

NOTICE OF MEETING

Meeting:	CABINET
Date and Time:	WEDNESDAY, 3 FEBRUARY 2021, AT 10.00 AM*
Place:	MS TEAMS - ONLINE
Enquiries to:	democratic@nfdc.gov.uk Tel: 023 8028 5072 - Matt Wisdom

PUBLIC PARTICIPATION:

* Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or
 - (b) on individual items on the public agenda, when the Chairman calls that item.
- Speeches may not exceed three minutes.

Anyone wishing to speak should contact the name and number shown above no later than 12.00 noon on Friday 29 January 2021. This will allow the Council to provide public speakers with the necessary joining instructions for the Microsoft Teams Meeting.

Bob Jackson
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 2 December 2020 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. COVID-19 RESPONSE AND RECOVERY - REPORT FROM THE LEADER OF THE COUNCIL

To receive a verbal report from the Leader of the Council and Portfolio Holders.

5. PROPOSED IMPLEMENTATION OF RESTRICTIONS CONTAINED IN S157 HOUSING ACT 1985 TO RESTRICT ONWARD DISPOSALS OF COUNCIL PROPERTIES SOLD UNDER THE RIGHT TO BUY (RTB) IN DESIGNATED RURAL AREAS, NATIONAL PARK AND AREAS OF OUTSTANDING NATURAL BEAUTY WITHIN THE NEW FOREST DISTRICT COUNCIL ADMINISTRATIVE AREA (Pages 5 - 20)

6. FREEPORTS BID (Pages 21 - 28)

7. COMMUNITY GRANTS 2021/22 (Pages 29 - 48)

8. ASSET MAINTENANCE AND REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2021/22 (Pages 49 - 60)

9. CAPITAL STRATEGY 2021/22 (Pages 61 - 70)

10. MEMBERS' ALLOWANCES - SCHEME TO APPLY FROM 1 APRIL 2021 (Pages 71 - 72)

NEW FOREST DISTRICT COUNCIL – VIRTUAL MEETINGS

Background

This meeting is being held virtually with all participants accessing via Microsoft Teams.

A live stream will be available on YouTube to allow the press and public to view meetings in real time and can also be found at the relevant meeting page on the Council's website, with this published agenda.

Principles for all meetings

The Chairman will read out Ground Rules at the start of the meeting for the benefit of all participants. All normal procedures for meetings apply as far as practicable, as the Government Regulations do not amend any of the Council's existing Standing Orders.

The Ground Rules for all virtual meetings will include, but are not limited to, the following:-

- All participants are reminded that virtual public meetings are being broadcast live on YouTube and will be available for repeated viewing. Please be mindful of your camera and microphone setup and the images and sounds that will be broadcast on public record.
- All participants are asked to mute their microphones when not speaking to reduce feedback and background noise. Please only unmute your microphone and speak when invited to do so by the Chairman.
- Councillors in attendance that have not indicated their wish to speak in advance of the meeting can make a request to speak during the meeting by using the "raise hand" feature in Microsoft Teams. Requests will be managed by the Chairman with support from Democratic Services. Please remember to "lower hand" when you have finished speaking.
- The chat facility should not be used unless raising a point of order or providing the wording for a motion.
- All participants are asked to refer to the report number and page number within the agenda and reports pack so that there is a clear understanding of what is being discussed at all times.

Voting

When voting is required on a particular item, each councillor on the committee will be called to vote in turn by name, expressing their vote verbally. The outcome will be announced to the meeting. A recorded vote will not be reflected in the minutes of the meeting unless this is requested in accordance with the Council's Standing Orders.

By casting their vote, councillors do so in the acknowledgement that they were present for the duration of the item in question.

Technology

If individuals experience technical issues, the meeting will continue providing that it is quorate and it is still practical to do so. The Chairman will adjourn the meeting if technical issues cause the meeting to be inquorate, the live stream technology fails, or continuing is not practical.

Public Participation

Contact details to register to speak in accordance with the Council's Public Participation Procedures are on the front page of this agenda.

In order to speak at a virtual meeting, you must have the facility to join a Microsoft Teams Meeting. Joining instructions will be sent to registered speakers in advance of the meeting.

The Council will accept a written copy of a statement from registered speakers that do not wish to join a Microsoft Teams Meeting, or are unable to. The statement will be read out at the meeting and should not exceed three minutes. Please use the contact details on the agenda front sheet for further information.

To:

Councillors

Diane Andrews
Jill Cleary
Michael Harris
Edward Heron (Vice-
Chairman)

Councillors

Jeremy Heron
Alison Hoare
Barry Rickman (Chairman)
Mark Steele

PROPOSED IMPLEMENTATION OF RESTRICTIONS CONTAINED IN S157 HOUSING ACT 1985 TO RESTRICT ONWARD DISPOSALS OF COUNCIL PROPERTIES SOLD UNDER THE RIGHT TO BUY (RTB) IN DESIGNATED RURAL AREAS, NATIONAL PARK AND AREAS OF OUTSTANDING NATURAL BEAUTY WITHIN THE NEW FOREST DISTRICT COUNCIL ADMINISTRATIVE AREA

1. RECOMMENDATION

That the Cabinet:

- (a) Considers the results of the recent consultation exercise and recommends to Council the adoption of the restrictions set out S157 Housing Act 1985 and the proposed Policy at Appendix 1; and
- (b) authorises Executive Heads and Service Managers to make decisions on waivers set out in the Local Restrictions Policy in consultation with the Portfolio Holder for Housing Services.

2. INTRODUCTION

- 2.1 This report sets out the findings of the recent consultation exercise concerning the proposed adoption of a new Housing Policy restricting onward disposals of former RTB properties in designated rural areas, the National Park and Areas of Outstanding Natural Beauty (the 'protected areas') so they can only be sold to people who have lived or worked in the 'protected areas' for at least 3 years.
- 2.2 The background to the proposed policy was provided in detail to Cabinet at its meeting on 2nd December 2020, at which time a consultation exercise was approved.

3. CONSULTATION

- 3.1 In line with the agreed consultation process, 565 current tenants within the 'protected areas' were directly consulted on the proposed policy as well as 19 Parish Councils¹. Others were also given the opportunity to give their view through a wider consultation which appeared on the Council's website.
- 3.2 Having been posted a copy of the draft Policy and covering letter, Consultees were invited to give online responses to the following questions on a yes/no/don't know basis. Respondents were also given the opportunity to make any related comments.

A	Where it can, should the Council use its powers to preserve former Council homes within the National Park and Cranbourne Chase AONB for the benefit of people with a local connection?
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¹ Consultation from December 4th 2020 to 1st January 2021

B	Do you support the introduction of this policy to ensure formal Council housing is sold or let to people with a local connection?
C	Do you support the inclusion of a waiver that allows the sale or letting of a property to people without a local connection in exceptional circumstances?

4. CONSULTATION RESULTS

- 4.1 The results of the consultation exercise are detailed within Appendix 2 but in summary, a total of 34 responses were received from four broad categories. (Although the NFDC Tenant Involvement Group (TIG) constitutes an 'interested body' it has been separately reported due to the inclusion of eight composite responses).

Category	Number of responses
Existing council tenants in designated rural areas	24
Parish/Town Councils (Brockenhurst)	1
Body or Individual with interest in the Policy	1
NFDC Tenant Involvement Group	8

5 Question A: Where it can, should the Council use its powers to preserve former Council homes within the National Park and Cranbourne Chase AONB for the benefit of people with a local connection?

- 5.1 In total 82% (28 out of 34 respondents) supported the Council's use of its powers to preserve former council homes within the National Park and the Cranborne AONB for the benefit of people with a local connection. Those in favour included all members of the TIG, Brockenhurst Parish Council and 19 out of 24 existing council tenants. A total of 5 respondents objected, including 4 existing tenants and 1 interested individual.

6 Question B: Do you support the introduction of this policy to ensure formal Council housing is sold or let to people with a local connection?

- 6.1 76% of respondents (26 out of 34) supported the introduction of the proposed policy to ensure formal council housing is sold or let to people with a local connection. 6 respondents (including 4 existing tenants, the individual interested person and a member of TIG) did not support the proposed policy.

7 Question C: Do you support the inclusion of a waiver that allows the sale or letting of a property to people without a local connection in exceptional circumstances?

- 7.1 Although less than 50% of respondents (15 out of 34) explicitly supported the proposed inclusion of a waiver, only 11 respondents (33%) objected to the waiver proposal including 9 existing tenants and Brockenhurst Parish Council. A significant minority of respondents to this question (7) fell into the 'don't know' category.

8 Additional Comments.

- 8.1 Comments from those in favour of the proposed restrictions included:

"I am a village woman and have grown up here all my life except for a year until I got my council property when my eldest was a baby and I feel that council properties in the rural areas should be kept for the people who have either family here or have grown up here as I would never want to live anywhere else".

“Housing stocks are at an all time low. There are very limited opportunities for local young people to stay in their village when they grow up. Council houses are for local people not for people from outside the area to come in and buy an ex council house. This has pushed prices up and have become unaffordable to local people and more often than not they become second homes”.

“I feel the restrictions should include those with family connections in the local area as well, particularly as the younger generation have had to move away for work but may want to come back to live and work near parents for childcare support or to look after family members etc.”

“Sorry to go on but we feel very passionate about this!! Council houses should NOT be sold, so after 5 years they can sell it on for double the price!!! To strangers that have no respect for the forest or those that live in it”.

8.2 Comments from those opposed to the proposed restrictions included:

“If this scheme is introduced then due to the property having a restriction placed on it, a tenant who buys their home through the right to buy scheme should get a discount (30-40%) over and beyond that normally received, because the property will have a significant reduced market value”.

“You should not be shifting this moral and potentially financial responsibility onto your loyal tenants who should be entitled to the same rights on property ownership as any other resident of the new forest”.

“If people have a Right to Buy there should not be restrictions on their right to resell. You have tenants who have rented from you for many, many years. They should not be penalised because, until now, they have not been able to purchase their homes”.

“I believe all people whom wish to live in this wonderful part of our country should be allowed to do so”.

8.3 Comments about the proposed inclusion of waivers included:

“I feel a waiver is a loophole open to abuse. Should someone be allowed to buy a property due to “exceptional circumstances”? Who will monitor whether it is not then rented out to someone with no local connection or as a holiday let? Also, if I was on the Housing List and had been for a number of years, I would not be happy someone from outside the area had “jumped the queue”. My view would be to Keep it Simple – A and B conditions only. Whatever the outcome it is good the Council are making efforts to keep properties for local people”.

“‘C’ needs to be on a case by case basis”.

9. Conclusion

- 9.1 Despite a limited number of responses overall – especially from existing tenants - , very strong support was expressed for the Council using its powers to preserve former council homes within the National Park and Cranborne Chase AONB; and for the introduction of the proposed policy to ensure that former Council housing is sold or let to people with a local connection.

- 9.2 Responses for the inclusion of a waiver were more mixed however a greater number of respondents expressed support for the waiver than did not.
- 9.3. Taking all of the responses into account, it is recommended that the Council proceeds to adopt the Proposed Policy in full and without amendment.

10. FINANCIAL IMPLICATIONS

- 10.1 There may be a reduction in the capital receipt accruing to the Council when the Council dwelling is first sold by between 5 - 25%, depending on local market conditions at the time, on a case by case basis.

11. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 11.1 There are none.

12. EQUALITIES IMPLICATIONS

- 12.1 The Council is subject to the public sector equality duty, as set out in section 149 of the Equality Act 2010. The duty covers defined protected characteristics comprising age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex; and sexual orientation. The Council must have due regard to the requirements of the public sector equality duty in the exercise of its functions, particularly in the introduction of new policies.
- 12.2 This original report² set out the aims and objectives of the proposed Local Connection Restriction Policy. As described that report, the proposed Policy has been subject to a targeted consultation of those current tenants within the 'protected areas' as well as Parish Councils within these areas. There has also been an opportunity for others to feedback their views through a wider consultation on the Council's website.
- 12.3 It is considered that the proposed Policy will have a positive impact on those with protected characteristics as it will increase the options for affordable home ownership in the 'protected areas'; particularly for those who have limited income due to age, gender or disability. However, it is recognised that it may have an impact on those who do not readily meet the Council's proposed local connection restrictions. The Council considers its proposed local connection restrictions strike a fair balance of promoting local priorities whilst limiting the adverse impact on such groups, particularly taking into account the discretionary ability to waive the restrictions in the exceptional circumstances outlined paragraph 4.3 of the original report.

