

Dear Councillor

**COUNCIL - MONDAY, 26 FEBRUARY 2024**

Please find attached, for consideration at the meeting of the Council on Monday, 26 February 2024, the following reports that were unavailable when the agenda was published.

<b>Agenda No</b>	<b>Item</b>
10.	<b><u>Report of Cabinet - 21 February 2024</u> (Pages 3 - 70)</b>
12.	<b><u>Questions</u> (Pages 71 - 72)</b>

Yours sincerely

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

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COUNCIL – 26 FEBRUARY 2024

## REPORT OF CABINET – [21 FEBRUARY 2024](#)

### PART I – ITEMS RESOLVED BY CABINET

None.

### PART II – RECOMMENDATIONS TO COUNCIL

#### 1. WASTE STRATEGY IMPLEMENTATION – REVISED TIMELINE AND FINANCIAL APPRAISAL

##### PORTFOLIO – ENVIRONMENT AND SUSTAINABILITY

##### RECOMMENDED:

Cabinet recommended to Council that:

- i) Officers proceed to take the necessary decisions to implement the service changes for refuse collection, recycling and food waste collections as set out in Section 5 of the Cabinet report, in readiness for commencement of the new service in Spring 2025;
- ii) The budget requirements as set out in section 7 of the Cabinet report are approved, noting that these are included in the Council's Medium Term Financial Plan. Council notes in particular the anticipated service roll out costs for 2025/26 at £1.4 million, with a likely offset of £0.8 - £1.2 million through the receipt of EPR funding, and the additional budget requirement for transitional costs, increasing from £1.224 million to £1.825 million;
- iii) Officers continue procurement processes to secure the necessary vehicles, wheeled bins, food caddies and other containers, including ancillary services in order to deliver the new service; and
- iv) Officers continue to work with Hampshire County Council and other Hampshire partners to identify the best long-term solution to recycling collections and processing to meet the Government requirements and return to Cabinet for a final decision.

##### CABINET DISCUSSION:

The Portfolio Holder for Environment and Sustainability introduced the report. He was pleased that financial information had been received from Government in October 2023 and January 2024 which enabled the Council to further develop plans for transforming the waste service. The Council had secured Capital funding from Government and refined the roll out plan for the new waste service. Further information was awaited information from Government in relation to funding.

The Council could now proceed with the changes to the waste service, which would increase recycling and reduce waste. It was recognised that the service changes were a key Council priority and would manage waste in a more sustainable way.

The Assistant Director – Place Operations outlined the report and highlighted that an update had been provided to Cabinet in December 2023 detailing the position at county and national level in relation to future funding and the legislation regarding the arrangements for the management of waste.

Since December last year, DEFRA had announced the capital funding arrangements in relation to the food waste collection service. The Council had written to DEFRA responding to this, expressing concern about the funding and timing of the roll out arrangements. Modelling work was underway with partners across Hampshire to determine the final position for the recycling services for all authorities across Hampshire.

It was confirmed that the proposed waste service would deliver most of what had been proposed in the agreed Waste Strategy, approved in July 2022. This included the introduction of wheeled bins with a 180 litre bin for residual waste and a 240 litre bin for recycling and these were to be collected on alternate weeks. There was also to be a weekly food waste collection service as required by Government. Glass collections, however would remain a separate collection service which would be collected every 4 weeks in a 55 litre box. There was still some uncertainty about glass collections in the longer term.

The District Council had appealed to DEFRA regarding some of the NFDC requirements for funding which were felt to have been missed. The Government had also provided more information on the intention to provide transition costs for 2024/25 and ongoing revenue costs for 2026 onwards.

It was expected that the Council would receive funding to support the waste service through the Extended Producer Responsibility scheme and it was noted that more information would be available later in the year.

It was highlighted that within the financial implications of the report, glass collection costs were shown separately as this element might be included within the collection of other recycling materials at a later date. If this was introduced, there would be a financial saving.

Finally, the Assistant Director Place Operations recognised this was a major service change and resources had been put in place to ensure it would be successful and to achieve performance improvements.

A non-executive member questioned how the proposed changes would be communicated to all residents and the timeline for the Communication Strategy. The Assistant Director Place Operations reported that a draft Communication Strategy was being developed and that elements of it would be communicated to local residents in the near future. It was confirmed that a range of communication methods would be used for this fundamental service change, including physical information being sent to householders. There would be a phased approach ahead of the service change. It was confirmed that the funding had been allocated to deliver this.

Other non-executive members welcomed the report and recognised the importance of good communication in relation to the service changes, in particular for those residents who would not receive the core service. The issue of glass collections in the open forest was highlighted to be a problem whereby live stock had access to the glass containers within the recycling boxes. It was suggested that consideration could be given to how this could be resolved, possibly with the provision of a lid for the boxes in the open forest. Another

member also highlighted the issues of boxes breaking and being heavy to carry to the kerbside.

The Leader acknowledged the positive work involved in the report presented to Cabinet and welcomed the clarity received from Government to date. She spoke about the Waste Strategy group and expressed her thanks to the Place Operations Strategy and Performance Manager and the members who had been involved in the Task and Finish Group which had considered the waste proposals.

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

## **2. HOUSING REVENUE ACCOUNT BUDGET AND THE HOUSING SECTOR CAPITAL EXPENDITURE PROGRAMME 2024/25**

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

#### **RECOMMENDED:**

That Cabinet recommends to Council the HRA budget and housing public sector capital expenditure programme for 2024/25, as follows:

- i) that from 01 April 2024, an increase in rents of 7.7% from the 2023/24 weekly rent level, in accordance with Government guidelines, be agreed;
- ii) that from 01 April 2024, an increase in garage rents of 15% from the 2023/24 weekly rent level be agreed;
- iii) that from 01 April 2024, an increase in shared ownership property rents of 9.4% from the 2023/24 weekly rent level, in accordance with Government guidelines of RPI +0.5%, be agreed, and that the weekly rent of one additional property sold under previous legislation be increased by 7.7%;
- iv) that from 01 April 2024 the new disaggregated approach to Service charges, which will reflect transparent and up to date annual charges for all eligible communal and domestic charges incurred by the Council, be agreed;
- v) that the HRA budget, as set out in **Appendix 1** of the Cabinet report, be agreed; and
- vi) that a Housing Capital Programme to 2026/27, as set out in **Appendix 4** of the Cabinet report, be agreed.

#### **CABINET DISCUSSION:**

The Portfolio Holder for Housing and Homelessness reported he was delighted to present the report. He acknowledged the future challenge for all housing authorities to transition to more energy efficient homes, with upgrades such as Air Source Heat Pumps, where appropriate and the requirement for the Council's housing stock to be EPC rated C by 2030. He referenced the Council's new housing developments including Penman House in Totton and the Hythe Hospital site which were being built to the Future Homes Standard.

The Portfolio Holder highlighted his comments in the report on the need to maintain sound finances which would enable continued and good quality accommodation and services for tenants.

The Interim Strategic Director Housing and Community Safety outlined the recommendations in the report with a proposed annual rent increase of 7.7%, a 15% increase in garage rents, a rent increase for shared ownership which would affect three properties and the disaggregated approach to service charges which would affect 1,300 tenants. He highlighted that there had been consultation with all tenants who would be affected and that their views had been sought. Tenants had also been provided with information relating to how they would individually be affected by the proposed changes.

The expenditure levels were detailed in paragraphs 3.6-3.8 of the report. The proposed rent increases would enable a significant investment of £17.8 million to be spent on tenants' properties. £1 million had been allocated towards maintaining fire safety and £2.170 million had been proposed for greener housing initiatives.

It was highlighted that the medium-term financial position of the HRA account for future years had an estimated operating deficit of approximately £1 million. This demonstrated the financial pressures of the repairs programme and decarbonisation costs. These would be further reviewed to enable a balanced budget. It was essential to maximise income and ensure that all costs were rigorously assessed.

A non-executive member welcomed the transparency of the service charges. It was questioned when further information would become available on the decarbonisation programme. In response, the Interim Strategic Director Housing and Community Safety reported that this was being finalised. The work had been plotted out for all the replacement components over the next 30 years and checks had been made to ensure there was no doubling up of work. Following this, a meeting would be held with external consultants and it was expected that a revised Business Plan would be available in April.

The Leader of the Council expressed her faith in officers and to the Portfolio Holder. She was pleased to see the involvement of the Tenant Involvement Group and urged all tenants to get involved and provide their input.

## **Attachments – Appendix 2 – Background Report to Cabinet**

### **3. MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2024/25**

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

#### **RECOMMENDED:**

Cabinet recommended to Council that:

- i) the updated MTFP and financial strategy, as set out in the Cabinet report and throughout appendices 1-3, are approved;
- ii) there is a General Fund Net Budget Requirement in 2024/25 of £24,513,250, as set out in appendices 5a - d to the Cabinet report;
- iii) the New Forest District Council Band D Council Tax for 2024/25 shall be £199.79;
- iv) the council approves the formal determination (appendix 6), as required by the Levelling up and Regeneration Act 2023, to apply Council Tax premiums to dwellings occupied periodically and long-term empty dwellings, for implementation from 1 April 2025;

- v) the General Fund Capital Programme for 2024/25 of £16.579 million, as set out in appendix 7 to the Cabinet report be approved; and
- vi) the proposed fees and charges as included at appendix 8 to the Cabinet report be approved.

### **CABINET DISCUSSION:**

The Portfolio Holder for Finance and Corporate presented the report detailing the budget for 2024/25. He highlighted that there was a General Fund net budget requirement of £24.5 million and the rise of the Council Tax Band D for 24/25 to £199.79, a rise of 2.99%. This was the maximum allowed under the current rules but was considerably below inflation. He was delighted to be able to present a fully balanced budget and expressed his thanks to the accounts department and all officers of the Council.

He further spoke about the better than expected return on investments and a rise in the government finance settlement since the Autumn statement which had increased by £200,000 which was positive news.

The Strategic Director Corporate Resources & Transformation reported he was pleased to be in a position to present a proposed balanced budget for 2024/25.

The 2024/25 finance settlement had been good to the Council, with the funding guarantee grant being increased by the government from 3% as it appeared in the provisional settlement before Christmas, to 4% in the final settlement, equating to £200,000. It was disappointing that the settlement was only for 1 year, which made planning difficult for the medium term creating funding cliff edges from one year to the next. The value of the 4% funding grant for 2024/25 was £1.2 million, yet for 2025/26 that figure could be anywhere from zero to £1.2 million. The Council would continue to support sector lobbying on this.

The Strategic Director Corporate Resources and Transformation referred to section 10 of the report, which confirmed it was his duty as the Council's chief finance officer to comment on the robustness of estimates and adequacy of reserves. It was his view that the budget, as prepared was financially sound and based on a reliable evidence base. New items and changes to budgets had been appropriately costed and accounted for. Forecast income levels were not overinflated. Assumptions over the medium term were also based on latest expectations based on the most likely scenario for funding and cost pressures, and the Council had a sound and achievable plan to address the forecast £2.7 million deficit for 2027/28.

The general fund reserve was £3 million which was considered appropriate and proportionate. There was an HRA reserve of £1 million, recognising this was a more reliable income base and provided the ultimate backstop support for unavoidable cost increases as they might occur in the year.

It was confirmed that 2024/25, the proposed Council Tax bill element was £199.79 for the year for an average band D property, an increase of 2.99% on the previous year. The overall Council Tax setting paper would be presented to the Council for formal approval on 26<sup>th</sup> February, which would include the annual charge of £199.79 as well as the precepts from the County Council, the Police and Crime Commissioner, the fire and rescue service, and the relevant town and parish council. The NFDC element was a small proportion, 9% of the overall Council tax charge.

The Portfolio Holder for Planning and Economy expressed his support to the proposed budget. It would enable the Council to support local businesses and those looking for apprenticeships through the Apprenticeship and Skills Hub and other activities such as the mystery shopper scheme, supporting high streets and town centres.

The Portfolio Holder for Environment and Sustainability reiterated his support to a detailed and robust report and expressed his thanks to all staff. The Portfolio Holder reported he had already spoken about waste but that he was pleased the budget included the development of a parking strategy and a fleet and infrastructure strategy which were important to deliver a modern and efficient service. This would support the Council's carbon reduction. There was also continued support to deliver on the Council's Climate and Emergency Action Plan with a budget of £250,000.

A non-executive member was reassured to hear that a balanced budget for 2024/25 had been proposed. He questioned how the New Forest residents would see service enhancements through the various Council strategies. In response, the Portfolio Holder for Finance and Corporate acknowledged that this was detailed within the budget report. Examples were provided with the Council seeking through the HRA to reduce the carbon footprint with more energy efficient homes, the changes in the waste collection service sought to increase the recycling rate which would benefit residents and the environment as well as the apprenticeship scheme.

The Leader of the Council further added the proposed budget outlined Council priorities with CCTV, Community Grants, the Local Plan, a budget to support regeneration as well as optimisation of Council office space to provide an income to the Council. The budget did a lot of things to support local residents.

### **Attachments – Appendix 3 – Background Report to Cabinet**



**WASTE STRATEGY IMPLEMENTATION – REVISED TIMELINE AND  
FINANCIAL APPRAISAL****1. RECOMMENDATIONS**

Cabinet recommends to Council that:

- 1.1 Officers proceed to take the necessary decisions to implement the service changes for refuse collection, recycling and food waste collections as set out in Section 5 of this report, in readiness for commencement of the new service in Spring 2025;
- 1.2 The budget requirements as set out in section 7 are approved, noting that these are included in the Council's Medium Term Financial Plan. Council notes in particular the anticipated service roll out costs for 2025/26 at £1.4 million, with a likely offset of £0.8 - £1.2 million through the receipt of EPR funding, and the additional budget requirement for transitional costs, increasing from £1.224 million to £1.825 million;
- 1.3 Officers continue procurement processes to secure the necessary vehicles, wheeled bins, food caddies and other containers, including ancillary services in order to deliver the new service; and
- 1.4 Officers continue to work with Hampshire County Council and other Hampshire partners to identify the best long-term solution to recycling collections and processing to meet the Government requirements and return to Cabinet for a final decision.

**2. INTRODUCTION**

- 2.1 In the face of some uncertainty about the longer-term position regarding both Government guidance and the timeline for provision of the required recycling infrastructure in Hampshire, Officers have been preparing proposals for the rollout of service change as agreed in the NFDC Waste Strategy.
- 2.2 On 21<sup>st</sup> October 2023, DEFRA released a response to the "Consistency" consultation from May 2021, which has provided some clarity. A report was presented to cabinet on 6<sup>th</sup> December 2023, outlining a proposed way forward considering continued recycling infrastructure uncertainty.
- 2.3 Further work was required to consider the financial implications of the proposed new service, including Local Government Finance Settlement, progression of procurement activity, and any further Government announcements regarding funding.
- 2.4 This report now sets out the proposed service change, the achievable timeline for change and the latest financial appraisal.

**3. BACKGROUND**

- 3.1 The 6<sup>th</sup> December 2023 Cabinet report outlined much of the background to the current position regarding waste and recycling services. A short summary is set out in the following section.

- 3.2 NFDC has been working on a new approach to waste and recycling services, detailed in a new Joint Municipal Waste Management Strategy (via Project Integra) approved in October 2021 and the NFDC Waste Strategy 2022-27, approved by Council in July 2022. However, delays in the release of further information from Government have impacted our ability to rollout our approved service changes.
- 3.3 On Saturday 21<sup>st</sup> October 2023, guidance was issued by DEFRA, giving some clarity on timelines and material waste streams. In summary:
- **By 31 March 2026**, all local authorities in England must collect the same recyclable waste streams for recycling or composting from households. Also, confirmation that collection of all dry recyclables (paper and card, plastic, glass and metal) together in one recycling bin (known as co-mingled collections) will be allowable.
  - **By 31 March 2025** (i.e., 12 months earlier) all non-household premises (shops, businesses, etc.) in England must make arrangements to have this same set of recyclable waste streams (except for garden waste) collected for recycling or composting.
  - Delivery of these new duties will be funded through a combination of reasonable 'new burdens' funding to local authorities to provide weekly food waste collection from households, and Extended Producer Responsibility (EPR) for the costs of collecting and managing packaging waste through efficient and effective services.
  - DEFRA also launched two consultations, which NFDC responded to.
- 3.4 Changes in the guidance have led to the revisiting of our previously approved strategy. A summary of the changes can be seen in Section 5 of this report.
- 3.5 In addition, there have been ongoing discussions with Hampshire County Council (HCC) and other Hampshire councils, regarding the development of a new Materials Recovery Facility (MRF). In light of the recent Government announcements, HCC wrote to all Waste Collection Authorities (WCAs) to request that they carry out work to determine the optimal recycling system for Hampshire authorities, so that Waste Disposal Authorities can determine how best to manage the resultant collected materials. This would include a review of alternatives to the previously agreed "twin stream" system.

#### **4. PROGRESS AND DEVELOPMENTS SINCE DECEMBER 2023**

- 4.1 In early January '24, NFDC received a letter from Defra outlining the total indicative transitional capital we will receive to fund food waste collections. This relates to vehicles and food waste containers. More information on this is found in Section 7.
- 4.2 Additionally, NFDC has since written to the Secretary of State for Environment, Food and Rural Affairs, to highlight key issues around timelines, funding and the handling of waste from businesses.
- 4.3 The modelling work referenced in 3.5 is now underway. This includes modelling of alternative options to the scheme agreed in the original NFDC Waste Strategy agreed in July 2022, following recent Government announcements about co-mingling. The outcome of this work will define the specification required for the new

MRF. This work will impact upon the timeline for the proposed new MRF, and with an estimated 2-year build programme, a new MRF won't now be ready until at least 2026. This modelling work is due for completion at the end of March 2024.

**5. PROPOSED CHANGES TO THE APPROVED WASTE STRATEGY**

5.1 As outlined in the December Cabinet report, the challenge now is to rollout the large part of our service change in 2025, to comply with Government deadlines, but to retain flexibility to allow for a potential “phase 2” change once the new MRF is ready. As such, the interim service would look like this:

<b>INTERIM SERVICE CHANGE</b>	
<b>Elements that remain</b> as per original waste strategy proposal	<b>Elements that are different</b> to original waste strategy proposal
<ul style="list-style-type: none"> <li>• 180 litre wheeled bin for refuse collection, collected fortnightly.</li> <li>• 25 litre caddy for food waste, collected weekly (with additional 5l caddy provided for internal use)</li> </ul>	<ul style="list-style-type: none"> <li>• 240 litre wheeled bin for our existing DMR mix i.e., paper, card, plastic and metal, collected fortnightly.</li> <li>• 55 litre box for glass collection, collected monthly</li> </ul>

5.2 The increased capacity of the recycling wheeled bin from 180L to 240L is to account for the inclusion of paper and card in with the dry mixed materials. It will also allow for additional recyclable materials to be added, as and when disposal infrastructure allows. The container sizes shown above will be the “standard” sizes, but smaller containers for households producing smaller quantities of waste/recycling will also be available. The Council’s waste collection policy, approved earlier in 2023, details how larger capacity containers can also be provided, in line with agreed criteria.

