium Term Financial Plan period.

### 3. BACKGROUND

- 3.1 The Council's financial strategy seeks to achieve a balanced budget through the crystallisation of efficiencies from all services, supported with the targeting of new and additional income generation and align available financial resources, and create additional financial resources, to deliver on corporate priorities. Financial stability over the medium-to-long term has underpinned the Council's financial strategy, with due consideration being given to the potential implications that the Fair Funding Review, Business Rate Reset, and national rent setting policy will have on this Council. The Council has understood the need to consider its overall organisational business model in order to ensure the future protection of its services and aligns the financial plan to ensure its delivery of key priorities as outlined in the Corporate Plan.
- 3.2 Actions need to commence on the development of future years' budgets. To support this work, it is necessary that an assessment is made of the likely financial scenario based upon latest available information. To help support the important work of Portfolio Holders and officers in developing future plans, the future outlook and the current uncertainties are set out within this report and a prudent forecast set out through the appendices.

- 3.3 The announcement of yet another 1-year General Fund funding settlement for 2023/24 did not come as a surprise considering the norm from the previous few years. It was however backed with a 2 year policy statement, which at least gives some confidence in factors that are likely to be seen within the 2024/25 finance settlement. It is unlikely that the long-awaited Fair Funding Review will come into effect from 2024/25. The Business Rate Retention Scheme is still under review within the context of the Fair Funding Review. The expectation is that this will still be based on a hard reset with partial redistribution of the national surplus, and a revised retention scheme (currently a 50% retention scheme, with the District Council retaining 40% of Business Rate growth).
- 3.4 Economic Commentary
- 3.4.1 Inflation has now fallen from its peak of 11.1% reached in October 2022, but annual headline CPI in July 2023 of 6.8% is still higher than where the government would like see it.
- 3.4.2 In efforts to bring inflation down the Bank of England's Monetary Policy Committee (MPC) has steadily and consistently increased the Bank Rate over the last 12 months, increasing from 1.75% pre August 2022, to 5.25% as at August 2023.
- 3.4.3 With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates at the end of their fixed rate period, there has been a lagged effect of the feed through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time.
- 3.5 The significance of the National Employers Pay Award final offer for 2023/24 has been reflected in this Medium-Term Financial Plan, at an additional cost of £650,000 to the General Fund, and £225,000 to the Housing Revenue Account.
- 3.6 The General Fund Medium Term Financial Plan has been populated using the most up to date information currently available covering the period to 2027/28. The effect of the Fair Funding Review and final design of the Business Rate Retention Scheme as outlined in 3.3, including the timing of the initial reset, and frequency thereafter of partial or full resets, and the ultimate proportion of rates to be retained by the District Council, has the potential to significantly amend the funding figures currently forecast.
- 3.7 The Housing Revenue Account section of the report sets out the specific and unique challenges faced by this ring-fenced account, and begins to introduce some of the key considerations, including rent levels, that need to be factored into the production of a balanced budget for 2024/25, and over the medium-long term.
- 3.8 The Council's overall financial planning needs to take into account inflation and the current cost of living faced by its residents and tenants when making difficult decisions on proposed Council Tax, Rent and Fees and Charges.
- 3.9 The report hereafter is split into 2 distinct sections before concluding as a single item. **Section 4 considers the General Fund, and Section 5 considers the Housing Revenue Account.**

## Section 4: The General Fund

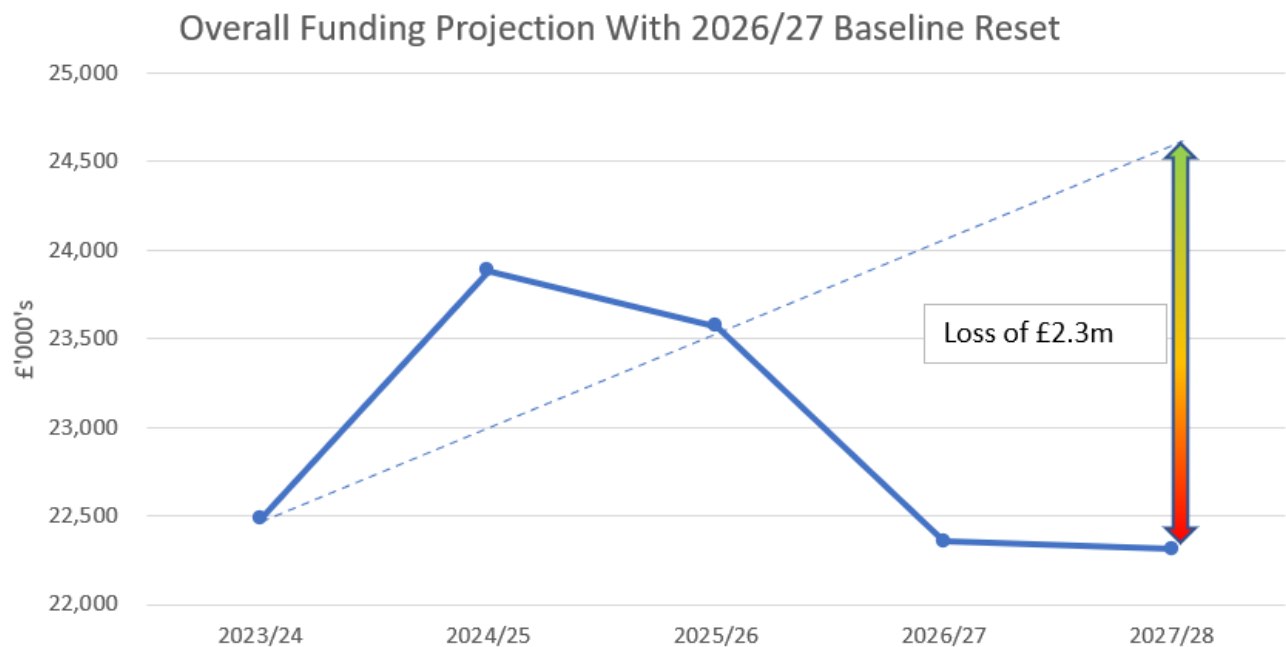
#### 4a. Funding Assumptions over the Medium Term (Appendix 1)

- 4a.1 Ongoing annual funding support from Central Government is still uncertain. The 2023/24 settlement included a services grant (£155k) and a 3% funding guarantee grant (£699k). The Council also received New Homes Bonus (NHB; £16k) in 2023/24, although the future of this funding stream is also uncertain. No further funding from NHB or services grants is currently included within the MTFP forecast. The forecast does however assume a second year of the 3% funding guarantee grant, as outlined through the 2023/24 – 2024/25 finance settlement policy statement.
- 4a.2 The assumptions on Business Rate funding will require updating as the ongoing work taking place at the DLUHC on the revisions to the Business Rate Retention Scheme continues. At present, the base scenario has been prepared on the basis that a hard baseline reset will take place in 2026/27 with the loss of c£2.3 million of accumulated growth, partially offset by an assumed redistribution of 40% in year 1 following the reset, down to 20% thereafter. In planning for this hard reset, and in recognition of how the Business Rate collection fund can fluctuate year-on-year, the Council established a Budget Equalisation Reserve and has utilised this reserve in addressing budget fluctuations since 2017/18. Although changes to the business rate system could be implemented in isolation of the spending review, this is considered unlikely.
- 4a.3 The results from the 2021 census is also likely to have an impact to future Settlement Funding Assessments (SFA) for the Council. The SFA essentially determines funding assumptions on a per head basis and is used within the core funding formulae used by the Treasury and DLUHC in determining finance settlements. The district saw a reduction in population of 0.38% in comparison to 2011. Whilst this might not appear significant, the overall increase in England was 6.56%. Whilst other areas then will see an increased funding need reflected in their SFA, the SFA for the district will decrease.
- 4a.4 The 2021 census outcome was not reflected in the SFA for 2023/24 and considering the 3% funding guarantee grant likely to be repeated for 2024/25, this pushes the impact back a further year, to 2025/26.
- 4a.5 Any form of continued funding from services grant and/or NHB built into the next funding settlement would be very welcome, although unlikely, and in any case, has the effect of reducing the 3% funding guarantee grant by an equivalent value.
- 4a.6 The Council's base budget for 2023/24 also includes Flexible Homelessness Support Grant and specific other homelessness prevention grants, totalling £1.042 million. For the time being, the base scenario assumes the grants will be static over the period, and in any case, at the point grants are reduced, fixed term resource positions would need to end. This of course would be subject to evidence-based decisions based on costs of preventative measures, as against cost of statutory duty of care reactionary responsibilities.
- 4a.7 In recent years, the Council has followed the central government directive that local tax should be used to support local services. As the cost of services increases, so must local taxation. The Council has no say on the setting of business Rates, but does have the statutory responsibility to set a level of Council Tax for the oncoming financial year. The current government parameter for an allowable increase, before a referendum is necessary, is for annual Band D equivalent Council tax to increase by the greater of 3% or £5 for 24/25, or the greater of 2% or £5 thereafter. This updated MTFP follows on from the previously established position, assuming that the Council make use of the allowable pre-referendum increases;