13. PORTFOLIO HOLDER COMMENTS

- 13.1 I fully support the Policy and taking the results of the consultation exercise into account recommend that it be adopted without delay.

² CABINET – 2 DECEMBER 2020

14. HOUSING OVERVIEW AND SCRUTINY PANEL COMMENTS

14.1 As reported to Cabinet in December Housing Overview and Scrutiny Panel have expressed their support for the draft policy.

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Background Papers:

[Cabinet Report – 2 December 2020](#)

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Local Connection Restriction Policy

February 2021

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PURPOSE OF POLICY

The Council is adopting a new policy under section 157 Housing Act 1985 to allow it to implement restrictions on sales of Council properties in defined rural areas following the Right to Buy, so that properties can only be sold to people with a connection to the rural areas of the New Forest.

Over the years, Council properties in rural areas have significantly diminished, meaning that future generations are often not able to secure housing and have to move away from the area. The purpose of this policy is to ensure that local people continue to have access to housing which serves local needs and is more affordable than other market housing in the area.

A copy of s157 Housing Act 1985 is attached to this policy at Appendix 1.

THE RURAL AREAS COVERED BY THE POLICY

The policy applies to Council dwellings within the following designated areas:

- the area defined as the Perambulation of the New Forest
- the National Park area
- Areas of Outstanding Natural Beauty

The designated areas referred to above with currently owned Council stock include:

Boldre	East Boldre	Sway
Bramshaw	Ellingham, Harbridge and Ibsley	Whitsbury
Brangore	Hale	Woodgreen
Brockenhurst	Lyndhurst	
Burley	Martin	
Calshot	Minstead	
Copythorne	Netley Marsh	
Damerham	Rockbourne	

The policy will also apply to any future new-build council dwellings that are subject to the Right to Buy within the designated areas.

HOW THE RESTRICTION WILL WORK

When a Council property is sold under the Right to Buy, the Council will impose a covenant under s157 of the Housing Act 1985, which requires the consent of the Council to any future disposal of that property.

The Council cannot withhold its consent if the disposal is to a person(s) who has lived or worked in the designated rural areas for the last 3 years.

The covenant will apply to both freehold and leasehold sales.

The covenant will also apply to the letting of the property (i.e. the granting of a tenancy or licence).

The Council's consent cannot be withheld if the letting is to a person(s)

- who has lived or worked in the rural areas for at least 3 years or,

- whose only or principal home is and throughout the duration of the tenancy or licence, remains the dwelling

The restriction will only be imposed on council properties sold within the protected areas from the time this Policy is adopted. It will not apply to past sales.

MAKING AN APPLICATION TO WAIVE THE RESTRICTION

Whilst the Council will not remove a local connection restriction, it will in exceptional circumstances consider requests to waive a restriction. If granted, this will allow an owner to sell or let the property to a person who does not meet the terms of the restriction. The Council will consider applications to waive the restrictions in the following situations:

PERSONAL CIRCUMSTANCES for purchasers or prospective tenants who have not lived or worked in the rural areas for the last 3 years, but can show strong connections through former residence or employment, or can demonstrate exceptional benefit to the wider community that would come about by living in the area.

OWNERS UNABLE TO SELL OR LET THEIR HOMES at a price that takes into account the s157 restriction. Evidence is required that the owner has marketed the property for sale or rent for at least 12 months.

SELLING A PROPERTY WITH A LOCAL OCCUPANCY RESTRICTION

If you are selling a property with a local occupancy restriction, you must make your Estate Agent aware of the restriction. Your agent should include information about the local occupancy restriction once they advertise the property for sale.

Once you have agreed a sale, it is the responsibility of the purchaser's solicitor to obtain the Council's permission for the buyers to proceed with their purchase.

GUIDANCE ON MAKING AN APPLICATION TO WAIVE A LOCAL CONNECTION RESTRICTION

You can make your request for the local connection restriction to be waived by contacting the Housing Strategy and Development Team by emailing housing.development@nfdc.gov.uk. Once the Council has all the necessary information, a decision will be made in consultation with the Portfolio Holder for Housing Services.

PLEASE NOTE THAT IF THE COUNCIL DECIDES TO WAIVE A LOCAL CONNECTION RESTRICTION, IT WILL DO SO ONLY FOR A SINGLE DISPOSAL; THE RESTRICTION WILL CONTINUE TO APPLY ON FUTURE SALES OR LETTINGS OF THE PROPERTY.

EXEMPTED DISPOSALS

S160 Housing Act 1985 lists a number of "exempted disposals" and if the transaction in question is an exempted disposal then the provisions of s157 would not apply to that transaction.

Exempted disposals include:

- Disposal under a will or an intestacy,
- Disposal between spouses (for example from a joint names of husband and wife to wife's sole name),
- Disposal to a member of the family* of the person making the disposal and that family member has resided with the seller throughout at least a 12 month period ending with the disposal,
- Sale or disposal of property in connection with matrimonial proceedings, or civil partnership proceedings,
- Orders as to financial provisions to be made from estate

*Family members include parent, child, grandchild, brother, sister, uncle, aunt, nephew, niece and including relationships by marriage, step-family members.

For further advice on the applicability of these exemptions, please contact the Housing Strategy and Development Team.

APPENDIX 1

Section 157 Housing Act 1985

(1) Where in pursuance of this Part a conveyance or grant is executed by a local authority or a housing association ("the landlord") of a dwelling-house situated in

(a) a National Park,

(b) an area designated under section 82 of the Countryside and Rights of Way Act 2000 as an area of outstanding natural beauty, or

(c) an area designated by order of the Secretary of State as a rural area,

the conveyance or grant may (subject to section 156A(8)) contain a covenant limiting the freedom of the tenant (including any successor in title of his and any person deriving title under him or such a successor) to dispose of the dwelling-house in the manner specified below.

(2) The limitation is, that until such time (if any) as may be notified in writing by the landlord to the tenant or a successor in title of his

(a) there will be no relevant disposal which is not an exempted disposal without the written consent of the landlord; but that consent shall not be withheld if the disposal is to a person satisfying the condition stated in subsection (3) and

(b) there will be no disposal by way of tenancy or licence without the written consent of the landlord unless the disposal is to a person satisfying that condition or by a person whose only or principal home is and, throughout the duration of the tenancy or licence, remains the dwelling-house.

(3) The condition is that the person to whom the disposal is made (or, if it is made to more than one person, at least one of them) has, throughout the period of three years immediately preceding the application for consent or, in the case of a disposal by way of tenancy or licence, preceding the disposal

(a) had his place of work in a region designated by order of the Secretary of State which, or part of which, is comprised in the National Park or area, or

(b) had his only or principal home in such a region;

or has had the one in part or parts of that period and the other in the remainder; but the region need not have been the same throughout the period.

(4) . . . (section repealed)

(5) . . . (section repealed)

(6) A disposal in breach of such a covenant as is mentioned in subsection (1) is void and, so far as it relates to disposals by way of tenancy or licence, such a covenant may be enforced by the landlord as if

(a) the landlord were possessed of land adjacent to the house concerned; and

(b) the covenant were expressed to be made for the benefit of such adjacent land.

(6A) Any reference in the preceding provisions of this section to a disposal by way of tenancy or licence does not include a reference to a relevant disposal or an exempted disposal.

(7) Where such a covenant imposes the limitation specified in subsection (2), the limitation is a local land charge and the Chief Land Registrar shall enter a restriction in the register of title reflecting the limitation.

(8) An order under this section

(a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

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Appendix 2

New Forest District Council Draft Right to Buy Designated Rural Areas Policy Consultation

Responses by Group	Number of responses
Existing council tenant in designated area	24
Parish/Town Council	1
Body or individual with interest in policy	1
NFDC Tenant Involvement Group	8
Total responses	34

Consultation Questions

	Existing council tenants (24)			Parish/Town Council (1)			Body or individual with interests (1)			NFDC Tenant Involvement Group (8)				Combined totals			
	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Yes	No	Don't know	Nil response	Yes	No	Don't know	Nil response
61 Question A Where it can, should the Council use its powers to preserve former Council homes within the National Park and Cranbourne Chase AONB for the benefit of people with a local connection?	19 (79%)	4 (17%)	1 (4%)	1 (100%)				1 (100%)			8 (100%)			28 (82%)	5 (15%)	1 (3%)	
Question B Do you support the introduction of this policy to ensure formal Council housing is sold or let to people with a local connection?	18 (75%)	4 (17%)	2 (8%)	1 (100%)				1 (100%)			7 (87.5%)	1 (12.5%)		26 (76%)	6 (18%)	2 (6%)	
Question C Do you support the inclusion of a waiver that allows the sale or letting of a property to people without a local connection in exceptional circumstances?	13 (54%)	9 (37.5%)	2 (8.5%)		1 (100%)				1 (100%)	2 (25%)	1 (12.5%)	4 (50%)	1 (12.5%)	15 (44%)	11 (32%)	7 (21%)	1 (3%)

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FREEPORTS BID

1. RECOMMENDATION

- 1.1 That the Cabinet agree that the Council support the bid to government for the creation of a Freeport within the Solent and that The Leader of the Council write a letter confirming NFDC support to the bid.

2. INTRODUCTION

- 2.1 On the 10 February 2020 the Government ran a consultation on proposals to establish Freeports across the UK. It outlined the government's proposals covering tax, customs, planning and encouraging innovation, and asked for views. The District Council were 1 of the 364 responses received to the consultation.
- 2.2 In the consultation response published in October 2020 the government set out a developed vision for UK Freeports and invited potential bidding coalitions (ports, businesses, academic institutes, local authorities and LEPs).
- 2.3 Freeports are a flagship government programme that will play an important part in the UK's post Covid economic recovery and contribute to realising the levelling up agenda, bringing jobs, investment and prosperity to some of the most deprived communities across the four nations of the UK.
- 2.4 The government has the following objectives for UK Freeports:
- Establish Freeports as national hubs for global trade and investment across the UK
 - Promote regeneration and levelling up
 - Create hotbeds for innovation
- 2.5 The Freeport Bid Prospectus has now been launched with the submission deadline of the 5th February 2021 for bids from bidding coalitions. It is understood that there is likely to be 7 winning Freeports in England, and 1 or more in each devolved administration. Successful bidders will be asked to set out a full business case to be submitted in late Summer 2021.

3. WHAT WOULD MAKE UP A FREEPORT?

- 3.1 The Freeport would be limited to a geographical area covering up to 45km. There must be a clear economic rationale for the boundary size.
- 3.2 Within a Freeport boundary there would be;
- Customs sites which are a primary customs site and multiple additional customs subzones –
 - Tax Sites

- I. which can be up to 3 single, individual areas
- II. total area not exceeding 600 ha (the guidelines are that each site should be between 20-200 ha)
- III. located in areas with i) below national GDP ii) above average national unemployment
- IV. should be underdeveloped defined by i) underutilised land ii) potential investment growth and iii) job creation

4. **WHAT DOES A BID NEED TO DEMONSTRATE?**

- 4.1 To be successful the bid will need to demonstrate it meets the policy objectives through six key outcomes:

Objective 1 - Trade and investment Outcomes:

Trade: increase in trade throughput through designated Freeport area

Investment: increase in investment within the Freeport boundary area, surrounding area, and nationally

Objective 2- Regeneration and levelling up Outcomes:

Employment: increased number of jobs and average wages in deprived areas in and around the Freeport

Economic activity: increase in economic specialisation in activities high in GVA relative to the current makeup of the local economy Key themes to consider: i) support for emerging industrial clusters ii) property iii) transport and iv) skills

Objective 3 – Creating hotbeds of innovation Outcomes:

Innovation: increased local involvement and funding in R&D and innovation

Productivity: increased productivity in each target region, through increased capacity to absorb innovation

- 4.2 The type of incentives businesses in a Freeport can access to achieve these outcomes are:

- within Customs areas incentives could include
 - I. Duty Deferral
 - II. Duty Inversion
 - III. Customs duty exemptions
 - IV. Suspend import VAT
 - V. Simplified import procedures
- Within tax areas incentives could include
 - i. Stamp Duty land tax relief
 - ii. Enhanced structures and building allowances
 - iii. Enhanced capital allowances
 - iv. Employer National Insurance contributions rate relief
 - v. Business Rate Relief

- Local retention of business rates – it is intended that the Council or Councils in which the Freeport tax sites are located will retain business rates growth for that area, above an agreed baseline (following example of Enterprise Zones). This will be guaranteed for 25 years. The retained Business Rates would be ring fenced and used for reinvestment in infrastructure. Bidders will need to set out a process for agreeing how retained rates are reinvested to provide infrastructure. Retained receipts should cover borrowing costs; reinvest in the tax sites to generate growth; or offset effects of displacement from deprived areas.