5.3 Glass would need to be collected separately for the time being, whilst we await the outcome of the modelling work currently being carried out by HCC. As per the modelling options set out in 4.3 of this report, it may be necessary for glass to continue to be collected separately in the longer term, if the outcome of this work favours this option.

5.4 Until new MRF infrastructure is delivered, there would be no change to the range of dry recycling materials collected. So plastic pots, tubs and trays, and cartons would remain non-target materials until the new MRF infrastructure is operational. The current Government deadline for the inclusion of these additional materials is 31 March 2026. As outlined in section 4.3 of this document, MRF completion is now expected in 2026, however it is unclear whether the new infrastructure will be completed in time for NFDC to meet this deadline. Discussions will need to be had with HCC and with DEFRA regarding the implications of this.

5.5 NFDC’s proposed interim collection system means that we will be able to make an easy transition to either move to a fully comingled collection system that includes glass, or retain the separate glass collection system on a 4-weekly basis, depending on the outcome of the modelling work described in 4.3. This longer-term decision will

be made in conjunction with other Hampshire councils and will be brought back to Cabinet in the summer of this year.

5.6 The requirements for collection of non-household recycling (as outlined in 3.3) will be subject to further review, due to the challenge that, under pre-existing plans, NFDC will not have the ability to collect the required materials for recycling from these premises (as part of our business waste service) by March 2025.

## 6. INDICATIVE HIGH-LEVEL TIMELINE

6.1 The table below shows a high-level timeline for the roll out of the core services. After approval, implementation planning will commence in full which will include recruitment of additional staff to help manage the roll out. The core rollout itself will be split into 3 geographical phases (depot-based areas of Lymington, Ringwood and Hardley). This will help to spread the workload of our key workstreams including container distribution, depot alterations, communication, administration and customer contact.

	2024				2025				2026	
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
Full council approval										
Decision on HCC infrastructure										
Implementation planning phase, including but not limited to: <ul style="list-style-type: none"> <li>• Procurement</li> <li>• Depots alterations</li> <li>• Property surveying completion</li> <li>• ICT implementation</li> <li>• HR/Recruitment</li> <li>• Collection policy update</li> <li>• Full communications plan/implementation</li> <li>• Distribution planning</li> <li>• Round and route planning</li> <li>• Disposal infrastructure transfer station alterations</li> <li>• Administration process review</li> </ul>										
Phase 1 rollout										
Phase 2 rollout										
Phase 3 rollout										
Flatted properties (communal bins)										
New MRF operational and subsequent service changes										

## 7. FINANCIAL IMPLICATIONS

### Funding

7.1 NFDC have now received a letter from Defra outlining the total indicative new burdens capital grant we will receive to fund food waste collections. This capital funding is intended for the purchase of food bins (this includes internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles. The totals are outlined in the table below. The cost values are scaled by the numbers of properties reported in each council area to provide a unique cost allocation for each council. The model accounts for a number of variables including rurality, levels of deprivation, number of kerbside and flatted properties, configuration of flatted properties, food waste yields, vehicle and container unit costs, and average collection round sizes. The capital costs have been calculated for containers and vehicles separately however the totals are not ringfenced.

Kitchen caddies	Kerbside caddies	Communal wheeled bins	Vehicles	Total funding
£173,586	£399,248	£0	£1,227,600	<b>£1,800,434</b>

7.2 There is an appeal process for local authorities that have assessed the proposed capital funding amounts as insufficient to meet modelled costs. NFDC has followed this appeal process and suggested an increase in funding to account for an expected shortfall in vehicle funding and a lack of funding for communal containers for flats, as well as making a case for capital infrastructure costs to be included, as the addition of new vehicles and crew has a knock on to depot requirements and welfare facilities.

7.3 Defra's letter also stated that:

- Resource transitional funding will be provided from the 2024/25 financial year. This money will be provided to waste collection authorities that either need to implement a weekly food waste collection service partially or fully.
- Ongoing resource/revenue costs will be provided from 1 April 2026 and will be provided to all waste collection authorities, including those that have already fully implemented a food waste collection service.
- Defra are currently calculating transitional and ongoing costs and will be writing to WCA's in due course. At the time of writing this has not been received (however an assumed level of transitional funding support has been allowed for in the proposed 2024/25 budget of £150,000).

7.4 As described earlier, the collection of packaging is intended to be funded in future by Extended Producer Responsibility payments. Initial estimates are that local authorities in England will collectively receive payments in the region of £900 million per annum for managing household packaging waste. Financial modelling is currently under way to refine this estimate in readiness for the implementation of EPR for packaging. Payment amounts are expected to be confirmed by November 2024, and LAs will receive their first payment by the end of December 2025 which would cover the first three financial quarters of 2025-26 (with further payments being quarterly thereafter). Previous estimates of the value of the EPR funding for NFDC have suggested £0.800 - £1.2m pa.

## Expenditure

### *Capital*

7.5 Capital investment requirements for the waste service for the next three years are shown below:

	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	Total (£m)
<b>Vehicles</b>	0.885	3.730	0.453	<b>5.068</b>
<b>Containers (initial rollout)</b>	1.025	4.550	0	<b>5.575</b>

The following should be noted in relation to the numbers shown above:

- The exact splits of the total required funding over these financial years may be subject to change as the rollout plans develop.
- As outlined in 7.1, NFDC have been allocated an initial sum of £1.8m to cover the cost of food waste vehicles and containers.
- To allow for long lead times, some of this expenditure will require commitment in preceding years e.g., vehicles for 2026/27 will need to be ordered in 2025/26
- Vehicle numbers may be subject to further refinement as the detailed round and route modelling is carried out during 2024.
- Further to 4.3 and 5.5, further decisions regarding containers and vehicles may have to be made once the longer-term decision is made, for example our current glass fleet would need replacement if the separate glass collection were retained in the longer term.

### *Revenue*

7.6 Direct budgeted expenditure for 2024/25 for the current service totals £7.066 million, with an income of £2.339 million (predominantly from garden waste). The forecast cost of the new service, including continued separate glass collection, increases net expenditure by £2.112 million. This is wholly associated with the introduction of the new separate food collection service. The table below shows the estimated movement in service cost to include the alternate-weekly waste and recycling collection, monthly glass collection and weekly food collection. Fuller detail is shown in appendix 1.

<b>Current Service v New Service</b>	<b>Refuse and recycling</b>	<b>Glass service</b>	<b>Food waste service</b>	<b>Total</b>		
	<b>Variation</b>	<b>Variation</b>	<b>Variation</b>	<b>Current Service</b>	<b>New service</b>	<b>Variation</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure - Direct</b>	14	-	2,293	<b>7,066</b>	<b>9,373</b>	<b>2,307</b>
<b>Income</b>	-174	-21	-	<b>-2,339</b>	<b>-2,534</b>	<b>-195</b>
<b>Net - Direct Costs</b>	<b>-160</b>	<b>-21</b>	<b>2,293</b>	<b>4,727</b>	<b>6,839</b>	<b>2,112</b>
DEFRA Vehicle / Container Grant	-	-	-221	-	<b>-221</b>	<b>-221</b>
Allocations / Other	-	-	-	<b>1,108</b>	<b>1,108</b>	-
<b>Total Service - Net</b>	<b>-160</b>	<b>-21</b>	<b>2,072</b>	<b>5,835</b>	<b>7,726</b>	<b>1,891</b>

- 7.7 **Refuse & Recycling (including Garden waste):** The move to wheeled bins for refuse and recycling leads to a reduction in staff costs and supplies/services, but an increase in transport costs and capital financing for containers and vehicles. These variations cancel each other out but an expected increase in income for garden waste and other service charges mean a forecast of a £160k net cost reduction on the cost of collection of waste and recycling. It should also be noted that a £355k budgeted increase in garden waste income is in place for 24/25 as a result of the move to wheeled bins for garden waste. Detailed round and route modelling in 2024 will identify any further opportunities for efficiencies which may further reduce overall service costs.
- 7.8 **Kerbside Glass Collection:** The collection of glass at the kerbside is shown separately in appendix 1 because this was not a service that NFDC was anticipating providing as part of its waste strategy, but the pressing need for service change and the longer timeframe for infrastructure means that it is a service that must be retained at least in the short term. In the event that the separate collection of glass is not needed in the longer term (see 5.5), there would be a reduction in the overall service cost of £500,000 PA.
- 7.9 **Food Waste:** The collection of food waste will have an estimated annual net cost of £2.072m once Government grants for containers and vehicles have been accounted for. As already outlined, it is not yet clear how much of this running cost will be covered by Government funding, from April 2026 onwards, as it will be based on a formula rather than actual costs incurred. Prior to April 2026, food waste collections will not be funded by the Government.
- 7.10 The overall waste/recycling service has just over £1m of allocations and recharges to cover the cost of depots and support services such as Finance, HR, ICT etc.
- 7.11 The expected annual net cost increase for the new service (based on 2024/25 prices) will be £1.891m. The rollout of the interim service will take place during 2025/26 as shown in 6.1, and therefore a significant proportion of the additional £1.891m service cost will be incurred in that year. The exact rollout timeline will still be influenced by the outcome of procurement and detailed planning, but it should be assumed that 75% of the annual cost will be incurred in 2025/26, equating to c£1.4m. As highlighted in 7.4, EPR funding could make a considerable contribution to this cost increase, but this will not be known until November 2024. These high-level assumptions have been seen through to the Council's Medium Term Financial Plan.

#### *Transition costs*

- 7.12 Making the change from the current service to the future service will also incur transitional costs. These costs include:
- Communications
  - Additional staffing to manage the service change, including:
    - “Waste advisors” who will be pivotal to the success of the rollout.
    - Customer service staff
    - Service change planning resource
    - Temporary waste/recycling collections staff to provide contingency to new collection rounds and routes.
  - An initial 6-month supply of kitchen caddy liners

7.13 The total anticipated transition costs have been reviewed since they were originally estimated in the strategy, with the expected profile of this updated funding requirement across the next 3 years shown below. This funding requirement has been allowed for within the Council's Medium Term Financial Plan. As described in 7.3, there will also be Defra funding towards transitional costs related to the new food service rollout, with an estimated £150,000 assumed in the budget for the time being. The total required transition funding has increased since the original waste strategy was approved in 2022, principally as a result of:

- Pay awards and inflationary increases.
- Evolution of the rollout timeline, with service change now taking place over a longer period of time and therefore with a requirement for supporting resource for extended periods
- Greater refinement and accuracy of cost estimates as the rollout plan has developed.

Waste Strategy Transition Forecast	Original Estimate £'000	Latest estimates £'000				
		2023/24	2024/25	2025/26	2026/27	Total
Temp. CS Advisors	92	44	98	98		240
Waste Advisors	154	-	83	166		249
Communications	80	10	50	50	30	140
Property surveys	75	150	-			150
Hire vehicles	16	10		62		72
Supply of caddy liners	152			95		95
Waste Ops planning officer	92		55	57	29	141
Temp. ops staff	75			88		88
<b>Total revenue Transition</b>	<b>736</b>	<b>214</b>	<b>286</b>	<b>616</b>	<b>59</b>	<b>1,175</b>
Bin Delivery - main rollout	400			550		550
Bin Delivery - garden waste	88	100				100
<b>Total capital transition</b>	<b>488</b>	<b>100</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>650</b>
<b>GRAND TOTAL</b>	<b>1,224</b>	<b>314</b>	<b>286</b>	<b>1,166</b>	<b>59</b>	<b>1,825</b>

7.14 To support this significant period of service change, additional project and programme support resources will be needed, funded by monies held in reserve for delivery of Corporate Plan priorities. This support, estimated at c £150k for 24/25 and 25/26 will be reviewed and agreed by the Waste Programme Board which oversees this and other key waste and operations projects.



## **8. CRIME & DISORDER, DATA PROTECTION IMPLICATIONS**

8.1 There are none.

## **9. ENVIRONMENTAL IMPLICATIONS**

9.1 As detailed in the original waste strategy report, the new service will increase recycling levels, reduce waste, and reduce emissions associated with the management of the New Forest's waste and recycling.

## **10. EQUALITY & DIVERSITY IMPLICATIONS**

10.1 Equality Impact Assessments were conducted as part of the waste strategy approval in 2022. The proposals in this report are not fundamentally different to those in the strategy itself.

## **11. CONCLUSIONS**

11.1 Since approval of the waste strategy in 2022, our timetable for service change has been subject to some flexibility, due to the timeline for required infrastructure and the ongoing uncertainty on the Government's position and funding. It was agreed to bring the date for the commencement of the new wheeled bin garden waste service forward, to commence in April 2024. At the time of writing almost 20k customers have registered and wheeled bins are being delivered to subscribers ready for the service to start in April.

11.2 Now that we have received reliable direction from Defra, and capital funding totals we have been able to establish a workable timeline and financial appraisal. We must act as quickly and effectively as possible, to ensure that NFDC are able to secure the necessary vehicles, wheeled bins, food caddies, other containers, and ancillary services in order to deliver the new service. Acting quickly is especially pertinent considering potential procurement bottle necks that may now start to compound as more Authorities press to make changes after the Government's announcements.

11.3 As described earlier, service changes will require completion by March 2026. Making the service changes in full during 2025 gives the council the best opportunity to improve its performance, provide a better service to householders and to fully enact its waste strategy. Therefore, the proposal is as follows:

- Officers proceed to take the necessary decisions to implement the service changes for refuse collection, recycling and food waste collections as set out in Section 5 of this report, in readiness for a commencement of the new service in Spring 2025 as per the timeline provided in Section 6.
- The financial appraisal set out in Section 7 is approved, and Officers continue procurement processes to secure the necessary goods and services required order to deliver the new service.
- Officers continue to work with Hampshire County Council and other Hampshire partners to identify the best long-term solution to recycling collections and processing to meet the Government requirements and return to Cabinet for a final decision.

## 12. PORTFOLIO HOLDER COMMENTS

- 12.1 The information received from the Government in October 2023 and January 2024 has allowed us to further develop our plans for transforming our waste service. We have secured capital funding from the Government and refined our rollout plans. We await further Government announcements regarding funding, but can now confidently proceed with the implementation of our waste strategy which will significantly increase recycling rates, reduce waste, and improve our services for residents and staff. Managing waste more sustainably is a key priority and this report clearly states how we will achieve that goal.

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### Background Papers:

[Cabinet report, 6<sup>th</sup> December 2023](#)

**Appendix 1 – financial summary**

Current Service v New Service	Refuse and Recycling			Glass			Food Waste			Total		
	Current Service	New Service	Variation	Current Service	New Service	Variation	Current Service	New Service	Variation	Current Service	New service	Variation
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs - Salaries/Clothing	3,860	3,557	-303	415	415	-	-	1,637	1,637	4,275	5,609	1,334
Transport Related Costs	1,214	1,276	62	124	124	-	-	422	422	1,338	1,822	484
Capital Financing - Vehicles	577	1,017	440	150	150	-	-	200	200	727	1,367	640
Capital Financing - Containers	79	211	132	-	-	-	-	21	21	79	232	153
Supplies and Services	628	311	-317	19	19	-	-	13	13	647	343	-304
<b>Expenditure - Direct</b>	<b>6,358</b>	<b>6,372</b>	<b>14</b>	<b>708</b>	<b>708</b>	<b>-</b>	<b>-</b>	<b>2,293</b>	<b>2,293</b>	<b>7,066</b>	<b>9,373</b>	<b>2,307</b>
<b>Income</b>	<b>-2,130</b>	<b>-2,304</b>	<b>-174</b>	<b>-209</b>	<b>-230</b>	<b>-21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2,339</b>	<b>-2,534</b>	<b>-195</b>
<b>Net - Direct Costs</b>	<b>4,285</b>	<b>4,125</b>	<b>-160</b>	<b>505</b>	<b>484</b>	<b>-21</b>	<b>-</b>	<b>2,293</b>	<b>2,293</b>	<b>4,727</b>	<b>6,839</b>	<b>2,112</b>
DEFRA Vehicle / Container Grant	-	-	-	-	-	-	-	-221	-221	-	-221	-221
Allocations / Other	-	-	-	-	-	-	-	-	-	1,108	1,108	-
<b>Total Service - Net</b>	<b>4,285</b>	<b>4,125</b>	<b>-160</b>	<b>505</b>	<b>484</b>	<b>-21</b>	<b>-</b>	<b>2,072</b>	<b>2,072</b>	<b>5,835</b>	<b>7,726</b>	<b>1,891</b>

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## HOUSING REVENUE ACCOUNT BUDGET AND HOUSING PUBLIC SECTOR CAPITAL EXPENDITURE PROGRAMME 2024/25

### 1. RECOMMENDATIONS

- 1.1 That Cabinet recommends to Council the HRA budget and housing public sector capital expenditure programme for 2024/25, as follows:
- i) that from 01 April 2024, an increase in rents of 7.7% from the 2023/24 weekly rent level, in accordance with Government guidelines, be agreed.
  - ii) that from 01 April 2024, an increase in garage rents of 15% from the 2023/24 weekly rent level be agreed.
  - iii) that from 01 April 2024, an increase in shared ownership property rents of 9.4% from the 2023/24 weekly rent level, in accordance with Government guidelines of RPI +0.5%, be agreed, and that the weekly rent of one additional property sold under previous legislation be increased by 7.7%.
  - iv) that from 01 April 2024 the new disaggregated approach to Service charges, which will reflect transparent and up to date annual charges for all eligible communal and domestic charges incurred by the Council, be agreed.
  - v) that the HRA budget, as set out in **Appendix 1** of this report, be agreed.
  - vi) that a Housing Capital Programme to 2026/27, as set out in **Appendix 4**, be agreed.

