

## NOTICE OF MEETING

<b>Meeting:</b>	<b>CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL</b>
<b>Date and Time:</b>	<b>THURSDAY, 17 NOVEMBER 2022, AT 9.30 AM*</b>
<b>Place:</b>	<b>COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA</b>
<b>Enquiries to:</b>	<b>Email: <a href="mailto:andy.rogers@nfdc.gov.uk">andy.rogers@nfdc.gov.uk</a> Andy Rogers Tel: 023 8028 5070</b>

### **PUBLIC PARTICIPATION:**

Members of the public may watch this meeting live on the [Council's website](#).

\*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 Corporate Affairs and Local Economy Overview and Scrutiny Panel'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 Monday, 14 November 2022.

**Kate Ryan**  
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA  
[www.newforest.gov.uk](http://www.newforest.gov.uk)

This agenda can be viewed online (<https://democracy.newforest.gov.uk>).  
It can also be made available on audio tape, in Braille and large print.

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## AGENDA

### Apologies

#### 1. MINUTES

To confirm the minutes of the meeting held on 23 June 2022 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. ASSET INVESTMENT STRATEGY** (Pages 5 - 18)  
To consider a proposed future Asset Investment Strategy together with associated issues, and to make any recommendations to Cabinet.
- 4. HARDLEY DEPOT UPDATE** (Pages 19 - 20)  
To receive an update concerning the Hardley Depot.
- 5. THE NEW FOREST ECONOMIC PROFILE 2022** (Pages 21 - 26)  
To note key economic indicators on the local economy.
- 6. THE NEW FOREST START-UP CAMPAIGN** (Pages 27 - 30)  
To receive an update on the New Forest Start Up Campaign.
- 7. ICT UPDATE** (Pages 31 - 38)  
To receive an update on the ICT service
- 8. COMPLAINTS ANNUAL REPORT** (Pages 39 - 66)  
To receive an overview of complaints received, and dealt with, by the Council's Complaints Team during the period 1 April 2021–31 March 2022.
- 9. COUNCIL TAX REDUCTION TASK AND FINISH GROUP REPORT** (Pages 67 - 72)  
To consider the final report of the Council Tax Reduction Task and Finish Group.
- 10. COUNCIL TAX EMPTY HOMES PREMIUM, SECOND HOME PREMIUM, DISCOUNTS AND POLICIES** (Pages 73 - 106)  
To consider the recommendations of the Council Tax Reduction Task and Finish Group on the council tax empty homes premium, a premium on second homes, council tax discounts, and three revenue and benefits policy reviews.
- 11. FINANCIAL STRATEGY TASK & FINISH GROUP - FINAL REPORT** (Pages 107 - 114)  
To consider the final report of the Financial Strategy Task and Finish Group.
- 12. PENSION REVALUATION SUMMARY** (Pages 115 - 122)  
To receive details of the Employee Pension Revaluation.
- 13. PORTFOLIO HOLDER'S REPORTS**  
To receive an oral update from the Portfolio Holders for Corporate Affairs, Finance, Corporate Services & Improvement and Local Economic Development, Property & Innovation on developments within their Portfolio areas.

**14. WORK PROGRAMME**

- (a) To consider the Panel's future Work Programme, including any reviews of previous work undertaken; and
- (b) To receive any updates on Task and Finish Group work.

**15. DATES OF FUTURE MEETINGS**

To agree the following dates for Panel meetings in 2023/24:

(All Thursdays at 9.30am)

26 June 2023  
21 September 2023  
16 November 2023  
18 January 2024  
28 March 2024

**16. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

To:	<b>Councillors</b>	<b>Councillors</b>
	Alexis McEvoy (Chairman)	Richard Frampton
	Derek Tipp (Vice-Chairman)	Alison Hoare
	Alan Alvey	Mahmoud Kangarani
	Keith Craze	Martyn Levitt
	Jack Davies	Alan O'Sullivan

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## **ASSET INVESTMENT STRATEGY**

### **1. RECOMMENDATIONS**

- 1.1 That the Panel notes the Asset Investment Strategy attached to this report and provides feedback to the Cabinet.