5. PLANNING

- 5.1 The government has confirmed that it will encourage local authorities and prospective bidders to consider how certain planning freedoms in particular, Local Development Orders could be used to support appropriate development in Freeport areas. The government commits to providing support for local authorities to help develop and implement Local Development Orders.
- 5.2 The government recognises the advantages that wider planning reforms can bring Freeports development. In addition, the government is actively exploring a new, simpler framework for environmental assessment, as well as intending to review the National Policy Statement for Ports in 2021.
- 5.3 It is worth noting that Freeport status does not make any change to the existing powers of the local planning authority or status of existing Local Plans, Infrastructure Delivery Plans or planning permissions. It would provide a further funding mechanism, in addition to funding through the Community Infrastructure Levy, to delivery infrastructure within the area.

6. THE FREEPORT BID

- 6.1 The Solent LEP has helpfully convened a task and finish group made up of both private and public sector stakeholders. The Task and Finish Group was formed to co-ordinate dialogue around this opportunity and is supported by consultants Vivid Economics.
- 6.2 Since the bid was launched Vivid have been co-ordinating discussions. In order to identify the 'offer' landowners were asked to identify possible sites for the customs site and the tax sites. Out of this work preferred sites have now been identified.
- 6.3 The preferred tax sites currently are:
- ABP/Marchwood Port/Marchwood Industrial Estate with Exxon and Fawley
 - Southampton Airport (Eastleigh)
 - Dunsbury Industrial Estate (PCC own but in Havant Borough)

The preferred Custom site is Southampton.

- 6.4 As part of the assessment process bidders will need to outline how their Freeport ambitions support decarbonisation and how they aim to reach Net Zero carbon

emissions by 2050 or earlier. Freeport bids must also outline how their proposals will ensure compliance with all applicable environmental regulations and standards. The government will welcome bids which voluntarily demonstrate environmental benefits beyond regulatory baselines.

- 6.5 Bids are also required to set out what steps will be taken to ensure that customs and tax sites in their proposed Freeport will be secure against illicit activity.

7. FREEPORT GOVERNANCE

- 7.1 To deliver the Freeport, involvement of local authorities is key to the Freeports bidding process. At a minimum, bids should include firm written commitment from the port and the associated local authority and local political leaders. While no formal governance structure needs to be in place at bid stage bidders are requested to set out their proposals for a future Freeport Governance Body to oversee the Freeport.

- 7.2 Bids will need to meet government's three core standards on governance: effective structure, effective personnel and effective functions. At a minimum the Freeport Governance Body must include the port(s) involved and the Council where the Freeport is located.

8. CONCLUSION

- 8.1 There are significant economic and financial benefits to the immediate and wider economy of an area resulting from Freeport status. The bid would be in line with the current Local Plan, the likely impact of any future development on the district and its communities and how any negative impacts can be resolved, mitigated or compensated would need to be considered regardless of Freeport status. What Freeport status may change is the process for considering future development and the way this work is funded together with creating a further funding stream to deliver infrastructure.

- 8.2 The Freeport bid was considered by the Environment and Overview Scrutiny Panel at its meeting of the 14 January 2021. The Panel concluded that Cabinet be advised that it fully supported the bid. A similar report is due to be considered by the Corporate Overview and Scrutiny Panel on the 21st January 2021. A verbal update will be given at Cabinet Briefing.

9. FINANCIAL IMPLICATIONS

- 9.1 There are no immediate financial implications. If the initial bid is successful there will be £2m seed funding to support preparing a Full Business Case.

10. CRIME & DISORDER, ENVIRONMENTAL, DATA PROTECTION IMPLICATIONS

- 10.1 There are no crime and disorder, environmental or data protection issues arising directly from this report.

11. EQUALITY & DIVERSITY IMPLICATIONS

11.1 There are no equality or diversity implications arising directly from this report.

12. OVERVIEW AND SCRUTINY COMMENTS

12.1 At their meetings of 14 January and 21 January 2021 respectively, the Environment Overview and Scrutiny Panel and Corporate Overview and Scrutiny Panel were supportive of the recommendations.

13. PORTFOLIO HOLDER COMMENTS

13.1 The Portfolio Holder supports the recommendations for the reasons outlined within the report.

Further Information

Claire Upton-Brown

Claire.upton-brown@NFDC.gov.uk

Tel: 023 8028 5588

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Brian Johnson
Chairman
Solent LEP
1000 Lakeside North Harbour
Western Road
Portsmouth
PO6 3EN

My Ref:
Your Ref:

Date: 03 February 2021

Dear Brian

I am writing to express the wholehearted support of New Forest District Council for the Freeport bid which is to be submitted by Solent LEP on behalf of the bid coalition, of which the New Forest District Council is a member. The area known locally as “the Waterside” cluster, represents 188 hectares of economically connected undeveloped and underdeveloped land within the Solent bid to become a new Freeport under the Government’s Freeports initiative.

The Council recognises the huge potential a successful Freeport bid has to transform the social and economic fortunes of the local area of the New Forest, the Solent and the county of Hampshire. The bid has the potential to create thousands of new jobs and skills, together with providing local SME businesses with a fantastic opportunity to develop and deliver green growth.

This is particularly welcome at this very difficult time, as we all look towards recovery from the Covid-19 pandemic.

The generous tax reliefs, simplified customs procedures and promise of continued Government support offered by Freeport status would all combine to make “the Waterside” a highly attractive place for investors and developers, along with those who will ultimately manufacture and operate on the site and breathe new life into our coastal communities and support levelling-up.

The resulting projects will, in turn, create countless opportunities for skilled and ambitious supply chain businesses, as well as new hope for our young people. We also see it as a significant catalyst for the ambition to lead a ‘Green recovery’ that we believe the Solent Freeport Bid can support, with unique solutions to the net zero carbon emissions agenda, within the special environmental location of the New Forest and the Solent.

The ability to utilise the retention of our own local business rates for the investment in infrastructure and connectivity needs, both locally to the New Forest and within the region, is recognised as a critical requirement of the bid. As the responsible Billing Authority for Business Rates within “the Waterside” connected tax site cluster, we will utilise this ability to fully support the Solent Freeport Bid, including, if necessary, the pooling of resources for investments aligned with the Freeport Bid, whilst recognising that any pooling would be agreed multilaterally between all the Local Billing Authorities in coordination with the Solent Freeport Board. We would also seek opportunities for this funding to complement private sector investment.

newforest.gov.uk

Appletree Court, Beaulieu Road, LYNDHURST, SO43 7PA

It is hoped that the Solent Freeport Bid is successful, and that Government recognises the significant opportunity that the Solent Freeport proposal presents for the UK and local economy.

Yours sincerely



Councillor Barry Rickman
Leader
New Forest District Council
Email: barry.rickman@nfdc.gov.uk

COMMUNITY GRANTS

1. RECOMMENDATIONS

- 1.1 That the Community Grant awards, totalling £127,000 in revenue grants and £80,300 in capital grants, as set out in Appendix 1, and in more detail in Appendix 2, be approved for inclusion in the Medium-Term Financial Plan and proposed budget for 2021/22.
- 1.2 That the Cabinet support the proposal to bring grants to the Care Groups into scope of the Grants Panel for their task and finish process during 2021, for consideration in the 2022/23 budget, noting historic arrangements will continue for 2021/22.
- 1.3 That the Cabinet note the intent to publish a joint Portfolio Holder Decision Notice to confirm the Service Level Agreements to enable the continuation of the transportation themed grants across the District.

2. BACKGROUND

- 2.1 On 30 October and 5 November the Community Grants Task and Finish Group met to examine the Community Grant applications received for the 2021/2022 financial year. Twenty four applicants attended, and each gave a Skype presentation to the Task & Finish Group, followed by a question and answer session.
- 2.2 The Task and Finish Group comprised Cllrs Alvey, Blunden, Davis, J Davies, S Davies O'Sullivan, and Sevier, with input from key Council Officers. Meetings were also attended by Cllr Mrs D Andrews, the Portfolio Holder for Community Affairs.

3. PROCESS

- 3.1 As part of their application, all Community Grant applicants were asked to provide details of their accounts, and how their application would meet the needs of, and benefit or support, residents in the District. Applicants were also asked to explain how their funding request linked to the priorities set out in the Council's Corporate Plan and how they supported residents through the pandemic. Particular consideration was given to those organisations which supported issues that were highlighted in the Council's Community Engagement forums with partner organisations, e.g. mental health and isolation.
- 3.2 Following the presentations, the Task and Finish Group thoroughly discussed and reviewed the information submitted with the applications and presented at interview. In formulating a recommendation for each grant request, members took into account the agreed criteria, the Council's Corporate Plan priorities, and the value for money being offered.
- 3.3 The recommendations, with reasons, for the determination of each of the grant requests, are summarised in **Appendix 1** and in further detail in **Appendix 2**.

4. CARE GRANTS

- 4.1 The Task and Finish Group also considered the Care Grants which are given each year to local groups that support clients who need to attend repeated medical journeys to hospital, and who do not have the means, either because they do not drive, do not have access to public transport, or are elderly or disabled.
- 4.2 These grants were originally agreed in partnership with Hampshire County Council and Community First New Forest prior to 2008.
- 4.3 Funding allocations are awarded based either on the original agreement for the larger groups, or on request from the smaller groups depending on the demand. During 2020/21 the larger Group (New Milton) received a grant of £1,500 whilst the smaller groups requested grant amounts between £200 and £598.
- 4.4 The Task and Finish Group reviewed the Care Grants arrangements and recognised the benefit and value of the scheme. To ensure transparency and consistency with all Community Grants, the Group considered that grants exceeding £600 should be within the scope of the annual Community Grants Panel process going forward (next applicable for applications for inclusion in the 2022/23 budget), and sit alongside all other grant requests. For grants for less than £600, the applicant will be directed to their local ward Councillor(s).
- 4.5 To provide continuity in the scheme for 2021/22, the Service Manager for Revenue and Benefits will administer the applications and payments for 2021/22 in line with the historic process and £4,040 budget.

5. SERVICE LEVEL AGREEMENTS VIA HAMPSHIRE COUNTY COUNCIL

- 5.1 There are 3 Service Level Agreements with Hampshire County Council for transportation projects all coming to the end of their current agreement period:
- Wheels to work – This is a moped loan service which aims to help people between 16 and 25 with no access to suitable transport get to work, apprenticeships, training or job interviews.
 - Call and Go – This is a bookable community transport service for anyone whose transport needs are not met by public bus services to go, for example, shopping, to visit a library or to see family and friends. Drivers will assist with carrying shopping and wheelchair accessible minibuses collect users from their home at a pre-arranged time. The cost will vary according to the distance travelled.
 - Group Hire – Wheelchair accessible minibuses are available to hire for voluntary or charitable organisations for a period of 3 hours to one week. The cost of hire depends on the distance travelled and duration of hire period.
- 5.2 The Portfolio Holder for Planning and Infrastructure will work alongside the Portfolio Holder for Community Affairs on a joint Portfolio Holder Decision notice to confirm the values of support that the Council will offer under a revised set of Service Level Agreements.
- 5.3 Any level of agreed support will be within the annual budget available, which for 2021/22 is £45,750.