### 2. INTRODUCTION

- 2.1 This report sets out the proposed Housing Revenue Account (HRA) budget, the proposed rent levels and other charges, the maintenance programme and a proposed Housing Public Sector Capital Programme for 2024/25 – 2026/27.
- 2.2 The proposed budgets for 2024/25 were considered by tenants on the Tenants Involvement Group on 18 January 2024 and by the Housing and Communities Overview and Scrutiny Panel on 17 January 2024. Their comments are included in Section's 13 and 14 of this report.
- 2.3 The proposed HRA budget is attached as **Appendix 1**, the detailed maintenance programme at **Appendix 2**, the 3-year forecast medium term

financial position at **Appendix 3** and the proposed Capital programme at **Appendix 4**.

### **3. KEY ISSUES**

3.1 Housing Authorities and Registered Providers face on-going challenges to maintain the continuation of high-quality services to their tenants, ensuring that buildings are safe and free from hazards and delivering greater energy efficiency measures in the retrofitting of their stock, as well as delivering more affordable homes. Tenants, too, are facing challenges over rises in the cost of living. The proposal set out below to increase rents in line with the Government's current recommendation is considered to strike the right balance to ensure that the Council continues to provide high quality services to tenants and that the necessary programmes of maintenance and repairs to council housing stock are undertaken, as well as delivering Decarbonisation targets and new affordable council homes in the district.

3.2 Members are asked to consider a number of financial issues for 2024/25.

#### **3.3 Housing Rents**

3.3.1 The proposed budget identifies a social rent increase of 7.7%, in line with the Government's policy rent increase guidelines. It is the fifth increase, following a previous four-year social rent reduction programme. The increase in 2023/24 was capped by the Government at 7.0% (in place of the policy CPI +1% increase of 11.1%).

3.3.2 Following the rent increase, average weekly rents will be £122.47 for 2024/25. The actual increase will vary by property but will amount to an average increase of £8.76 per week.

#### **3.4 Service Charges – Hostels & Flat Accommodation**

3.4.1 Service Charges are currently used by the Council as a method to recover Council Tax and domestic and communal energy costs from tenants where their personal usage costs are charged directly to the Council by the respective billing organisations. Service Charges are also used to recover some aspects of equipment provision, cleaning and communal heating and lighting costs from tenants, which are also incurred in their respective properties.

3.4.2 In February 2023 it was agreed by Cabinet to launch a consultation process with all tenants who pay service charges, which included up to 850 existing tenants who it was proposed to apply charges for communal services they enjoyed but were not currently charged for.

3.4.3 Currently tenants are only able to understand 2 elements of their service charges; a total for communal costs, and a total for domestic energy if applicable. Tenants have no way of understanding how these charges are arrived at, and this currently is a cause for complaint, and

is no longer in keeping with the requirement for landlords to be transparent.

- 3.4.4 It is proposed to disaggregate all applicable Service Charges to ensure full transparency of charges for the cost of each individual service enjoyed by all 1,300 tenants for service costs which could be reasonably recharged to tenants, and also to reflect up to date annual charges for all communal and domestic charges incurred by the Council.
- 3.4.5 Currently it is the situation where those tenants currently paying service charges are not paying for all of the services they receive. These proposed changes recover approximately £200,000 of expenditure not currently recovered.
- 3.4.6 Invites to participate in the consultation were sent to 1,296 tenants with their proposed individual charges for 24/25 included. The Consultation was completed in December 2023 with 123 responses. The findings were as follows:
  - 3.4.6.1 69% of respondents agreed with the proposal to charge all tenants who were in receipt of communal services.
  - 3.4.6.2 76% of respondents agreed with the proposal to disaggregate service charges to highlight the charges for each communal service.
  - 3.4.6.3 67% of respondents agreed with the proposal to charge actual charges borne by the Council.
  - 3.4.6.4 64% of respondents agreed with the proposal to charge tenants for all of the communal services they receive.
- 3.4.7 The impact on tenants is varied. In some cases, the weekly charge is lower than currently charged. This is due to the new transparent approach using actual costs. In most cases the weekly charges increase, within a range from £0.36 to £15.17 (Largely additional cleaning and energy costs). On average charges increase by 8.4% across this group of tenants, with 26% of tenants seeing a decrease in their 24/25 charges.
- 3.4.8 For approximately 800 tenants newly incorporated into the scheme the charges range from £0.39 to £7.16, with the average new charge at £2.93 per week.
- 3.4.9 In the majority of the cases above, the cost of communal charges will be covered by Universal Credit or Housing Benefit where applicable, reducing the impact of the changes. Affordability was not a top concern within the responses to the consultation (coming in 4th out of 7 common themes) - but those tenants who were identified as raising this as a concern were contacted and signposted to support.

### 3.5 **Garage Rents**

3.5.1 It is proposed that garage rent charges are increased in 2024/25 by 15% (£1.81 per week) to £13.90 per week, plus VAT where applicable.

### 3.6 **Planned Maintenance & Improvement Works**

3.6.1 The report proposes total budgetary provision of £12.856 million for planned maintenance and improvement works to houses and estates. This, together with budgetary provision of £4.291 million for reactive maintenance works means that, in total, £17.8 million will be spent on tenant's properties in 2024/25. Details of the proposed works for 2024/25 and an indication of proposals for the following two years are set out in **Appendix 2**.

### 3.7 **Fire Risk Assessment Works**

3.7.1 During 2022/23 and 2023/24 the Council will have spent £5 million on fire safety and statutory compliance matters. Further funding of £1 million has been allocated for 2024/25.

### 3.8 **Decarbonisation Programme**

3.8.1 In 2023/24 work to establish the future upgrade programmes to deliver all homes to EPC C by 2030, and net zero carbon by 2050 were established. Measures required to each home within the Council stock to meet these targets is known and estimated costs applied up to 2050. 2024/25 is considered a transition year where planning the upgrade strategy begins to be overtaken by the delivery of increased retrofit activity. Funding of £2.170 million is proposed to begin works in earnest in 2024/25, but total expenditure up to 2030 is likely to be £15 million, with a further £115 million required to meet net zero targets by 2050.

## 4. **HRA INCOME 2024/25**

4.1 Estimated total income for 2024/25 is £3.634 million higher than the original budget for 2023/24. The income variations from the 2023/24 approved budget are set out below:

	<b>Change £000</b>	<b>Paragraph</b>
Dwelling Rents	(3,169)	4.2
Non – Dwelling Rents	(55)	4.3
Service Charges	(320)	4.4
Other Income	(90)	4.5
<b>Total</b>	<u><b>(3,634)</b></u>	

4.2 **Dwelling Rents (£3.169 million increase)** – The proposed budget for 2024/25 includes the benefits of £2.386 million arising from the proposed 7.7% rent increase, £585,000 from the impact of a 53-week rent year, £79,000 from the revised rent setting policy approved in April 23 and £153,000 from a net



increase in property numbers, including new shared ownership properties, offset by a loss of income of £34,000 due to continuing void levels.

- 4.3 **Non - Dwelling Rents (£55,000 increase)** – This income is derived from garages and rents of other housing land. The overall increase reflects the proposed increase in charges (£97,000) and £12,000 from the impact of a 53-week rent year, offset by a reduction of £54,000 due to the impact of reduced lettings from voids and potential development opportunities on garage sites.
- 4.4 **Service Charges (£320,000 increase)** – The service charges proposals detailed in Section 3 will generate additional income of £202,000, with an additional £57,000 to remedy under recovery of council tax on hostel units, which is eligible for benefits. This together with additional income of £21,000 from a 53 week rent year, and income from new units acquired during 2023/24 will result in total additional income in 2024/25 of £320,000. This income will largely match additional operating costs highlighted in section 5 below.
- 4.5 **Other Income (£90,000 increase)** – Despite utilising reserves to fund the capital programme, interest earnings have increased by £63,000 following an increase in interest rates. The Shared Amenities contribution from the General Fund has increased by £27,000 to cover inflationary increases in costs and increases in expenditure on trees and other estate budgets.

## 5. HRA EXPENDITURE 2024/25

- 5.1 Budgeted operating expenditure for 2024/25 is £1.967 million higher than the approved budget for 2023/24. After allowing for depreciation charges and the removal of transfers from reserves for specific earmarked projects, surplus resources available for making principal repayments on borrowing have increased by £1.517 million to maintain a balanced Housing Revenue Account for the year, as detailed in paragraph 5.8. The major variations are set out below:

	Change £000	Paragraph
Cyclical/Reactive Maintenance	711	5.2
General Management	576	5.3
Grounds Maintenance and Trees	89	5.4
Older Persons and Temporary Accommodation	(24)	5.5
Capital Financing Costs - Interest	615	5.6
Operating Expenditure	<u>1,967</u>	
Contribution to Capital – Supporting Housing Strategy	<u>0</u>	5.7
	1,967	
Capital Financing Costs – Principal	<u>1,517</u>	5.8
<b>Total</b>	<b><u>3,484</u></b>	

- 5.2 **Cyclical/Reactive Maintenance £711,000** – Increased maintenance budgets are principally due to pay and prices increases of £328,000, £305,000 for the

continuation of additional supplies and hired services costs identified and reported during 23/24 and an increase of £200,000 on cyclical maintenance due to the reintroduction of external decorations and cleaning works, offset by net savings of £45,000 from other allocation changes and staff turnover savings.

- 5.3 **General Management £576,000** - Supervision and Management budgets will increase principally due to pay and prices increases of £593,000, £60,000 for a garages' sites survey, a £67,000 increase in the general estates management budget to support neighbourhood initiatives required by the new Social Housing Regulatory regime, and additional council tax costs of £33,000 for general needs housing whilst void repairs are carried out. These increased costs are offset by savings of £72,000 in non-recurring costs included in 2023/24 to meet requirements of the Social Housing Regulation Act and the removal of the two-year £150,000 external stock condition surveyors budget (financed from Reserves).
- 5.4 **Grounds Maintenance and Trees £89,000** – An increase in budgets is principally due to pay and prices increases of £70,000, and an increase of £20,000 in trees maintenance costs.
- 5.5 **Housing Schemes and Temporary Accommodation (£24,000)** – Additional costs are principally due to inflation £23,000, the inclusion of £51,000 Council Tax charges for new temporary accommodation units and £10,000 for the inclusion of equipment replacement costs in temporary accommodation, offset by a reduction of £90,000 in utility bill costs to reflect latest usage and £16k from the reallocation of staff resources.
- 5.6 **Capital Financing Costs Interest £615,000** – Capital Financing costs have increased by £615,000. This is due to interest costs of £265,000 on forecast new borrowing for the proposed capital programme set out in Section 9 of this report, £176,000 interest costs of the 2023/24 capital programme and £285,000 additional interest costs of existing internal borrowing, due to increased interest rates, offset by a reduction of £111,000 in interest costs due to the repayment of the next £4.1 million instalment of the settlement borrowing in March 2024.
- 5.7 **Contribution to Capital - Supporting Housing Strategy** – This budget is the prescribed calculation of dwellings depreciation that needs to be charged to the Housing Revenue Account and is used to part fund the capital programme. The figure is based on a combination of factors including property valuation, component costs and remaining component life. While costs have increased, initial indications are that property values will decrease and therefore no change has been made to the £9.700 million existing depreciation calculation.
- 5.8 **Capital Financing Costs – Principal £1.517 million** – After allowing for any transfers from reserves, the Council is required to set a balanced budget for the year. Increased income of £3.634 million exceeds estimated increased operating expenditure of £1.967 million, increasing the annual amount available for repaying principal on borrowing by £1.517 million. This will enable

the maturing loan of £4.1 million to be repaid during 2024/25 without the need to replace it with new borrowing.

## **6. HRA RESERVE BALANCE**

- 6.1 The HRA Reserve balance as at 1 April 2023 was £1 million. This is considered to be a prudent level and meets with good governance practice.
- 6.2 The original 2023/24 HRA budget showed a net operating deficit position of £150,000 which was to be met from earmarked reserves. A financial update report for the year was presented to Cabinet on 7 February 2024, which included forecast variations to the year end. In accordance with current policy, any surplus or deficit for the year will be balanced by a transfer to or from the Acquisitions and Development Reserve, but assuming a break-even HRA position for the year 2023/24, this will result in a year-end balance of c£5.000 million as at 31 March 2024, after funding the capital programme.
- 6.3 The proposed HRA budget for 2024/25 currently shows a break-even position and therefore the estimated Housing Revenue Account balance (cash reserve) as at 31 March 2024 and 31 March 2025 will be £1 million.

## **7. 30 YEAR BUSINESS PLAN**

- 7.1 The Council, with the assistance of an external consultant produced an initial 30-year HRA business plan, a summary of which was included in the budget report last year. Work continues on producing costings for the Decarbonisation and Major Repairs programmes and once complete this will be included in an updated business plan, which will be used to monitor the long-term implications of budget plans and aspirations.

## **8. CAPITAL PROGRAMME**

- 8.1 The proposed Housing Public Sector capital expenditure programme for 2024/25 totals £32.380 million. The detailed programme and anticipated funding is set out over the page with indicative details for future years in **Appendix 4**.

	<b>Original 2023/24 £000</b>	<b>Latest 2023/24 £000</b>	<b>Original 2024/25 £000</b>
<b>Proposed Expenditure</b>			
Fire Risk Assessment Works	2,000	2,585	1,000
Major Structural Refurbishments	1,000	1,000	1,260
Planned Maintenance & Improvements	6,500	6,300	8,600
Decarbonisation Works	1,260	1,260	2,170
Robertshaw House	500	500	0
Estate Improvements	200	200	200
Disabled Facilities Adaptations	950	1,050	950
Development Strategy	15,200	15,200	18,200
<b>TOTAL</b>	<b>27,610</b>	<b>28,095</b>	<b>32,380</b>
<b>Funded by</b>			
Revenue	9,700	9,700	9,700
Capital Receipts	2,000	2,000	2,000
Acquisitions and Dev. Reserve	2,970	3,044	1,768
Government Grant	3,660	4,091	7,922
Internal Borrowing	1,530	256	0
External Borrowing	7,750	9,004	10,990
<b>TOTAL</b>	<b>27,610</b>	<b>28,095</b>	<b>32,380</b>

- 8.2 Significant works to properties, including compartmentation and new fire doors, are being carried out following detailed Fire Assessment surveys. Funding of £1 million is proposed for 2024/25.
- 8.3 The Authority is holding several properties requiring significant structural refurbishment works, a number of which are currently void. Funding of £1.260 million is proposed to upgrade more of these properties.
- 8.4 The Major Repairs budget has been increased by £1.340 million in 2024/25 to £8.600 million to reflect identified programme needs. Details of the proposed programme are set out in **Appendix 2**.
- 8.5 Funding of £2.170 million is proposed in 2024/25 to begin works in earnest for decarbonisation of the Council's housing stock and take advantage of any government grant funding available as covered in more detail in paragraph 3.8.
- 8.6 The Council's current Housing Strategy and Corporate Plan prioritise the delivery of new affordable housing homes covering the period 2018 - 2026. The proposed capital programme for 2024/25 includes £18.200 million to be invested in additional homes. Expenditure is also expected over the period post 2024/24 through to the end of 2026, which has been accounted for in **Appendix 3** with similar levels of proposed expenditure.

## **9. HRA MEDIUM TERM FINANCIAL POSITION**

- 9.1 Attached at **Appendix 3** is an indication of HRA budgets for two years post 2024/25 and is included to enable decisions for 2024/25 to be made in the context of affordability for the medium term. With the onset of a significant decarbonisation programme and the increasing expenditure required to maintain the aging stock the HRA is placed under significant pressure from 2025/26. Whilst these budgets will be amended in future years, it shows an estimated operating deficit in excess of £1 million. Significant future costs of the Major Repairs Programme and the Decarbonisation requirements will require both revenue and capital programme spend priorities to be reconsidered in accordance with the Corporate Plan priorities.

## **10. ENVIRONMENTAL IMPLICATIONS**

- 10.1 The capital works programme continues to provide more sustainable measures to improve the thermal efficiency of Council housing stock, through more efficient window replacement programmes, insulation, boiler replacements and air source heat pumps. Following the previous work of the Greener Housing Task and Finish Group and the Greener Housing Strategy, the Council is committed to undertaking more sustainable measures year on year to reach the target of all 5,200 properties having a minimum energy efficiency rating of EPC C, which will require in excess of £6 million over the next 3 years to fund the initial phases of the work, and up to a further £9 million by 2030.
- 10.2 In the long-term decarbonisation of the entire stock will begin to take priority over meeting the EPC target, which will require the HRA to fund an additional £115 million of expenditure. This will present significant challenges to the HRA and future priorities and strategic choices will need to be carefully considered. Whilst meeting net zero will require some carbon off-setting in due course the programme will remove several thousand tonnes of carbon emissions each year.
- 10.3 Initially works are targeted at the worst performing properties, which are often off the gas network and in rural areas. As a result, carbon reduction impacts are likely to be higher at the outset of the programme and targeted in specific geographical areas.
- 10.4 All products used in the repair, maintenance and improvement of Council homes are selected to ensure the minimum impact upon the environment, are sourced from recycled materials where possible and at the same time balance the need to improve the energy efficiency of tenants' homes in order to meet the requirement for thermal efficiency under the Decent Homes Standard and meet specified and legal safety standards.

## **11. CRIME AND DISORDER IMPLICATIONS**

- 11.1 Many aspects of work identified in this report will improve the security of tenants' homes.

## **12. EQUALITY AND DIVERSITY IMPLICATIONS**

- 12.1 All equality and diversity implications will be considered at every stage of the process of commissioning and carrying out planned maintenance, improvement and cyclical maintenance works. In addition, any contractor used for works will have been assessed, as part of the process in becoming an approved NFDC contractor, in respect of their adherence to equality and diversity principles.
- 12.2 The HRA funding priorities support the funding and commissioning of necessary works with a view to improving building quality and safety, and the energy efficiency performance of the council stock, which supports vulnerable people reduce household bills at a time of cost of living pressures, and which reduces disrepair and the exposure to damp and mould tackling health and housing inequalities.
- 12.3 The Tenancy Account Team, which incorporates a dedicated support worker, will continue to support and signpost tenants experiencing difficulties paying their rents, working collaboratively with community support networks.
- 12.4 The continued support for the development and acquisitions programme in 2024/25 addresses housing need issues and increases the supply of properties in where there is high demand for social housing, and which supports the Council's aims of tackling homelessness in vulnerable communities.
- 12.5 The continued support for the funding of Disabled Facilities Grants in the Council Owned stock support vulnerable and disabled tenants to remain in their own homes or provides suitable alternative housing options for applicants and existing tenants whose needs cannot be met by their existing accommodation.

