

7 DECEMBER 2022

NEW FOREST DISTRICT COUNCIL

CABINET

Minutes of a meeting of the Cabinet held on Wednesday, 7 December 2022

* Cllr Jill Cleary (Chairman)

* Cllr Diane Andrews (Vice-Chairman)

Councillors:

* Geoffrey Blunden
* Steve Davies
* Michael Harris

Councillors:

* Edward Heron
* Jeremy Heron
* David Russell

*Present

In attendance:

Councillors:

Ann Bellows
Sue Bennison
Fran Carpenter
Steve Clarke
Philip Dowd
Allan Glass

Councillors:

Alison Hoare
Alan O'Sullivan
Joe Reilly
Malcolm Wade
Christine Ward

Officers Attending:

Alan Bethune, Sara Hamilton, Grainne O'Rourke, Kate Ryan, Manjit Sandhu, Andrew Smith, Ryan Stevens, Joe Tyler, Claire Upton-Brown and Karen Wardle.

Apologies

There were no apologies for absence received from Cabinet Members.

51 LEADER'S ANNOUNCEMENTS

The Leader announced that the UK Shared Prosperity Fund had been confirmed and would provide £1million of funding to the District across a three year period. This funding would provide capital and revenue to the Council. Cabinet were reminded that they had approved their submission to the UK Shared Prosperity Fund at their July meeting, which focused on three priority themes. The themes were: improvements to place and town centres, car park enhancements & renovations to beach shelters and litter reductions. The Leader was encouraged that this funding would support local businesses and start-ups, allowing the Council to harness the opportunities presented on developing a green economy. The Council would work with its partners across the District in the New Forest Partnership Board to oversee the implementation of this program of funding.

52 MINUTES**RESOLVED:**

That the minutes of the meeting held on 2 November be confirmed and signed.

53 DECLARATIONS OF INTEREST

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

Cllr E Heron declared, for transparency, that he was a member of the Solent Freeport Board. Therefore, he would abstain from voting on Item 9, the Solent Freeport: HM Government Memorandum of Understanding.

54 PUBLIC PARTICIPATION

There were no issues raised during the public participation period.

55 COUNCIL TAX 2023/24 SETTING THE COUNCIL TAX BASE**RESOLVED:**

That the Cabinet recommend to Council that:

1. The Council's tax base for the year 2023/24 be approved.
2. Pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by the Council as its council tax base for the year 2023/24 be as follows and as detailed in Appendix 3 of the report.

PARISH/TOWN	TAX BASE 23/24
Ashurst & Colbury	937.3
Beaulieu	516
Boldre	1,059.7
Bramshaw	343.4
Bransgore	1,827.6
Breamore	184.3
Brockenhurst	1,906
Burley	803.6
Copythorne	1,219.9
Damerham	248.9
Denny Lodge	160
East Boldre	382.7
Elingham, Harbridge & Ibsley	632
Exbury & Lepe	116.1
Fawley	4,655.9
Fordingbridge	2,427.9
Godshill	227.6
Hale	268
Hordle	2,440.1
Hyde	514.2
Hythe & Dibden	7494.8

Lymington & Pennington	7,531.1
Lyndhurst	1,480.4
Marchwood	2,067.6
Martin	198.5
Milford on Sea	2,934.2
Minstead	377.3
Netley Marsh	812.2
New Milton	10,624
Ringwood	5,474.9
Rockbourne	164.8
Sandleheath	283.8
Sopley	389.8
Sway	1,730.8
Totton & Eling	9,484.4
Whitsbury	102.9
Woodgreen	249
Whole District	72,271.7

REASONS FOR DECISION:

As set out in the report.

KEY DECISION:

Report to Cabinet and Full Council.

PORTFOLIO:

Finance, Investment and Corporate Services.

ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

DECLARATIONS OF INTEREST(S):

None.

DISCUSSION:

The Portfolio Holder introduced the report and explained that this was a technical paper that was considered by Cabinet and Council every year. This was an important part of setting the Council Tax Base for Parish and Town Councils across the District.