6. FINANCIAL IMPLICATIONS

- 6.1 The Grants Panel were advised that the Council's Medium-Term Financial Plan had allowed for up to £130,000 to be awarded on Revenue Grants and up to £100,000 for Capital Grants.
- 6.2 The proposals, as set out in Appendix 1 total £127,000 of Revenue grants and £80,300 for Capital grants. The total amount of awards granted last year was £116,000 for Revenue and £97,650 for Capital.
- 6.3 The proposed budget for 2021/22 for the Care Grants is £4,040, as outlined in Section 4 of this report, the same as amount as budgeted in 2020/21.
- 6.4 The proposed budget for 2021/22 for the Service Level Agreements, as outlined in section 5 of this report is £45,750, the same as budgeted in 2020/21.

7. DOCUMENTATION / PROCESS

- 7.1 As recommended in the Cabinet report in 2020, a thorough review of the website content has been completed, as well as implementing an online application process which received positive feedback.

8. COMMUNITY AND LEISURE OVERVIEW AND SCRUTINY PANEL COMMENTS

- 8.1 At their meeting of 19 January 2021, the Community Overview and Scrutiny Panel was supportive of the proposed grant awards as outlined in this report.

9. PORTFOLIO HOLDER COMMENTS

- 9.1 I am pleased at the diversity of the grants awarded which have covered all areas of the New Forest and included the Arts, Sport, Mental Health, Young People and Families, Schools and Charities. This in every way supports the aim of our Corporate Plan.

Further information:

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Background Papers:

Community Grants Appendix
1 and 2

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COMMUNITY GRANT APPLICATIONS: SUMMARY

Summary of Applications Received with Recommendations

A. REVENUE GRANTS

ITEM	APPLICANT	AMOUNT REQUESTED	RECOMMENDATION 2021/22	GRANT AWARDED IN 2020/21
1	New Forest Disability Information Services	£12,500	£12,500	£16,000
2	Community First – Healthy Walks	£5,000	£2,500	£2,500
3	Community First – Core costs	£35,000	£35,000	£30,000
4	Forest Arts Centre	£15,000	£15,000	£15,000
5	Youth and Families Matter	£15,000	£7,500	£7,500
6	The Handy Trust	£5,000	£5,000	£5,000
7	Forest Forge Theatre Company	£20,000	£10,000	£20,000
8	Yellow Door	£5,000	£5,000	£5,000
9	St Barbes Museum	£5,000	£5,000	N/A
10	Minstead Trust	£20,000	£10,000	N/A
11	New Milton Memorial Centre	£20,000	0	N/A
12	New Forest Heritage Centre	£10,000	£5,000	0
13	Families Matter	£5,000	£5,000	£5,000
14	Compass Counselling	£5,000	£5,000	£5,000
15	Ellingham and Ringwood Rugby Club	£9,000	£4,500	N/A
16	New Forest Bike Project	£5,000	0	£2,500
Total		£199,500	£127,000	

B. CAPITAL GRANTS

ITEM	APPLICANT	AMOUNT REQUESTED	RECOMMENDATION 2021/22
17	Forest Forge Theatre Company	£30,000	£19,000
18	SPUD	£50,000	0
19	New Forest Heritage Centre	£50,000`	0
20	Martin Club	£75,000	0
21	New Milton Men's Shed	£30,000	£10,000
22	Tottonians Rugby Club	£25,000	£25,000
23	Orchard School	£4,000	£4,000
24	Fordingbridge and District Community Association	£22,300	£22,300
Total		£286,300	£80,300

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A. REVENUE GRANTS

1	APPLICANT	SUMMARY
	New Forest Disability Information Service	New Forest Disability provides specialised, free, impartial and confidential disability related information, advice and guidance. They help anyone of any age with any disability who lives or works within the New Forest area. NFDIS hold the Advice Quality Standard with Casework in Welfare Benefits, and are the only organisation within the New Forest that support and represent the most vulnerable disabled clients at welfare benefit tribunals. NFDIS specialise in providing mobility aids, daily living equipment and home adaptations, collaborating with community and other organisations to help people maximise their wellbeing and live safely and as independently as possible in their own home.

Last Year's Request	Last Year's Award	Request
£16,000	£16,000	£12,500

RECOMMENDATION:

That a grant of £12,500 be given.

REASON FOR DECISION:

NFDIS is the only organisation of its kind in the district and provides an essential service to the vulnerable in the face of ever-increasing demand and supports the council's objectives in a number of ways. NFDIS have adapted due to the pandemic and continue to provide their service, despite increased costs, such as ICT and to ensure compliance with COIVD regulations, and reduced income from fund raising. The grant will enable the team to expand and train more volunteers, and undertake further outreach work, including home visits. NFDIS actively works with other groups and organisations to support those in the community, including the Council with projects, such as promoting Disabled Facilities Grants and the Just Got Home scheme which helps newly discharged patients settle back in their home.

2	APPLICANT	SUMMARY
	Community First Wessex	Community First Wessex provides support across the whole of the New Forest with the aim to create a thriving and successful voluntary sector. This involves activities such as DBS checks, training, funding advice, volunteer recruitment and assistance with setting up and operating groups, thus building the voluntary sector capacity, as well as volunteer placement which can be routes into work. CFW also acts as a representative voice for the sector and is involved in many working groups across the district. CFW works in partnership with statutory organisations to deliver a range of projects that support residents.

Last Year's Request	Last Year's Award	Request
£48,726	£30,000	£35,000

RECOMMENDATION:

That a grant of £35,000 be given.

REASON FOR DECISION:

CFW contributes to the Council's priorities by supporting organisations through working with many voluntary groups, including to support long-term unemployed, young carers, training and

skill development, advising groups on economic development, mental health and delivering services digitally. In 2019/20 CFW worked with 100 groups, often providing bespoke support. The Group acknowledged how CFW has worked closely with the Council throughout the pandemic, via the Local Response Centre and in supporting existing and new groups to support vulnerable residents. CFW has actively contributed in Community Engagement conversations and the Group recognised the improved working relationship with CFW. Discussions with Officers have already commenced on developing this relationship further to support our communities.

3	APPLICANT	SUMMARY
	Community First Wessex	The Healthy Walks programme is a partnership between the National Park, NFDC and CFNF and delivers walks at locations across the district. The walks are available to all levels and those with a disability. Recent projects have included to reduce isolation, promote health and wellbeing and befriending.

Last Year's Request	Last Year's Award	Request
£5,000	£2,500	£5,000

RECOMMENDATION:

That a grant of £2,500 be given.

REASON FOR DECISION:

The Healthy Walks Scheme supports the Council's priorities by assisting the wellbeing of people by increasing physical activity whilst protecting the character of the area. The scheme works with others, e.g. Dementia support, Forestry England and GP's to reduce isolation. CFW intend to expand the number of walks available once restrictions cease due to the pandemic.

4	APPLICANT	SUMMARY
	Forest Arts Centre	Forest Arts Centre is part of FOLIO, a collaboration of arts and heritage organisations, and provides a leading venue for quality live arts, activities and events based in New Milton and has an extensive outreach programme. The Centre is operated by Hampshire Cultural Trust and works with other centres as part of an overall strategy to introduce new projects and opportunities, focusing on arts, health and families, including ensuring residents from deprived backgrounds are not excluded. The Centre targets project work, for example with young people with mental health issues, working with schools, adults with learning disabilities, working with older people with long term conditions such as dementia or Parkinson's disease.

Last Year's Request	Last Year's Award	Request
£20,000	£15,000	£15,000

RECOMMENDATION:

That a grant of £15,000 be given.

REASON FOR DECISION:

Forest Arts contributes to the Council's priorities by helping local business grow by supporting artists and attracting visitors to the area, and service outcomes for the community with events, activities and projects. The venue also supports the wider community by providing accessible and affordable space for hire, host activities and events, and offer opportunities to showcase artistic output. Forest Arts supports Council objectives of improving mental and physical

wellbeing, for example Dance for Parkinson's, veterans project, and teenage mental health. Forest Arts are part of the FOLIO partnership and works with local schools and other agencies, such as Young Carers, and seeks to develop outreach work. Funding from other organisations has reduced significantly over the years and income generation is being reviewed from the impact of the pandemic.

5	APPLICANT	SUMMARY
	Youth & Families Matter	Youth and Families Matter (YFM) is a small registered charity that works from the heart of the community in Totton to improve the health and wellbeing of children, young people and families whose lives are complex and impacted by mental illness, serious illness, addiction or abuse. YFM works with other organisations, signposts and provides a foodbank service and support to the homeless.

Last Year's Request	Last Year's Award	Request
£10,000	£7,500	£15,000

RECOMMENDATION:

That a grant of £7,500 be given.

REASON FOR DECISION:

YFM met the Council's objectives by assisting in the wellbeing of local people and supporting circa 300 families. YFM work with young people and families at risk by a combination of intensive one-to-one support, courses and early intervention. YFM actively works with partners including the family support service, social workers, schools, doctors and the Police, and is part of the Early Help Hub. YFM also actively supports the Safer New Forest community safety objectives and has been awarded the Queens Award for Voluntary Services. YFM have adapted their service delivery due to the pandemic, supporting the lonely and vulnerable, e.g. postcards, phone calls, zoom meetings and fruit boxes. YFM continue to run the foodbank, where demand is increasing so they have invested in new storage, supporting over 2,500 people with emergency food supplies during the pandemic.

6	APPLICANT	SUMMARY
	Handy Trust	The Handy Trust provides full youth support services to children and young people aged up to 25, 365 days of the year in the Waterside. They offer a 24/7 service at home, in school and in the community. They work with children and young people from families who are experiencing hardship, which can include mental health, domestic violence and substance misuse, and support young people into work. The Handy Trust actively works with other agencies, including the Council on matters such as mental health and homelessness.

Last Year's Request	Last Year's Award	Current request
£4,000	£4,000	£5,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Handy Trust contributes to the Council's objectives by assisting the wellbeing of young people on the Waterside and support those in crisis. They will continue to engage with and support young people into work, provide free holiday clubs during school holidays and youth clubs, which will also aim to provide new opportunities to build self-esteem and confidence, and work with those suffering from anxiety. The Handy Trust works closely with a number of partnership agencies, including Families Matter, to provide holistic support, and with Children's service, police, schools and the Council on a variety of issues, including anti-social behaviour. The Handy Trust have adapted their service in response to the pandemic, including support for those entitled to free school means, via social media, lunchtime drop ins at schools, youth clubs via zoom, and engaged with 443 people in the summer holidays as part of their Minibus project.

7	APPLICANT	SUMMARY
	Forest Forge Theatre Company	Forest Forge is based in Ringwood and provides creative learning and outreach activities, whilst ensuring opportunities to participate in high quality theatre productions. Forest Forge works with others, such as CAMHS. Their theatre tours communities and schools across the New Forest with an emphasis on creative learning and using theatre to tackle wider social issues such as bullying and mental health. The organisation targets local residents to encourage participation in a variety of activities such as workshops, work experience and targeted outreach projects (e.g. teenagers). The Company works with those with additional needs and provides opportunities for older people to tackle social isolation.

Last Year's Request	Last Year's Award	Request
£20,000	£20,000	£20,000

RECOMMENDATION:

That a grant of £10,000 be given.

REASON FOR DECISION:

Forest Forge contributes to the Council's objectives by providing creative learning activities and contributing to community cohesion and wellbeing. It supports local business by helping creative industries and providing experience for young people's employability. It works in schools, including its ELEVATE project for 15-16-year-olds. It produces online programmes, for example young carers, "Busy Bees" on Facebook, and drama sessions via zoom. Forest Forge works across the district, including rural areas, and will develop holiday programmes for young people, and continue to develop Act Your Age sessions which tackle isolation. It has collaborated with NFDC's Safer New Forest initiative and faces reduced funding. It has secured funding from Arts Council to facilitate homeworking and IT investment.