## **13. TENANTS' VIEWS**

- 13.1 The members of the Tenant Involvement Group (TIG) have been able to properly consider and scrutinise the HRA proposal and are confident that this has been well thought out and judiciously considered.
- 13.2 The TIG acknowledge the challenging position both tenants and NFDC find themselves in with cost of living and financial pressures hitting everyone. However, the TIG feel that the right balance has been struck within the proposed HRA budget, which is both sensible and not unreasonable.
- 13.3 Whilst allowed and dictated by central Government, the 7.7% rent increase is quite high. But the TIG consider this essential to enable NFDC to deliver on its commitments to tenants and to ensure homes are safe, well maintained, and meeting the required standards. The TIG also welcome the significant time taken to enable fair and transparent service charge administration.

- 13.4 It is important that tenants who are in financial difficulties are made aware of the support available to them, such as discretionary housing payments, and that those tenants who engage with the council regarding financial concerns are listened to and worked with.
- 13.5 We, as the TIG, look forward to continuing to monitor the performance of the Council and feedback from tenants to hold the organisation to account regarding the delivery of communal services.

#### **14. HOUSING AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL COMMENTS**

- 14.1 The Panel endorsed the recommendations contained in the report for approval. The proposed rental increase of 9.4% for Shared Ownership was questioned, recognising that any rent increase combined with the cost of living crisis and interest rate rises might have a negative impact on the affordability for the owners / tenants. Members also noted that 75% of social rent tenants were in receipt of either Universal Credit or Housing Benefit and therefore the proposed rent increase would not have an impact on them.

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

- 15.1 I am pleased to support this comprehensive update on the health of the HRA. Maintaining sound finances enables continued and good quality accommodation and services for our tenants.
- 15.2 This report provides confidence that our Housing priorities are suitably funded to help prepare for our future challenges, including the transition to more energy efficient housing.
- 15.3 My gratitude as always to the Housing team and members of the Housing and Communities O&S panel and the Tenant Involvement Group for their support.

#### **For Further Information Please Contact:**

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#### **Background Papers:**

Published documents as referred to within this report.

## APPENDIX 1

### HOUSING REVENUE ACCOUNT BUDGET

	2023/24 £'000	2024/25 £'000	Variation £'000	Para
<b>INCOME</b>				
Dwelling Rents	-30,227	-33,396	-3,169	4.2
Non Dwelling Rents	-720	-775	-55	4.3
Charges for Services & Facilities	-849	-1,169	-320	4.4
Contributions towards Expenditure	-60	-60	0	4.5
Interest Receivable	-378	-441	-63	4.5
Sales Administration Recharge	-33	-33	0	4.5
Shared Amenities Contribution	-286	-313	-27	4.5
<b>TOTAL INCOME</b>	<b>-32,553</b>	<b>-36,187</b>	<b>-3,634</b>	
<b>EXPENDITURE</b>				
Repairs & Maintenance				
Cyclical Maintenance	1,640	1,886	246	5.2
Reactive Maintenance - General	3,278	3,400	122	5.2
Reactive Maintenance - Voids	1,178	1,521	343	5.2
General Management	7,190	7,766	576	5.3
Grounds Maintenance and Trees	847	936	89	5.4
Older Persons and Temporary Accommodation	1,174	1,150	-24	5.5
Provision for Bad Debt	150	150	0	
Capital Financing Costs - Interest/Debt Management	4,522	5,137	615	5.6
<b>TOTAL EXPENDITURE</b>	<b>19,979</b>	<b>21,946</b>	<b>1,967</b>	
<b>HRA OPERATING SURPLUS(-)</b>	<b>-12,574</b>	<b>-14,241</b>	<b>-1,667</b>	
Contribution to Capital - Supporting Housing Strategy	9,700	9,700	0	5.7
Capital Financing Costs - Principal	3,024	4,541	1,517	5.8
<b>HRA Total Annual Surplus(-) / Deficit</b>	<b>150</b>	<b>0</b>	<b>-150</b>	
<b>Use of Reserves for Major Projects</b>	<b>-150</b>	<b>0</b>	<b>150</b>	4.3
<b>HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	



## APPENDIX 2

<b>2024/25 - 2026/27 MAINTENANCE BUDGETS</b>			
<b>CYCLICAL MAINTENANCE</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>2026/27 £</b>
External Cleaning and Decoration	500,000		
Appliance servicing (including gas, oil, solid fuel)	987,000		
Lift Servicing	96,000		
Fire Alarm Servicing	75,000		
Portable Appliance Testing	4,000		
Fire Risk Assessments	27,000		
Air Source Heat Pump Servicing	1,000		
CCTC, Laundry & Door Entry Servicing	15,000		
Legionella Testing	23,000		
Automatic Door Servicing	21,000		
Window Cleaning	23,000		
Alarms & Telecommunications	38,000		
Emergency Lighting	76,000		
<b>TOTAL CYCLICAL MAINTENANCE BUDGET</b>	<b>1,886,000</b>	<b>1,943,000</b>	<b>1,981,000</b>
<b>PLANNED MAINTENANCE &amp; IMPROVEMENTS</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>2026/27 £</b>
Heating Replacement Gas	1,455,000		
Electrical Rewiring	842,000		
Sheltered Schemes Minor Works	200,000		
Low Maintenance Eaves	500,000		
External Door Replacements	316,000		
Pitched Roofing	945,000		
Repointing	10,000		
Window Replacements	1,476,000		
Kitchen Refurbishments	1,000,000		
Drainage	50,000		
Insulation Works	76,000		
Structural Works	300,000		
Asbestos surveys and removal	100,000		
Garages	200,000		
Heating Replacements Electric	112,000		
Bathroom Refurbishments	320,000		
Insurance Work	10,000		
Water Main Renewals	35,000		
Miscellaneous	653,000		
<b>TOTAL PLANNED MAINTENANCE &amp; IMPROVEMENT BUDGET</b>	<b>8,600,000</b>	<b>9,000,000</b>	<b>9,000,000</b>
<b>Decarbonisation Projects</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>2026/27 £</b>
Decarbonisation	2,170,000	2,050,000	2,030,000
<b>TOTAL DECARBONISATION PROJECTS</b>	<b>2,170,000</b>	<b>2,050,000</b>	<b>2,030,000</b>
<b>ESTATE IMPROVEMENTS</b>	<b>2024/25 £</b>	<b>2025/26 £</b>	<b>2026/27 £</b>
Provision of estates works and paving	200,000	200,000	200,000
<b>TOTAL ESTATE IMPROVEMENTS BUDGET</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>

**APPENDIX 3**

**MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT**

	Budget 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000
<b>INCOME</b>			
Dwelling Rents	-33,396	-33,795	-34,471
Non Dwelling Rents	-775	-786	-802
Charges for Services & Facilities	-1,169	-1,182	-1,206
Contributions towards Expenditure	-60	-60	-60
Interest Receivable	-441	-283	-202
Sales Administration Recharge	-33	-33	-33
Shared Amenities Contribution	-313	-329	-335
<b>TOTAL INCOME</b>	<b>-36,187</b>	<b>-36,468</b>	<b>-37,109</b>
<b>EXPENDITURE</b>			
Repairs & Maintenance			
Cyclical Maintenance	1,886	1,943	1,981
Reactive Maintenance - General	3,400	3,502	3,572
Reactive Maintenance - Voids	1,521	1,567	1,598
General Management	7,766	7,844	8,001
Grounds Maintenance and Trees	936	964	983
Housing Schemes and Temporary Accommodation	1,150	1,185	1,208
Provision for Bad Debt	150	150	150
Capital Financing Costs - Interest/Debt Management	5,137	5,557	5,879
<b>TOTAL EXPENDITURE</b>	<b>21,946</b>	<b>22,712</b>	<b>23,374</b>
<b>HRA OPERATING SURPLUS(-)</b>	<b>-14,241</b>	<b>-13,757</b>	<b>-13,736</b>
Contribution to Capital - supporting Housing Strategy	9,700	9,991	10,191
Capital Financing Costs - Principal	4,541	4,782	4,982
<b>HRA Total Annual Surplus(-) / Deficit</b>	<b>0</b>	<b>1,016</b>	<b>1,437</b>
<b>Use of Reserves for Major Projects</b>		<b>0</b>	<b>0</b>
<b>HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT</b>	<b>0</b>	<b>1,016</b>	<b>1,437</b>

# APPENDIX 4

## CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

### PUBLIC SECTOR HOUSING CAPITAL PROGRAMME

		PROJECT REQUIREMENTS £			2024/25 PROJECT FINANCING £				
		2024/25	2025/26	2026/27	Grants & Conts.	Cap Receipts / DC's	Internal/External Borrowing	HRA	HRA Reserves
Fire Risk Assessment Works	HRA	1,000,000	0				600,000	400,000	
Major Structural Refurbishments	HRA	1,260,000	0	0			760,000	500,000	
HRA - Major Repairs	HRA	8,600,000	9,000,000	9,000,000				8,600,000	
Decarbonisation Works	HRA	2,170,000	2,050,000	2,030,000	860,000		1,310,000		
Estate Improvements	HRA	200,000	200,000	200,000				200,000	
Council Dwellings - Strategy Delivery	HRA	18,200,000	15,200,000	15,200,000	7,062,000	2,000,000	8,320,000		818,000
Disabled Facilities Grants	HRA	950,000	950,000	950,000					950,000
		<b>32,380,000</b>	<b>27,400,000</b>	<b>27,380,000</b>	<b>7,922,000</b>	<b>2,000,000</b>	<b>10,990,000</b>	<b>9,700,000</b>	<b>1,768,000</b>
									<b>32,380,000</b>

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CABINET – 21 FEBRUARY 2024

PORTFOLIO: FINANCE AND  
CORPORATE / ALL**MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2024/25****1. Recommendations**

- 1.1 Cabinet is asked to recommend to Council that:
- 1.1.1 the updated MTFP and financial strategy, as set out in the report and throughout appendices 1-3, are approved;
  - 1.1.2 there is a General Fund Net Budget Requirement in 2024/25 of £24,513,250, as set out in appendices 5a - d to this report;
  - 1.1.3 the New Forest District Council Band D Council Tax for 2024/25 shall be £199.79;
  - 1.1.4 the council approves the formal determination (appendix 6), as required by the Levelling up and Regeneration Act 2023, to apply Council Tax premiums to dwellings occupied periodically and long-term empty dwellings, for implementation from 1 April 2025;
  - 1.1.5 the General Fund Capital Programme for 2024/25 of £16.579 million, as set out in appendix 7 to this report be approved; and
  - 1.1.6 the proposed fees and charges as included at appendix 8 to this report be approved.

**2. Purpose of Report**

- 2.1 To consider the development of the Medium Term Financial Plan, set the General Fund revenue and capital budgets for 2024/25, set the level of Band D Council Tax for 2024/25 and make determinations on the future application of Council Tax premiums.

**3. Background**

- 3.1 On 4 October 2023 and 6 December 2023 the Cabinet considered a number of issues through the established Medium Term Financial Plan reporting that would affect the annual budget for 2024/25. Regular Financial Monitoring reporting throughout 2023/24 has also highlighted areas for consideration in setting the 2024/25 budget.
- 3.2 The figures, as included in the October and December MTFP reports, were based on latest information available at that time, before the provisional local government finance settlement had been released and before various new funding measures had been announced, as part of the Government's pledge to support Local Government from the ongoing financial issues facing the sector as a whole. **The financial assumptions in this paper are based on the final finance settlement for 2024/25.**
- 3.3 The Medium-Term position to 2027/28 forecasts a budget deficit of £2.708 million. The MTFP includes options to close the gap, including the ongoing crystallisation of new

income, and the delivery of savings and efficiencies, to be delivered through the Transformation Strategy, in order to enable investment in services and priorities and protect frontline service delivery to the Community. The Senior Leadership of the Council are absolutely committed to ensuring the Council remains well placed to invest in services and continue to deliver a balanced budget over the Medium Term Period.

- 3.4 In accordance with the Council's financial strategy this report sets out the final proposals for:
- The General Fund Net Budget Requirement for 2024/25
  - A level of Council Tax for 2024/25
  - The Medium Term Financial Plan to 2027/28
  - The General Fund Capital Programme for 2024/25
- 3.5 The Autumn '23 Statement confirmed that the 2 year policy position on the local government finance settlement would be upheld for 2024/25. This included the funding guarantee of a 3% increase to core spending power before an annual Council Tax increase is taken into account. Subsequently, and further to consultation feedback, the Secretary of State confirmed late January that the sector would receive additional funding in the final settlement, to include (amongst other increases) an uplift to the funding guarantee grant to 4%. This is positive news to the sector, but we are still contending once again with a 1 year settlement for 2024/25.
- 3.6 The Council has protected itself against any immediate financial challenge that might come about as a result of Levelling Up and Fair Funding Reform, through the inception and accumulation of a Budget Equalisation Reserve. It is business rate growth of c£3.5m, as included within the Council's MTFP each year, that is most at risk in any revised finance settlement formulae. Transitional funding is expected, but quantum and longevity are yet to be determined.
- 3.7 The Bank of England interest rate has remained comparatively high throughout 2023, but inflation reduced at the latter part of the year. The important context of high costs of borrowing (including Mortgages) and high 12 month inflation indices cannot be forgotten when balancing the needs of the Council to cover its own expenditure pressures to deliver services to residents, and the proposed levels of Council Tax.

#### **4. Financial Strategy**

- 4.1 The Council's proposed budget has been set out in line with the financial strategy for 2024/25:
- The provision of additional financial resources to facilitate the delivery of key strategic objectives
  - The establishment of a transformation governance framework to ensure delivery of projects, efficiencies, income and savings to protect the delivery of frontline services provided to the Community
  - The maximisation of income, including reviews of fees and charges
  - Supporting investment in capital infrastructure and services through the prudent use of its reserves and affordable external borrowing
  - Sufficient and appropriate level of reserves are available during the period of the Medium Term Financial Plan to safeguard frontline services; and
  - An understanding of balancing the needs of service users and council taxpayers.

- 4.2 In order to address the forecast deficit to 2027/28, the Council's financial strategy over the medium term period extends to:
- A broad Council-wide focus on delivery and transformation to identify and deliver a programmed approach to assets, services and ways of working
  - Continuation of partnering and collaboration with others to transform service delivery
  - 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
  - Invest in a Cleaner Greener approach to financial planning and spending.

## 5. General Fund Budget 2024/25

- 5.1 Typically, the backdrop of the Council's annual budget process has been in the context of available funding, including Council Tax increases, still failing to meet the additional service costs, let alone enabling a surplus for investment in enhanced activity and delivery. However, thanks to the ongoing identification and delivery of savings and additional income being brought into the Council, coupled with a positive financial settlement for 2024/25, as well as a good level of forecast growth in Business Rate income (due mainly to the large business multiplier increase of 6.7%), the Council is well placed to be able to set a balanced budget for 2024/25 AND invest to deliver on its key priorities AND support the financing of the Capital Programme through the Revenue General Fund Budget.
- 5.2 The updated resource summary and budget requirements (both totalling £24.536 million for 2024/25) are provided as appendix 1 and 2. Within the 2024/25 proposed budget, specific new budgetary provision has been made for targeted investment in the following areas;
- **Sustainability**; The budget proposes an £80,000 investment in a commissioned Fleet and Infrastructure strategy.
  - **Local Plan**; The Cabinet have recommended a development of a full new Local Plan, and Design Code, with the revenue budget allowing for the sums required (beyond what is covered by existing provision and additional statutory planning fee yield) to develop the Plan over the initial 2 years (+£62,000 LP and £200,000 for design code)
  - **Car Parking**; The budget proposes a £50,000 investment in a commissioned Car Parking strategy.
  - **Waste Strategy**; The Council's revenue budget includes the forecast costs of transition to the new waste service, to be rolled out in full by 2026 (£286,000 in 2024/25).
  - **Resources**; The Council's revenue budget includes proposed investment of £290,000 in additional resources to support Council priorities and objectives (covered in more detail in para 5.5.4).
  - **Customer Insight**; The budget includes £25,000 for the Council to undertake the bi-annual resident insight survey / engagement
  - **Strategy Delivery**; Budget provision of £130,000 has been built into the budget to support the delivery of varying strategies, to include Learning & Development and

## Transformation.

- 5.3 The **proposed budget and MTFP continues to support the ability for the Council to invest in the Transformation Programme, with £250,000 included annually over the period up to and including 2025/26.** This seed-funding will establish a dedicated team, supported by third party expertise, and will be further supplemented on an invest-to-save basis, with the programme intended to make a significant contribution towards the Council's forecast deficit to 2027/28, and boost overall financial capacity to further target resources to corporate plan priorities.
- 5.4 The 2022 triennial pension fund valuation was positive, confirming the fund was in overall surplus, to the extent that asset values were higher than scheme liabilities by 7.1%. **The Council will therefore not be required to make an annual deficit payment to the fund between 2023/24 and 2025/26.**
- 5.5 Tying in with the summary headings as used within appendix 2, other material changes not already referenced above in para 5.2 and greater than £50,000, or worthy of note, that have been made within the budgets in comparison to 2023/24 include;
- 5.5.1 Pay & Price Increases: +£2.450 million to 24/25
- **Pay Award**; additional budgeted pay award costs (including 2023/24 pay award beyond the original assumption anticipated) and incremental progression have totalled £2.150 million (this includes a pay award contingency built into the proposed 2024/25 budget)
  - **Inflation and cost increases**; £300,000 is included within the 2024/25 budget to allow for inflation, predominately in the cost of Vehicles and Plant.
- 5.5.2 Budget Adjustments relating to one-off items: +£188,000 to 24/25
- **Homelessness & Housing**; The continued proactive approach to supporting the prevention of homelessness means that officers have confidence £334,000 of the additional £1 million budget included within the homelessness service for 2023/24 can be removed from 2024/25.
  - **Other items** as listed in para 5.2 bring the total up to +£188,000.
- 5.5.3 Waste Service Change: +£136,000 to 24/25 / +£979,000 to 25/26
- **Transition**: costs allowed for within the MTFP total £286,000 to 2024/25, £615,000 to 2025/26 and £60,000 to 2026/27. An assumed £150,000 DEFRA contribution has been assumed for 2024/25.
  - **New Service Rollout**: expected to commence in 2025/26, new service delivery costs of £1.4 million have been assumed for 2025/26, with assumed EPR funding of £800,000. Full new service costs then take effect from 2026/27, with an assumption that EPR income continues, and that new burdens funding commences to bridge the gap in increased costs.
- 5.5.4 Ongoing Savings and Income Generation: -£2.421 million improvement to 24/25
- **Efficiency Programme and Fees and Charges Yield**
    - Garden and Trade Waste Charges have been reviewed, with new charges forecasting an additional yield of £376,000 to the Council.
    - New parking service charges with effect from 1 January 2024 are forecast to generate an additional net yield (after some direct service costs being taken into account) of £1.020 million to the Council for 2024/25.
    - Other fees and charges reviews have taken place, including the annual rent increase at Stillwater Park, new charges for street naming and numbering and charges across the foreshore.