### **2. INTRODUCTION**

- 2.1 Since 2017, the Council has implemented an asset investment strategy to invest in commercial property in support of its stated priorities to help local businesses grow, to boost the economic viability of the District and to identify opportunities to generate income to maintain services that are important to residents.
- 2.2 The Council will be asked to support a new Asset Investment Strategy which continues the existing strategy.
- 2.3 The proposed Asset Investment Strategy is attached to this report

### **3. BACKGROUND**

- 3.1 Since the introduction of the existing Asset Investment Strategy, the Council has been able to secure a diverse portfolio of good quality commercial property within the District to support economic activity and industrial development within the New Forest. The purchases have also provided a worthwhile rental income to the Council to support the delivery of the Medium-Term Financial Plan. Based on purchases to date and in train, as well as projects currently under construction, the Council will have invested the initial £30M fund by the end of the 2022/23 financial year.
- 3.2 The Council is confident that in the long term there will continue to be opportunities to purchase and develop further good quality commercial property in the District in support of its objectives and so is planning within the investment strategy and capital strategy for a further £20M of funding to be made available to accommodate further property acquisitions before a further review of the strategy is necessitated.
- 3.3 The Financial Strategy and Business Case for the continuation of the programme is set out in the attached Asset Investment Strategy.
- 3.4 The management of the commercial property portfolio is undertaken by the Estates and Valuation Service. The Council's principal commercial investment properties in its portfolio have a current total capital value of approximately £29m \*. The present rental income is £1.7m \* (gross) which when compared against the initial purchase prices results in a gross yield of around 6%. (\*excludes the

'asset under construction' – Platinum Jubilee Business Park).

- 3.5 Direct costs are fairly minimal, with the ability, in most cases, to recharge these through service charges. The Council applies Minimum Revenue Provision (the repayment of capital reserves from the revenue budget) in line with the Council's approved MRP policy, and this results in a current annual (internal) charge (payable by Revenue into Capital) of approximately £250,000 per annum.
- 3.6 A Commercial Property Panel, comprised of senior officers and members, provides decision-making, oversight, and guidance in respect of the implementation of the present Asset Investment Strategy. The Commercial Property Panel has reviewed the proposed Asset Investment Strategy and has endorsed it.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Full details of the Financial and Business Case and the Financial Implications and the Council's prudent approach to investments are set out in the attached Asset Investment Strategy.
- 4.2 An increase of £20M to the investment portfolio, making a total of £50m, is sought as a supplementary estimate to the Council's Capital budget. The exact net financial return will depend on the type and nature of acquisitions and development projects, the financing mix and the level of additional internal resource required, as outlined in para 5.1. It is estimated that the Strategy will achieve an additional net income in the region of £500,000 - £600,000 PA.
- 4.3 There are risks the Council should consider, all of which could have an impact on the net return to the Council as set out in the attached Asset Investment Strategy.

#### **5. HUMAN RESOURCE IMPLICATIONS**

- 5.1 Increasing the Council's investment property portfolio will have an impact on workloads within the Estates and Valuation team. Additional resource is likely to be required to help develop and manage the portfolio and its expansion. There may be further staffing requirements within the Estates and Valuation team depending on the nature of the properties acquired.

#### **6. CRIME & DISORDER IMPLICATIONS**

- 6.1 There are no crime and disorder implications arising from this report.

#### **7. ENVIRONMENTAL IMPLICATIONS**

- 7.1 There may be environmental benefits arising through the execution of the strategy. Opportunities include sustainable construction practices, for example to reduce vehicle movements, introduction of solar panels on buildings and the provision of electrical vehicle charging points. New development and investments in the District may encourage local economic benefits and employment which may bring other sustainability benefits such as a reduction in commuting to neighbouring centres for example. Working with the Council's new Climate Change manager may identify further opportunities for sustainable practices.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

8.1 There are no equality and diversity implications arising from this report.

## **9. DATA PROTECTION IMPLICATIONS**

9.1 There are no data protection implications arising from this report.

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

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### **Background Papers:**

Asset Investment Strategy.

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# Asset Investment Strategy

*'In support of a vibrant and prosperous New Forest economy'*



Platinum Jubilee Business Park – An NFDC development due for completion January 2023

## 1. Introduction

- 1.1 In 2017 the Council introduced a new strategy to invest in commercial property in support of its stated priorities to help local businesses grow, to boost the economic viability of the District and to identify opportunities to generate income to maintain services that are important to residents.
- 1.2 Since the introduction of the new strategy, which set aside a £30M fund, the Council has been able to secure good quality commercial property within the District to support economic activity and industrial development within the New Forest. The purchases have also provided a worthwhile rental income to the Council to

