

**29 JULY 2022**

**NEW FOREST DISTRICT COUNCIL**

**CABINET**

Minutes of a meeting of the Cabinet held on Friday, 29 July 2022

- \* Cllr Edward Heron (Chairman)
- \* Cllr Jill Cleary (Vice-Chairman)

**Councillors:**

- \* Diane Andrews
- \* Geoffrey Blunden
- Steve Davies

**Councillors:**

- \* Michael Harris
- \* Jeremy Heron
- \* David Russell

\*Present

**In attendance:**

**Councillors:**

Alan Alvey  
Ann Bellows  
Keith Craze  
Philip Dowd  
Allan Glass

**Councillors:**

Joe Reilly  
Steve Rippon-Swaine  
Malcolm Wade  
Christine Ward

**Officers Attending:**

Kate Ryan, Alan Bethune, Grainne O'Rourke, Claire Upton-Brown and Matt Wisdom.

**Apologies**

An apology for absence was received from Cllr S Davies.

**21 NEW FOREST AND HAMPSHIRE COUNTY SHOW**

The Leader of the Council, on behalf of the Cabinet, placed on record his thanks to all Council staff involved in the very successful New Forest and Hampshire County Show. This was the first show since 2019.

He was pleased to announce that the District Council had won the Best Large Trade Stand for its "Environment Matters" stand, which included interactive activities, providing tips and advice on reducing waste, recycling more, how to start home composting in addition to information on what gets recycled in Hampshire.

It was noted that the stand itself had been put together in a sustainable way. Other Members of the Council added their congratulations on a successful stand and show.

**22 MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 6 July 2022, be confirmed and signed.

**23 DECLARATIONS OF INTEREST**

There were no declarations of any disclosable pecuniary interests made by Cabinet Members.

**24 PUBLIC PARTICIPATION**

There were no issues raised during the public participation period.

**25 UK SHARED PROSPERITY FUND**

**RESOLVED:**

1. That the Cabinet:-
  - a. notes the purpose of the UK Shared Prosperity Fund;
  - b. endorses the priority themes for use of the Council's funding allocation; and
  - c. agrees to delegate authority to the Chief Executive to submit the detailed Local Investment Plan for the Council to Government by 1st August 2022, in line with the published timescales.

**REASONS FOR DECISION:**

As set out in the report.

**KEY DECISION:**

Yes.

**PORTFOLIO:**

Leader / All.

**ALTERNATIVE OPTIONS CONSIDERED/REJECTED:**

As set out in the report.

**DECLARATIONS OF INTEREST(S):**

None.

**DISCUSSION:**

The Leader introduced the report and clarified that the £1m in the fund for the New Forest area would be over a three year period, with the majority to be received in year three. However, the total spend on levelling up would exceed this, with the Council pursuing many initiatives across the District as part of its wider priorities, with partners, to maximise opportunities for residents and businesses.

In response to questions on the activities within the investment priorities, it was clarified that the profile of spend was to an extent driven by the timing of the receipt of funding, alongside the appropriate division of revenue and capital projects.

Members were reassured that partnership working was at the heart of the programme, with the Freeport initiative a clear example of where workforce initiatives, particularly in the manufacturing sector, could allow many partners to deliver benefits to the area.

It was hoped that the ongoing work would continue to position the Council to be able to compete effectively for future funding streams and bring about consideration of future projects in a proactive manner.

**26 FINANCIAL MONITORING REPORT (BASED ON PERFORMANCE APRIL TO JUNE 2022 INCLUSIVE)**

**RESOLVED:**

1. That the Cabinet notes:-
  - a. the latest budget forecasts of the General Fund (section 6), Capital (section 7), and HRA (section 8) of the Cabinet report.
  - b. the impact that utility and general inflation is forecast to have on the Council's budgets, and the need to identify mitigating actions to address these largely unavoidable cost pressures, including a review of Service Charges within the HRA.
  