- Procurement savings of £80,000 within the Waste service have been earmarked for re-investment back into the service to meet resource capacity needs.
- **Strategy Delivery**
  - Interest earnings have been particularly strong in 2023/24, and based on an assumed level of continued earnings, the budget for 2024/25 has been increased by £595,000, with this expected to reduce over the Medium Term.
  - Net (of MRP) additional investment property income of £375,000 has been added to the budget for 2024/25.
- **Payback Projects**
  - Payback business cases result in savings totalling £31,000 to 2024/25.
- **Net Other**
  - Minor adjustments across services result in a net other adjustment required of +£86,000.

#### 5.5.5 Alignment of budget to Priorities and New Budget Requirements: +£1.700 million to 24/25

- **Investments in Service Delivery**
  - The General Fund revenue budget will continue to make a valuable contribution over the Medium Term period to Capital Programme financing, with a total of £1.25 million assumed in 2024/25.
  - Additional capacity has been created in the Senior Leadership Team of the Council, and so the relevant increased budget of £80,000 has been allowed for within the 2024/25 General Fund budget.
  - Other new posts allowed for within the 2024/25 budget include;
    - Investment in an Organisational Development resource, to respond to our LGA HR Peer review and provide skills and capacity to support cultural change and transformation.
    - Investment in additional Legal Services resource, to support the new governance structure, broaden legal expertise and reduce out-sourcing
    - Investment in the LGA Graduate Scheme, to bring in one programme graduate to support key priorities and projects
    - Investment in Learning Management resource, to ensure our new training and development system delivers the full benefits
    - Investment in digital project delivery resource, to support the range of projects within the transformation programme.
- **New Budget Requirements**
  - As detailed in previous reporting, proposed changes by Hampshire County Council in recycling income arrangements have impacted this Council's 2024/25 budget by £400k. Work is ongoing with the county council and district councils on a new partnership agreement which will detail the new financial arrangements beyond 2024/25.
  - A review of the Public Sector Leasing Scheme and the relationship with Housing benefit subsidy limits has confirmed an additional budget requirement in this service of £200,000.
  - A move away from physical hardware (typically one-off capital cost) to cloud hosting, and a move away from long-standing HPSN arrangements, withdrawn by the County Council result in new revenue expenditure requirements of £230,000.
  - The new external audit fee from 2024/25 is £72,000 higher than the previous base fee (national level reset).
  - Anticipated capital financing charges and additional MRP costs have

been allowed for within the 2024/25 budget of £150,000 and £63,000 respectively.

- A budget of £8,000 has been set aside to commemorate the Council's 50<sup>th</sup> year, having been formed originally in 1974.

5.6 The report and Medium Term Financial Plan demonstrate that the Council is in a strong position to invest in its services and has planned for a significant level of new income and savings to help absorb the necessary cost increases and realignment of the budget to meet Corporate Plan priorities. However, as outlined further in section 6 of this report, there is still work to be done over the period covered by this Medium Term Financial Plan to deliver on and identify further options to support the production of a balanced budget to 2027/28.

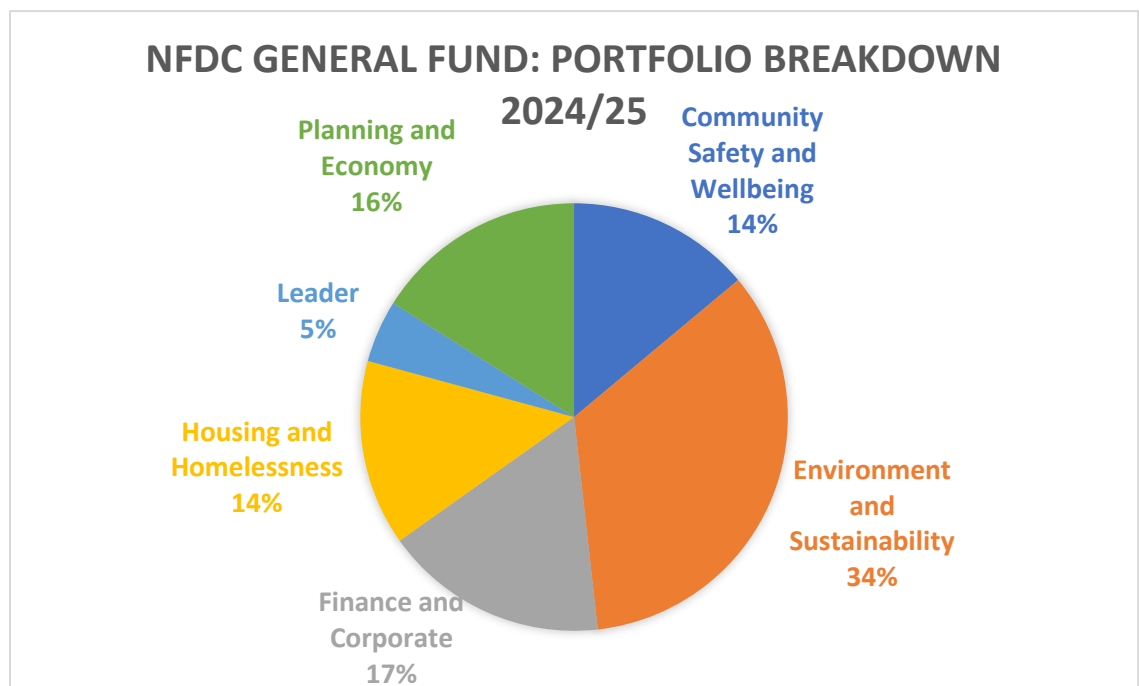
### 5.7 Planned use of and contributions to Reserves

Appendix 5d outlines all movements in reserves actioned in the 2024/25 General Fund revenue budget setting. In summary, the original 2023/24 budget allowed for net transfers from reserves totalling £284,060. In 2024/25, planned net transfers from reserves total £410,110. A full breakdown of the Transfer from and to are shown at Appendix 5d.

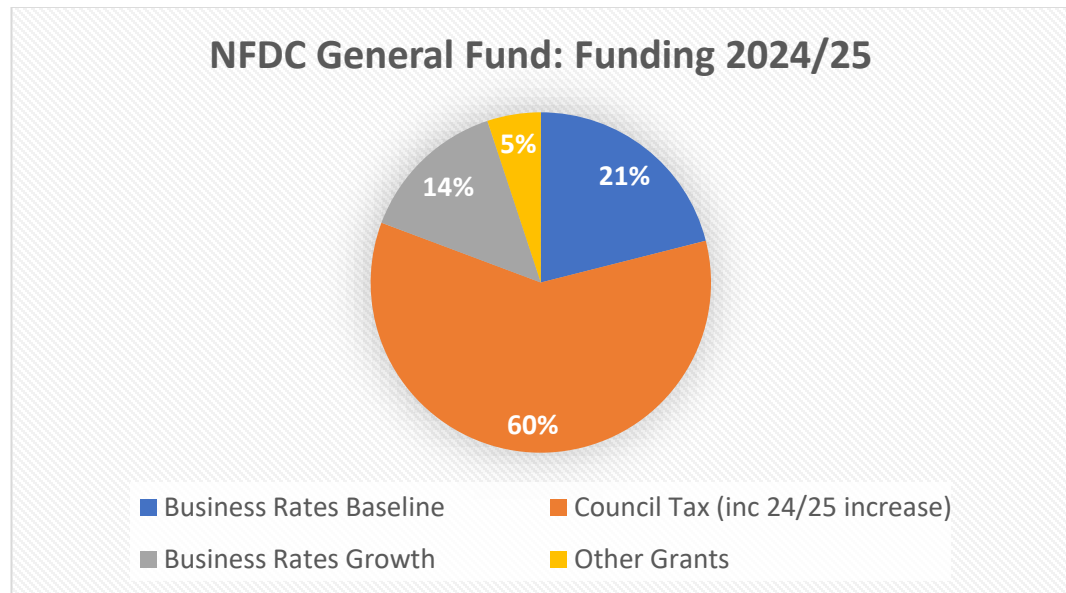
### 5.8 Summary of Proposals and Council Tax for 2024/25

5.8.1 The General Fund net budget requirement for 2024/25 will be £24.513 million (appendix 5a & 5b), an increase of £2.045 million on the 2023/24 budget requirement.

5.8.2 The General Fund budget is split across 6 Portfolios (as per appendix 5a). Due to their nature, the costs of some corporate resources end up across several/all Portfolios and so to support transparency, warrant separate inclusion as part of this budget setting report (appendix 5c). The breakdown of the 2024/25 budget at ultimate Portfolio level is as follows:



- 5.8.3 The budget is funded predominantly through Council Tax and Business Rates, with further support coming via central government grants:



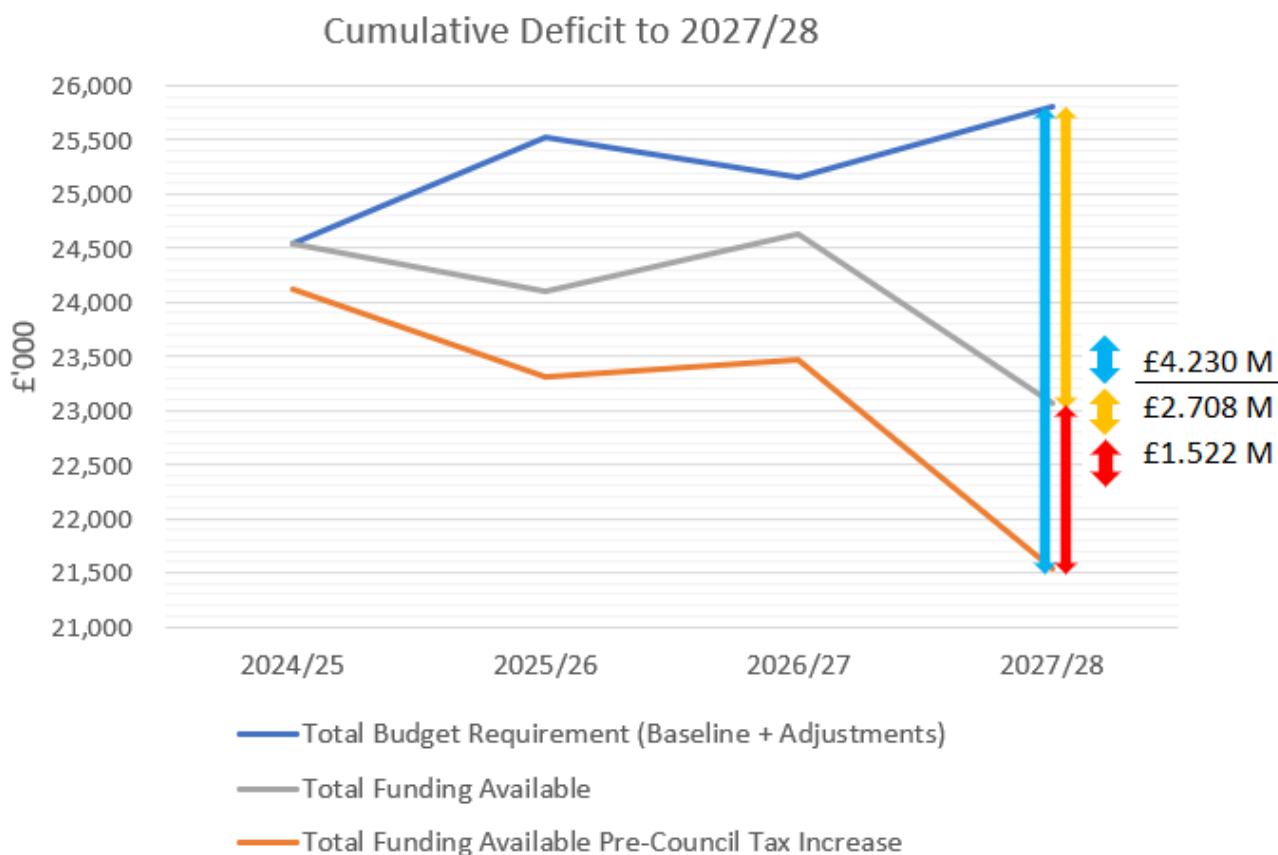
- 5.8.4 **The proposed balanced budget for 2024/25 includes a proposed New Forest district Council Band D Council Tax increase of £5.80 (2.99%), resulting in a New Forest District Precept of £199.79 for the year (equivalent to £3.83 / week for all services provided by New Forest District Council).**
- 5.8.5 Out of the overall General Fund Net Budget Requirement in 2024/25 of £24,513,250, the overall cost to be met by council taxpayers will be £14,459,100.

## 6. The Medium Term Position

- 6.1 Once again, a 1 year funding settlement has been made by the government leaving uncertainty over the medium term on the potential impact that the ongoing Fair Funding Review and the final design of the business rate retention scheme will have on individual local authorities. Both could have the ability to have a significant weighting on the availability of resources to fund Council services. The LGA and DCN continue to lobby the government on behalf of Local Government on a meaningful longer-term settlement to enable robust medium term financial planning. This will be picked up once again when a new government is formed, which will be by January 2025 at the latest.
- 6.2 The final 2024/25 local government finance settlement introduces some new additional funding to Local government, including this Council. The Council's reliance on Business Rates as a key funding source continues to be extremely prominent (35% of government determined resources for 2024/25). The Medium Term Financial Plan demonstrates that a significant proportion of the Council's funding is receivable through Business Rate income. Officers of the Council will await any government proposals with regards to changes to the current 50% retention scheme. The impact of a baseline reset is still included within the MTFP as a likely occurrence, but has been pushed back to 2027/28,

the last year covered by the MTFP.

- 6.3 At its meeting on the 7<sup>th</sup> February 2024, the Cabinet agreed to the recommendations as included within the 'Community Grants 2024/25' paper [[Agenda item 7](#)]. This confirmed the award of £277,140 of community grants for the 2024/25 financial year. The Council also has £28,800 budgeted under the Councillors grant scheme, resulting in total community grant awards of £305,940 for the year. The Cabinet committed to the review of the scheme for awards to be undertaken during 2024 for implementation in 2025/26. In support of that review, and in support of the Council recognising the important work that is undertaken by community organisations across the District, the Council's MTFP now allows for an increase in the overall sum available to £350,000, representing an increase of 14.4%. The working group and the overview and scrutiny panel will come up with the proposals as to how the additional funding is embedded within the overall community grant fund, and will set out recommendations to the Cabinet for implementation in the 2025/26 financial year.
- 6.4 The Medium Term summaries set out over appendices 1, 2 and 3 provide an outlook of the future years' budgets and are set out on a prudent basis using the latest known information. The December MTFP detailed some areas that have the potential to have a significant bearing on the Council's finances over the Medium Term, which are largely unquantified, or unconfirmed. The most significant impact is related to the immanent roll out of the new Waste Strategy. Whilst the headline financial implications are picked up in this MTFP update, more detail is covered on this topic in a report elsewhere on the Cabinet agenda [21<sup>st</sup> February 2024].
- 6.5 The Council will continue to work towards the financial strategy as set out in section 4 of this report to ensure the longer-term financial stability of the Council. The current Medium Term Financial Plan deficit to 2027/28 (appendix 2) of £2.708 million will be closed dependant on the;
- successful implementation of the commercial and residential property strategies to bring valuable new sources of additional income into the Council,
  - Council-wide focus on delivery and transformation to identify and deliver a programmed approach to assets, services and ways of working,
  - Council's ability to maximise its revenues through local taxation (the graph demonstrates below the severity of the budget deficit, IF annual Council Tax increase are not assumed); and
  - prudent use of budget equalisation reserves



## 7. Pay & Reward

7.1 A base pay award assumption of 3% is allowed for within the detailed budget for 2024/25 and between 2 - 2.5% throughout the MTFP. Based on high levels of inflation and the level of industrial action taking place across the public sector, there is always potential for settled pay awards to be larger over the short-medium term. As a result of this, and a backdrop of larger pay awards covering both 2022/23 and 2023/24, an allowance of £800,000 has been placed into a pay award contingency for 2024/25. The Employee Side Liaison Panel will keep abreast of developments on the 2024/25 pay bargaining negotiations as they progress during 2024.

## 8. Council Tax Premiums

8.1 On 12 December 2022 Council agreed, subject to the passing of the Levelling Up and Regeneration Bill, to:

- a) Apply a council tax premium of 100% to support the council in addressing the impact of second homes, as defined as a dwelling occupied periodically (there is no resident of the dwelling, and the dwelling is substantially furnished).
- b) Reduce the qualifying period for the empty homes council tax premium from two years to one year to reinforce the incentive for owners to bring empty properties back into use

8.2 The passing of the Levelling Up and Regeneration Bill 2023 gained royal ascent on the

26<sup>th</sup> October 2023, and so the Council is now in a position to make the necessary determination to apply the Premiums.