**Table 1**

	2024/25	2025/26	2026/27	2027/28
Annual Band D Level - £	199.79	204.79	209.79	214.79
Increase per Band D - %	2.99	2.50	2.44	2.38
Increase per Band D - £	5.80	5.00	5.00	5.00
Overall Value of increase - £	421,298	364,982	366,807	368,641

4a.8 The following graph demonstrates the base funding scenario:



NB. Dotted line depicts forecast settlement revenue IF business rate reset does not occur

#### 4b. Budget Requirements over the Medium Term (Appendix 2)

##### 4b.1 Pay & Price Increases

4b.1.1 Increases in costs are expected to total £4.650 million over the next 4 year period.

The assumptions include the following areas of pay and price increases;

- Annual Pay Award of between 2.00% - 2.5% per annum
- An additional pay award allowance for 2023/24 to reflect the Employer offer made in February 2023 (£650,000)
- A Pay Award contingency (£800,000) to provide funding for any increased pay award offers above what has been considered as a base estimate for 24/25 – 27/28, and to contribute towards National Living Wage growth, potentially to £11.50.
- Incremental progression
- Insurance, Utilities, Fuel and Maintenance cost increases

- Vehicles and Plant cost increases

#### 4b.2 Budget Adjustments Relating to one-off Items

4b.2.1 Shown within appendix 1, the £1m increase to homelessness budget in 2023/24 is being forecast to reduce over the next 3 years (subject to close monitoring considering para 3.4.3). This and the restatement of a £20,000 maintenance budget that was temporarily removed at Keyhaven result in a favourable MTFP contribution £314,000 to 2024/25.

#### 4b.3 Ongoing Savings

4b.3.1 The plan also includes assumptions as a result of decisions and reviews that have commenced in prior years or where work is currently underway. These adjustments contribute £790,000 towards the ultimate achievement of a balanced budget for 2024/25. Further assumptions are made in terms of additional contributions that will further support the 2024/25 budget preparation, and which extend over the life of the MTFP; these are covered in section 4c of this report. The savings already in play can be populated as follows and currently include:

**Table 2**

Theme	Specific Item	2024/25 Assumption
Delivery Model Review	Electoral Review of the District	60,000
Fees and Charges	Garden Waste - NEW SERVICE	330,000
Strategy Investment	Treasury / Commercial Returns	250,000
Strategy Investment	Commercial Property	150,000
		<hr/> 790,000

#### 4b.4 New Budget Requirements, Alignment of Budget to Priorities and Other Matters Arising

4b.4.1 The 2023/24 budget included a one-off £300,000 to provide resource towards improved community safety across the District. This one-off sum to 2023/24 is now being removed, with the equivalent sum supporting the delivery of the Council's Capital Programme.

4b.4.2 The Senior Leadership review has introduced 4 Assistant Director positions. The additional budget implication being included within the base budget for 2024/25 totals £80,000.

#### Waste Collection

4b.4.3 Discussions have been ongoing with the County Council and the Councils across Hampshire. The County Council are proposing changes to long-standing arrangements, above the loss of recycling credit income that the Council lost (to the County) from April 2021. The proposals being outlined by the County would further reduce the Council's recycling income and would introduce contaminated waste and residual waste charges. The Council is pushing back on these proposals, and is currently engaging in negotiations with the County Council. A financial impact of £400,000 has been allowed for within

the MTFP for 2024/25 with further financial implications likely after the implementation of the new Materials Recycling Facility. Updated forecasts will be presented within future MTFP updates pending ongoing discussions with the County Council.

4b.4.4 The newly adopted Waste Strategy included some key financial assumptions around new burdens funding, the Extended Producer Responsibility (EPR) scheme and the Deposit Return Scheme, all of which will play a part in absorbing additional forecast costs, and potentially current costs of waste and recycling collection. The implementation of the EPR scheme has been delayed, and as of yet, no confirmation has been received on new burdens or transitional funding as a result of the introduction of the new national waste strategy. The working assumption of the NFDC waste strategy was that new costs will be offset; this assumption will be maintained within this initial MTFP, although this position will potentially change if NFDC decide to make alternative arrangements to transition to the new service, ahead of receiving final confirmation of support from the government. To re-confirm the expected key expenditure forecasts, as included within the Waste Strategy;

- The additional annual cost of separate food waste collection is forecast at £1.612m
- The reduced collection cost as a result of changing to an alternate weekly collection cycle is forecast at £342,000.

4b.4.5 Resourcing within the Waste Collection service has settled slightly, in part thanks to the introduction of a Market Forces Pay Supplement to certain posts. The Council's Medium Term Financial Plan needs to take account of sustained market forces in order to support the delivery of a consistent waste service. It is envisaged that the new service aligned to the new waste strategy will help, as the manual loading requirement reduces.

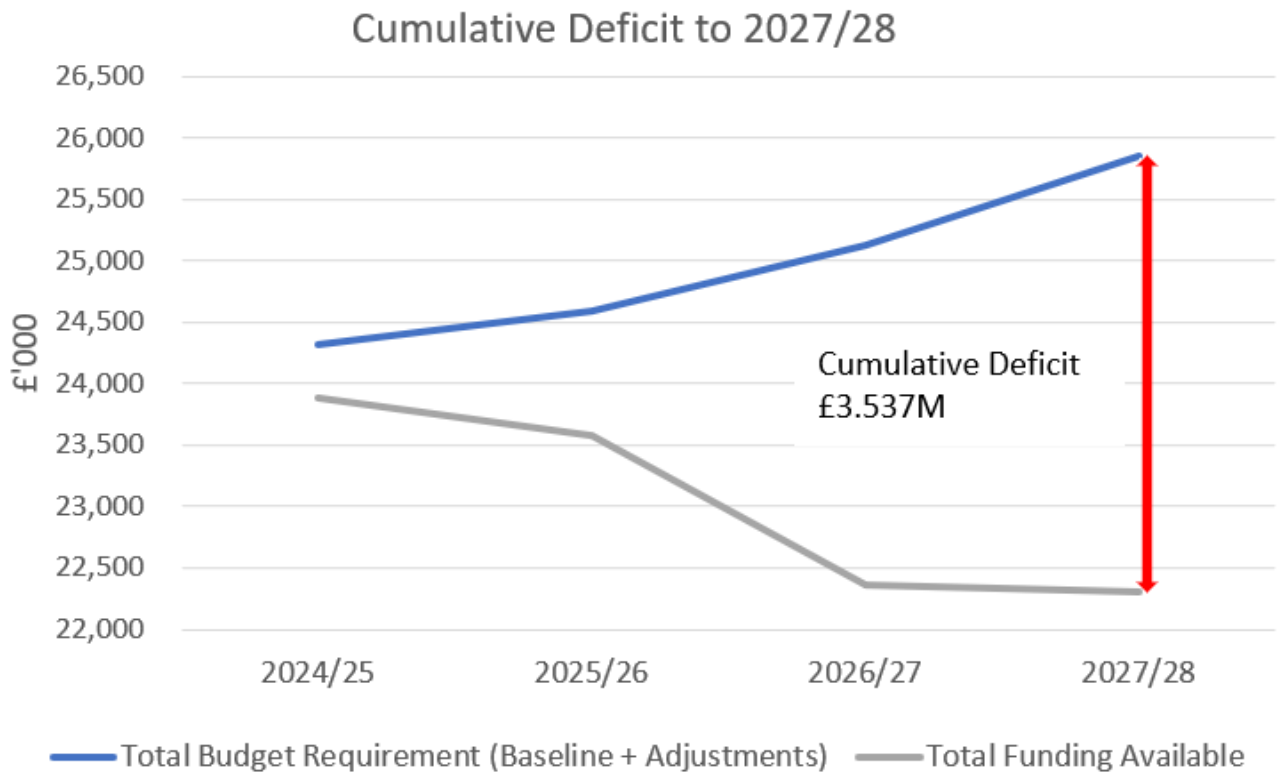
4b.4.6 The Council is required to refresh its Local Plan every 5 years. With the last plan being adopted in 2020, a review is required within the timeframe as set out by this MTFP. The timing and nature of the next iteration is as yet undecided, and so the likely costs are currently undetermined. It is however clear that the Council will need to set significant funding aside to cover this complex process, beyond the £340,000 set aside in a specific reserve during 2022/23.