## 2. Background

- 2.1 Stated aims of the Council as set out in its Corporate Plan 2020 - 2024 include to deliver a sustainable and prosperous New Forest, helping local businesses to grow and prosper and enabling service provision and ensuring value for money for the Council taxpayer including by identifying sites and opportunities through the asset investment strategy.
- 2.2 The purpose of the Asset Investment Strategy is to make commercial property investments in support of a sustainable New Forest economy, and to provide economic redevelopment or regeneration in the District. It also provides a satisfactory rental income in support of the Medium-Term Financial Plan.
- 2.3 The Asset Investment Strategy includes continual evaluation of the investment portfolio to ensure that it is fit for purpose.
- 2.4 It is considered that a meaningful contribution towards ensuring continued delivery of the Council's key priorities can be achieved through investment in good quality commercial property. The strategy is supplemental to other strategies being adopted by the Council that also aim to fulfil corporate priorities.
- 2.5 The management of long-standing and newly acquired assets, pursuant to the adoption of the 2017 strategy, is undertaken by the Estates and Valuation Service. In addition, the Council is developing the new Platinum Jubilee Business Park in Ringwood which is expected to support between 150 – 200 jobs with further added benefits to the wider supply chain, and will generate gross rental income over £0.5M per year when fully let.
- 2.6 Investments to date have been financed through the use of Council resources. Further purchases will require external borrowing, depending on the scale and the timing of the investment.
- 2.7 The specific governance arrangements put in place to deliver on the strategy have enabled the Council to respond swiftly when good opportunities arise in the District. The refreshed Asset Investment Strategy provides the Council with the ability to continue to assess opportunities in a systematic way whilst being able to move quickly. The Council has taken advantage of off-market introductions as well as open market sales

support the delivery of the Medium-Term Financial Plan. Based on purchases to date and in train, as well as projects currently under construction, the Council will have invested the initial £30M fund by the end of the 2022/23 financial year.

- 1.3 The Council is confident that in the long term there will continue to be opportunities to purchase and develop further good quality commercial property in the District in support of its objectives and so is planning within the investment strategy and capital strategy for a further £20M of funding to be made available to accommodate further property acquisitions before a further review of the strategy is necessitated.

to build the mixed portfolio and believes it has a strong local reputation and track record to complete transactions.

- 2.8 The management of the Council's cash is dictated within the Council's Treasury Management Strategy and is held within a variety of investment types. The average yield achieved as at 31 March 22 from these investments was 0.77%. The Treasury investment portfolio currently includes £13.6m held in pooled property and equity funds which are higher earning (4.17% achieved), with the majority of other funds being held with less than 1 year to maturity for operational reasons.

## 3. The Financial Strategy and Business Case

- 3.1 The Council's adopted corporate plan covering 2020 - 24 includes several key aspects that can be related back to this strategy. The vision and values of the corporate plan include:
- To secure a vibrant and prosperous New Forest
  - Working with others to maintain a vibrant local economy that brings opportunities to the area
  - To act fairly, openly and with financial responsibility in all that we do
  - Protecting the special character of the New Forest
  - Understanding local needs
- 3.2 The Council is looking to play a key role in the shaping of 'Place' across the District. The ability to make strategic asset purchases to support Town Centre regeneration and development and promote local economic activity is pivotal to the ability of the Council to deliver on a range of priorities.
- 3.3 Local authorities are also seeking to become more self-sufficient and not reliant on grant funding. An important financial consideration when implementing the Asset Investment Strategy is for the properties to make a positive contribution towards the achievement of the Council's Medium Term Financial Plan, whilst noting that this is a long-term strategy.
- 3.4 Although the Council's cash balances ranged between £50.4m and £105.4m to the 12 months to March 2022, some of this balance was in relation to varying covid

- 3.5 related Business Support grants held briefly by the Council, before onward distribution. Balances in general are forecast to decrease over the next few years. The Councils' Capital Programme Reserve stood at £12.004m as at March 2022, with this largely committed to schemes over the coming few years. It is envisaged that an internal borrowing arrangement would take place to initially finance any further property purchases, until such a time when external borrowing is required.
- 3.6 Officers believe that the Council could potentially borrow funds with the PWLB, or from a variety of other sources. The PWLB fixed interest rates are based on gilt yields and are published twice a day. The PWLB needs to be satisfied the Council is acting lawfully when borrowing funds.
- 3.7 One-off and on-going costs will be incurred to deliver the strategy. Prospective bids would allow for transactional costs (finder's fees, valuations, legal costs, stamp duty, etc.) when calculating the yield.
- 3.8 NFDC already has substantial loans of c£122.6M following the Housing Revenue Account resettlement in 2012. The Council's prudential indicators, which are agreed as part of the Treasury Management Strategy and Annual Budget 2022/23, include for example, a limit on external debt. The agreed size, funding mix and anticipated timing of the acquisitions of the investment portfolio would need to be taken into account in the prudential indicators, to include an increase in the overall external debt limit.
- 3.9 It is necessary for the Council to take a prudent approach to the management of its financial affairs. When assessing investments taking a prudent approach, the Council will need to consider such factors as the security against loss, the liquidity of the investment, the yield, affordability of the loan repayments, change in interest rates and property values.
- 3.10 In short, the Council must get right the balance between risk and reward in a manner befitting with the Council's overall risk appetite to ensure the cost of funding the Asset Investment Strategy does not fall on the taxpayer.