- 8.3 To apply the second homes council tax premium the Council first needs to make a determination at least one-year before the beginning of the financial year to which it relates and to enact the determination it must publish a notice in at least one local newspaper 21 days before the determination date. The formal determination is presented as Appendix A.
- 8.4 Where a property is empty and unfurnished, councils have discretion to apply a premium to encourage properties to be brought back into use. Previously a premium of 100% could be applied where a property had been unoccupied and unfurnished for more than 2 years, 200% where the property is empty for more than 5 years, and 300% where a property is empty for more than 10 years.
- 8.5 The Levelling Up and Regeneration Act 2023 states a dwelling is a long-term empty dwelling if it has been unoccupied and substantially unfurnished for a continuous period of at least 1 year. In accordance with section 11B of the Local Government Finance Act 1992, the Council determines that the amount of council tax payable in respect of such dwellings shall be increased as follows:
- a) in respect of any dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least 1 year, the council tax shall be increased by 100%
  - b) in respect of any dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least 5 years but less than ten years, the council tax shall be increased by 200%
  - c) in respect of any dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least 10 years, the council tax shall be increased by 300%
- 8.6 The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 has prescribed classes of dwelling for the purposes of section 11B in relation to which this determination may not be made as follows:
- dwellings which would be the sole or main residence of a person but which is empty while that person resides in accommodation provided by the Ministry of Defence by reason of their employment i.e. service personnel posted away from home.
  - dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property. If a class of dwelling is prescribed by reference to a period of time for which a condition is met, it does not matter whether the period begins before this determination comes into force
- 8.7 While not an exemption, government guidance states that consideration should be given for properties which are genuinely for sale or available to rent, and that owners should not be penalised in cases of hardship. These decisions are be made on a case-by-case basis and regularly reviewed.
- 8.8 All precepting authorities will gain additional Council Tax through the adoption of these

premiums. The largest growth will be seen by the County Council as the major precepting authority (representing a share of around 75% of the overall estimated premium income). As with this authority, the additional annual income will support the County Council closing their forecast budget deficit. The overall figures and the context for this Council's MTFP are as follows:

- a) from reducing the empty homes council tax premium qualifying period from two years to one from 1 April 2025, this would increase income by approximately £200,000, of which the council's share is £20,000. Assuming a reduction in occurrence of 30%, results in a Council share of £13,000.
- b) From applying the 100% council tax premium on second homes from 1 April 2025 this would increase income by an estimated £4m, of which the council's share is approximately £400,000. Assuming a reduction in occurrence of 30%, results in a Council share of £280,000. There is currently no mechanism in place to identify a property as a second home. The estimate is based on using existing data where we are aware a dwelling is occupied periodically. There is currently no need for homeowners to make the council aware that a property is a second home, however, once the premium is applied, homeowners will be required to let the council know if the property is a second home.

## **9. General Fund Capital Programme and Financing**

- 9.1 The Council's proposed General Fund Capital Programme for 2024/25 totals £16.579 million.
- 9.2 The Asset Maintenance and Replacement Budget and General Fund Capital Programme report presented to the Cabinet on 7<sup>th</sup> February 2024 gave the full detail at individual scheme level. This report includes the summarised programme and updated financing (to reflect the DEFRA grant towards food waste vehicles and containers) at appendix 7.
- 9.3 The Commercial and Residential Property Acquisition and Development Funds are not shown in the programme at appendix 7 because of the uncertainty around when funds will be required. The Council has established governance arrangements in place for the approval of funds, with each potential Commercial purchase demonstrating a strong link to supporting employment and the Economy within the District. The in-year financial reporting and updates to the Resources and Transformation Overview and Scrutiny Panel provide members with valuable updates on activity in this area.
- 9.4 A range of Prudential Indicators need to be approved prior to the start of each financial year. The Council's Capital Strategy presented to the Cabinet on 7<sup>th</sup> February 2024 included the key capital Indicators. The Treasury Management function and Investment Strategy for 2024/25 to 2026/27, including key indicators, were considered by the Audit Committee on 26<sup>th</sup> January 2024 and have been recommended to the Council for approval.

## **10. Robustness of Estimates and Adequacy of Reserves**

- 10.1 There are a range of safeguards in place to help prevent local authorities overcommitting themselves financially. These include the Chief Finance Officer's duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement

(England and Wales).

- 10.2 The 2024/25 budget has been constructed based on all latest information and considers all factors that will have an implication to 2024/25 that are in the Council's control. Budget variations in relation to high levels of inflation have been considered and included within the budget where appropriate. Income projections are sensible and not overinflated, and the full cost of the Council's staffing establishment is based on latest pay assumptions and is calculated in an appropriate level of detail. Senior Management across the Council engage with the Council's central finance team on the preparation of the detailed budgets, and only budgets that have the backing of senior management make it through to this budget setting report for consideration by members of the Cabinet.
- 10.3 In setting the General Fund Revenue Budget for 2024/25, the Council is contributing to the financing of the capital programme. The overall reserve transfers are clearly laid out in appendix 5d and are for specific purposes. Appendix 7 details the value of reserves to be utilised in financing the General Fund Capital Programme in 2024/25. The Council's Capital Strategy (Cabinet: 7<sup>th</sup> Feb 2024) takes this further to combine the General Fund and Housing Revenue Account Capital Programmes and details how reserves will be utilised in financing the delivery of these forecast programmes over the medium-term period. Use of reserves is supplemented where appropriate with borrowing, and an assessment is made on the affordability and proportionality of financing charges to the revenue budget.
- 10.4 The General Fund Balance reserve at £3m is considered to be adequate for 2024/25 considering the overall size of the Council's budget. This reserve balance will be reviewed during 2024/25 to take account of any significant delivery models that change resulting in a shift in retained risk to the Council. Variations in actual performance as compared to budget assumptions are inevitable in an organisation with a turnover as large as the Council's, especially when also considering the diverse range and complexities of services and differing levels of demand on those services throughout a fiscal period. Reserves exist, in particular the General Fund Balance reserve, to provide a cushion for these variations.
- 10.5 The Council's Chief Finance Officer is satisfied on the robustness of the estimates as included in the budget for 2024/25 and MTFP to 2027/28 and is able to provide assurance on the adequacy of reserves held by the Council.

## **11. Fees and Charges**

- 11.1 A fees and charges policy position was set and adopted by the Council in October 2023. It included an assumption on growth equivalent to 20% over the 3 year period to 2026/27.
- 11.2 Portfolio Holders have reviewed and proposed their fees and charges levels across several services for 2024/25 and these are documented throughout appendix 8.

## **12. Risk Management**

- 12.1 The budget for 2024/25 is based upon best estimates, but uncertainty still remains over the short term linked to inflation, and over the medium term, particularly surrounding the potential re-design of the Business Rate retention scheme (in replacement of all other central funding). It is vitally important that the Council continues with its prudent financial planning and continues to deliver the required savings/new income over the medium



term period.

- 12.2 The Council provides regular financial monitoring reports, providing valuable updates on the latest forecasts as against original expectations and has £3m in the General Fund Reserve, available to support service delivery budgets. The Council also has a Budget Equalisation Reserve, which exists to smooth out annual fluctuations in Council funding. Within this context, the budget as now presented to Cabinet is considered to be robust and deliverable.

### **13. Crime and Disorder / Equality and Diversity**

- 13.1 The Council's proposed budget for 2023/24 included a £300,000 budget allocated towards increased activity focused on Community Safety. Much of the delivery of this project will continue into 2024/25.
- 13.2 Over the Medium term, as the Council continually strives to provide quality services at maximum value for money, any potential Crime and Disorder AND Equality and Diversity implications will be covered as and when key decisions are made.

### **14. Environmental Implications**

- 14.1 The £250,000 annual budget allowed for within the Council's Medium Term Financial Plan will enable the Council to deliver critical priorities on its agreed Climate and Nature Emergency action plan and invest in carbon reduction projects and green initiatives. As the Council moves forwards with its climate action plan and longer-term strategy, the Medium Term Financial Plan will be reviewed and further reports brought forward as required.
- 14.2 The roll out of hybrid working has helped to reduce travelling time for officers across several departments of the Council and has improved the efficiency of a large proportion of office space. The Asset Maintenance and Replacement Programme will see energy efficient lighting installed in more areas of Council buildings and will replace older less economic vehicles with the latest and most up to date models.
- 14.3 The Council's proposed investment in a fleet infrastructure strategy will inform the Council on how it can make progress in delivering a more sustainable green fleet going forward.
- 14.4 Savings identified as a result of condensed working at ATC over the winter period have also generated sufficient savings to fund 50% of the cost to the Council to procure its utilities through the REGO tariff. This means that all of the Council's procured energy comes from 100% renewable energy sources. The remaining 50% of the cost will be covered through the sustainability budget.

### **15. Portfolio Holder Comments**

- 15.1 As we look to finalise the 2024/25 budget, confirmation of additional funding from central government has been welcome and puts us in a marginally better position than previously expected. I'm pleased that Business Rate income is also yielding positive growth to the Council for the 2024/25 financial year, whilst at the same time small businesses are able to benefit from government funded rates relief. However, looking

forward towards the end on the MTFP we are still looking at a potential significant deficit, albeit one that I am confident that we will be able to address.

- 15.2 Local government finances remain finely balanced, not helped by the possibility of an imminent general election, nor the continuing practice of receiving a one-year financial settlement which, in part, is closely aligned to the government agenda.
- 15.3 Such a delivery in funding adds to the need for the council to act in a prudent and measured way. This approach has served the residents of the New Forest well in the past enabling us to both deliver a balanced budget that continues to invest in our services, and be in a position to adapt to an ever changing financial environment.

**For Further Information Please Contact:**

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**Background Papers:**

MTFP – Oct '23  
MTFP – Dec '23  
Financial Monitoring – Nov '23  
Financial Monitoring – Feb '24  
Asset Maint. & Repl. – Feb '24  
Capital Strategy – Feb '24

## MEDIUM TERM FINANCIAL PLAN 2023 - 2027

## SUMMARY OF RESOURCES

## FUNDING

	2023/24	2024/25	2025/26	2026/27	2027/28
Original					
Budget	Forecast	Forecast	Forecast	Forecast	Forecast
£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Business Rates Baseline	4,146	4,330	4,417	4,505	4,595
Business Rates Baseline Indexing Compensation 22/23	327	327	327	327	327
Business Rates Baseline Indexing Compensation 23/24	379	379	379	379	379
Business Rates Baseline Indexing Compensation 24/25		130	130	130	130
- Business Rates Retained Surplus	2,869	3,485	3,500	3,500	
Transition Grant / Business Rate Redistribution (@40% / 20%)					1,400
New Homes Bonus	16	22			
Services Grant	155	25			
Funding Guarantee Grant	699	1,200			
Contribution to (-) / From Budget Equilisation Reserve					
<b>Total Government Determined Resources</b>	<b>8,591</b>	<b>9,898</b>	<b>8,753</b>	<b>8,841</b>	<b>6,831</b>
Council Tax					
Base from Previous Year	13,585	14,020	14,459	15,147	15,589
Tax Base Adjustment (Additional Properties)	30	18	73	75	77
Annual CT £ / % Increase	405	421	365	367	369
Council Tax Premiums			250		
<b>Total Council Tax</b>	<b>14,020</b>	<b>14,459</b>	<b>15,147</b>	<b>15,589</b>	<b>16,035</b>
- Business Rates Collection Fund Deficit(-) / Surplus	-390				
- Council Tax Collection Fund Deficit(-) / Surplus	262	179	200	200	200
<b>Total Collection Funds</b>	<b>-128</b>	<b>179</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>TOTAL FUNDING</b>	<b>22,483</b>	<b>24,536</b>	<b>24,100</b>	<b>24,630</b>	<b>23,066</b>
Cumulative Change from Original 2023/24		2,053	1,617	2,147	583
%age change		9%	7%	10%	3%

## 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
<b>Baseline Funding 2023/24</b>	22,483	22,483	22,483	22,483
<b>Budget Requirement 2024/25 - 2027/28</b>				
<b>Pay &amp; Price Increases</b>				
Pay Award (assumed 2.0% - 2.5%)	500	475	450	450
Pay Award (2023/24)	650			
Pay Award Contingency	800			
Increments	200	185	170	170
Prices - Insurance, Utilities, Fuel & Maintenance	100	100	100	100
Prices - Vehicles & Plant	200			
<b>Pay &amp; Price Increases</b>	<b>2,450</b>	<b>760</b>	<b>720</b>	<b>720</b>
<b>Cumulative Pay &amp; Price Increases</b>	<b>2,450</b>	<b>3,210</b>	<b>3,930</b>	<b>4,650</b>
<b>Budget adjustments relating to one-off items</b>				
Reversal of Increase in Homelessness	-334	-333	-333	
Strategy Delivery Budget	130	-130		
Investment in Fleet and Infrastructure Strategy	80	-80		
Investment in Parking Service Strategy	50	-50		
Investment in Local Plan (£1m over 3 yrs)	62	-62		
Investment in Local Plan Design Code	200	-200		
Planning: Strategic Sites	?	?	?	?
	188	-855	-333	0
<b>Waste Service Change</b>				
Investment in Waste Strategy Delivery (3 yr)		-100		
Transition Costs	286	329	-555	-60
Food Waste Transition Support	-150	150		
New Service Rollout		1,400	548	58
Food Waste New Burdens			-1,148	-58
EPR Funding		-800		
	136	979	-1,155	-60
<b>Ongoing Savings and Income Generation</b>				
Delivery Model Review - Electoral Review of the District	-60			
Fees & Charges Yield - Garden Waste	-330			
Fees & Charges Yield - Car Parking	-1,020			
Fees & Charges Yield - Other Services	-96			
Strategy Delivery - Treasury	-595	350	220	30
Strategy Delivery - Commercial	-375			
Payback - Waste Services Business Case	-31			
Net Other	86			
	-2,421	350	220	30
<b>Cumulative effect of Adjustments and Savings</b>	<b>-2,097</b>	<b>-1,623</b>	<b>-2,891</b>	<b>-2,921</b>

## MEDIUM TERM FINANCIAL PLAN 2023 - 2027

## SUMMARY OF BUDGET REQUIREMENT

**Alignment of Budget to Priorities and New Budget Requirements**

Investment in Delivery of Administration Priority; one-off funding

Investment in Delivery of Capital Programme (General)

Investment in Transformation (3 yr)

Investment in Senior Mangement Structure

Investment in Organisational Development Resource

Investment in Legal Services Resource

Investment in LGA Graduate Resource

Investment in LMS Resource

Investment in Digital Project Management Resource

Investment in Resident Insight Survey

Increase to Community Grants Fund

HCC; Waste Disposal Proposed Changes

PSL Scheme - Benefit Subsidy cost to NFDC

ICT Server Model (from capex to revenue cost)

External Audit Fee Appointment

Keyhaven Maintenance (return of budget removed)

Capital Financing Charges

MRP Charges

**Cumulative effect of New Requirements****Total Budget Requirement (Baseline + Adjustments)****Total Funding Available (as above)****Estimated Cumulative Surplus / Shortfall (-)**

	2024/25	2025/26	2026/27	2027/28
	Forecast	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
	-300			
	550	-250		
			-250	
	80			
	60			
	55			
	35			
	35		-35	
	25		25	
	25	-25	25	-25
		40		
	400		400	
	200			
	230			
	72			
	20			
	150			
	63			
	1,700	-235	165	-25
	1,700	1,465	1,630	1,605
	24,536	25,535	25,152	25,817
	24,536	24,143	24,673	23,109
	-0	-1,392	-479	-2,708

## MEDIUM TERM FINANCIAL PLAN 2023 - 2027

## OPTIONS IDENTIFIED TO CLOSE BUDGET SHORTFALL

	2024/25	2025/26	2026/27	2027/28
	Forecast	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
Treasury / Commercial / Residential Investment Income 2024/25				
Treasury / Commercial / Residential Investment Income 2025/26		250	250	250
Treasury / Commercial / Residential Investment Income 2026/27			250	250
<b>Cumulative Investment Income</b>	<b>0</b>	<b>250</b>	<b>500</b>	<b>500</b>
General Process Efficiency and Channel Shift	0	333	666	1,000
Accommodation Rationalisation	0	250	250	250
<b>Targeted Transformation Programme</b>	<b>0</b>	<b>583</b>	<b>916</b>	<b>1,250</b>
<b>Targeted Fees and Charges Growth</b>	<b>*built in</b>	<b>500</b>	<b>750</b>	<b>850</b>
<b>MTFP 24/25 Potential Impacts / Mitgations....</b>				
Impact OR Mitigation: Business Rate Changes	+/- ?	+/- ?	+/- ?	+/- ?
Impact OR Mitigation: Fair Funding Review	+/- ?	+/- ?	+/- ?	+/- ?
Mitigation: EPR Income from HMT	- ?	- ?	- ?	- ?
Mitigation: Tax Raising Flexibilities		- ?	- ?	- ?
Mitigation: Reduce RCCO	- ?	- ?	- ?	- ?
<b>Total of the Options Identified</b>	<b>0</b>	<b>1,333</b>	<b>2,166</b>	<b>2,600</b>
<b>Use of Equalisation Reserves (-) / Headroom (to support Capital) +</b>	<b>-0</b>	<b>-59</b>	<b>1,687</b>	<b>-108</b>

## Reserves Supporting the MTFP

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

## MEDIUM TERM FINANCIAL PLAN 2023-2027

	2023/24	2024/25	2025/26	2026/27
	£'000's	£'000's	£'000's	£'000's
<b>ASSET MAINTENANCE &amp; REPLACEMENT PROGRAMME</b>				
Asset Maintenance				
Health & Leisure Centres	500	750		
Offices, Depots & Outlying Buildings	200	170		
Feasibility Surveys	10			
Deployable CCTV Cameras	15			
Programme Contingency	65	41		
Cemeteries Footpaths		40		
Eling Experience		40		
Water Safety		21		
Public Conveniences		28		
	<b>790</b>	<b>1,090</b>	<b>1,050</b>	<b>1,050</b>
ICT Replacement Programme	150	150	150	150
Vehicles and Plant (Depreciation / MRP)	1,450	1,650	1,650	1,650
	<b>2,390</b>	<b>2,890</b>	<b>2,850</b>	<b>2,850</b>
Less: Proportion allocated to HRA	- 340	- 390	- 350	- 350
<b>Total Revenue Programme</b>	<b>2,050</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>ICT INVESTMENT AND THIRD PARTY GRANTS</b>				
ICT Strategy	625	625	625	625
Less: Proportion allocated to HRA	- 125	- 125	- 125	- 125
	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
Community Grants - 'One-off Construction'	92	100	100	100
	<b>592</b>	<b>600</b>	<b>600</b>	<b>600</b>
<b>Total Business Development and Third Party Programme</b>	<b>592</b>	<b>600</b>	<b>600</b>	<b>600</b>