8	APPLICANT	SUMMARY
	Yellow Door	Yellow Door provides a range of integrated specialist services, advocacy and therapeutic support to those who are at risk of or who have been affected by unwanted Sexual Experience or Domestic Abuse. This may include anything from rape, childhood sexual abuse, sexual assault to harassment, coercion or domestic abuse. The group covers the New Forest and works with the police, schools and other organisations within the district, such as New Milton Youth Club and the Handy Trust. Yellow Door runs the STAR

	project which delivers bespoke workshops on the impact of drugs and alcohol.
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Last Year's Request	Last Year's Award	Request
£5,000	£5,000	£5,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

Yellow door supports the Council's priorities by delivering outcomes for the community and working with others to achieve more. It works with families offering support to those affected by abuse, receiving 78 referrals from within the district between April and September 2020, and running preventative education programmes to raise awareness of these issues, such as STOP Domestic Abuse. Demand for its services is increasing and Yellow Door worked with 1,323 young people as part of its STAR project. Yellow Door work with a number of schools across the district. The group was pleased to note the organisation's continued involvement with the Safer New Forest and their involvement with the Safer New Forest Workshops, and that in February 2020 Yellow Door had won the Kings Fund GSK Impact Award for outstanding contributions to improving health and wellbeing.

9	APPLICANT	SUMMARY
	St Barbe Museum and Art Gallery	St Barbe is a museum and art gallery providing a cultural hub and educational facilities on the heritage, culture, history and character of the New Forest. It is part of FOLIO, a collaboration of arts and heritage organisations. The galleries are accessible, and the museum provides learning services for schools and interest groups, including workshops, exhibitions and curriculum-based activities. St Barbe also has a coffee shop which is used to support groups, e.g. an Elderly Programme for "memories".

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£5,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

St Barbe supports NFDC priorities through assisting with the wellbeing of those in the district, as well as attracting visitors. St Barbe provide a wide range of activities, for all ages, and is a vibrant community hub, working with many schools, disabled groups, and those suffering with dementia or autism. St Barbe run holiday programmes and a Young Curator group, as well as working with apprentices as part of the governments Kickstart programme. During the pandemic St Barbe has developed creative digital online experiences to increase accessibility, and has been financially impacted due to its closure. Part of the funding will be used to provide further volunteer training.

10	APPLICANT	SUMMARY
	Minstead Trust	Minstead Trust provides individualised training for nearly 200 adults with learning difficulties to enable them to develop new skills, lead a fulfilled life and progress to greater independence in society. Minstead Trust offer transitional residential accommodation, respite services,

		supported living and day opportunities. It runs Furzey Gardens to empower people with learning difficulties to gain work experience, and Hanger Farm Arts Centre in Totton.
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Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£20,000

RECOMMENDATION:

That a grant of £10,000 be given.

REASON FOR DECISION:

Minstead Trust supports NFDC priorities by assisting in the wellbeing of adults with learning difficulties and providing support to those suffering with anxiety and behavioural changes due to the pandemic. It provides various programmes, including Set Up for Work which provides support and training and works with businesses to find suitable job opportunities and 31 people attend their Skill Up and Advice centre each week, During lockdown Minstead Trust offered online community theatre and video activities to support those in isolation, and provided telephone and one-to-one support. The grant will be used to provide additional 1-2-1 well-being support for up to 50 people to address emotional and confidence issues, and to start a new volunteer buddy scheme to partner people in their hobbies, recreation or meetings.

11	APPLICANT	SUMMARY
	New Milton Memorial Centre	New Milton Memorial Centre is a community building which is used for a range of leisure activities, such as Zumba, concerts, bowling, crafts and stage shows, and provides social, welfare, recreation and cultural programmes. The centre also houses Little Angel's Nursery and Pre-School.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£20,000

RECOMMENDATION:

That no grant is paid.

REASON FOR DECISION:

New Milton Memorial Centre has very limited income and minimal reserves with current operating costs being met from these reserves. The finances mean the Centre does not appear viable or sustainable as there was no clear business plan presented to the Group or sufficient information to ensure the current issues relating to the impact of COVID-19 would be overcome. There had been limited applications for alternative funding. The Group noted any grant would not be paid until April 2021 and therefore not assist with the immediate financial situation. The organisation did not provide sufficient evidence the centre would be a viable concern going forward and therefore it was deemed that the proposal was a risk for funding.

12	APPLICANT	SUMMARY
	New Forest Heritage Centre	The free entry New Forest Heritage Centre is the only museum dedicated to the social and natural history of the New Forest. Their aim is to inspire visitors to explore and value the New Forest by collecting, conserving and interpreting collections and by providing educational activities and information to children, young people and adults visiting the Forest and living in the community. The Centre includes an accredited Museum, Reference Library, which preserves historical

		artefacts, shop and Exhibition Gallery. The Education Team run year-round exhibitions and events programme.
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Last Year's Request	Last Year's Award	Request
£35,000	£0	£10,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The New Forest Heritage Centre is a contributor to the awareness and understanding of the uniqueness of the District. It has a large collection of local historical documents and provides access to these for individuals and groups. Education organisations can benefit from access and closer working with the Heritage Centre. A member of the Council's FOLIO Partnership the centre has been a partner in the 22 Miles of Sea project collecting memories from the Waterside area. The funding is to support more community based work. The Heritage centre supports NFDC priorities through assisting with the wellbeing of those in the district, as well as attracting visitors and has been financially impacted due to its closure

The Group had previously considered grant awards to assist New Forest Heritage Centre as a transitional arrangement whilst new measures were implemented to broaden and grow financial support. The Group felt that the current business model and overall direction of the Centre was still not clear. However, the Group wanted to support the centre.

13	APPLICANT:	SUMMARY
	Families Matter	Families Matter is a small charity based in Hythe which supports families in need in the Waterside area. They support parents through parenting classes and groups for parents and children with special needs, autism and mental health. They visit families in their home and give support through a crisis, i.e. separation, domestic violence, parenting and behavioural problems. They work closely with local schools, supporting children in the transition to secondary school, and work with children suffering from bullying and promoting staying safe online. They also run groups for people with dementia and their carers and for families with drug and/or alcohol addictions.

Last Year's Request	Last Year's Award	Request
£5,000	£5,000	£5,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

Families Matter contributes to the Council's priorities through assisting wellbeing of those in the District, working with vulnerable children and young people and parents, especially young people suffering with mental health issues due to the pandemic. Families Matter mentor children and provide weekly drop-in sessions in 5 schools in the Waterside area and maintain their "On the Right Track" project. Working in partnership with other organisations, Families Matter run parenting courses to those families struggling with their child's extreme behaviour and continue to support elderly people with dementia, and their carers, with monthly groups and the weekly Blackfield Bubble memory group. Families Matter support families struggling with addictions,

women's mental health and families with autism. With an increasing demand, the grant would be used to continue this work.

14	APPLICANT	SUMMARY
	Compass Counselling	Compass Counselling aim is to preserve and protect mental health by the provision of a professional, high quality accredited counselling service for all sections of the local community who are suffering from psychological distress or relationship problems and to advance education and training in counselling. For many, the treatment programme available under the NHS involves long waiting times or is not appropriate to their needs which has a detrimental impact on those that need help. Compass Counselling are committed to supporting those unable to afford private counselling by offering reduced rates to ensure no-one is excluded from counselling for financial reasons.

Last Year's Request	Last Year's Award	Request
£5,000	£5,000	£5,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The organisation met the Council's objectives by assisting the wellbeing of the people living and working in the New Forest area through increasing access to subsidised mental health counselling for all sections of the community, including supporting more people on a low income. This includes Younger adults being targeted for support as this is a growth area, exacerbated by the pandemic, and where there are long delays. As demand is increasing, a subsidised and tailored approach to counselling will continue to support those in need. Compass Counselling aim to work with care homes, support carers, and reach out to more 18-25 years olds struggling with mental health as there had been a 15% increase in this cohort. Due to the pandemic Compass provided counselling remotely by phone or Zoom.

15	APPLICANT	SUMMARY
	Ellingham and Ringwood Rugby Club	Ellingham and Ringwood Rugby club provide opportunities for all ages and sex to play rugby with over 20 teams, and provide facilities for use of groups including pre-school, yoga, and sports. The Club also supports the community and works with other groups, for example Food Banks.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£9,000

RECOMMENDATION:

That a grant of £4,500 be given.

REASON FOR DECISION:

The Club supports the Council's priority of health and wellbeing and is requesting a one-off grant. The grant funding will be used to fund a programme of development work in all the local infant, junior and secondary schools to promote both the sport and the club. In addition to working with children, teachers will be trained to enable them to deliver future training. This project will be for both boys and girls and will support the Council's objectives of increasing physical activity levels

for targeted groups and improving the physical and mental wellbeing of local residents. The Club has had a reduction in income and is meeting running costs through reserves.

16	APPLICANT	SUMMARY
	New Forest Bike Project	New Forest Bike Project (NFBP) is a registered Not for profit Community Interest Company. By working with others, including the police, NFBP re-cycles bikes and sells them at reduced rates in the community, benefiting local residents by offering an affordable source of bikes and parts, especially to those on a low income, to keep people on the road, fit and healthy, reducing the need for car journeys and the impact on the environment. It also provides opportunities and a place to help those with issues in their lives improve their confidence, self-esteem, practical and social skills thus helping them become more active and involved citizens in the community.

Last Year's Request	Last Year's Award	Request
£5,000	£2,500	£5,000

RECOMMENDATION:

That a grant is not paid.

REASON FOR DECISION:

Whilst the Group felt this was a good project which complied with the objectives of the Council, the request for £5,000 had not been intended for a specific project or ongoing running costs, but rather to be used to supplement reserves. However grants have been received from other organisations, to support their activities and the project appeared to be in a relatively robust state financially. The Council will look to work with the project in the coming year.

B. CAPITAL GRANTS

17	APPLICANT	SUMMARY
	Forest Forge Theatre Company	Forest Forge is based in Ringwood and provides creative learning and outreach activities, whilst ensuring opportunities to participate in high quality theatre productions. Forest Forge works with other organisations, such as CAMHS. The project is to improve the theatre building to enable it to be more self-sufficient, sustainable and energy efficient. This includes new flexible seating, replacing blown windows, creating a mezzanine floor for costume storage and converting a storeroom into a functional dressing room. This project will improve facilities, customer experience, enable conferencing and reduce energy bills.

Total Cost	Other Funding	Request
£60,000	£27,000	£30,000

RECOMMENDATION:

That a grant of £19,000 be paid.

REASON FOR DECISION:

The project had a number of positive aspects that will contribute to the financial sustainability of the organisation by reducing overheads and creating a more environmentally friendly facility. It is hoped that by contributing to the reduction of costs, the savings will support the organisation allowing them to better use their funds on projects that continue to support the residents of the New Forest. The funding is expected to support the replacement of the windows of the Forest Forge Theatre Company building. This will ensure a secure, and more energy and cost efficient building and improve it aesthetically.

18	APPLICANT	SUMMARY
	SPUD	SPUD intend to construct a bespoke purpose designed space for people living with dementia and their families, known as the Living Room. The Living Room is a 6m circular building which creates a safe, friendly and accessible environment and where participants can engage with artists to explore memory and share experiences. In time, the building may be used to provide a space for those suffering with mental health.

Total Cost	Other Funding	Request
£105,000	£55,000	£50,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group are supportive of SPUD and its activities but considered that £50,000 for a 6m wide building to be a significant sum when considering the overall budget and impact. Also it noted that partnership funding had not been secured. SPUD is applying for alternative funding and are encouraged to reapply once they have explored other avenues and the project is fully developed.

19	APPLICANT	SUMMARY
	New Forest Heritage Centre	The project is the refurbishment of the shop at the Heritage centre to transform it into an inspiring and improved retail shop. This includes replacing display units, improving the entrance and flow around the shop. It is hoped an improved shop will increase footfall and income, and therefore make the centre more sustainable for the future.