The Service Manager of Revenue and Benefits reported that the yearly calculation represented the estimated number of chargeable dwellings and was set to a "Band D equivalent" figure. The annual report for 2023/24 included detailed calculations that were required to set the tax base for tax setting purposes. A number of properties were adjusted in each valuation band to allow for exemptions, reductions and premiums, for example. It was reported that there may be some growth in the tax base in the forthcoming year, with the total base calculated at 72,271. This was

deemed a prudent approach with a realistic collection rate to be determined and factored into the calculations.

Members highlighted the reduction in the number of dwellings set the Band D from the previous year. In response to this, it was explained that the change in the number of dwellings set to the Band D equivalent within the tax base was not unusual and was due to a variety of reasons. The reasons ranged from the change in total property numbers within the District to the number of dwellings that receive discounts or exemptions.

56 ASSET INVESTMENT STRATEGY

RESOLVED:

That the Cabinet recommends to Council that they approve:

1. the Asset Investment Strategy attached as Appendix 1 to the report.
2. the proposed level of investment, at £20M, and associated financial implications as set out in the Strategy and the report.
3. the continuation of the Property Investment Panel for the purposes set out in this report.

REASONS FOR DECISION:

As set out in the report.

KEY DECISION:

Report to Cabinet and Full Council.

PORTFOLIO:

Finance, Investment and Corporate Services.

ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

DECLARATIONS OF INTEREST(S):

None.

DISCUSSION:

The Portfolio Holder introduced the report and explained that the second stage of investment was being proposed, with a requested, further £20million of spending to the capital programme. It was explained that this additional funding would predominantly support the local economy and provide a return in investment to the Council.

The Service Manager of Estates and Valuation reported that since 2017, the Asset Investment Strategy (AIS) had helped local businesses grow and had identified opportunities for income generation. The Council had secured the diverse portfolio

of good quality commercial property within the District which supported economic activity and industrial development as well as providing a worthwhile rental income to support the Medium-Term Financial Plan. The Platinum Jubilee Business Park was given as a tangible example of the strategy's implementation and success. The Service Manager was confident that opportunities would continue to arise in the District and the AIS would accommodate new investments. The acquisitions that could be made would be funded using a combination of reserves and borrowing.

Cabinet considered the Financial Strategy and Business Case for the continuation of the AIS programme and endorsed the additional funding of £20M to be made available. This would accommodate further property acquisitions before a further review of the strategy is necessitated.

A Commercial Property Panel, comprised of senior officers and members, would continue to provide decision-making, oversight and guidance in respect of the implementation of the Asset Investment Strategy. The Panel had reviewed the proposed Asset Investment Strategy 2022 and has endorsed it.

Capital financing would be considered in the round alongside other Council strategies, such as the Housing Strategy. This would allow the Council to best budget going forward, enabling the Council to utilise internal funding first with the prospect of external funding or borrowing if required.

The income generated by the AIS would go into the Council's general fund to support all services provided by the Council, benefitting the needs of the residents.

57 MEDIUM TERM FINANCIAL PLAN 2022 ONWARDS

RESOLVED:

That the Cabinet:

1. Note the contents of the report and the updates to the Medium-Term Financial Plan.
2. Endorse the approach taken to set the Asset Maintenance and Replacement Programme and Capital Programme Budgets for 2023/24.
3. Allow the Fleet Manager to begin procurement for the vehicles and plant as included within the 2023/24 replacement programme.
4. Recommend that Council approve the proposed fees and charges as included at Appendix 1 and 2 of the report.

REASONS FOR DECISION:

As set out in the report.

KEY DECISION:

Yes. Report to Cabinet and Council.

PORTFOLIO:

Finance, Investment and Corporate Services.

ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

DECLARATIONS OF INTEREST(S):

None.

DISCUSSION:

The Portfolio Holder introduced the item and acknowledged that the entire country was facing rising prices throughout the ongoing cost of living crisis. Individuals, businesses and local authorities were all being impacted by the increase in costs. The Portfolio Holder was confident, however, that the Medium-Term Financial Plan (MTFP) would deliver its aims for the residents of the District.

The Section 151 Officer reported that the underlying message of the MTFP was that the Council continued to face a financial challenge when looking ahead. However, the Section 151 Officer assured Members that work continued to be undertaken in a proactive and prudent way, so as to put the Council in the best position to present a strong financial strategy through to 27/28.