## MEDIUM TERM FINANCIAL PLAN 2023-2027

## GENERAL FUND BUDGET 2024/25

## PORTFOLIO REQUIREMENTS

	2023/24 £'000's Budget	2024/25 £'000's Gross Expenditure	2024/25 £'000's Income	2024/25 £'000's Budget
Community Safety and Wellbeing	3,595	5,306	-1,838	3,468
Environment and Sustainability	8,083	18,108	-9,568	8,540
Finance and Corporate	3,700	35,972	-31,752	4,220
Housing and Homelessness	3,136	7,782	-4,283	3,499
Leader	923	1,316	-142	1,174
Planning and Economy	3,414	6,103	-2,106	3,997
	<b>22,851</b>	<b>74,587</b>	<b>-49,689</b>	<b>24,898</b>
Reversal of Depreciation	-1,823	0	-2,190	-2,190
Contribution to/(from) Earmarked Revenue Reserves	-283	259	-669	-410
<b>NET PORTFOLIO REQUIREMENTS</b>	<b>20,745</b>	<b>74,846</b>	<b>-52,548</b>	<b>22,298</b>

Minimum Revenue Provision	1,876	2,269	0	2,269
Contribution to Capital Programme Financing (RCCO)	700	1,250	0	1,250
Interest Costs	0	150	0	150
Interest Earnings	-837	0	-1,432	-1,432
New Homes Bonus	-16	0	-22	-22
<b>GENERAL FUND NET BUDGET REQUIREMENTS</b>	<b>22,468</b>	<b>78,515</b>	<b>-54,002</b>	<b>24,513</b>

COUNCIL TAX CALCULATION

Budget Requirement	22,468	78,515	-54,002	24,513
Less:				
Settlement Funding Assessment				
Services Grant	-155	0	-25	-25
Guarantee Grant (MHCLG)	-699	0	-1,200	-1,200
Business Rates Baseline	-4,147	32,992	-37,322	-4,330
	-5,001	32,992	-38,547	-5,555
Locally Retained Business Rates	-3,575	2,150	-6,470	-4,320
Estimated Collection Fund (Surplus)/Deficit Business Rates	390	1,305	0	1,305
Estimated Collection Fund (Surplus)/Deficit Council Tax	-262	0	-179	-179
Contribution from Business Rates Equalisation Reserve	0	0	-1,305	-1,305
<b>COUNCIL TAX</b>	<b>14,020</b>	<b>114,962</b>	<b>-100,503</b>	<b>14,459</b>

<b>TAX BASE NUMBER OF PROPERTIES</b>	<b>72,271.70</b>			<b>72,371.50</b>
<b>COUNCIL TAX PER BAND D PROPERTY</b>	<b>193.99</b>			<b>199.79</b>
<b>GENERAL FUND BALANCE 31 MARCH</b>	<b>3,000</b>			<b>3,000</b>



## MEDIUM TERM FINANCIAL PLAN 2023-2027

## ANALYSIS OF GROSS PORTFOLIO REQUIREMENTS

	Employees	Premises	Transport	Supplies and Services	Support Services	Capital Charge	Gross Expenditure	Income	Budget
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>2024/25</b>									
Community Safety and Wellbeing	2,748	796	0	1,288	468	6	5,306	-1,838	3,468
Environment and Sustainability	10,362	2,291	2,765	1,487	768	435	18,108	-9,568	8,540
Finance and Corporate	5,698	402	17	29,413	432	10	35,972	-31,752	4,220
Housing and Homelessness Leader	2,324	323	0	4,738	397	0	7,782	-4,283	3,499
Leader	699	11	3	493	110	0	1,316	-142	1,174
Planning and Economy	4,474	21	0	843	765	0	6,103	-2,106	3,997
	<b>26,305</b>	<b>3,844</b>	<b>2,785</b>	<b>38,262</b>	<b>2,940</b>	<b>451</b>	<b>74,587</b>	<b>-49,689</b>	<b>24,898</b>
<b>2023/24</b>									
Community Safety and Wellbeing	2,574	560	0	1,660	432	6	5,232	-1,637	3,595
Environment and Sustainability	9,270	2,081	2,514	1,118	669	355	16,007	-7,924	8,083
Finance and Corporate	4,890	414	17	31,273	377	1	36,972	-33,272	3,700
Housing and Homelessness Leader	2,195	313	0	5,029	376	0	7,913	-4,777	3,136
Leader	537	11	3	427	87	0	1,065	-142	923
Planning and Economy	4,185	23	0	378	717	0	5,303	-1,889	3,414
	<b>23,651</b>	<b>3,402</b>	<b>2,534</b>	<b>39,885</b>	<b>2,658</b>	<b>362</b>	<b>72,492</b>	<b>-49,641</b>	<b>22,851</b>
<b>Difference in 2023/24 to 2024/25</b>									
Community Safety and Wellbeing	174	236	0	-372	36	0	74	-201	-127
Environment and Sustainability	1,092	210	251	369	99	80	2,101	-1,644	457
Finance and Corporate	808	-12	0	-1,860	55	9	-1,000	1,520	520
Housing and Homelessness Leader	129	10	0	-291	21	0	-131	494	363
Leader	162	0	0	66	23	0	251	0	251
Planning and Economy	289	-2	0	465	48	0	800	-217	583
	<b>2,654</b>	<b>442</b>	<b>251</b>	<b>-1,623</b>	<b>282</b>	<b>89</b>	<b>2,095</b>	<b>-48</b>	<b>2,047</b>

## MEDIUM TERM FINANCIAL PLAN 2023-2027

CENTRAL SUPPORT SERVICE BUSINESS  
UNITS

## 2024/25

	Employees	Premises	Transport	Supplies and Services	Support Services	Capital Charge	Gross Expenditure	External Income	Budget
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Human Resources (704)	492	27	2	57	199	0	777	-33	744
Community & Business Improvement (713)	364	7	0	1	6	0	378	0	378
Communications (716)	348	10	1	12	30	0	401	0	401
Legal Services (742)	363	7	1	52	142	0	565	-1	564
Information, Governance and Complaints (743)	134	6	0	4	8	0	152	0	152
Secretarial Services (724)	290	11	0	7	45	0	353	0	353
ICT (736)	1,409	39	1	9	71	0	1,529	0	1,529
ICT Maint./Licences/Phones (738)	0	0	0	1,252	0	0	1,252	0	1,252
ICT Communications (740)	0	0	0	739	0	0	739	-6	733
Customer Services (732)	383	17	1	3	71	0	475	0	475
Courier (722)	30	0	12	0	2	0	44	0	44
Information Offices (731)	346	143	2	15	22	0	528	-4	524
Support Services (762)	284	16	0	23	40	0	363	0	363
Sundry Debtors (766)	120	4	0	22	25	0	171	-1	170
Accountancy (780)	613	18	1	11	102	0	745	-30	715
Internal Health and Safety (822)	203	6	2	17	16	0	244	0	244
Hsg Maint - Shared Support Hub (890)	715	57	2	11	86	0	871	0	871
Hsg Maint - Operations Management (891)	661	77	44	15	54	0	851	0	851
Site Officers (960)	147	11	0	2	27	0	187	0	187
Central Procurement (964)	346	9	1	10	67	0	433	-1	432
Valuers (970)	316	7	3	20	70	0	416	-82	334
Property Services (976)	238	7	3	59	39	0	346	0	346
Building Cleaning - Offices (P255)	85	0	0	2	21	0	108	0	108
	<b>7,887</b>	<b>479</b>	<b>76</b>	<b>2,343</b>	<b>1,143</b>	<b>0</b>	<b>11,928</b>	<b>-158</b>	<b>11,770</b>

## MEDIUM TERM FINANCIAL PLAN 2023-2027

GENERAL FUND REVENUE BUDGET -  
MOVEMENT IN RESERVES

	Contribution From(-) / To Reserves in 2023/24	Reserve Transfers not required / possible in 2024/25	Contribution From(-) / To Reserves for 2024/25	Use of (-) / Contributions to reserves in 2024/25
	£'000's	£'000's	£'000's	£'000's
<b>Contribution from Reserves</b>				
District Council Elections	-132	132		0
Community Housing Fund	-13			-13
Open space Maintenance	-56			-56
Building Control	-63		23	-40
Local Plan	0		-154	-154
Recreation Mitigation	0		-11	-11
Committed Schemes - Transformation	-80			-80
Ukraine Families	0		-314	-314
	-344	132	-456	-668
<b>Contribution to Reserves</b>				
District Council Elections	0		64	64
Lymington STP	20			20
Local Plan Design Code	0		134	134
Insurance	40			40
	60	0	198	258
<b>Total Contribution from (-) / to reserves</b>	<b>-284</b>	<b>132</b>	<b>-258</b>	<b>-410</b>

## **NEW FOREST DISTRICT COUNCIL**

### **COUNCIL TAX – DETERMINATIONS OF DWELLINGS OCCUPIED PERIODICALLY AND LONG TERM EMPTY DWELLINGS**

In accordance with the provisions of sections 11A, 11B and 11C of the Local Government Finance Act 1992 as inserted or amended by the Local Government Act 2003, the Local Government Finance Act 2012, the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 and the Levelling Up and Regeneration Act 2023, the Council makes the following determination which will come into force from 1 April 2025.

#### **Second Homes**

A dwelling is occupied periodically if there is no resident of the dwelling, and the dwelling is substantially furnished. In accordance with section 11C of the Local Government Finance Act 1992, the Council determines that the amount of council tax payable in respect of such dwellings is increased by 100%.

The Secretary of State may by regulations prescribe one or more classes of dwelling in relation to which this determination may not be made. As this is the Council's first determination under this section, it must be made at least one year before the beginning of the financial year to which it relates. This part of the determination therefore has effect for financial years beginning on or after 1 April 2025, and should further regulations be laid these will be considered in 2024/25.

#### **Higher amounts for long term empty dwellings**

A dwelling is a long-term empty dwelling if it has been unoccupied and substantially unfurnished for a continuous period of at least 1 year, previously 2 years. In accordance with section 11B of the Local Government Finance Act 1992, the Council determines that the amount of council tax payable in respect of such dwellings shall be increased as follows:

- (a) in respect of any dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least 1 year, the council tax shall be increased by 100%
- (b) in respect of any dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least 5 years but less than ten years, the council tax shall be increased by 200%
- (c) in respect of any dwelling that has been unoccupied and substantially unfurnished for a continuous period of at least 10 years, the council tax shall be increased by 300%

The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 as amended by The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 has prescribed classes of dwelling for the purposes of section 11B in relation to which this determination may not be made as follows:

- dwellings which would be the sole or main residence of a person but which is empty while that person resides in accommodation provided by the Ministry of Defence by reason of their employment i.e. service personnel posted away from home.
- dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property. If a class of dwelling is prescribed by reference to a period of time for which a condition is met, it does not matter whether the period begins before this determination comes into force

While not an exemption, government guidance states that consideration should be given for properties which are genuinely for sale or available to rent, and that owners should not be penalised in cases of hardship. These decisions are made on a case-by-case basis and regularly reviewed.

## MEDIUM TERM FINANCIAL PLAN 2023-2027

## CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

	Portfolio	PROJECT REQUIREMENTS £			ORIGINAL 2024/25 PROJECT FINANCING £			
		2024/25	2025/26	2026/27	NFDC Resources / Loan	Better Care Fund	Grant / Income	DC / CIL
UK Shared Prosperity Fund	LEADER / ALL	208,000					208,000	
Rural England Prosperity Fund	LEADER	300,000					300,000	
Disabled Facilities Grants	HOU (GF)	1,500,000	1,500,000	1,500,000		1,500,000		
Sustainability Fund - Unallocated	ENV & SUSTAIN	250,000	250,000	250,000	250,000			
Strategic Regional Coastal Monitoring (22-27)	ENV & SUSTAIN	2,667,000	2,829,000	2,216,000			2,667,000	
Barton Horizontal Directional Drilling Trials	ENV & SUSTAIN	260,000			120,000		140,000	
Hurst Spit Beach Shingle Source Study	ENV & SUSTAIN	100,000	58,000				100,000	
Milford Beach and Cliff Study	ENV & SUSTAIN	100,000	180,000				100,000	
Milford - Sea Wall Construction Works	ENV & SUSTAIN	100,000			100,000			
Waste Strategy Containers	ENV & SUSTAIN	1,025,000	4,550,000		940,000		85,000	
New Depot Site: Hardley	FIN & CORP	4,372,000	104,000		4,372,000			
Ringwood Depot: Extension and Works	FIN & CORP	250,000			250,000			
V&P; Replacement Programme	FIN & CORP	2,102,000	996,000	1,000,000	2,102,000			
V&P; Replacement Programme - Waste Strategy Vehicles	FIN & CORP	885,000	3,730,000	453,000	385,000		500,000	
Asset Modernisation Programme	FIN & CORP	300,000	300,000	300,000	300,000			
ATC East Wing Boiler Replacement	FIN & CORP	160,000			62,000		98,000	
Mitigation Schemes	PLAN & ECON	1,000,000	1,000,000	1,000,000				1,000,000
Infrastructure Projects	PLAN & ECON	1,000,000						1,000,000
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>		<b>16,579,000</b>	<b>15,497,000</b>	<b>6,719,000</b>	<b>8,881,000</b>	<b>1,500,000</b>	<b>4,198,000</b>	<b>2,000,000</b>
								<b>16,579,000</b>
<b>LOAN FINANCED</b>				<b>Vehicles, Plant &amp; Containers</b>	<b>-3,427,000</b>			
<b>RESIDUAL NFDC RESOURCES</b>					<b>5,454,000</b>			

**COMMUNITY, SAFETY & WELLBEING**  
**PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

	Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %
<b>With effect from 1<sup>st</sup> April 2024 (all shown are excluding VAT)</b>				
<b><u>Stray Dogs*</u></b>				
Stray dogs - administration charge	50.00	50.00	-	-
Stray dogs - daily kennelling charge	22.00	22.00	-	-
Dog fouling - fixed penalty fee	50.00	50.00	-	-
<b><u>Contaminated Land - No Fee applicable</u></b>				
CL Enquiry - Residential premises - per hour	45.00	n/a	n/a	n/a
CL Enquiry -Business premises - per hour	45.00	n/a	n/a	n/a
Additional research fee charge - per hour	18.75	n/a	n/a	n/a
<b><u>Air Pollution Consent Information</u></b>				
PPC Pre Application advice (per Hour)	45.00	47.00	2.00	4.4
<b><u>Food Hygiene*</u></b>				
Food safety re-inspections	210.00	226.00	16.00	7.6
Food export certificates - initial visit	101.00	108.00	7.00	6.9
Food export certificates - per certificate	46.00	49.00	3.00	6.5
Primary Authority - per hour	70.00	81.00	11.00	15.7
Primary Authority set up package	700.00	805.00	105.00	15.0
<b><u>Impounding of Livestock</u></b>				
Fixed penalty per animal		<-----Actual Cost----->		
Feeding charge per animal per day		<-----Actual Cost----->		
<b><u>Drain Clearance/Repair</u></b>				
Drain clearance/repair (default work)*		<-----Actual Cost of works plus Officer Costs----->		
<b><u>Private Water Supplies*</u></b>				
Sampling	41.00	44.00	3.00	7.3
<i>Analysis Costs</i>				
Small Domestic Supply		<-----Actual Cost----->		
Check monitoring of large/commercial supplies		<-----Actual Cost----->		
Audit Monitoring of large/commercial supplies		<-----Actual Cost----->		
Risk Assessment	41.00	44.00	3.00	7.3
Investigation of water quality failure	41.00	44.00	3.00	7.3
Granting of an authorisation	41.00	44.00	3.00	7.3
<b><u>Scrap Metal Dealers *</u></b>				
Scrap Metal Dealer - Site	167.00	192.00	25.00	15.0
Scrap Metal Dealer - Collector	123.00	142.00	19.00	15.4

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

**COMMUNITY, SAFETY & WELLBEING (continued)**  
**PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

	Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %
<b>With effect from 1<sup>st</sup> April 2024 (all shown are excluding VAT)</b>				
<b>CARELINE SERVICES</b>				
<b>One off fee</b>				
Installation (standard)	43.89	48.00	4.11	9.4
Installation (specific time/date)	64.99	66.00	1.01	1.6
Urgent hospital discharge installation	43.89	55.00	11.11	25.3
Activation Fee - New digital customers only - New Fee	-	50.00	n/a	n/a
Activation Fee - Existing customers (Analogue or digital) - New Fee	-	25.00	n/a	n/a
Digital Smart Life Unit - New Fee	-	250.00	n/a	n/a
Call out fee (damage and misuse)	19.99	25.00	5.01	25.1
Loan pendant - Admin fee (office based)	16.82	18.00	1.18	7.0
Loan pendant re-programme - call out fee - New Fee	-	25.00	n/a	n/a
Loan pendant re-programme - client re-programme - New	-	FOC	n/a	n/a
Lost pendant replacement	54.25	54.25	-	-
Additional user set up fee (post installation) - New Fee	-	18.00	n/a	n/a
Call out fee - reinstallation & reprogramming of additional sensors added to existing alarm equip	19.99	25.00	5.01	25.1
Equipment disconnection and collection charge	32.25	35.00	2.75	8.5
Wristband annual fee	25.00	25.00	-	-
2 Metre multi socket	5.49	8.24	2.75	50.1
5 metre multi socket	6.30	9.45	3.15	50.0
<b>Service and equipment rental</b>				
Lifeline rental	4.08	4.08	-	-
Monitoring only	2.10	2.10	-	-
SIM Card - digital only	1.00	1.00	-	-
Fall detector	1.49	1.59	0.10	6.7
Smoke detector	0.91	0.99	0.08	8.8
Carbon monoxide detector	1.77	1.85	0.08	4.5
Additional pendant	0.78	0.85	0.07	9.0
Wristband	0.51	0.51	-	-
Safe socket	0.33	0.33	-	-
<b>Replacement charges for damaged or non-returned units</b>				
Community alarm (400 connect, Vi or Reach)	157.33	157.33	-	-
Digital Smart Life (unit only) - New Fee	-	250.00	n/a	n/a
Pendant (My Armie or Tynetec)	54.25	54.25	-	-
Vi or Vibby fall detector	108.50	108.50	-	-
ID wristband	5.00	5.00	-	-
Alarm unit power supply cable	27.13	27.13	-	-
Telephone adaptor	5.43	5.43	-	-
BT cable	9.77	9.77	-	-
ADSL filter	8.68	8.68	-	-
Safe socket	10.85	10.85	-	-