Total Cost	Other Funding	Request
£150,000	£50,000	£50,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group had previously considered grant awards which were to assist New Forest Heritage Centre as a transitional arrangement whilst new measures were implemented to broaden and grow financial support. The Group felt that the current business model and overall direction of the Centre was still not clear. The Group considered many factors when deciding not to recommend a grant. This included the level of funding previously awarded to assist the Heritage Centre and the high cost of a retail project which was focussing on developing only the retail part of the building, at a time of uncertainty for the retail sector. There was a lack of clarity about the funding, with applications for funding yet to be made to other organisations. Any capital application should be as a last resort and funding for the project had not been secured. The

business case presented lacked evidence and it was not made clear to the Group how the grant would benefit the wider community and support the Council's objectives.

Whilst the Council had historically supported the Centre with significant grants, including a modest revenue grant for 2021/22, it did not feel that further support was appropriate at this time for this type of project.

20	APPLICANT	SUMMARY
	Martin Club	Martin club is located in the small village of 425 people and is a social club open to all providing a bar, snooker, film nights and has a function room which is available for hire. The project is to repair the roof, rewire and insulate the building, install heating and refurbish throughout to ensure it is a vibrant community hub. The project will also include building a community owned 2 bedroom flat.

Total Cost	Other Funding	Request
£390,000	£240,000	£75,000

RECOMMENDATION:

That no grant is paid.

REASON FOR DECISION:

The Group considered that the grant request is a significant sum and the project is on a large scale in proportion to its membership of 140 persons. The Group felt the project could be scaled down and there was little indication that such a large-scale facility would be viable. The funding secured is from the potential sale of part of the land, which the Group considered could be used to fund improvements to a more modest building that can deliver essential services for the community.

21	APPLICANT:	SUMMARY
	New Milton Men's Shed	New Milton Men's Shed aims to bring men together in a safe and friendly environment in order to promote physical and mental health and reduce social isolation as well as benefiting the local community. The group currently meet in a temporary workshop which limits activities. The project involves the construction of a new permanent workshop. This will provide better access, space to facilitate more members, a better environment and a permanent location.

Total Cost	Other Funding	Request
£60,000	£5,000	£30,000

RECOMMENDATION:

That a grant of £10,000 be paid.

REASON FOR DECISION:

The Group were sympathetic to the project and supports its cause. However contrary to the funding criteria, planning permission has yet to be secured for the construction of the new workshop and there had been limited exploration of funding from other sources. Therefore it was considered that a grant be awarded once their project has obtained permission and explored further funding.

22	APPLICANT:	SUMMARY
	Tottonians Rugby Club	Tottonians Rugby Club is a rugby club based in Totton which provide opportunities for all ages and sexes to play rugby and supports the wider community. The number of teams is increasing, especially with younger and female players. The existing changing facilities are limited and not suitable for the number of teams and ages and sexes of players. The project involves building changing rooms for female and children participants, a tractor and equipment store and clubhouse extension.

Total Cost	Other Funding	Request
£165,000	£75,000	£25,000

That a grant of £25,000 be paid.

REASON FOR DECISION:

The Group recognised the positive impact Tottonians Rugby Club have in their community and encourage the promotion of sport and physical activity. The club have worked hard to secure the majority of funding for the project, including using their own funds, and the facility will be used to increase participation among female residents. This is a priority target for the council.

23	APPLICANT:	SUMMARY
	Orchard Junior School	Orchard Junior School is a school in Dibden for 360 children aged between 7 and 11. Currently pupils and staff have to access part of the building via an uneven grassed area which can become muddy and wet. This has become a greater issue with the pandemic due to maintaining class bubbles, and affects some children with limited mobility. There are also health and safety concerns, for example fire evacuations. The project involves the construction a perimeter path

Total Cost	Other Funding	Request
£8,190	£2,000	£4,000

RECOMMENDATION:

That a grant of £4,000 be given should the application from Hampshire County Council not be successful.

REASON FOR DECISION:

The Group were supportive of the application to ensure a non-slip, clean, level surface to improve and enable safe access for children and staff. The pathway will enable safe access for a partially sighted pupil, reduce accidents, cleaning costs and provide a safer school environment, including fire evacuations and Personal Emergency Evacuation Plans.

24	APPLICANT	SUMMARY
	Fordingbridge and District Community Association	The Avonway Community Centre plays a vital role in the community, providing a social hub and facilities to around 40 groups and accommodates a pre-school and ad-hoc users. Weekly footfall is around 1,400. The project involves repairing the building, including the deteriorating roof which requires re-felting, re-battening, re-slating and flashings. The roof currently leaks, is poorly insulated, is costly to maintain, and is a health and safety risk. Youths have climbed onto

		the roof, posing a further risk, and works will be undertaken to remove two redundant chimney stacks which are unsafe.
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Total Cost	Other Funding	Request
£44,615	£10,734	£22,300

RECOMMENDATION:

That a grant of £22,300 be given.

REASON FOR DECISION:

The Avonway Community Centre in Fordingbridge is widely used asset by a range of groups, hosting a variety of functions and activities. It is a vital hub for the whole community, supporting the Council’s key priorities. The grant would go towards ensuring the building is safe, secure, and viable for the future, as well as reducing anti-social behaviour.

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ASSET MAINTENANCE & REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2021/22

1. RECOMMENDATIONS

- 1.1 That the Cabinet approve and recommend to Full Council that the schedule of projects as included at appendix 2 and 3 be approved within the 2021/22 budget.

2. Purpose of the report

- 2.1 This report provides the panel with the proposed revenue funded Asset Maintenance & Replacement programme (AMR) and General Fund Capital programme for 2021/22 and outline budgets to 2023/24.

3. Background

- 3.1 The Council's General Fund revenue budget includes a large budgeted sum for the maintenance and cyclical replacement of Council owned assets. The AMR programme budget for 2020/21 totalled £1.8M (shown within appendix 1), with a further £826k of one-off requirements funded by the General Fund and HRA;

	General Fund £'000	HRA £'000	TOTAL £'000
ICT Strategy 2018-2022	604	124	728
Community Grants	98		98
	702	124	826

- 3.2 The November 2020 Medium Term Financial Plan included a General Fund revenue budget allowance to cover the AMR programme of £1.7M for 2021/22 (£1.9M programme total less £200,000 rechargeable to the HRA). There are currently no planned adjustments to the overall programme budget over the period covered by the current Medium Term Financial Plan although increases in Vehicle and Plant prices and increases to maintenance requirements at the Health and Leisure centres are likely to put additional pressure on these sums over the medium term.
- 3.3 Service Managers were asked to come up with their proposed projects for 2021/22 with a strong brief that the programme had to be within the financial

parameters set and realistic in terms of timeframes and deliverability. The programme now being proposed exceeds the budgeted sum by £6k.

- 3.4 The proposed Capital Programme for 2021/22 totals £18.247M and projects are funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL.

4. Proposed Asset Maintenance and Replacement Programme 2021/22

- 4.1 The bid categories for the submitted programme for 2021/22 were;
- 1 – Protect & Maintain Front Line Service Delivery
 - 2 – Efficiency / Savings / Income Generation
 - 3 – Improve / Enhance Value of Asset
- 4.2 The summary programme covering 2020/21 – 2023/24 is included as appendix 1. The budget is monitored at this overall summary level to allow for sufficient flexibility should more urgent projects come to light during the financial year.
- 4.3 The 2021/22 proposed programme at project level is included as appendix 2.
- 4.4 **Further Information Relating to Projects**

Refurbishment of Communal Areas of ATC

A programme of works to bring communal areas and meeting rooms up to a modern corporate standard, to include, for example, painting & decorating, replacement worn carpet and fire doors in corridors & linked areas.

Solar PV Upgrade / Repairs

Due to the length of time since installation, reports were commissioned which showed the systems required repairs and upgrades which included:-

- Emergency shut down procedures and mounting systems in need of attention
- DC sensitive RCDs need installing
- String cables need to be identified and numbered

In addition, Technology has moved on since the systems were installed and the existing inverters need to be replaced with solar edge inverters.

Payback will be 3 years due to improved FiT and electricity savings.

New Milton Info Office Air Handling Unit

The Offices heating, cooling and fresh air circulation is supplied by an AC system made up of a chiller, boiler and Air Handling unit located in the external plant room these supply constant fresh air and either heating or cooling as required to the building via several FCU's (fan coil units). The boiler and chiller have already been replaced and the AHU is now 16 years old and so at the end of its useful life.

The cost of the AHU will be shared between NFDC and the tenants (NMTC and PCC).

Replacement Roller Shutter Doors Marsh Lane Depot

The doors to the vehicle workshop have reached the end of their useful life, and so are in need of replacement.

Replacement Lift Cables at Lymington Town Hall

The lift cables have become worn and stretched and are now in need of replacement.

CCTV Camera Replacement

The proposal is to replace around 12 cameras per year to ensure a full and effective service coverage, mitigating any service loss or significant expenditure in any one financial year. This will ensure that cameras are replaced within their expected lifecycle enabling the council to deliver on its community safety priorities. As cameras age, they become unstable and unserviceable, therefore when a fault occurs replacement is necessary. Failing to replace results in a camera not fulfilling its operational purpose - including no movement, control or loss of zoom function. If cameras are not working, there may be an impact on delivery of community safety objectives or system objectives, including the prevention and detection of crime. Ageing cameras also lead to an increase in maintenance costs and an unwillingness for prospective contractors to offer comprehensive cover.

Vehicles & Plant Replacement Programme

Members will note that the replacement of Vehicles & Plant (V&P) occurs on both the revenue AMR programme and the Capital Programme. The Council's policy is to capitalise individual items with a value greater than £10k and then depreciate these over their estimated useful life. The capital programme therefore includes the cash amount required to purchase the V&P, and the revenue programme includes the depreciation charge. The depreciation charge to revenue then makes a direct contribution towards the capital cost through a charge known as the Minimum Revenue Provision (MRP). The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.

For 21-22 the replacement programme for the refuse and recycling part of the fleet focuses in the main on vehicles which can be utilised on our current service, whilst also being suitable for a future service, albeit in some cases with some retrospective modifications likely (these and other issues will be explored more fully in the final waste strategy). The vehicles in the programme will in some cases reach 9 year's old in 2021 and are at the end of their economic life.

ICT Equipment Replacement Programme

The Council invested significantly in new devices over the period 2017-2019. Some of the earliest devices will reach their 4 year suggested useful life during

2021/22, and so a replacement programme will need to commence during this financial year.

Demolition of 2 Public Conveniences

Barton Beach public conveniences are situated on the foreshore and have been closed since March 2020 due to Covid restrictions as it is not able to be met by the layout and condition of this PC. The building is temporary structure installed just over 10 years ago is seeing serious corrosion due to the coastal environment and is at the end of its life span. The location of the current beach toilet's falls within a site of special scientific interest as well as near to significant coastal cliff fall. Which will impact on any future planning application. There are alternative facilities on the cliff top that serve residents and visitors using the beach area. The Barton Court Ave Public toilets are 300m away from the Beach toilets and are conveniently located near the Fisherman's walk & Hoskins gap entrances to Barton Beach.

The removal of this asset will require consultation, as the building is no longer viable to retain.

Calshot Beach public conveniences are situated on the foreshore and have been closed since March 2020 due to Covid restrictions as it is not able to be met by the layout and condition of this PC. There are alternative facilities in at the entrance to Calshot foreshore car park that serve residents and visitors using the beach area. The two buildings are 660m apart with easy access via walking and or parking. The Calshot activity Centre also has accessible toilets for cafe visitors. The site could be reviewed with the possibility of a new structure for a purpose-built kiosk or café.

The removal of this asset will require consultation, as the building is no longer viable to retain.

Health & Leisure Centres Annual Maintenance Programme

During 2019, a full condition survey of the Council's 5 Leisure Centres was procured by the Council and carried out by a third-party specialist. The resultant report identified a works schedule covering a 15 year period to maintain the centres at the current standard/condition. Annually, this report will be reviewed and will inform the necessary maintenance required at the Leisure Centres. The maximum the Council can afford to fund during 2021/22 is £500k. The prioritised programme of works will be agreed with the Executive Head with responsibility for Leisure.

Stillwater Park

The project approved last year (to address reported water leaks on the site, necessary to upgrade windows, doors and electrics to the fixed buildings and repair/replace boundary fencing) will now be completed in 2021/22. The funding has been carried forward from 2020/21.