4b.4.7 The Council must also be extremely mindful of the budget pressures faced by the Council County, as decisions by the County in order to address their budget deficit are very likely to have a direct effect on the District. The District Council must maintain a strong position in terms of statutory responsibilities however, consider the Council has its own budget deficit and corporate plan priorities to address.

#### **4c. Bringing together the Funding Assumptions and Budget Requirements**

4c.1 **The overall forecast deficit taking into the account the funding assumptions and necessary budget movements totals £425,000 for 2024/25, increasing to a cumulative £3.537 million by 2027/28.** For valuable context, the General Fund budget set for 2022/23 was £22.468 million, so the deficit represents a gap equivalent to 15.7%. It is vitally important that the Council continues to pro-actively address this funding deficit,

and create valuable headroom for resources to be directed towards the delivery of corporate plan priorities, which will undoubtedly include difficult decisions on service delivery, Council Tax and Fees and Charges yield over the period.



**Table 3**

	2024/25	2025/26	2026/27	2027/28
Estimated Cumulative Budget Deficit - £	425,000	1,023,000	2,771,000	3,537,000

#### 4d. Financial Strategy and Options Identified to Address the Budget Deficit (Appendix 3)

4d.1 In order to address the forecast deficit to 2027/28, the Council’s financial strategy over the medium-term period extends to:

- The development and delivery of a structured approach to Council wide Transformation. delivering a more customer centred and cost-efficient Council, focussing on digital capability, consistency and a skilled and motivated workforce. This will include, for example;
  - Providing digital and cost-effective corporate back-office solutions to our customers, whilst maintaining customer choice in how services are accessed
  - Developing a programme of business and function reviews aligned to our strategic priorities and transformation design principles that will maximise outcomes, streamline processes and ensure the most appropriate, efficient and effective delivery model
  - Providing capacity across the organisation by streamlining and joining up activities to enable the adjustment of resources to meet corporate plan priorities
  - Identifying commercial opportunities to improve income

- Getting best value from Council assets and considering the impact of new ways of working in refreshed people and accommodation strategies.
- The release of accrued short-term reserve balances to assist in the damping of the Fair Funding Review (and impact this has specifically to retained business rates) as necessary,
- The utilisation of reserve balances (and when necessary external borrowing) to invest in assets and assist in supporting a vibrant and robust New Forest Economy, whilst targeting valuable additional income,
- Ensuring strategies developed through the corporate framework appropriately feed into the Council's financial strategy; and
- Investment in a Cleaner Greener approach to financial planning and spending.

4d.2 **The options identified** to close the forecast deficit include:

- The Generation of additional net income through the delivery of the Property Strategies. As well as having significant economic and social benefits, the Commercial and Residential Property Strategies are also targeted to generate further net income of £500,000 by the commencement of 2026/27.
- The Transformation Programme is required to make a fiscal contribution of £1.25M towards the MTFP deficit.
- A pro-active fees and charges yield programme, targeted at £1.85 million over the MTFP period.
- The continuation of Council Tax increases over the period has the potential to generate an additional annual income of £1.522 million by 2027/28.
- The Budget Equalisation Reserve balance of £2.429 million is available to plug short term budget gaps. Use of this reserve is only a short-term fix however, as reserves can only be used once, they do not represent a long-term fix to the deficit over the period.

4d.3 **It will be a significant challenge to deliver the sum of options currently identified at £3.600 million.** There is plenty to be done, and difficult choices to be made to crystallise the options that will ultimately support the delivery of a balanced budget over the Medium Term. The budget equalisation bridging reserve is there if required over the Medium-Term period.

#### 4e. Council Tax Premiums

4e.1 The MTFP assumes that the Council will look favourably on revenue raising powers made available to it by Central Government and will seek to include the positive financial impact of any legislative changes within future iterations.

#### 4f. Fees and Charges Policy

4f.1 Fees and Charges have a significant role to play in assisting the Council achieve a balanced budget, and in providing the necessary finance for service delivery and enhancements. The Council aspires to continually develop and improve front line service delivery and continues to offer more to the residents and visitors of the New Forest.

4f.2 This Fees and Charges policy position supports the updated MTFP in making an assumption that growth in Fees and Charges over the next 3 financial years to 2026/27 will amount to 20% (broadly equating to 6.3% per year if annualised).

1. All Portfolio Holders will be asked to review their discretionary fees and charges to ensure they remain competitive, to ensure they account for increased costs in running and delivering services, and to ensure that the fees provide income



growth to the Council over the 3 next financial years (2024/25, 2025/26 and 2026/27) equivalent to 20%.

2. All Portfolio Holders will be asked to review their fees and charges which are the subject of cost recovery regulations, to ensure that proposed charges meet the increased costs of running services and provide for full cost recovery.
- 4f.3 Fee decisions **for 2024** (an in-year decision that cannot wait until inclusion within the February 2024 budget paper), up to 20% will be taken as a Portfolio Holder Decision. Any proposals outside of this rate will be referred to the Council for a decision.
  - 4f.4 Fee decisions **for 2024/25** for implementation from 1 April 2024 will be included within the February 2024 Budget setting report, with a decision on charges being made by the Council.
  - 4f.5 Fee decisions **for 2024/25** for implementation after 1 April 2024 (an in-year decision), up to 20% will be taken as a Portfolio Holder Decision. Any proposals outside of this rate will be referred to the Council for a decision. The decisions taken by Portfolio Holder will be reported to the Council at the earliest opportunity.
  - 4f.6 In support of the MTFP (including matters arising) and the desire to create short-term fiscal headroom for investment in service delivery and enhancements, it is in the best interest of the Council for some increases to be frontloaded. It is also especially relevant in the context of some services not having seen charges increase since 2018 that early action is taken, and that fees look to keep abreast of inflation, and local benchmarks.

#### **4g. Budget Consultation**

- 4g.1 The Corporate Affairs and Local Economy Overview and Scrutiny Panel established a Financial Strategy Task and Finish group when the panel met in July. The group is set to run between September and October. Feedback from the Group will be given to panel at its meeting in November.
- 4g.2 In keeping with prior years, prior to the adoption of the budget by Council in February, the panel will also receive an overview of a few specific and key variable elements within the budget, namely the asset maintenance and replacement programme, and Capital programme.
- 4g.3 The Council is required to run an annual budget consultation with business rate payers. A consultation will take place during November.

# Section 5: The Housing Revenue Account

## 5a. Budget Requirements over the Medium and Long Term (Appendix 4)

### 5a.1 Pay & Price Increases (Medium Term)

5a.1.1 Increases in costs are expected to total £3.075 million over the next 4-year period.

The assumptions include the following areas of pay and price increases;

- Annual Pay Award of between 2.00% - 2.5% per annum
- An additional pay award allowance for 2023/24 to reflect the Employer offer made in February 2023 (£175,000)
- A Pay Award contingency to provide funding for any increased pay award offers above what has been considered as a base estimate for 24/25 – 27/28, and to contribute towards National Living Wage growth, potentially to £11.50.
- Incremental progression.
- Fuel and Energy Cost Increases
- An increase in materials and hired services in reflection of higher than usual inflation.