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

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



**ENVIRONMENT & SUSTAINABILITY PORTFOLIO**  
**PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

			Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %
<b>With effect from 1<sup>st</sup> April 2024 (all shown are excluding VAT)</b>						
<b>REFUSE SACKS</b>						
Domestic Sacks*	Black	Per roll (of 26)	6.50	7.00	0.50	7.7
	Clear	Per roll (of 36)	2.50	2.75	0.25	10.0
<b>SPECIAL COLLECTIONS*</b>						
Special Collection (1 item)			39.00	43.00	4.00	10.3
extra items (per item - maximum of eight)			10.50	11.50	1.00	9.5
1 free collection up to 3 items per household claiming benefits						
# 48 hours notice must be given to qualify for refund.						
<b>BEACH HUTS</b>						
<b>Transfer Fee (Sale or Transfer of Private Huts)</b>						
All Sites			400.00	540.00	140.0	35.0
<b>Site Rent Residents</b>						
Milford-on-Sea	concrete (per standard hut) per annum		532.50	612.38	79.88	15.0
Barton-on-Sea	Sq. m	up to 5.0	421.67	484.92	63.25	15.0
		5.01 - 7.0	480.83	552.95	72.12	15.0
		7.01 - 12.0	530.83	610.45	79.62	15.0
		12.01 - 14.0	593.33	682.33	89.00	15.0
		14.1 - 16.0	624.17	717.80	93.63	15.0
		over 16.0	654.17	752.30	98.13	15.0
Calshot & Hordle Cliff	Sq. m	up to 5.0	480.00	552.00	72.00	15.0
		5.01 - 7.0	529.17	608.55	79.38	15.0
		7.01 - 12.0	592.50	681.38	88.88	15.0
		12.01 - 14.0	630.83	725.45	94.62	15.0
		14.1 - 16.0	663.33	762.83	99.50	15.0
		over 16.0	693.33	797.33	104.00	15.0
<b>Site Rent Non - Residents</b>						
Milford-on-Sea	concrete (per sta)per annum		708.33	814.58	106.25	15.0
Barton-on-Sea	Sq. m	up to 5.0	630.83	725.45	94.62	15.0
		5.01 - 7.0	667.50	767.63	100.13	15.0
		7.01 - 12.0	710.00	816.50	106.50	15.0
		12.01 - 14.0	747.50	859.63	112.13	15.0
		14.1 - 16.0	778.33	895.08	116.75	15.0
		over 16.0	809.17	930.55	121.38	15.0
Calshot & Hordle Cliff	Sq. m	up to 5.0	659.17	758.05	98.88	15.0
		5.01 - 7.0	708.33	814.58	106.25	15.0
		7.01 - 12.0	771.67	887.42	115.75	15.0
		12.01 - 14.0	815.00	937.25	122.25	15.0
		14.1 - 16.0	846.67	973.67	127.00	15.0
		over 16.0	877.50	1,009.13	131.63	15.0
<b>PEST CONTROL</b>						
<b>Rodent Control</b>						
Domestic Premises	Call out/Survey and up to 3 additional visits #		137.50	150.00	12.50	9.1
	Single additional visit		37.50	41.67	4.17	11.1
Business Premises	Call out and survey		137.50	150.00	12.50	9.1
	Treatment via quote for visits or annual contract		<---Subject to quotation--->			
# 50% reduction to those on recognised benefits (rodent control)						
<b>Insect Control</b>						
Wasps and Hornets - complete treatment			79.17	87.50	8.33	10.5
Call out			79.17	87.50	8.33	10.5
15 mins visit per operative (fleas, wasps, carpet moths and carpet)			20.83	25.00	4.17	20.0
Fleas - carpet moths & carpet beetles - Call Out and single treatment			100.00	108.33	8.33	8.3
Bed Bugs - Call Out and Survey			75.00	83.33	8.33	11.1
Bed Bugs - Treatment			<---Subject to quotation--->			

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

**ENVIRONMENT & SUSTAINABILITY PORTFOLIO (continued 1)****PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

	Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %
<b>With effect from 1<sup>st</sup> April 2024 (all shown are excluding VAT)</b>				
<b>COASTAL</b>				
School, College and University Coastal Education Talks On site talk by Coastal Engineer*	100.00	100.00	-	-
<b>CEMETERIES*</b>				
<b>The fees shown below are applicable to those who have resided within New Forest District.</b>				
<b>Those who qualify for the Resident Fees will incur the 50% discount. Non-Resident Applicants will incur the Fee in full.</b>				
<b>For a full breakdown of the criteria qualifying Resident Fees please consult the current Cemetery Regulations.</b>				
<b>Interment Fees</b>				
Interment of ashes in cremated remains section	360.00	385.00	25.00	6.9
Interment of ashes in a grave or woodland grave	360.00	385.00	25.00	6.9
* Child (up to and including 17 years). NFDC claim all child-related fees from the Children's Funeral Fund for England. These fees are for information only.	Fee dependent upon interment	Fee dependent upon interment	-	-
<i>Person over 17 years:</i>				
Single / double depth grave	770.00	825.00	55.00	7.1
Single / double depth grave in a traditional kerbed section - within specific sections and cemeteries	980.00	1,050.00	70.00	7.1
Use of memorial garden	115.00	120.00	5.00	4.3
Burial chamber for uncoffined burials	1,820.00	1,950.00	130.00	7.1
Postponement or cancellation (less than 48 working hours notice)	Interment Fee	Interment Fee	-	-
Burial on Saturday	Interment Fee + 50%	Interment Fee + 50%	-	-
<b>Purchase of Exclusive Right of Burial (EROB)</b>				
Cremated remains section	400.00	430.00	30.00	7.5
Woodland cremated remains section	520.00	555.00	35.00	6.7
* Single depth child grave within the Children's Section. NFDC claim all child-related fees from Children's Funeral Fund for England. These fees are for information only	Fee dependent upon plot type.	Fee dependent upon plot type.	-	-
Lawn and woodland sections	985.00	1,055.00	70.00	7.1
Eling lawn section with memorial ground support	1,085.00	1,160.00	75.00	6.9
Traditional kerbed section - within specific sections and cemeteries	1,535.00	1,645.00	110.00	7.2
Purchase of a burial plot requiring 2 grave spaces	2 burial plot fees	2 burial plot fees	-	-
<b>Additional Administration of Exclusive Right of Burial</b>				
Family organised interment - administration	145.00	160.00	15.00	10.3
Location of burial plot selected by purchaser	250.00	265.00	15.00	6.0
Assignment / Transfer of EROB	155.00	165.00	10.00	6.5
Re-issue of EROB	60.00	65.00	5.00	8.3
Surrender or cancellation of EROB - pro-rata refund	No charge	No charge	-	-
<b>Memorial Fees</b>				
Permission to erect or amend a memorial	190.00	205.00	15.00	7.9
related fees from Children's Funeral Fund for England. These fees are for information only	190.00	205.00	15.00	7.9
Permission to erect or amend a memorial with kerbstone in designated traditional sections only - with application	380.00	410.00	30.00	7.9
Permission for offsite repair or maintenance of memorial - with application	60.00	65.00	5.00	8.3
Permission for <i>in situ</i> repair or maintenance of memorial - with application	No charge	No charge	-	-
Purchase of a woodland plaque and vase with plinth +VAT - with application	POA	POA	-	-
Purchase of a woodland or a memorial garden plaque only +VAT - with application	POA	POA	-	-
Purchase of an NFDC owned memorial bench plaque only +VAT - with application	POA	POA	-	-
<b>Sundry Fees</b>				
Use of chapel - included in interment fee and subject to availability	No charge	95.00	n/a	n/a
Research fees per hour - minimum 1 hour	60.00	65.00	5.00	8.3

\* NFDC claim all child-related fees from Children's Funeral Fund for England. These fees are for information only.

For further information: <https://www.gov.uk/child-funeral-costs>

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

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

**ENVIRONMENT & SUSTAINABILITY PORTFOLIO (continued 2)****PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

With effect from 1 <sup>st</sup> April 2024 (all shown are excluding VAT)			Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %	
<b>ABANDONED VEHICLES*</b>							
<b>Removal</b>							
Less than 3.5 tonnes		On-road	150.00	192.00	42.00	28.0	
		On-road, damaged	250.00	320.00	70.00	28.0	
3.5 to 7.5 tonnes		Off-road	200.00	256.00	56.00	28.0	
		Off-road, damaged	300.00	384.00	84.00	28.0	
		On-road	200.00	256.00	56.00	28.0	
		On-road, damaged	650.00	832.00	182.00	28.0	
7.5 to 18 tonnes		Off-road	400.00	512.00	112.00	28.0	
		Off-road, damaged	850.00	1,089.00	239.00	28.1	
		On-road	350.00	448.00	98.00	28.0	
		Unladen On-road, damaged	2,000.00	2,561.00	561.00	28.1	
		Laden "	3,000.00	3,842.00	842.00	28.1	
		Unladen Off-road	1,000.00	1,281.00	281.00	28.1	
		Laden "	1,500.00	1,921.00	421.00	28.1	
		Unladen Off-road, damaged	3,000.00	3,842.00	842.00	28.1	
		Laden "	4,500.00	5,763.00	1,263.00	28.1	
		On-road	350.00	448.00	98.00	28.0	
More than 18 tonnes		Unladen On-road, damaged	3,000.00	3,842.00	842.00	28.1	
		Laden "	4,500.00	5,763.00	1,263.00	28.1	
		Unladen Off-road	1,500.00	1,921.00	421.00	28.1	
		Laden "	2,000.00	2,561.00	561.00	28.1	
		Unladen Off-road, damaged	4,500.00	5,763.00	1,263.00	28.1	
		Laden "	6,000.00	7,684.00	1,684.00	28.1	
	<b>Storage - per day</b>						
			Two wheeled	10.00	13.00	3.00	30.0
		Less than 3.5 tonnes	20.00	26.00	6.00	30.0	
		3.5 to 7.5 tonnes	25.00	32.00	7.00	28.0	
		7.5 to 18 tonnes	30.00	38.00	8.00	26.7	
		More than 18 tonnes	35.00	45.00	10.00	28.6	
<b>Disposal</b>							
		Two wheeled	50.00	64.00	14.00	28.0	
		Less than 3.5 tonnes	75.00	96.00	21.00	28.0	
		3.5 to 7.5 tonnes	100.00	128.00	28.00	28.0	
		7.5 to 18 tonnes	125.00	160.00	35.00	28.0	
		More than 18 tonnes	150.00	192.00	42.00	28.0	
<b>ENVIRONMENTAL ENFORCEMENT - FIXED PENALTY CHARGES*</b>							
<b>Full charge:</b>							
<b>Environmental Protection Act 1990;</b>							
		Unauthorised deposit of waste (S.33ZA)	400.00	750.00	350.00	87.5	
<b>SACKS</b>							
	<b>Dog Waste Bags</b>	Per 100 Sacks + VAT	0.83	0.90	0.07	8.4	
<b>ROAD CLOSURES*</b>							
		Road closure Order (TPCA 1847)	160.00	184.00	24.00	15.0	

NOTE: VAT. Charges are exclusive of VAT.

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

**ENVIRONMENT & SUSTAINABILITY PORTFOLIO (continued 3)**  
**PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

		Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %	
<b><u>TRADE WASTE CHARGES*</u></b>						
<b><u>REFUSE*</u></b>						
<b>Green Sacks</b>	Per Roll - 10 sacks	19.50	22.00	2.50	12.8	
	Box of 30 rolls	410.00	459.00	49.00	12.0	
<b>Delivery Charge</b>	Sack delivery charge (orders <u>under</u> £40)	5.75	6.50	0.75	13.0	
	Sack delivery charge (orders <u>over</u> £40)	Free	Free	Free	-	
<b>Regular Collection Green Sacks (charges per week)</b>	<b>Charge Band</b>					
	<b>No. sacks per week</b>					
	A	0-15	20.10	22.50	2.40	11.9
	B	16-30	35.70	40.00	4.30	12.0
	C	31-45	51.30	57.50	6.20	12.1
D	45-60	65.70	73.50	7.80	11.9	
<b><u>MIXED RECYCLING (cans, paper, card, plastic bottles)*</u></b>						
<b>Clear Sacks</b>	Per Roll - 36 sacks	25.50	28.50	3.00	11.8	
<b>Stickers</b>	Recycling stickers (for affixing to bundles of cardboard) per roll - 36 stickers	25.50	28.50	3.00	11.8	
<b>Delivery Charge</b>	Sack/sticker delivery charge (orders <u>under</u> £40)	5.75	6.50	0.75	13.0	
	Sack/sticker delivery charge (orders <u>over</u> £40)	Free	Free	Free	-	
<b>1100 litre bin (charges per annum)</b>	Weekly Collection	620.00	694.50	74.50	12.0	
	Fortnightly Collection	325.00	364.00	39.00	12.0	
	Monthly Collection	265.00	297.00	32.00	12.1	
<b><u>GLASS RECYCLING*</u></b>						
<b>1100 litre bin (charges per annum)</b>	Fortnightly Collection	265.00	297.00	32.00	12.1	
	Monthly Collection	132.00	148.00	16.00	12.1	
<b>360 litre bin (charges per annum)</b>	Fortnightly Collection	109.00	122.00	13.00	11.9	
	Monthly Collection	65.00	73.00	8.00	12.3	
<b>240 litre bin (charges per annum)</b>	Fortnightly Collection	79.00	88.50	9.50	12.0	
	Monthly Collection	49.00	55.00	6.00	12.2	

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**HOUSING AND HOMELESSNESS SERVICE**  
**PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

With effect from 1<sup>st</sup> April 2024 (all shown are excluding VAT)

**Still Water Park Site\***

Site Licence Fees and Service Charges

2023/24 + September RPI @ 8.9%
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**NOTE:** VAT. Charges are exclusive of VAT.

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

**PLANNING & ECONOMY PORTFOLIO**  
**PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25**

	Current Charge 2023/24 £	Proposed Charge 2024/25 £	Increase £	Increase %
<b>With effect from 1<sup>st</sup> April 2024 (all shown are excluding VAT)</b>				
<b>LAND CHARGES</b>				
<b>Residential</b>				
LLC1 Only *	45.00	47.00	2.00	4.4
CON29R	90.00	95.00	5.00	5.6
<b>Commercial</b>				
LLC1 Only *	55.00	58.00	3.00	5.5
CON29R	120.00	125.00	5.00	4.2
<b>Other Enquiries</b>				
CON29O	23.00	24.00	1.00	4.3
CON29O HCC questions ( all three conditions)	70.00	74.00	4.00	5.7
Solicitors own written enquiries (per question)	47.00	50.00	3.00	6.4
Each additional parcel of land (Residential & Commercial)				
LLC1 Only *	5.50	5.75	0.25	4.5
CON29R	17.00	18.00	1.00	5.9
<b>Large Site/Complex Search</b>				
LLC1 Only *	195.00	205.00	10.00	5.1
CON29R	385.00	410.00	25.00	6.5
<b>S106 Financial Compliance Check - New Fee</b>				
Solicitor compliance fee	-	75.00	n/a	n/a
<b>PERSONAL SEARCHES</b>				
Personal searches are undertaken under the Environmental Information Regulations and, therefore, no fee applies				
<b>BUILDING CONTROL</b>				
<b>Fees</b>				
Copy Completion Certificate	36.00	40.00	4.00	11.1
Re-open Archived Application	216.00	228.00	12.00	5.6
Re-direct Inspection	54.00	60.00	6.00	11.1
<b>Consultancy</b>				
Consultancy	72.00	76.00	4.00	5.6
<b>per hour</b>				
<b>STREET NAME PLATES</b>				
Basic	336.00	420.00	84.00	25.0
Special	Actual Cost	Actual Cost		
<b>Street Number Plates</b>				
	287.00	359.00	72.00	25.1
<b>STREET NAMING &amp; NUMBERING - NEW FROM 2024/25</b>				
<b>Fees</b>				
New dwelling/first plot on multi plot site	-	80.00	n/a	n/a
Additional 2-100 dwellings	-	30.00	n/a	n/a
New dwelling in excess of 100	-	<-----Bespoke fee on application ----->		
New commercial building/first building on multi plot site	-	80.00	n/a	n/a
Additional 2-20 buildings	-	40.00	n/a	n/a
New commercial buildings in excess of 20	-	<-----Bespoke fee on application ----->		
Property name change per property	-	80.00	n/a	n/a
Changes to new address if changed after schedule issued (per plot)	-	30.00	n/a	n/a

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## FULL COUNCIL – 26 FEBRUARY 2024 – QUESTIONS UNDER STANDING ORDER 22

### First Questions

#### Question 1

**From Cllr Jack Davies to the Portfolio Holder for Planning and Economy, Cllr Derek Tipp**

I'm pleased to see that this Council will be conducting a review of the Local Plan. It is sorely needed. Can the Portfolio Holder promise me that this review will get rid of the stupid policies that allow developers like Churchill free rein to swamp Lymington with luxury retirement flats that locals do not want?

#### Question 2

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

Changes to planning law in October last year make it necessary for any decision by local planning authorities to actively 'further' the interests of the National Park, rather than just not doing anything to its detriment.

How does this relate to what this council would like to see happen to the Dibden Bay site?

#### Question 3

**From Cllr Brand to the Portfolio Holder for Environment and Sustainability, Cllr Blunden**

The residents of Lyndhurst and Minstead did not receive their black and recycling bin bags as planned in November. It has come to light that many residents in Minstead have not received them for the last five years despite ringing in to request them. What is the Waste team doing to ensure that this will not happen again and that it is not happening in other parts of the Forest?

#### Question 4

**From Cllr Millar to the Portfolio Holder for Environment and Sustainability, Cllr Blunden**

Following the changes made to our waste strategy, residents now need to accommodate a 240 litre wheelie bin as well as the more regular-sized wheelie bin, food caddy and glass bin.

With over 90% of properties now assessed I am yet to find a resident who is aware of an assessment taking place. Can you confirm the criteria against which suitability has been judged, given it appears no assessment of the physical property has been undertaken? And can you confirm the current percentage of properties that have been assessed as unsuitable? For those which are unsuitable, can you confirm that there will be no additional charges levied to the residents affected?

## **Second Questions**

### **Question 5**

**From Cllr Caroline Rackham to the Portfolio Holder for Environment and Sustainability, Cllr Geoff Blunden**

Will the upcoming parking strategy finally allow parking charges to be specific to local community's needs, with different charges depending on the circumstances of each town?

### **Question 6**

**From Cllr Jack Davies to the Chairman of the General Purposes and Licensing Committee, Cllr Neil Tungate**

Taxi Drivers and Operators have been in touch with me to discuss the new "age of vehicle" proposals included in the draft taxi licensing policy. Could the Committee Chairman explain how this would work in practice? Would a car that is currently compliant need to be changed when this new policy comes into force? That could get very costly for drivers and operators.