4.5 The programme as outlined above totals £2.003M. Of this total, approximately £214,000 is rechargeable to the HRA and £15,000 is rechargeable to NMTH tenants. The resultant programme to be funded from the 2021/22 General Fund therefore totals £1.774M.

4.6 As outlined in paragraph 3.2, the sum available within the MTFP is £1.7M, this is supplemented with the £68,000 of carried forward funding from 2020/21, resulting in a total resource availability of £1.768M. The current programme totalling £1.774M exceeds the resource available by £6,000. This can be covered within the MTFP.

4.7 **Other One-Off Funded Programmes**

The ICT Strategy and Budget Update Report presented to the panel in November covered an update on the delivery of the ICT strategy covering 2018-2022.

The Community Grants Panel have been given a maximum budget of £100,000 for one-off construction grant applications for 2020/21. The Panel are well aware this is a financial ceiling, and not a target.

The above will require financial resources, funded by the revenue budget or reserves and will be included on the Medium Term Financial Planning Reports through Cabinet.

4.8 **Other non one-off projects for consideration in the MTFP**

Coastal Recharge - £100,000 (Per Annum: 3 to 4 years)

Typically an annual recharge is undertaken on the Milford frontage with the aim to try and maintain beach levels to protect the existing seawall and other assets. This is a challenging site as the general trend is for reducing beach volumes, until a major coast protection scheme can be delivered this work will need to continue. Insufficient revenue maintenance budgets (£213k) cannot continue to meet the cost of this work.

5. **General Fund Capital Programme 2021/22**

5.1 The capital programme consists of projects funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL.

5.2 The proposed programme for 2021/22 totalling £18.247M including the outline financing is included as appendix 3. The project proposals for a 3 year period have been included for overall context, although only the projects commencing in 2021/22 are gaining approval to proceed at this stage.

5.3 Further Information Relating to NFDC Funded Projects

Public Convenience Modernisation Programme

The Public Convenience task & finish group determine which Public Conveniences are deemed as suitable for renovation and when. The next scheduled and recommended replacement is Lymington Quay. The standard sum of £300,000 has been allowed for within the Capital Programme.

Public Convenience Additional Enhancements

The Public Convenience due for renovating in 2020/21 is Lymington Quay (delayed from 2020/21). A broader project to enhance the quay as a visitor attraction has been drawn up. To achieve this outcome, an additional £75,000 is allowed for within the Capital Programme by way of 'additional enhancements'.

It is envisaged the wider scheme will also require investment from the Council's Commercial Property fund (herein referred to as the Council's 'Economic Sustainability and Regeneration fund') with the scheme progressing subject to meeting the Council's expected requirements of a revenue return as against the capital employed.

New Depot Site

Following initial works to assess the suitability of Hardley Industrial Estate as a new (alterative to Claymeadow) depot site for the Council, work is on-going to bring together a fully costed specification and accompanying business plan. This will be presented to the Cabinet to make a decision before the development of site commences.

A budget has also been set aside to commence initial work on a suitable site to the west of the District.

Vehicles & Plant

The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models. More detail is covered in para 4.4.

Smarter Working

This project has been included on previously adopted Capital Programmes and relates to the roll-out of flexible ICT to enable remote working, and the updating to new corporate standard flexible workspace. To date, Cabinet have approved utilisation of £1.75m from the Smarter Working budget. The same adopted principle will apply to the use of the future delivery funding, in that Cabinet members appointed to the Smarter Working Project board will ratify and approve any future phases and requirement for additional spend beyond the £1.75M already committed. The learning from 2020/21 as a result of the forced move to remote working will no doubt be significant in shaping the way in which

the Council operates going forward and is likely to be a significant step towards the Council becoming more environmentally friendly.

6. Crime & Disorder / Equality & Diversity / Environmental Implications

- 6.1 As the Council invests in the maintenance and replacement of its assets, it will do so ensuring environmental implications are considered and where it can, the delivery of energy efficiencies, whether that be in lighting / heating or in more economic vehicles, will be at the forefront of the Council's spending decisions.

7. Conclusion

- 7.1 The AMR programme represents a significant element of the Council's annual net expenditure. The General Fund budget requirement for 2021/22 is £1.706m, broadly in line with the sum as allowed for in the latest Medium Term Financial Plan.
- 7.2 The Council is committed to the continuation of its investment in ICT and the financial implications to deliver the strategy 2018-22 will be included on the appropriate Medium Term Financial Planning Reports through Cabinet.
- 7.3 The General fund Capital programme is funded in several ways, and the net NFDC funding requirement for 2021/22 after Vehicle & Plant internal borrowing is taken into account is £6.850m.

8. CORPORATE OVERVIEW AND SCRUTINY PANEL COMMENTS

- 8.1 At their meeting of 21 January 2021, the Corporate Overview and Scrutiny Panel was supportive of the recommendations concerning the overall Asset Maintenance and Replacement Programme and General Fund Capital Programme. However, the Panel raised concerns in relation to the individual projects regarding the removal of public conveniences at Calshot and Barton on Sea. It is noted that these particular projects are subject to the required consultation processes and further Task and Finish Group input.

9. PORTFOLIO HOLDER COMMENTS

- 9.1 Our asset maintenance and capital programme always presents a challenge to the authority in matching resources to aspirations. The programme presented within the report both delivers for our services and can be accommodated within the Council's financial resources.

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Background Papers

	2020/21	2021/22	2022/23	2023/24
	£'000's	£'000's	£'000's	£'000's
ASSET MAINTENANCE & REPLACEMENT PROGRAMME				
Asset Maintenance				
Health & Leisure Centres (including Equip)	500	500		
Dibden Golf Centre	72			
Offices, Depots & Outlying Buildings	118	112		
Stillwater Park	75	68		
CCTV Camera Replacement	31	38		
Demolition of 2 x Public Conveniences		60		
	796	778	-	-
ICT Replacement Programme	150	100		
V&P; Deferred Expenditure (Depreciation / MRP)	1,082	1,125		
	2,028	2,003	-	-
Rephased Budget from previous year	- 28	- 68		
Less: Proportion rechargeable to Third Party Tenants		- 15		
Less: Proportion allocated to HRA	- 200	- 214		
Total Revenue Programme	1,800	1,706	1,700	1,700

APPENDIX 2

Portfolio(s)	Category Key (1 - 3)	Location	Project Name	AMR Prog. Value 21/22 £
F, I & CS	2	ATC	Refurbishment of Communal Areas	20,000
F, I & CS	2, 3	ATC	Solar PV Upgrade / Repairs	20,000
F, I & CS	1	New Milton Town Hall	New Milton AHU	30,000
F, I & CS	1	MLD	MLD Roller Shutter Doors	30,000
F, CS & I	1	LTH	Lymington Town Hall -Replacement Lift Cables	12,000
			TOTAL OFFICES AND DEPOTS	112,000
Community Affairs	1,2	Multiple	CCTV Update	38,000
F, CS & I	1,2	District Wide	V&P Replacement Programme	1,125,000
F, CS & I	1		ICT Device Replacement	100,000
			TOTAL CYCLICAL REPLACEMENT	1,263,000
E & R	1	New Milton	demolish building	30,000
E & R	1	Calshot	Demolish building	30,000
			TOTAL PUBLIC CONVENIENCES	60,000
L&W	1,2	5 Leisure Centres	Maintenance Programme	500,000
			TOTAL HEALTH & LEISURE	500,000
Housing (GF)	1	Stillwater Park	Stillwater Park Improvements – DEFERRAL*	68,000
			TOTAL NON-CORE PROJECT FUND	68,000
				2,003,000

*Funded via rephased budget from 2020/21

CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

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Portfolio	PROJECT REQUIREMENTS £				ORIGINAL 2021/22 PROJECT FINANCING £				
	2020/21 £ Budget Revised (essential Schemes)	2021/22	2022/23	2023/24	NFDC Resources / Loan	Better Care Fund	Grant	DC / CIL	
Disabled Facilities Grants	HOU	620,000	1,200,000	1,200,000	1,200,000	1,200,000			
Strategic Regional Coastal Monitoring (15-21)	ENV	1,495,000	2,300,000	2,161,000	1,966,000		2,300,000		
Barton Drainage Test (19-21)	ENV	225,000	125,000	50,000			125,000		
Westover Phase 2 Scheme Development	ENV		275,000		25,000		250,000		
Public Convenience Modernisation Programme	ENV		300,000	300,000	300,000				
Public Convenience Additional Enhancements	ENV/LEADERS		75,000		75,000				
Emergency Works - Milford Sea Wall	ENV	1,825,000							
Emergency Works - Milford Sea Wall S151 Contingency	ENV/F,CS&I	300,000							
New Depot Site: Hardley	F,CS&I	250,000	5,300,000		5,300,000				
New Depot Site: West	F,CS&I		100,000		100,000				
V&P; Replacement Programme	F,CS&I	841,000	3,462,000	2,992,000	692,000	3,462,000			
Smarter Working; Future Delivery	F,CS&I	250,000	250,000	250,000	250,000				
Economic Sustainability & Regeneration Projects	F,CS&I	3,000,000							
- Crow Lane Ringwood	F,CS&I		4,000,000	2,395,000	5,000	4,000,000			
Residential Acquisitions	F,CS&I	1,500,000							
Open Space Schemes	P&I	155,000	265,000	300,000	200,000			265,000	
Transport Schemes	P&I	150,000							
Mitigation Schemes	P&I	199,000	595,000	475,000	250,000			595,000	
TOTAL GENERAL FUND CAPITAL PROGRAMME		10,810,000	18,247,000	10,123,000	4,613,000	13,512,000	1,200,000	2,675,000	860,000
									18,247,000
LOAN FINANCED					V&P	-3,462,000			
					80% of Economic Regeneration	-3,200,000			
RESIDUAL NFDC RESOURCES						6,850,000			

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CAPITAL STRATEGY 2021/22

1. RECOMMENDATIONS

- 1.1. That the Cabinet agree and recommend to Full Council that the Capital Strategy 2021/22 be approved, including the adoption of the MRP statement.

2. INTRODUCTION

- 2.1. The Capital Strategy is a high level document, giving an overview of how capital expenditure, capital financing and treasury management come together, with an overview of current activities and the implications for future financial sustainability.
- 2.2. By producing this strategy report, the Council is following statutory guidance issued by the Government in January 2018.

3. OVERVIEW OF WHAT IS INCLUDED IN THE CAPITAL STRATEGY

- 3.1. The Capital Strategy confirms at high level what the Council is intending to spend its money on over the medium term and how it intends to finance this expenditure. Over the period covered by 2021/22 to 2023/24, total capital expenditure is forecast at around £124m.
- 3.2. As demonstrated throughout the report, the Council is initially intending to utilise the cash balances it has accrued to deliver the various adopted strategies, including the acquisition and development of Commercial Property which aims to provide a sustainable and buoyant economy within the New Forest and present options for regeneration, Residential Property Ownership, and additional Council owned Housing.
- 3.3. The Council will supplement internal resources when necessary with external borrowing and in accordance with advice it receives from its contracted Treasury Management experts. Based on the current set of prudential indicators, external borrowing is not envisaged during 2021/22, but is necessary in 2022/23 and 2023/24.
- 3.4. It is vitally important that the Council has regard to the relationship between the financing costs of the capital programme and the revenue General Fund, and Housing Revenue Account. This is covered within the report by the prudential indicators.
- 3.5. This Council has established a sound level of governance surrounding its capital investments and employs suitably qualified personnel in order to fulfil the objectives of the Strategy. External support and expertise is sought where necessary, and officers have the ability to communicate openly and freely with members of the Cabinet.

4. MINIMUM REVENUE PROVISION

- 4.1. Where General Fund capital spend has been financed by loan (internal borrowing), and has increased the Capital Financing Requirement (CFR), the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year, and is based on the expected economic use period related to the capital expenditure.
- 4.2. Full Council is required to approve an MRP statement in advance of each financial year. The Council is recommended to approve the following MRP statement:

“ For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP policy for expenditure other than that incurred on investment property and dwellings, shall be to charge revenue an amount equal to the depreciation of any asset financed by loan. The MRP policy specific to investment properties and dwellings financed by loan, shall be to charge revenue an amount equivalent to the sum of borrowing utilised, over a repayment period of 50 years.”