#### 4. Recent market experience

- 4.1 As mentioned above, the Council has grown its portfolio pursuant to the Asset investment Strategy. The Council believes attractive properties will come to the market in the future. The Council also believes there is and will remain good demand for commercial space from local and regional business tenants serving the District economy and the wider region.
- 4.2 The portfolio is diverse with a mix of public sector, offices, leisure, industrial, professional services and retail. In the Council's view there is no overweighted exposure to any particular market or occupier. The portfolio has occupiers undertaking their various business activities with the Council's properties and acting as a supportive landlord we achieve a low level of void space.
- 4.3 The portfolio will be further complemented with completion of the Council's biggest investment in the

development of Platinum Jubilee Business Park which is a mix of larger and smaller light industrial units and offices targeting the local business market. The Council believes there will be good demand for the units once the development is completed and expects that more than 150 jobs will be supported by the development.

- 4.4 In addition, and pursuant to this Asset Investment Strategy, the Council may invest in the redevelopment, re-purposing or improvement of its own landholdings. The Council undertook improvements at Lymington Town Hall and has let the space so created to a variety of public and private sector tenants including Hampshire Police and the Citizens Advice Bureau.

#### Market economic outlook

- 4.5 Regarding the present economic profile of the District:
- 4.6 The New Forest is the fourth largest economy in the Hampshire County Council Area. In 2020 the New Forest economy generated some £4.4bn (GVA). Including VAT and other indirect taxes on products (minus subsidies) this rises to nominal GDP of £5.1 billion to the economy.
- 4.7 Primary & secondary industries contribute approximately one third (31%, £1.36bn) of economic output in the New Forest, larger in relative terms than both Hampshire or UK economies. Manufacturing is the largest component with a concentration in New Forest above the national average. The construction sector is also significant across the New Forest.
- 4.8 Timelier national data saw the economy rebounding in 2021, with estimated Hampshire growth above the national average and the New Forest possibly even faster thanks to recovery of consumer-facing services sectors. However, the UK economy is showing signs of stalling in 2022 amidst geopolitical tensions and with rising inflation and low growth (stagflation)
- 4.9 there is an increasing likelihood of recession in late 2022 and throughout 2023. Forecast growth is therefore subdued in the short-term

*SOURCE: Report: The New Forest Economic Profile 2022 Business Intelligence Service*

#### 4.10 Industrial & Logistics sector

Lambert Smith Hampton produced a report 'Fast Forward' Industrial & logistics Market 2022. A summary is:

*"As investors in other property sectors continue to grapple with uncertainty, the UK industrial logistics market is thriving. The sector rose to the challenge of COVID-19 in 2020, paving the way for a frenzy of activity in 2021; a year that saw record take-up, record levels of speculative development and,*

tellingly, record low levels of supply.

Investors are playing their part. The scale of global capital seeking UK logistics is seemingly without limit, drawn in by the sector's relatively defensive attributes and clear evidence of unprecedented levels of rental growth. Such is the strength of occupier demand; investors have never been more assured of putting their money into speculative development. But it isn't all plain sailing. Conflict in Eastern Europe has raised global geopolitical tensions substantially, bringing a new layer of uncertainty and risking further escalation of inflation. Landlords should be mindful at least of the threat of rising costs to consumers and occupiers alike, as well as the prospect of rising rating liabilities in 2023 and possible moves towards a new online sales tax.