Cabinet was informed that the Council's financial strategy sought to align available financial resources and corporate priorities in order to achieve a balanced budget. A balanced budget would be realised through the crystallisation of efficiencies from all services, supported with the targeting of new and additional income generation.

Financial stability over the medium-to-long term had underpinned the Council's financial strategy, with due consideration being given to the potential implications that the Fair Funding Review, Business Rate Reset, and national rent setting policy would have on the Council. The Council had understood the need to consider its overall organisational business model in order to ensure the future protection of its services and aligns the financial plan to ensure its delivery of key priorities as outlined in the Corporate Plan.

The Autumn Spending Review awarded Local Government an additional £4.8billion in grant funding over the next three years as well as some business rate relief measures and settlement grants. The items that were known as either impacting or potentially impacting the Council's finances over the Medium Term were: Government policy including the Business Rate Reset, the Lower Tier Services Grant, Services Grant, Council Tax Increase, New Homes Bonus, National Insurance Contributions, Extended Producer Responsibility Scheme, Homelessness Prevention Grant and the HRA Cap.

Council Tax would play an important role in the overall scale of the Council's budget going forward. The increase in the Band D Council tax threshold of £5 or 2.99% for District Councils would provide added flexibility to achieve the figure within the updated forecasted deficit, as detailed in Point 5.2 of the report presented to Cabinet.

Options were identified to address the deficit, as outlined in the report, including Commercial and Residential Income Generation and the Efficiency Programme.

Cabinet considered the additional, significant quantifiable changes to consider since the September reported position. These included Homelessness Cost Pressures, Triennial Pension Revaluation, National Insurance, Pay Award, Tax Base Growth, investment in the New Forest economy, the freezing of the Business Rate multiplier, investment in Service Change Resources, and service changes in Garden Waste Collections and Trade Waste.

Formal financial setting will take place in February, awarding greater clarity to the 2023/24 budget.

Members discussed the increase, between 9.1% to 11%, in Garden Waste collection fees. The Portfolio Holder explained that despite this increase in collection costs, the District retained one of the lower charges for this service in comparison to other local authorities within the County.

58 COUNCIL TAX REDUCTION SCHEME 2023/24

RESOLVED:

1. That the Cabinet recommends to Council that the Council Tax Reduction backdate period be extended from 6 months to 12 months, as detailed in Section 6, from 1 April 2023.
2. That a Task and Finish Group review a Banded scheme during 2023.

REASONS FOR DECISION:

As set out in the report.

KEY DECISION:

Report to Cabinet and Council.

PORTFOLIO:

Finance, Investment and Corporate Services.

ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

DECLARATIONS OF INTEREST(S):

None.

DISCUSSION:

The Portfolio Holder introduced the item and reminded Members that local authorities were responsible for setting up their own Council Tax Reduction Schemes to support those of working age on low income in paying their council tax. It was reported that there were currently 7904 claimants receiving Council Tax Reduction which costed the Council approximately £9.1million. The amount of Council Tax Reductions awarded affects the tax base and is not identified within the overall formula grant allocation from national Government.

The Task and Finish Group that was set up to review the Banded scheme during 2022, along with the vulnerable category with any proposals for change to take effect from 1 April 2023 met and considered the varying factors that impacted the Council-Tax in-year collection rate for those in receipt of Council Tax Reduction. It was acknowledged that in 2022/2023 council tax bills had increased, the level of administration involved in collecting council tax had increased and welfare reform changes and the cost-of-living crisis had also negatively affected low-income households.

The Portfolio Holder was confident that collection rates for Council Tax would remain high and encouraged anyone who was facing difficulties in paying their Council Tax to make contact with the Council at the earliest opportunity as there are support measures on offer.

59 COUNCIL TAX EMPTY HOMES PREMIUM, SECOND HOMES PREMIUM, DISCOUNTS AND POLICIES

RESOLVED:

That the Cabinet recommends to Council that:

1. The empty homes premium, as detailed in Section 3 of the report, remain unchanged.
2. That the extension of the Empty Homes Premium, as detailed in Section 4 of the report, be approved.
3. That the introduction of a second homes premium if 100%, as detailed in Section 4 of the report, be approved.
4. That the removal of the council tax discount for properties in Prescribed Class D, as detailed in Section 5 of the report, be approved.
5. That the updated policies, as detailed in Section 6 of the report, be approved.