### 5a.2 Greener Housing (Long Term)

5a.2.1 The Greener Housing Strategy 2022-2032 was adopted by the Council on 11 July 2022. While final costs are still uncertain, assuming an average £21,500 cost per property **the total bill could be upwards of £125 million through to 2050**. Funding for this programme of works has not yet been factored into the HRA.

### 5a.3 Housing Delivery Plan (Medium - Long Term)

5a.3.1 The Council has a target to deliver 600 new affordable homes by March 2026, 285 of which have been delivered to date. External / Internal financing of this programme has been factored into the medium-term forecast, with the rent largely offset through property maintenance and management requirements.

### 5a.4 Other New Budget Requirements (Medium Term)

5a.4.1 In 2022/23 the Housing Service was allocated £5.5 million over 3 years to fund fire safety works on high-risk buildings. Approaching the end of year 2 of this programme indications are that a further £1m is required to complete known works. The original allocated amount was an estimated cost, and the additional financial requirement represents known actuals to date.

5a.4.2 To meet the medium-term Government target of all Council owned housing properties having an energy performance certificate rating of C by 2030, the projected cost is an additional £9.3m on top of existing capital programmes.

5a.4.3 A review is underway to understand increased expenditure on the turnaround of empty (void) council properties for re-letting. The outcome of this review may have medium term implications on existing budgets.

## 5b. Income Assumptions over the Medium Term and their Longer-Term impact

- 5b.1 Current guidelines to March 2025 allow for rent increases of CPI (September) + 1%. This was re-introduced in 2020/21, following 4 years of annual 1% rent reductions. However, the Government stepped in for 2023/24, capping increases at 7%, as opposed to sticking to the previous policy which would have seen allowable increases of 11.1% (based on 10.1% CPI + 1%). An increase of 6% is assumed for 2024/25, and 2% is assumed thereafter until further information is available about Government guidelines post 24/25.
- 5b.2 The level of proposed rent for the 2024/25 financial year will ultimately be a Council decision in February 2024, to take effect from 1<sup>st</sup> April 2024.
- 5b.3 As the budget preparation cycle progresses, factors such as the number of tenants in receipt of Housing Benefits and Universal Credit, which ultimately seek to cover the cost of accommodation, as against tenant numbers who do not, will be carefully considered. At present, approximately 73% of all housing tenants receive index linked state support.
- 5b.4 External factors, such as rent levels currently applied across the District within the private rental market will also be considered as social and affordable rent should fundamentally be set in the context of the wider housing market.

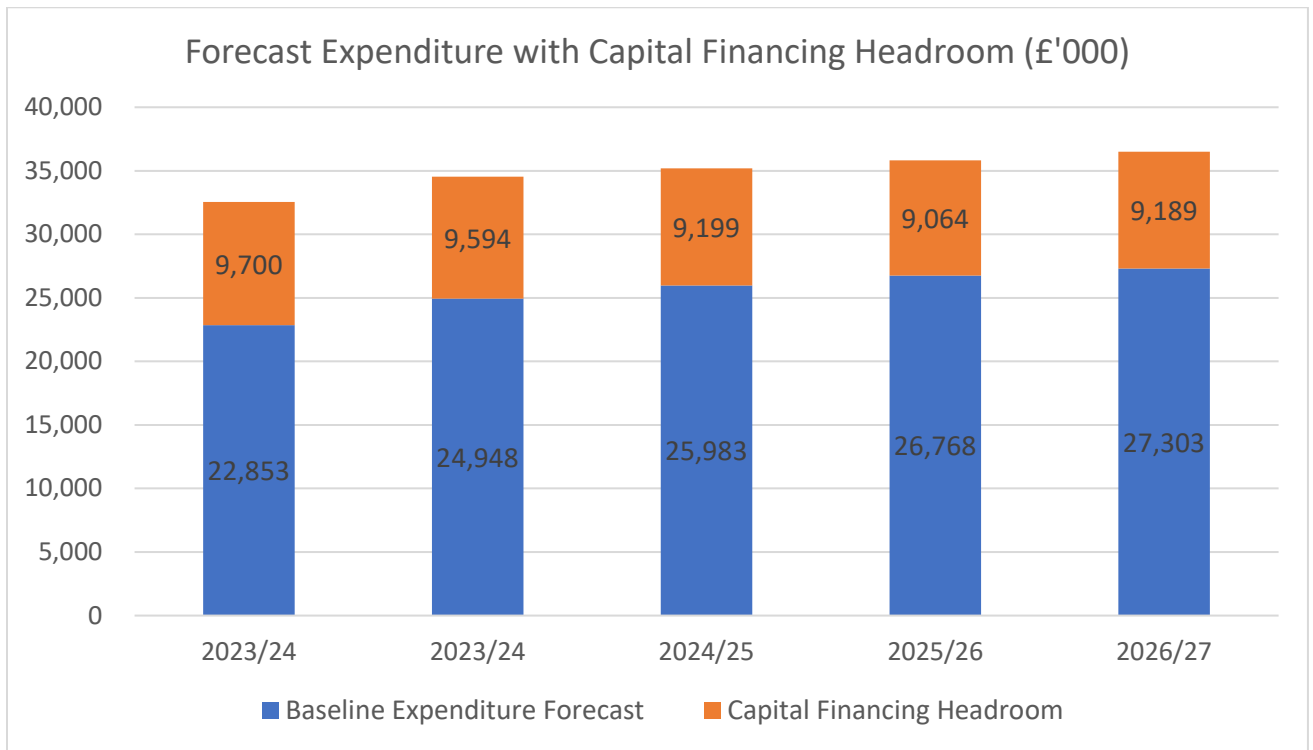
**Table 4**

Number of Bedrooms	NFDC Average Weekly Social Rent	NFDC Average potential Weekly Social Rent	Weekly Difference in Rent	Indicative Weekly Market Rent	NFDC potential social rent as a percentage of Weekly Market Rent
	2023/24	2024/25	2024/25	2023/24	2024/25
1	£96.04	£101.80	£5.76	£169.32	60%
2	£112.78	£119.55	£6.77	£238.02	50%
3	£126.75	£134.36	£7.61	£303.30	44%
4	£137.35	£145.59	£8.24	£402.20	36%
5	£142.81	£151.38	£8.57	£715.00	21%

- 5b.5 Energy costs incurred within the HRA are generally largely recovered by service charges to individual tenants. Detailed work has now begun to review the service charge regime to ensure all relevant costs are being recovered.

## 5c. Overall Summary and the 30 Year Business Plan

- 5c.1 The forecast budget adjustments as outlined above create a potential reduced Capital Financing Headroom within the HRA, equivalent to circa £511,000 a year by 2026/27. This will necessitate a review of the overall capital programme even before building in the impact of the greener housing programme requirements to 2050. This reduction is also in the context of a 2023/24 original budget that couldn't fully service the repayment of maturing loan principle (loan as a result of the HRA refinancing from 2012).



5c.2 The Council engaged with an external consultant during 2022 to assist with the preparation of its 30-year HRA business plan. The 30-year business plan was summarised as part of the budget setting for 2023/24. It continues to help shape the forecasts as we look forward over the longer-term.

5c.3 The Greener Housing Budget will need to take account of projected additional spend of over £9 million required to upgrade homes by 2030, and an additional £115m to decarbonise the stock ahead of 2050. Whilst there is scope to offset some of these additional costs with grant funding there has been no announcements of future Gov't funding schemes beyond 2025. Equally, there is no additional headroom in the HRA to accommodate these costs, or for additional borrowing repayments.

5c.4 There are clearly significant competing demands on HRA resources at this time, whether that be targeted maintenance standards, the projected required spend of over £9 million to meet the EPC C 2030 target, or the continued priority to deliver an additional 600 Council owned homes by 2026. In light of the significant external factors placed on the HRA, including an interest rate that has steeply risen from a 13 year average of less than 0.5% to a new level beyond 5%, internal discussions will be required to correctly align financial resources available and decisions taken through the Council's decision making process, working towards the achievement of a sound budget for 2024/25 in February 2024.