Even if 2022 struggles to match the highs of last year, this does not for a moment look like a bubble about to burst. The growth and activity we are witnessing is underpinned by extremely positive dynamics, which I expect to continue to drive the market for years to come. If anything, a critical lack of supply is likely to prove the main impediment to activity in 2022"

JAMES POLSON  
NATIONAL HEAD OF INDUSTRIAL & LOGISTICS  
LAMBERT SMITH HAMPTON AUGUST 2022

#### 4.11 Retail Sector

"UK consumer confidence remained at a historic low of -41 in July, according to GfK's Consumer Confidence Index. All five sub-indices remained virtually unchanged, with the general economic situation indices remaining extremely subdued at -66 (last 12 months) and -57 (next 12 months).

This collapse in consumer confidence reflects the rapid rise in inflation, which is creating the biggest fall in real household disposable incomes since records began in the 1960s, as well as rising interest rates and a deteriorating economic outlook. With already-high inflation set to increase further, this very weak confidence is likely to continue for some time.

A further sharp decline in real household incomes looks inevitable, although the Government's Cost of Living Support package, together with rising wages and the low rate of unemployment will help to cushion the impact. The Bank of England is now forecasting real household income to fall by 1.5% this year and by 2.25% in 2023, only returning to modest growth in 2024.

This will inevitably impact consumer spending levels. Indeed, a recent ONS survey reported that just over 60% of households were already spending less on non-essentials, and almost 50% were spending less on food. On the positive side, consumer spending will fall by less than incomes, as some households (typically higher income ones)

will be able to tap into savings accumulated during the pandemic, or reduce the proportion of their income that they save. Discretionary spending will be most under pressure, as households delay big-ticket and non-essential purchases.

These impacts are yet to be fully seen in retail sales data. Retail sales volumes fell by 0.1% in June 2022 following a fall of 0.8% in May 2022 (revised from a fall of 0.5%); sales volumes were 2.2% above their pre-pandemic February 2020 levels, but down over the past year.

The proportion of retail sales online fell to 25.3% in June, the lowest proportion since March 2020 (22.8%), continuing a broadly downward since February 2021 (37.4%), as more shoppers return to physical stores following the pandemic. However, over the medium term, online sales are likely to resume their upward trend as a proportion of total sales.

UK town centre footfall remains circa 10% below its pre-pandemic levels, due mainly to the higher level of the remote working. This now appears to be a structural shift, to which retailers will need to permanently adjust. On the positive side, many local high streets continue to benefit, but at the expense of larger town and city centres.

Average retail rental values had been declining for 18 months prior to the pandemic, a trend that accelerated sharply during the lockdowns, and are now 17.4% below their 2018 peak (MSCI Monthly Index, June). However, the rate of decline has been moderating recently, and average all-rental values have now broadly levelled off. This does mask significant variation, depending on the type of property and location.

The retail warehouse subsector has fared considerably better than most of the wider retail sector. Average rental values saw only a modest fall during the pandemic, and have been rising steadily, by 1.1% between September 2021 and June 2022 (MSCI)."

CARTER JONAS RESEARCH AUGUST 2022

#### 4.12 Office Sector

Vail Williams recently reported:

"In 2021 we saw the bounce back of the office markets in the region's major cities, including Portsmouth and Southampton, as the desire to be in and amongst city centre facilities and have a sense of place, returned.

Now, seven months into 2022 our South Coast agency team, the region's leading commercial office agent, Russell Mogridge, discusses what we are seeing on the ground across the South Coast office market.

"As businesses have begun to think about what their

*post-pandemic workplace strategies look like, workforces have been encouraged back into the office, and the professional services sector has led the way.*

*Having enjoyed the benefits that working from home provided for some (but not all), most businesses have opted for a hybrid office model for the medium term at least.*

*This is giving their teams the benefit of both worlds – the flexibility of homeworking, together with the social, mental health, career and innovation benefits that the office environment delivers – not to mention the recruitment lure.*

*This is translating into a continued ‘flight to office quality, as occupiers seek a higher standard of office building boasting a good range of amenities, collaboration spaces and green energy efficient credentials, to enable them to attract and retain talent.’”*

RUSSELL MOGRIDGE  
VAIL WILLIAMS -SOUTHAMPTON  
AUGUST 2022

4.13 The Asset Investment Strategy may also consider acquisitions marginally beyond the District boundary on a case-by-case basis. This could broaden the opportunity to acquire good quality investments covering the range of types and locations and to spread risk. The Council may consider sites immediately outside the District boundary that can still demonstrate economic links to the District in terms of workforce commute and wider supply chain benefits back to within the District boundary. To date however all the Council’s commercial property purchases have been within the District and the preference is to purchase commercial property within the District.