5. ENVIRONMENTAL / CRIME AND DISORDER IMPLICATIONS

- 5.1. There are no implications arising from this report.

6. CORPORATE OVERVIEW AND SCRUTINY PANEL COMMENTS

- 6.1 At their meeting of 21 January 2021, the Corporate Overview and Scrutiny Panel was supportive of the recommendations.

7. PORTFOLIO HOLDER COMMENTS

- 7.1 This is a fairly technical paper, but no less important for that, in which we outline how the capital expenditure will be financed. A further requirement met within the report details how any General Fund and Housing Revenue Account borrowing will be repaid.

For Further Information Please Contact:

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Background Papers:

Published documents

Capital Strategy 2021/22

1.0 Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

The report also includes the prudential indicators, as required by the 2017 Prudential Code.

2.0 Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

In 2021/22, the Council is planning capital expenditure of £43.987m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
General Fund services	3.442	5.015	12.237	5.883	2.961
Council housing (HRA)	17.751	15.300	20.250	27.320	27.520
Capital investments	4.777	5.000	11.500	13.300	3.000
TOTAL	25.970	25.315	43.987	46.503	33.481

The General Fund capital programme includes the cyclical replacement of Vehicles and Plant, Smarter Working and a New Depot Facility. The Council also plans to incur £28m of capital expenditure on economic sustainability and regeneration projects within the District, the majority of which will also generate a revenue return. These are detailed later in this report in section 4.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised by, other local services. HRA capital expenditure is therefore recorded separately and includes the maintenance of existing stock and the building and acquisitions of new homes over the forecast period, in line with the Housing strategy.

Governance: Service managers bid annually in the early Autumn to include projects in the Council's capital programme. Bids are collated by the Chief Finance Officer and reviewed collectively by the Executive Management Team. The Corporate Overview and Scrutiny Panel appraise the proposed programme and makes recommendations to the Cabinet. The final capital programme is then presented to Cabinet and to Council in February each year.

- Full details of the Council's capital programme are available within the Feb 2021 Cabinet papers (Medium Term Financial Plan / Annual Budget 2021/22)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
External sources (Grants / DC's)	1.722	3.949	4.050	4.341	3.969
Capital Receipts	3.910	2.000	3.800	2.000	2.000
Capital Reserves	6.844	2.752	9.455	5.910	3.400
Revenue Contributions	9.574	8.473	9.120	9.420	9.620
Debt / Loan	3.920	8.141	17.562	24.832	14.492
TOTAL	25.970	25.315	43.987	46.503	33.481

Generally any borrowing required to meet the Council's capital expenditure is met by using cash held in reserves rather than raising loans. This action is known as internal borrowing and is assumed for 2021/22. Internal borrowing is replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP, explained further below). Alternatively, additional (beyond those already anticipated within the financing as shown within table 2) proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and debt repayment are as follows:

Table 3: Replacement of debt finance in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Capital Expenditure Financed by Debt / Loan	3.920	8.141	17.562	24.832	14.492
Own resources - Debt Repayment	-4.100	-4.100	-4.100	-4.100	-4.100
Own resources - MRP Provision	-1.223	-1.419	-1.701	-2.138	-2.414
Movement in CFR	-1.403	2.622	11.761	18.594	7.978

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, debt repayments and capital receipts used to replace debt. The CFR is expected to increase by £11.761m during 2021/22. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2020 actual	31.3.2021 budget	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
General Fund services	2.920	2.573	4.847	6.651	6.155
Council housing (HRA)	132.301	131.729	132.653	140.137	147.381
Capital investments	4.829	8.370	16.934	26.240	27.470
Total CFR at Year End	140.050	142.672	154.434	173.028	181.006
Movement in CFR from one year to the next	-1.403	2.622	11.761	18.594	7.978

Minimum Revenue Provision: Where General Fund capital spend has been financed by loan (internal borrowing), and has increased the CFR, the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year, and is based on the expected economic use period related to the capital expenditure.

Full Council is required to approve an MRP statement in advance of each financial year. The Council is recommended to approve the following MRP statement:

“ For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP policy for expenditure other than that incurred on investment property and dwellings, shall be to charge revenue an amount equal to the depreciation of any asset financed by loan. The MRP policy specific to investment properties and dwellings financed by loan, shall be to charge revenue an amount equivalent to the sum of borrowing utilised, over a repayment period of 50 years.”

For Council Housing and the refinancing settlement of 2012, the Council has an approved business plan that will charge amounts to revenue to ensure that any borrowings are reduced in accordance with the maturity of the debt outstanding.

Asset management: Service Managers from across the Council manage assets in their service delivery areas. The Council’s Service Manager for Estates and Valuation has overall responsibility for the management of the Council’s property estate records, including liaising with the Council’s Accountancy department on statutory annual financial reporting. To ensure that property assets continue to be of long-term use, the Council will be producing an overarching Accommodation Strategy.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds (capital receipts), can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. Council dwelling sales through the Right to Buy scheme also generate capital receipts, and although some of these are currently returned the government, the majority are available to the Council to spend on new housing. The Council plans to receive £2.2m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	3.332	1.500	2.000	2.000	2.000
Loans repaid	0.201	0.101	0.201	0.201	0.201
TOTAL	3.533	1.601	2.201	2.201	2.201

- The majority of forecast asset disposals relate to Right to Buy receipts.
- In 2014, the Council arranged £2m of prudential borrowing on behalf Lymington Harbour Commissioner. This is being repaid annually.

3.0 Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but will become cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

At the last balance sheet date (31/03/20), the Council had £131.2m borrowing at an average interest rate of 3.25% (due to the HRA refinancing settlement in 2012), and held £57.9m treasury investments earning an average rate of 1.73%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.70%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Council's total outstanding debt (which comprises borrowing in relation to the refinancing of the HRA in 2012/13 and new borrowing required to finance the capital programme) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £millions

	31.3.2020 actual	31.3.2021 budget	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Debt	131.2	126.9	122.6	133.6	141.5
Capital Financing Requirement	140.1	142.7	154.4	173.0	181.0

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £millions

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
Authorised limit – total external debt	176.9	206.3	225.6	234.3
Operational boundary – total external debt	159.8	188.9	207.8	216.1

- Further details on borrowing are included within the treasury management strategy

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

	31.3.2020 actual	31.3.2021 budget	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Near-term investments	38.3	35.8	9.6	1.4	0.0
Longer-term investments	19.6	13.6	13.6	10.0	10.0
TOTAL	57.9	49.4	23.2	11.4	10.0

- Further details on treasury investments are included within the treasury management strategy

Table 8 suggests that the majority of the Councils cash will be utilised over the period through internal borrowing to fund the needs of the Councils capital programme, until minimum balances reach £10m. Use of cash for capital programme financing will be supplemented through external borrowing, when required (hence the increase in debt headroom as per table 7). The Council should expect to retain a minimum level of cash, known as the **Liability Benchmark**. The General Fund balance reserve at £3m and the

HRA reserve at £1m are an absolute minimum, with further headroom added to set where the Council's basic benchmark should be (£10m in total).

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by Council. A mid-year and an outturn report on treasury management activity are presented to the audit committee. The audit committee is responsible for scrutinising treasury management decisions.

4.0 Commercial Activities for the Purpose of Economic Sustainability, Regeneration and Income

The Council intends to invest in commercial and residential property to support a sustainable local economy within the New Forest and encourage regeneration projects. The Council will invest in, and will lend to its Wholly Owned Trading Company and will in return receive an income. Total commercial investment properties were valued at £9.5m as at 31/03/20. In 2020/21, the Council purchased a shop Parade in Totton and an industrial unit in New Milton.

To support the wider objective of economic sustainability and regeneration the Council accepts higher risk on commercial and residential investment than with treasury investments. The principal risk exposures include vacancies and falls in capital values. These risks in relation to commercial property are managed by predominantly targeting acquisitions with existing medium-long term tenancies in place and being sensible about the purchase price in relation to the income yields achievable. In order that commercial investments remain proportionate to the size of the authority, these are subject to an overall maximum investment limit of £30m. Residential property investments are subject to an overall investment limit of £10m.

Governance: Decisions on commercial investments are made by an investment panel in line with the criteria and limits approved by Council in the Commercial Property Investment strategy. Decisions on residential investments are taken by the Board of Directors of the wholly owned company, in line with the criteria and limits approved by Council in the Residential Property Strategy. Property and most other commercial investments are also capital expenditure and purchases have therefore also been pre-approved as part of the capital programme.

- Further details, including the risk management on commercial and residential investments are outlined in these respective strategy documents;
 - [Commercial Property Investment Strategy](#)
 - [Residential Property Investment Strategy](#)

5.0 Liabilities

In addition to debt of £131.2m detailed above, the Council is committed to making future payments to cover its pension fund liability (valued at £99m as at 31/03/20), It has also set aside £3.9m in provisions, with £3.8m of this to cover risks of business rate appeals.

Governance: Decisions on incurring new discretionary liabilities are taken by the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by Accountancy and reported when necessary.

- Details on liabilities are shown within the Council's balance sheet on page 17 of the 2019/20 Annual Financial Report, further supported by notes to the accounts (https://newforest.gov.uk/media/1025/Annual-Financial-Report-2019-20/pdf/statement_acs1920_excelerator_AUDITED_with_Audit_Opinion_AGS.pdf?m=637423408221800000)

6.0 Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable*. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants for the General fund, and the income receivable from rents within the HRA.

*In relation to the finance costs incurred within the General Fund, the income to be generated will exceed the additional MRP and interest charges, but as this income is to be used to directly contribute towards the funding of services, the income is not netted off against the finance costs within the table 9.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
General Fund; Financing costs (£m)	0.20	0.57	0.93	1.60	1.79
General Fund; Proportion of net revenue stream	1.1%	3.0%	4.9%	8.9%	9.9%
HRA; Financing costs (£m)	3.9	3.9	3.9	4.2	4.6
HRA; Proportion of net revenue stream	14.2%	13.9%	13.6%	14.5%	15.4%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable considering that the majority of the planned expenditure is revenue earning.

7.0 Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer and the Council's two principal accountants are all qualified accountants with several years' experience between them, the Service Manager for Estates and Valuation is a qualified solicitor with many years' of experience in property law, commercial and corporate transactions and is supported by highly experienced and

professionally qualified surveyors and valuers (members of the Royal Institution of Chartered Surveyors).

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and has a Service Level Agreement with Hampshire County Council's Treasury Management department for day-to-day treasury management activities. The Council instructs external surveyors, valuers, architects and quantity surveyors to provide specialist advice on a project by project basis. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

CABINET – 3 FEBRUARY 2021

MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2021

1. RECOMMENDATIONS

- 1.1 That the Cabinet recommend to Full Council that the current scheme of members' allowances be made as the scheme to apply from 1 April 2021.

2. INTRODUCTION

- 2.1 Allowances paid to members of the Council are set out in the Members' Allowances Scheme. The Council is required annually to make a scheme of members' allowances, which must be published.
- 2.2 The current scheme is available to view at [Members' Allowances Scheme 2020/21](#).

3. CURRENT SCHEME

- 3.1 The current scheme provides for the annual adjustment of allowances (basic, special responsibility and dependant carers' allowances) by the Local Government staff employees' national pay award annual percentage increase.
- 3.2 The employee's national pay award for 2021/22 is still being negotiated. If an award is made it will automatically, under the terms of the Scheme, be backdated to 1 April 2021. No other changes to the scheme are proposed. Indeed, no changes are possible without a recommendation from the Independent Remuneration Panel.

4. FINANCIAL IMPLICATIONS

- 4.1 Provision has been made in the draft 2021/22 budget.

5. ENVIRONMENTAL, EQUALITY & DIVERSITY AND CRIME & DISORDER IMPLICATIONS

- 5.1 There are none.

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Background Papers:

Published documents

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