**5d. Budget Consultation**

5d.1 New legislation regarding social housing reform is not likely to significantly impact budgets for 2024/25. However, future years spending and budgeting for the HRA will likely need wider review, scrutiny and consultation with tenants as part of commitments in a future Tenant Engagement Strategy.

5d.2 The Housing and Communities Overview and Scrutiny Panel will consider the HRA Medium Term Financial Plan and the detailed 2024/25 HRA budget in January 2024.

5d.3 The Tenant Involvement Group will consider the HRA Medium Term Financial Plan in the Autumn and the detailed 2024/25 HRA budget in January 2024.

## 6. REPORTING TIMELINE

6.1 It is important that the Medium-Term Financial Planning of both the General Fund and HRA supports the ambition of the Council and remains driven by the objectives set out in the Corporate Plan. The organisation must be able to support both and must remain vigilant and susceptible to change. A timeline is set out below for Overview and Scrutiny and Cabinet which supports the development of the MTFP, through to the final setting of the 2023/24 budget:

**Table 5**

Item Number	Month	Meeting	Report
1	November	Resources O&S	Budget Task and Finish Group Feedback
			Transformation Strategy
2	December	Cabinet	Setting the Council Tax Base
			MTFP Update
			Transformation Strategy
3	January	Resources O&S	AMR and Capital Programme 2024/25
			Capital Strategy 2024/25
			Budget
		Housing O&S	Proposed HRA Budget 2024/25
3	Early February	Cabinet	AMR and Capital Programme
			Capital Strategy 2024/25
			Community Grants 2024/25
4	Mid-February	Cabinet	MTFP and setting of 2024/25 GF and HRA budgets

## 7. CRIME AND DISORDER / EQUALITY AND DIVERSITY / ENVIRONMENTAL IMPLICATIONS

7.1 There are no direct implications as a result of this report.

## 8. ENVIRONMENTAL IMPLICATIONS

8.1 The Council has invested in a new officer position to lead on the delivery of the Climate and Nature Action Plan. The work of this officer will need to be heavily supported by resources within services across the Council. The development of future budgets will need to have increased regard for environmental impact, and it is probable that this will require a financial commitment within the Medium-Term Financial Plan period, beyond the Sustainability budget allowed for within the current Capital Programme.

## 9. Portfolio Holder Comments

### Finance and Corporate

- 9.1 The Council remains in a relatively strong financial position however the Medium Term Financial Plan demonstrates that, like all public authorities, the Council faces challenges going forward with rising inflation and the potential for a reduction in central government funding.
- 9.2 New Forest District Councils proactive approach ensures that the Council remains in robust finance and can continue to support frontline services for its residents.

### Housing and Homelessness

- 9.3 I welcome the report's detailed and clearly explained analysis of the HRA budget and challenges over the next few years.

#### **For further information contact:**

Alan Bethune  
Strategic Director Corporate Resource &  
Transformation  
Section 151 Officer  
Telephone: (023) 8028 5001  
E-mail: [Alan.Bethune@nfdc.gov.uk](mailto:Alan.Bethune@nfdc.gov.uk)

#### **Background Papers:**

## MEDIUM TERM FINANCIAL PLAN 2023 - 2027

## SUMMARY OF RESOURCES

	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Original</b>					
<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
<b>Total Government Determined Resources</b>	8,591	8,973	8,219	6,566	6,074
<b>Total Council Tax (Tax Base growth only)</b>	14,020	14,511	14,949	15,391	15,837
<b>Total Collection Funds</b>	-128	400	400	400	400
<b>TOTAL FUNDING</b>	<b>22,483</b>	<b>23,884</b>	<b>23,568</b>	<b>22,357</b>	<b>22,311</b>
<b>Cumulative Change from Original 2023/24</b>		1,401	1,085	-126	-172
<b>%age change</b>		6.2%	4.8%	-0.6%	-0.8%

## MEDIUM TERM FINANCIAL PLAN 2023 - 2027

## SUMMARY OF BUDGET REQUIREMENT

	2024/25	2025/26	2026/27	2027/28
	Forecast	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
Baseline Funding 2023/24	22,483	22,483	22,483	22,483
Budget Adjustments 2024/25 - 2027/28				
Pay & Price Increases	2,450	760	720	720
Budget adjustments relating to one-off items	-314	-333	-333	0
Ongoing Savings and Income Generation	-790	0	0	0
New Budget Requirements and Alignment of Budget to Priorities	480	-145	150	0
Cumulative effect of Known Budget Adjustments	1,826	2,108	2,645	3,365
Total Budget Requirement (Baseline + Adjustments)	24,309	24,591	25,128	25,848
Total Funding Available (as Appendix 1)	23,884	23,568	22,357	22,311
Estimated Cumulative Surplus / Shortfall (-)	-425	-1,023	-2,771	-3,537



## MEDIUM TERM FINANCIAL PLAN 2023 - 2027

## OPTIONS IDENTIFIED TO CLOSE BUDGET SHORTFALL

Cumulative Property Investment Income  
 Cumulative Targeted Transformation Programme  
 Cumulative Targeted Fees and Charges Growth

## MTFP 26/27 Potential Impacts....

Impact OR Mitigation: Business Rate Changes  
 Impact OR Mitigation: Fair Funding Review  
 Mitigation: EPR Income from HMT  
 Mitigation: Tax Raising Flexibilities  
 Mitigation: Reduce RCCO

## Total of the Options Identified

Use of Equalisation Reserves (-) / Headroom +

2024/25	2025/26	2026/27	2027/28
Forecast	Forecast	Forecast	Forecast
£'000's	£'000's	£'000's	£'000's
0	250	500	500
0	583	916	1,250
1,000	1,500	1,750	1,850
+ / - ?	+ / - ?	+ / - ?	+ / - ?
+ / - ?	+ / - ?	+ / - ?	+ / - ?
- ?	- ?	- ?	- ?
	- ?	- ?	- ?
- ?	- ?	- ?	- ?
<b>1,000</b>	<b>2,333</b>	<b>3,166</b>	<b>3,600</b>
<b>575</b>	<b>1,310</b>	<b>395</b>	<b>63</b>

## Reserves Supporting the MTFP

General Fund Balance	3,000	3,000	3,000	3,000	3,000
Budget Equilisation Reserve	2,699	2,429	2,429	2,429	2,429

## HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL PLAN 2024 - 2028

## SUMMARY OF BUDGET REQUIREMENT 2024/25 - 2027/28

	2024/25	2025/26	2026/27	2027/28
	Forecast	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
<b>Pay &amp; Price Increases</b>				
Pay Award (assumed 2%-2.5%)	175	170	170	170
Pay Award (2023/24)	230			
Pay Award Contingency	300			
Increments	70	65	65	65
Prices (third party contracts, utilities etc)	820	300	300	300
<b>Total Pay &amp; Price Increases</b>	<b>1,595</b>	<b>535</b>	<b>535</b>	<b>535</b>
<b>Other Budget adjustments</b>				
Internal/External Financing Costs of Capital Programme	500	500	250	0
<b>Total Other Budget adjustments</b>	<b>500</b>	<b>500</b>	<b>250</b>	<b>0</b>
<b>Cumulative Impact of Expenditure Increases and Adjustments</b>	<b>2,095</b>	<b>3,130</b>	<b>3,915</b>	<b>4,450</b>
<b>Ongoing Savings and Income Generation</b>				
Rent Increases @ CPI +1% 24/25 & CPI 25-28	-1,814	-640	-650	-660
Service Charge Review	-175			
<b>Total Ongoing Savings and Income Generation</b>	<b>-1,989</b>	<b>-640</b>	<b>-650</b>	<b>-660</b>
<b>Cumulative effect of Savings and Income Generation</b>	<b>-1,989</b>	<b>-2,629</b>	<b>-3,279</b>	<b>-3,939</b>
<b>Additional(-)/Reduced Resources to support Capital Programme</b>	<b>106</b>	<b>501</b>	<b>636</b>	<b>511</b>

CABINET – 4 OCTOBER 2023

PORTFOLIO: ENVIRONMENT AND  
SUSTAINABILITY

## ANNUAL FEES AND CHARGES FOR 2024 – CAR PARKING AND KEYHAVEN MOORINGS

### 1. RECOMMENDATIONS

1.1 Cabinet recommend that Council approve:

- i. that the 2024 town & village and amenity car park tariffs be increased by £1.00 per tariff, except for the 1-hour tariff which will remain at £1.00, and the “up to 20 hours” tariff which will increase by £3.
- ii. that the 1-hour tariff is applicable in all car parks throughout the year.
- iii. that the increase in charges for NFDC parking clocks be agreed; namely;
  - Short stay annual clocks from £30.00 to £40.00
  - Long stay annual clocks from £140.00 to £220.00
  - Long stay quarterly clocks from £40.00 to £65.00
- iv. that the Council allocate 4 days of free parking in town centre car parks to support local businesses during December 2023, as detailed in section 7 of the report.
- v. that the Keyhaven fees and charges as detailed at Appendix A to this report be approved.
- vi. That the intention to develop a Parking Strategy is noted.