4.14 Overall and notwithstanding current economic headwinds, the Council remains of the view that purchases of commercial properties and future development (including re-development of land or the repurposing of existing Council real estate) when made on a cautious and prudent basis will over time contribute to the Council’s vision and priorities as set out in this strategy.

### **Holding property investments**

4.15 The Council may hold property assets either directly or indirectly. Direct property investment gives the Council full control over the property and responsibility for its management. All properties acquired to date are held in this way.

4.16 Indirect property investment (excluding pooled funds held through a Treasury Management Strategy) could take the form of either setting up a trading company or forming a joint venture with another property investment company.

4.17 The holding of property assets in a property company would enable greater freedom and flexibility of the

decision-making process. However, there are potential risks and set up costs involved, the company would be subject to corporation tax and incur higher financing costs than if the investment acquisition programme is undertaken directly. Although there is the potential for higher returns, there is also the potential for significant losses.

4.18 The preferred approach therefore is to establish governance arrangements that support the ability to seek and purchase suitable assets, avoiding the need for Council controlled separate legal entities to be involved. Larger and more complex projects may require alternative legal structures, but these will be developed and assessed on a case-by-case basis as required.

### **Criteria for selecting investment assets**

4.19 The Council selects properties which support economic activity within the District. The criteria also confirms that the purchase will provide a satisfactory rental return for the provision of services. The Council will acquire and hold properties directly where possible and appropriate. The Council will also retain the discretion to make investments outside the immediate District where a clear economic benefit inflow exists back to within the NFDC boundary. The preference however is to secure properties within the District. The strategy also allows for the redevelopment, re-purposing or improvement of its own landholdings for these purposes.

4.20 Investment property acquisitions need to be subject to the agreed parameters of the Council’s Asset Investment Strategy. The Council’s initial selection of an asset shall be assessed on three acid test criteria on a pass or fail basis.

I. Does the opportunity promote or support economic activity with the New Forest District.

II. To achieve the minimum evaluation requirement of yield, that is to ensure the income from the investment does not place an additional financial burden on the General Fund, the yield required from a purchase should exceed a minimum level of 1.5% above the most up to date PWLB lending rate; and

Leases should be classified, for accounting purposes, as an operating lease rather than finance lease, to ensure that all rental income can be treated as revenue income (rather than a mix of capital receipt and revenue income). Operating leases are those where the risks and rewards of ownership are retained by the lessor (the Council) and must meet certain criteria. The main criteria being that the lease term should not be for the major part of the property’s economic life unless the price paid is underpinned by the sites redevelopment potential and at the start of the lease, the total value of minimum lease payments (rents) should not amount to a significant proportion of the value of the property.

4.21 Any asset meeting these first three criteria will pass to the next stage for consideration. Subject to paragraph 4.21 below, the Council will not consider any properties that

do not meet the two acid test criteria.

4.22 For assets that pass the first two criteria, officers will evaluate any prospective property against a comprehensive set of defined property specific criteria. To form an initial view on the strength of a given investment proposition, officers will score the property against the scoring criteria shown in the table set out in Appendix 1. The minimum score should be at least 171 out of a maximum score of 285; this is equivalent to at least the 60th percentile of the maximum score. There will, however, always be a trade-off between the level of return and the score.

4.23 The table in Appendix 1 shows the suggested scoring criteria to be applied when considering an investment property.

4.24 The Council reserves a discretion to acquire commercial property assets that may fall outside the investment criteria if a strong case can be made that the target property provides an exceptional opportunity to promote the Council’s main priorities and values.

**Acquisition process and governance**

4.25 The team comprises experienced officers from Finance and Estates & Valuation to prepare initial assessments and recommendations concerning suitable properties. It is important that the Council’s approval procedures work swiftly to ensure that opportunities are not lost to rival purchasers.

4.26 To complement the governance arrangements that already exist within the Council, acquisitions are subject to the following process being completed in the following stages:

a. Maintain officer and member awareness of future investment acquisition programme via the Property Investment Panel

b. Source the asset

c. Inform Portfolio Holder for Finance Investment & Corporate Services and the Strategic Director Corporate Resources and Transformation (Section 151 Officer) of prospective asset.

d. Pre-offer stage: circulate template of information on full details and cash flow of the potential acquisition to key individuals and services to ensure the legal and financial implications of purchase are fully understood

e. Request approval to enter bidding process or to make an offer, subject to contract, from the Portfolio Holder for Finance, Investment and Corporate Services and the Strategic Director Corporate Resources and Transformation (Section 151 Officer), in consultation with the Property Investment Panel where appropriate

f. Finalise Heads of Terms where bid is successful and commission independent surveys, purchase report and valuation and legal due diligence.