REASONS FOR DECISION:

As set out in the report.

KEY DECISION:

Report to Cabinet and Council.

PORTFOLIO:

Finance, Investment and Corporate Services.

ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

DECLARATIONS OF INTEREST(S):

None.

DISCUSSION:

The Portfolio Holder introduced the item and reported that the recommendations contained in the report were put to Cabinet by the Council Tax Reduction Task and Finish Group on Council Tax Empty Homes Premium, a premium on second homes, council tax discounts and three Revenue and Benefits Policies.

The Empty Homes premium sought to bring social housing stock back into use as quickly and efficiently as possible. The primary focus was to get those who required social housing into available homes as soon as possible. The Queen's speech in May 2022 included a Levelling Up and Regeneration bill that proposed to give local authorities discretion to address second homes and to extend their exiting provision in relation to empty homes. The Task and Finish Group considered the proposals and recommended that a second homes premium be introduced of 100% and that a 100% empty homes premium apply when a property had been empty for more than one year. The two premiums are subject to legislation being implemented. Should Royal Assent be received prior to 31 March 2023, the council could apply these new proposals from 1 April 2024. The upcoming change, following the annual review, was the removal of the Prescribed Class D Council Tax band discount. Three policies contained within the review had also been updated. These included the debt collection and recovery policy, the discretionary housing payment policy and the exceptional hardship policy.

The Portfolio Holder explained that he had initial concerns regarding recommendation d) of the Task and Finish Group's. Cabinet was reassured, however, that following consultation with Officers, the Portfolio Holder was now supportive of all the recommendations that were proposed by the Task and Finish Group and presented to Cabinet.

60 SOLENT FREEPORT - HM GOVERNMENT MEMORANDUM OF UNDERSTANDING

RESOLVED:

That Cabinet recommend to Council that delegated authority is given to the Chief Executive, in consultation with the Section 151 Officer and Leader of the Council, to sign the final Memorandum of Understanding on behalf of the Council as part of the Freeport designation process.

REASONS FOR DECISION:

As set out in the report.

KEY DECISION:

Report to Cabinet and Council.

PORTFOLIO:

Leader.

ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

DECLARATIONS OF INTEREST(S):

Cllr E Heron declared, for transparency purposes, his membership of the Solent Freeport Consortium Ltd. He did not vote on this item.

DISCUSSION:

The Leader introduced the item and proposed a minor amendment to the recommendations, accounting for a delegation to the Chief Executive, in consultation with the Section 151 Officer and the Leader of the Council, to sign off the final version of the MoU, allowing flexibility in the event of any minor amendments to the final document. The Cabinet accepted this minor amendment and agreed that delegated authority is given to the Chief Executive, in consultation with the Section 151 Officer and Leader of the Council, to sign the final Memorandum of Understanding on behalf of the Council as part of the Freeport designation process.

The Section 151 Officer reported that as the New Forest District Council was a required signatory of the Memorandum of Understanding (MoU). He explained that the document reaffirmed the objectives of the Freeport and was consistent with the full business case submission which was nearing the final stage of Government review. The signing and return of the MoU would leverage the release of the £25million worth of seed capital, which in turn would give tax incentives to those businesses operating within the freeport area. The latest version of the MoU supplemented the paper approved by Cabinet and Council at their March 2022 extraordinary meetings.

Members discussed the potential impact the Freeport would have on Dibden Bay. It was explained that there had been no change in relevant policies insofar as environmental designations or planning development were concerned. Traffic impacts resultant from the Freeport designation were discussed and Members acknowledged that the Freeport would be more of an import hub with the focus being on distribution of goods by sea.

Note - Cllr E Heron requested that his abstention from the resolution above, be recorded.

61 OUTSIDE BODIES**RESOLVED:**

That the Cabinet:

1. note that the appointments to Outside Bodies, in respect of the Leader and Deputy Leader of the Council, will be fulfilled by Cllrs Cleary and Andrews respectively, for the remainder of the four-year period ending May 2023.
2. Agree the following specific appointments to the Hampshire and Isle of Wight Local Government Association, for the remainder of the four-year period ending May 2023: -

- Leader of the Council (Cllr Cleary)
- Cllr E Heron

CHAIRMAN