### 2. INTRODUCTION

- 2.1 New Forest District Council’s parking and Keyhaven river fees and charges are set annually in early Autumn. This is in order that they can be advertised and implemented for the start of the calendar year.
- 2.2 At the same time, the parking arrangements in support of local businesses for the Christmas period have historically been considered and published each autumn to allow time for those towns who benefit from this to plan for us to make the necessary suspension arrangements.
- 2.3 Members will note that the setting of fees and charges, because of the likely budgetary implications, will ultimately be a decision for Full Council as defined by the Council’s financial regulations.

### 3. BACKGROUND – CAR PARKS

- 3.1 NFDC has 44 pay and display car parks in the district. A total of 30 of these are known as “town and village” car parks, and these car parks have the same charges all year round. Car Park charges in the in these car parks have not increased since 2018.

- 3.2 Fourteen pay and display car parks are in coastal areas and are known as “amenity” car parks. These car parks have a different charging structure in summer (April-September) compared to winter. These car parks are also split into Higher (4 car parks) and Lower (10 car parks) Amenity Tariffs, depending on the usage levels of each car park. Our summer amenity charges were increased by £1.00 per tariff in 2021 and at the same time the summer charging period in these car parks was reduced by 2 months to give a more reasonable winter/summer tariff split that more accurately reflected the usage of these car parks, thus also allowing the ‘cheaper’ winter tariff to apply for 2 more months each year. Winter charges in the amenity car parks have not increased since 2018.
- 3.3 There are also 4 free small car parks at Ashurst, Eling Cemetery (Totton), Bransgore and Pennington Bank (Lymington).
- 3.4 As well as pay and display, the council offers both short (town and village up to 3 hour) and long stay (district-wide up to 20 hrs) parking clocks. These have not increased in price since 2022. These were used by over 32,000 people last year and represent incredibly good value for local car parking.
- 3.5 The Council has not historically raised car parking fees and charges consistently, nor as a minimum in line with inflation. In some cases, fees have not risen since 2018. Based on CPI, charges that have not been increased with inflation since 2018 are already nearly 40 per cent behind where they would have been if an inflationary increase had been applied annually.
- 3.6 As part of our annual review of our parking charges, we benchmark our charges against similar local authorities. This is shown in the tables below.
- 3.7 NFDC manage the Keyhaven river where we have 250 swinging and fore and aft moorings, 114 wall moorings, 123 dinghy park and 21 grass bank spaces. We offer a 10% discount to annual mooring holders who pay by direct debit, and it is planned to continue this in 2024.
- 3.8 Keyhaven fees and charges are used to provide our river warden services plus cover our administration team costs and mooring maintenance. We have reduced our maintenance costs over the past 2 years as a result of replacing the river moorings in 2021. In the next year we will look to conduct a full survey of moorings and use contractors to replace risers, shackles and swivels where required.

#### **4. CAR PARK CHARGES**

- 4.1 Following a comprehensive review, the following changes are proposed to come into force from 1st January 2024. These increases will address the rising costs of providing and maintaining car parks in light of inflation over the last 6 years and brings the charges more in line with comparable authorities.
- 4.2 Town and Village Centre Car Parks
- These tariffs have been frozen since 2018.
  - It is proposed to increase charges by £1.00 across all tariffs except:
    - the 1-hour tariff which will remain at £1.
    - The “up to 20 hours” tariff which will increase by £3, which is more in line with benchmarked councils.

#### 4.3 Amenity Car Parks

- The winter tariff has been frozen since 2018, and the summer tariff since 2021.
- In comparison with other coastal car park areas on the South Coast, our short and long-term parking charges are low, and it is suggested that a £1.00 increase across all tariffs is applied throughout the year, except:
  - the 1-hour tariff which will remain at £1.
  - The “up to 20 hours” tariff which will increase by £3, which is more in line with benchmarked councils.
- It is also recommended that the £1.00 for 1-hour parking charge be allowed 12 months of the year so short-term parking of an hour is allowed in the summer months as well as winter.

4.4 These proposals retain the cap on the first hour at £1.00 as a way of continuing to support local businesses and high streets. Whilst there is no conclusive evidence of economic benefit, it is understood to be valued as an initiative by local businesses.

4.5 Current tariffs, proposed charges and benchmarking information are all shown below. Benchmarked prices are applicable to the current year and may increase next year in line with respective budget setting.

#### 4.6 Town and Village Centre Car Parks (all year round)

Duration (Hours)	Current NFDC tariff	Proposed tariff 2024	Fareham Town centre (low/high)	Christchurch Town tariff
1	£1.00	£1.00 (no increase)	£1.00/£1.50	N/A
2	£2.00	£3.00	£2.00/£3	£1.20
3	£2.50	£3.50	£3/£4.50	£3.00
4	£3.00	£4.00	£4/£6	£4.00
5	£4.00	£5.00	£5/£7.50	
20	£5.00	£8.00	£12/£18	

#### 4.7 Winter (Oct-Mar) - Higher Amenity Tariffs

Duration (Hours)	Current NFDC tariff	Proposed tariff 2024	Fareham Amenity	Christchurch Sea front
1	£1.00	£1.00 (no increase)	£1.10	£2.10
2	£2.00	£3.00	£2.20	£3.70
4	£4.00	£5.00	£4.40	£6.50
6	£6.00	£7.00	£6.60	
20	£8.00	£11.00	£13.20 (max 12 hrs)	£15.10 (12hrs)

#### 4.8 Winter (Oct-Mar) – Lower Amenity Tariffs

Duration (Hours)	Current NFDC tariff	Proposed tariff 2024	Fareham Amenity	Christchurch Sea front
1	£1.00	£1.00 (no increase)	£1.10	£2.10
2	£2.00	£3.00	£2.20	£3.70
4	£3.00	£4.00	£4.40	£6.50
6	£4.50	£5.50	£6.60	
20	£6.00	£9.00	£13.20 (max 12 hrs)	£15.10 (12hrs)

#### 4.9 Summer (Apr-Sep) – Higher Amenity Tariff

Duration (Hours)	Current NFDC tariff	Proposed tariff 2024	Fareham Amenity	Christchurch Sea front
1	Not available	£1.00	£1.10	£2.80
2	£3.00	£4.00	£2.20	£5.50
4	£5.00	£6.00	£4.40	£8.30
6	£7.00	£8.00	£6.60	£12.40
20	£9.00	£12.00	£13.20 (max 12 hrs)	£20.40 (24hrs)

#### 4.10 Summer (Apr-Sep) – Lower Amenity Tariff

Duration (Hours)	Current NFDC tariff	Proposed tariff 2024	Fareham Amenity	Christchurch Sea front
1	Not available	£1.00	£1.10	£2.80
2	£3.00	£4.00	£2.20	£5.50
4	£4.00	£5.00	£4.40	£8.30
6	£5.50	£6.50	£6.60	£12.40
20	£7.00	£10.00	£13.20 (max 12 hrs)	£20.40 (24hrs)

### 5. PARKING CLOCK CHARGES

5.1 The council sold and issued circa 32,000 car parking clocks in 2023. These are either a short stay car park clock (up to 3 hours) at £30 per year and a long stay car park clock (up to 20 hours). Long stay clocks are available to purchase on both an annual (£140) and a quarterly (£40) basis. Prices of clocks were frozen in 2023.