g. Approvals to enter into binding contract then to be finalised as follows:

1. The Chief Executive, the Strategic Director Housing, Communities and Governance and the Strategic Director Corporate Resources and Transformation (Section 151 Officer), in consultation with the Portfolio Holder for Finance, Investment and Corporate Services, the Chairman of the Corporate Affairs and Local Economy Overview and Scrutiny Panel and the Portfolio Holder for Business, Tourism and High Streets, shall have authority to make asset purchases and investments up to £5million.

2. Cabinet shall have authority to make asset purchases and investments above £5million.

**Purchaser’s costs**

4.27 Any direct property acquisition would be subject to purchaser’s costs, typically these would include the following:

Stamp Duty	4.75%
Legal Fees	0.75%
Agent, Survey & Valuation Fees	1.75%
Total Acquisition Fees Circa	7.25%

Total Acquisition costs = 7.25% of the property purchase price.

4.28 This level of acquisition costs is the industry standard and all commercial property yields quoted are generally net of purchaser’s costs.

**Financing Costs**

4.29 The extension of the portfolio fund would continue to utilise a 20% General Fund reserve contribution, whilst seeking to finance the remaining 80% through loan. The decision as to whether the Council will borrow externally and at what point in time is a treasury management decision and not directly linked to the purchase of the asset or this strategy.

4.30 The requirement to borrow externally requires assessing through the Council’s prudential indicators to ensure that the overall level of debt is suitable in relation to its standard operating cash flows.

**Timescales**

4.31 The Council and officers should take a long-term view with the intention of applying the Asset Investment Strategy over a period of at least 25 years.

4.32 The Council will continue to implement the strategy, subject to the availability of 20% reserve contributions as outlined at paragraph 4.25, or will review within 5 years, or when a further £20M is utilised, whichever is sooner.

## 5. Risk Management

5.1 There are a number of risks the Council should consider, all of which could have an impact on the net return to the Council. These include:

- 5.1.1 Capital values and rental values can fall as well as rise.
- 5.1.2 Borrowing costs could increase.
- 5.1.3 Vacancies (voids) in the portfolio will reduce average yield. As well as lost rental income on vacant units, the Council could find itself liable for a share of on-going costs which a tenant would normally pay such as empty property rates.
- 5.1.4 Disputes with tenants. Common disputes include ongoing maintenance and repair costs of buildings and the ability to recover those costs from tenants.
- 5.1.5 Tenant default, and that financing costs could rise.
- 5.1.6 External factors. Property investment, whether direct or through pooled funds, is subject to factors the Council cannot control, e.g. failure of tenants, changes in perception of what is a good location, economic downturn etc.

5.2 The overall investment value and range of properties being acquired needs to represent a good mix and spread of risk across differing sectors. The overall size of the investment pool needs to establish a suitable mix.

5.3 It is important that the Council maintains an adequate level of reserves and balances to ensure it can manage any downturn in the property market and limit the impact it will have on revenue income. There is a risk that substantial expansion of the asset portfolio may result in a lower credit rating.

5.4 All forms of investment carry an element of risk and the acceptance of a risk factor is rewarded by the achievement of key corporate plan objectives and priorities, and of course the potential for financial return.

5.5 New development, regeneration and redevelopment can take time before cash inflows commence. Officers will prepare a detailed cash flow model for each prospective investment in order to appraise the cash flow risk and the internal rate of return of the investment. Officers will also take into account the ability for lending rates to increase, noting that this strategy has a long-term focus.

## 6 Ongoing management and performance review of the assets

6.1 Property management varies between properties. Managerial issues include rent collection, service charge calculation and collection, building maintenance,

security, dealing with tenants, re-letting empty units, negotiating terms of rent reviews, dilapidation claims and the general miscellany of property management.

6.2 The means of ongoing management of acquired commercial property investments will be determined on a case-by-case basis. In some management intensive cases, such as multi-let properties, day to day management fees may be largely recoverable by way of service charge, provided an external firm is used. However, there does remain a 'client side' management function for all owned properties and the time commitment will increase relative to the number and type of properties acquired as well as the number of tenants within the portfolio.

6.3 The Estates and Valuations team will be responsible for providing regular reports on management issues and the performance of the Councils property investment portfolio.