2. That the Cabinet recommends to Council:-
  - a. that financial support be given to Freedom Leisure through an 'open-book' arrangement relating to utilities spend (up to £400,000) and the granting of a year 2 rent waiver (£354,000), noting the resultant financial implication above the current set budget gives rise to a supplementary budget request of £279,000.
  - b. in recognition of the pay offer made by the National Employers for Local Government services on the 25th July 2022, an increase to the Council's salary budget for 2022/23 be approved, at a total forecast additional cost of £1,200,000, noting that the retained pension fund deficit budget will be used to cover the General Fund cost at £900,000, and that the Acquisition and Development Reserve will be used to cover the HRA cost at £300,000.

**REASONS FOR DECISION:**

As set out in the report.

**KEY DECISION:**

Report to Cabinet and Full Council.

**PORTFOLIO:**

Finance, Investment and Corporate Services / All.

**ALTERNATIVE OPTIONS CONSIDERED/REJECTED:**

As set out in the report.

**DECLARATIONS OF INTEREST(S):**

None.

**DISCUSSION:**

The Portfolio Holder introduced the report and highlighted the significant changes in the global economy that were impacting upon the Council's financial planning and position. Particularly the increased cost of energy, which presented challenges for both the Council and its partners.

With regard to the proposed support to Freedom Leisure, the Portfolio Holder highlighted this as an example of the partnership approach adopted by the Council, with a not for profit organisation. The priority remained to maintain services for residents. He commented that had it not been for the new arrangements for leisure services, the financial burden on the Council would have been at least double the amount of proposed financial support, and potentially as much as £2m to the Council when also taking into account the proposed local government pay award for this financial year.

The further variations in the report were highlighted, including the example of Hardley Depot, which had been reprofiled across 2023/24.

The Portfolio Holder went on to highlight paragraph 6.2 of the report, which confirmed that the Council had budgeted for a 2% pay award within its original budgets for 2022/23. This level of increase was consistently applied by local authorities across the country. On 25 July 2022, the National Employers for Local Government Services met, being the body that determine the employer pay award for local government, and subsequently put their final award proposal to the unions. It was agreed to put a final offer to the unions to reflect a fixed uplift to all pay points of £1,925 from 1 April 2022. This created a bottom loading impact and resulted in percentage increases across bands 1-11 of the Council's pay spine of between 10.5% to 2.93% respectively.

The Portfolio Holder hoped that the national unions would agree to the offer, to enable the Council to reflect the pay award in the salaries of employees at the earliest opportunity, in recognition of the dedication and commitment of the workforce. In order to meet the pay award, the Portfolio Holder moved an additional recommendation, to build in an additional £900,000 to the General Fund Budget, and an additional £300,000 to the Housing Revenue Account Budget in 2022/23. The increases would also need to be allowed for within the Council's Medium Term Financial Plan. The General Fund increase to 2022/23 could be accommodated through the retained pension deficit budget, maintained within the original budget, and the costs to the Housing Revenue Account could, for the time being, be covered through the balances available within the Acquisition and Development Reserve.

Furthermore, whilst the employer offer would result in a minimum pay point for local government employees of £10.50 per hour with effect from 1 April 2022, it was proposed that NFDC staff be supported with a minimum pay point 20p per hour ahead of where the final nationally agreed minimum sat.

The Leader took the opportunity to endorse the flat rate offer of the National Employers. In challenging times for employees across the country, this represented vital support in meeting the cost of living. One Member sought assurances on the flexibility outside of the basic pay award for key appointments. The Leader responded and agreed that whilst the pay settlement would be a welcome resolution to basic pay for 2022/23, the Council needed to work towards being an employer of choice in a challenging recruitment and retention market.

In response to questions on Freedom Leisure and its operation in other areas of the country, it was confirmed that discussions were taking place between Freedom and their other partners. NFDC sought to do this at the earliest opportunity in order to support service delivery in the District and to support effective financial planning. The Portfolio Holder for Partnering and Wellbeing endorsed the work of officers in moving forward the support to Freedom Leisure.

CHAIRMAN