5.2 Parking clocks are a facility that by comparison most Councils do not offer at all, preferring a “season ticket” style tariff e.g., Chichester annual permit £704, Fareham £520, Test Valley £680. These comparators suggest the parking clocks are currently priced very low. It is therefore not unreasonable, considering this, and the Councils Medium Term Financial Position, to levy an increase to the purchase cost of the clocks.

5.3 Short stay “shoppers” clocks:

- The current annual cost is £30.00. An increase to £40.00 is recommended.
- This would still mean that a resident using a short stay parking pass just once a week to pop into town would be paying less than £1 a week to park.

#### 5.4 Long stay clocks

- Current annual cost for 2023 is £140.00. An increase to £220.00 is recommended.
- Based on usage of a clock on 220 days a year, this new fee still only equates to £1 per day if parking all day in an NFDC car park whilst at work.
- Current cost for a quarterly clock is £40.00. An increase to £65.00 is recommended.

### 6. FREE PARKING DAYS IN SUPPORT OF LOCAL BUSINESSES

6.1 In addition to the above charges the council would also like to confirm its intention to have 4 days this year (2023) when charges do not apply in town and village centre car parks to assist businesses. These days are:

- Small Business Saturday (this year on the 2<sup>nd</sup> of December 2023)
- The last weekend before Christmas (16<sup>th</sup>/17<sup>th</sup> December 2023)
- An additional day where Town and Parish Councils may request free parking in support of their Christmas events.

### 7. PARKING STRATEGY

7.1 Car parking is an important council service which impacts upon residents, businesses, visitors, and the environment. A new “Parking Strategy” is needed to guide the long-term development of this service. Such a strategy will consider, as a minimum:

- A strategic review of car park assets including investment and maintenance;
- The policy framework that considers the role of parking in town and village economic vitality, and transport policy and environmental objectives;
- The use of technology to ensure the service is sustainable into the future;
- Future charging policies including assessment of the benefits of the current differential charging policy (for example summer versus winter and higher versus lower amenity fees), versus a uniform charging policy which could rationalise the tariffs overall and simplify our charging regime.

### 8. KEYHAVEN FEES AND CHARGES FOR 2024

8.1 It is proposed to increase all charges at Keyhaven, as detailed at Appendix A, by 10% in 2024. Our fees and charges are comparable with Lymington and Hamble River mid-stream moorings but unlike these places we do not have long waiting lists.

8.2 Beyond those comparisons, benchmarking is difficult due to key differences between Keyhaven and these other locations. For example, Lymington has walk-on pontoons with fees starting above £4K per annum and good shoreside facilities. NFDC does not provide shore side facilities. In addition, the Keyhaven moorings are very limited by tide and river width constraints meaning most are only accessible a couple of hours either side of High water. Lymington and Hamble River do not have these issues. Like-for-like comparisons of mooring fees must be considered in line with this information, and it is felt that the proposed fee increases are fair and reasonable, allowing for increases in inflation which impact upon operating costs.

### 9. ENVIRONMENTAL IMPLICATIONS

9.1 There are now 26 fast (22Kwh) and 15 rapid (50Kwh) Electric Vehicle Charging Points (EVCP's) operating over 15 of our car parks. Each month over 23,000Kwh of green electricity is used to charge vehicles in our car parks, with a reduction of

25,000 Kgs of CO2 emissions. These EVCP's encourage visitors to the area and help support the local economy whilst reducing emissions overall which improves air quality in the district, with plans to install at least 2 rapid charging 'hubs' in 2024.

9.2 Our ticket machines are solar powered. All means of parking are accessible to all our car park users including blue badge holders.

## 10. CRIME AND DISORDER AND DATA PROTECTION IMPLICATIONS

10.1 There are none.

## 11. EQUALITY IMPLICATIONS

11.1 All our ticket machines are DDA compliant with coin and card slots at the correct height and flush mounted (e.g., not on plinths) to allow Wheelchair users to access them with a sufficient clearance to allow wheelchair users to manoeuvre in the vicinity of the ticket machine.

11.2 To support Blue Badge holders, we will continue to provide free parking to valid Blue Badge holders.

## 12. FINANCIAL IMPLICATIONS

12.1 Assuming that car park usage and parking clock purchases remain consistent in 2024, the proposals within this report will lead to the following in 2023-24 and 2024-25 financial years:

	23/24 budget (no price increase), £000s	23/24 budget (with price increase), £000s	24/25 budget (no price increase), £000s	24/25 budget (with price increase), £000s
Meter income from pay and display car parks	2,263	2,375	2,263	2,866
Income from parking clocks	1,320	1,471	1,320	1,995

12.2 The proposed charges for Keyhaven will result in an increase of up to £18k pa.

12.3 The additional revenue that will be generated as a result of these fee increases will support the delivery of the Council's Medium Term Financial Plan and will seek to provide capacity funding for corporate plan delivery.

## 13. CONCLUSION

13.1 The setting of fees and charges will necessarily consider the current economic climate, not least recent inflationary pressures, and cost of living, as well as the desire to support the economic viability of our town centres and supporting the journey towards net zero.

13.2 Increasing fees for 2024 is nevertheless a reasonable step in the context of many charges being frozen, for up to 6 years, and our position in relation to comparable



Councils which demonstrate our current good value for money, in particular, in relation to parking clocks.

- 13.3 There are many further themes for future consideration that it is important to put on the table, and which currently make up our holistic approach. In a large part, as described above, their review is best served through the development of an evidentially based district wide parking strategy. This strategy will be supported by a Member task and Finish Group.

#### **14. COMMENTS OF THE PLACE AND SUSTAINABILITY OVERVIEW AND SCRUTINY PANEL**

- 14.1 The Panel endorsed the recommendations contained within the report. The Panel discussed the report and some members expressed concern over the increases to car parking charges. Other panel members spoke in support of the proposed fees and charges, explaining how, after several years of price freezes in most of the car parks, it was a reasonable increase that would contribute to the effective running of Council services.

#### **15. PORTFOLIO HOLDER COMMENTS**

- 15.1 I was pleased to attend the Place and Sustainability Overview and Scrutiny Panel to hear the debate of members on this issue. We have sought to take a balanced approach in the current economic climate, and I am supportive of the proposed way forwards.
- 15.2 The development of the Parking Strategy is essential and I am supportive of the proposal for a Task and Finish Group to inform the development of that piece of work.

#### **For further information contact:**

David Hurd  
Environmental Enforcement and Amenities  
Manager  
e-mail: [david.hurd@nfdc.gov.uk](mailto:david.hurd@nfdc.gov.uk)

Chris Noble  
Assistant Director for Place Operations  
e-mail: [chris.noble@nfdc.gov.uk](mailto:chris.noble@nfdc.gov.uk)

James Carpenter  
Director of Place, Operations and  
Sustainability  
Email: [james.carpenter@nfdc.gov.uk](mailto:james.carpenter@nfdc.gov.uk)

#### **Background Papers:**

None

#### **Appendices:**

- A. Proposed annual fees and charges Keyhaven River for 2024



Appendix A

<b>ENVIRONMENT &amp; SUSTAINABILITY PORTFOLIO</b>								<b>% CHANGE</b>		
<b>PROPOSED SCALE OF FEES AND CHARGES FOR 2024</b>								<b>10%</b>		
				<b>Current Charge</b>	<b>Proposed Charge</b>	<b>Increase</b>	<b>Increase</b>	<b>Charges including VAT at 20%</b>		
				<b>2023</b>	<b>2024</b>	<b>£</b>	<b>%</b>	<b>Current</b>	<b>Proposed</b>	<b>Non NFDC Council tax payers 50% Surcharge</b>
<b>With effect from 1st January to 31st December 2024</b>				<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>			
<b>All prices shown excluding VAT.</b>										
<b>KEYHAVEN RIVER</b>										
<b>Waiting Lists</b>										
Note: Waiting list fee will be discounted off first years mooring fees once offer of annual mooring accepted.										
Waiting List Fee	Moorings			45.00	49.50	4.50	10.0	54.00	59.40	59.40
	Dinghy Park			45.00	49.50	4.50	10.0	54.00	59.40	59.40
	Annual Admin Fee			9.00	9.90	0.90	10.0	10.80	11.90	11.90
<b>Licence Fees - Private Moorings (12 months)</b>				135.00	148.50	13.50	10.0	162.00	178.20	N/A
<b>Mooring Fees (including licence Fee and River dues)</b>										
	Small (M2)			405.00	445.50	40.50	10.0	486.00	534.60	801.90
	Medium (M3)			450.00	495.00	45.00	10.0	540.00	594.00	891.00
	Medium + (M4)			540.00	594.00	54.00	10.0	648.00	712.80	1,069.20
	Large (M5)			810.00	891.00	81.00	10.0	972.00	1,069.20	1,603.80
	Large + (M6)			990.00	1,089.00	99.00	10.0	1,188.00	1,306.80	1,960.20
<b>Wall Moorings</b>										
	Suitable for less than 12 feet and/or less than 15 hp (M1)			315.00	346.50	31.50	10.0	378.00	415.80	623.70
	Suitable for 12 feet or more and/or 15 hp or more (M3)			450.00	495.00	45.00	10.0	540.00	594.00	891.00
<b>Dinghy Park</b>										
Dinghy Park	per space per annum			270.00	297.00	27.00	10.0	324.00	356.40	534.60
Seasonal Let	Per week (October to March)			13.50	14.85	1.35	10.0	16.20	17.80	
	Per week (April, May & Sep)			22.50	24.75	2.25	10.0	27.00	29.70	
	Per week (June, July & August)			36.00	39.60	3.60	10.0	43.20	47.50	
Grass Bank	Per annum			180.00	198.00	18.00	10.0	216.00	237.60	356.40
<b>Specific Groups</b>										
Fisherman Association	Wall mooring			45.00	49.50	4.50	10.0	54.00	59.40	
Keyhaven Sea Scouts	Seasons launching			0.00	0.00	-	0.0	0.00	0.00	

**ENVIRONMENT & SUSTAINABILITY PORTFOLIO**

**PROPOSED SCALE OF FEES AND CHARGES FOR 2024**

	Current Charge	Proposed Charge	Increase £	Increase %	Charges including VAT	
	2023 £	2024 £			Current	Proposed
<b>With effect from 1st January to 31st December 2024</b>						
All prices shown excluding VAT.						
<b>KEYHAVEN RIVER</b>						
<b>River Dues (includes launching fees)</b>						
<b>Single launch</b>						
Kayaks Canoes and paddleboards	9.00	9.90	0.90	10.0	10.80	11.90
Sailing vessels and/or engine size 5hp or less	9.00	9.90	0.90	10.0	10.80	11.90
Boats with engine size over 5hp to 10 hp	13.50	14.85	1.35	10.0	16.20	17.80
Boats with engine size over 10hp to 50 hp	22.50	24.75	2.25	10.0	27.00	29.70
Boats with engine size over 50 hp	45.00	49.50	4.50	10.0	54.00	59.40
Personal water craft (Jet Skis)	83.33	91.66	8.33	10.0	100.00	110.00
<b>Season launch</b>						
Kayaks Canoes and paddleboards	27.00	29.70	2.70	10.0	32.40	35.60
Sail boats and/or engine 5hp or less	27.00	29.70	2.70	10.0	32.40	35.60
Boats with engine size over 5hp to 10 hp	45.00	49.50	4.50	10.0	54.00	59.40
Boats with engine size over 10hp to 50 hp	90.00	99.00	9.00	10.0	108.00	118.80
Boats with engine size over 50 hp	180.00	198.00	18.00	10.0	216.00	237.60
Moving boat to allow for mooring maintenance	36.00	39.60	3.60	10.0	43.20	47.50
<b>Anchorage/Visitor Moorings</b>						
<b>Per night</b>						
Anchorage	9.00	9.90	0.90	10.0	10.80	11.90
Large Mooring (for over 27ft)	18.00	19.80	1.80	10.0	21.60	23.80
Medium/small Mooring (up to 27ft)	13.50	14.85	1.35	10.0	16.20	17.80
Quayside	27.00	29.70	2.70	10.0	32.40	35.60
<b>Per week</b>						
Anchorage	45.00	49.50	4.50	10.0	54.00	59.40
Large Mooring (for over 27ft)	72.00	79.20	7.20	10.0	86.40	95.04
Medium/small Mooring (up to 27ft)	63.00	69.30	6.30	10.0	75.60	83.20
Quayside	See note	See note				
Note: Only in exceptional circumstances - speak to river warden first						
<b>Short stay (less than 4 hours)</b>						
Anchorage	5.40	5.94	0.54	10.0	6.48	7.10
Moorings	9.00	9.90	0.90	10.0	10.80	11.90
Quayside	10.80	11.88	1.08	10.0	12.96	14.30

**NOTE:** VAT. Charges are exclusive of VAT.

Charges which are zero rated or not subject to VAT are marked \* either individually or by service.

## FULL COUNCIL – 9 OCTOBER 2023 – QUESTIONS UNDER STANDING ORDER 22

### First Questions

#### Question 1

##### **From Cllr Harrison to the Portfolio Holder for Finance and Corporate, Cllr Heron**

Why doesn't the District Council employ a full-time anti-fraud officer? The post under question being the Corporate Fraud and Compliance Officer - currently a part time post.

#### Question 2

##### **From Cllr Brand to the Portfolio Holder for Planning and Economy, Cllr Tipp**

With Prezzo leaving Lyndhurst and another Lyndhurst restaurant gone bust and closed last week, can the Portfolio Holder tell us how many businesses have failed in the New Forest in 2022/23?

#### Question 3

##### **From Cllr M Wade to the Leader of the Council, Cllr Cleary**

Whilst most members of the Armed Forces community are healthy, happy and gainfully employed, the unique nature of military life brings with it many challenges that need to be recognised and better understood and for some, particularly the injured and bereaved, for whom extra support needs to be provided.

It was to support veterans and military families the Military Covenant was enshrined in law in the 2011 Armed Forces Act and ensures that members of the Armed Forces community are not disadvantaged as a result of their service when accessing Government and commercial services.

Although some actions do take place in the New Forest District to support military families currently the New Forest District council does not meet the full breadth of requirements outlined in the Military Covenant and its guidance for local authorities.

Therefore, can you confirm that this council will put in place such actions as are necessary to meet the full criteria under the act.

#### Question 4

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

Is the Council content with its due diligence process before awarding large contracts to external companies?

#### Question 5

##### **From Cllr J Davies to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole**

Why did Conservative Councillors, when agreeing the contract for the leisure service, give Freedom Leisure the power to evict local swimming clubs from the Leisure Centres after 12 months?

## **Question 6**

### **From Cllr A Wade to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole**

This Council has a responsibility to undertake Equality Impact Assessments on all its decisions. Why was this not considered when Freedom Leisure, our Partners, made the unpopular and upsetting decision to tell local Swimming Clubs they could no longer use their pools and stop access for many children with special and specific needs to learn this essential life skill in an appropriate environment? And why didn't you as the Portfolio Holder challenge this decision when you were made aware of it and engage with Freedom if access to Swimming for all ages and abilities really matters?

## **Question 7**

### **From Cllr Rackham to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole**

The contract for Freedom Leisure was described by the then chair of the task and finish group as 'robust ...in view of detail' and voted for by every Conservative member then present, some of whom are still here. What can be done to make sure the awful behaviour towards our swimming and other community clubs cannot continue or be replicated in the future?

## **Second Questions**

## **Question 8**

### **From Cllr Rackham to the Portfolio Holder for Planning and Economy, Cllr Tipp**

Can the portfolio holder please outline how NFDC responded to the recent suggested Permitted Development legislation which would allow shops, offices and outbuildings to be turned into housing with no structured plan or infrastructure?