6.4 The Council's Capital Change Board (CCB) will review all investment assets every six months and the Corporate Affairs and Local Economy Overview and Scrutiny panel will receive an annual report, with further updates as requested by the panel Chairman.

6.5 Regular reports to be provided to the Property Investment Panel consisting of:

6.5.1 Portfolio Holder for Finance, Investment and Corporate Services,

6.5.2 Chairman of the Corporate Affairs and Local Economy Overview and Scrutiny Panel,

6.5.3 Portfolio Holder for Business, Tourism and High Streets,

6.5.4 the Chief Executive,

6.5.5 Strategic Director Corporate Resources and Transformation (Section 151 Officer), and

6.5.6 Strategic Director Housing, Communities and Governance.

## 7 Financial implications

7.1 The Council currently holds property leased out on commercial terms, with a book value of approximately £29M associated to the principal assets. This figure will increase when the Platinum Jubilee Business Park is completed. The Estates and Valuation team deal with the leases and rent reviews and are responsible for ensuring that all income due to the Council is collected.

7.2 The experience of the Council since 2017 indicates that a range of properties with differing gross yields are marketed or get passed to the Council for early consideration off-market. The resultant net revenue income of any prospective purchase is compared

against the cost of capital (i.e. either the cost of a loan

or investment interest foregone, or a combination of

- 7.3 both). It is generally accepted that properties promoting regeneration and redevelopment will come with a potential lower prospective yield.
- 7.4 The financial assessment for each prospective purchase will take into the specific costs and incomes associated with the property and will account for Minimum Revenue Provision based on the internal borrowing requirement over a useful life period of 50 years.
- 7.5 Properties will continue to be financed using a combination of reserve-based equity investments (20%) and borrowing (80%). Internal borrowing will be utilised initially, with specific decisions on the timing and size of any external financing requirement being a Treasury Management decision taking into account the Council's whole Capital Financing Requirement.
- 7.6 The Council's Capital Strategy and Investment Strategy for 2023 will account for the extension of the Asset Investment Strategy and will be based on additional investment of £20M. This will cap the Council's overall exposure to investment property acquired pursuant to this and the preceding Asset Investment Strategy at £50M. The Council's Section 151 officer considers this proportionate taking into account the size of the Council, its cash and reserve balances, and its risk appetite.
- 7.7 It is envisaged that additional resources will be required once a tipping point is reached in the number, size and complexity of properties owned and managed by the Council. The resource will either be in-house or via an external management contract (or possibly a combination of both depending on purchases identified). Separate resource covering regeneration exist within the Council and will be supplemented on a project-by-project basis.

## APPENDIX 1 - INITIAL SCORING MATRIX

Scoring Criteria	Score	5	4	3	2	1
	Weighting Factor	Excellent / very good	Good	Acceptable	Marginal	Low
Economic Benefit to the District	12	Supporting substantial economic benefits and/or growth, and new or sustainable employment	Supporting good economic benefits and/or growth, and new or sustainable employment	Supporting acceptable economic benefits and/or growth, and new or sustainable employment	Supporting marginal economic benefits and/or growth, and new or sustainable employment	Supporting economic benefits and/or growth, and new or sustainable employment but is outside of District
Lot size	10	Between £1.5M & £5.5M	Between £0.5M and £1.5M or between £5.5M and £7M	Less than £0.5M or between £7M and £8M	Between £8m & £10m	More than £11m
Tenure	10	Freehold	Lease 125 years plus	Lease between 75 & 125 years	Lease between 25 & 75	Lease less than 25 yrs
Building Quality, Obsolescence and Energy Performance	8	Newly Built with EPC Rating A, B or C	Recently Refurbished EPC Rating A, B or C	Average condition and likely to continue to be fit for current use  EPC Rating A,B or C	Aged property with redevelopment potential  EPC Rating D or E	Nearing end of useful life/ use unlikely to continue when lease expires  EPC rating > E
Tenancy strength	8	Single tenant with strong financial covenant	Multiple tenants with strong financial covenant	Single tenant with satisfactory financial covenant	Multiple tenants with satisfactory financial covenant	Tenants with poor financial covenant strength
Occupiers lease length	5	Greater than 15 years	Between 10 and 5 years	Between 5 & 2 years	1 year or less	Vacant with little opportunity to let.
Repairing terms*	4	Full repairing & insuring	Internal repairing - 100% recoverable	Internal repairing - partially recoverable	Internal repairing - non recoverable	Landlord

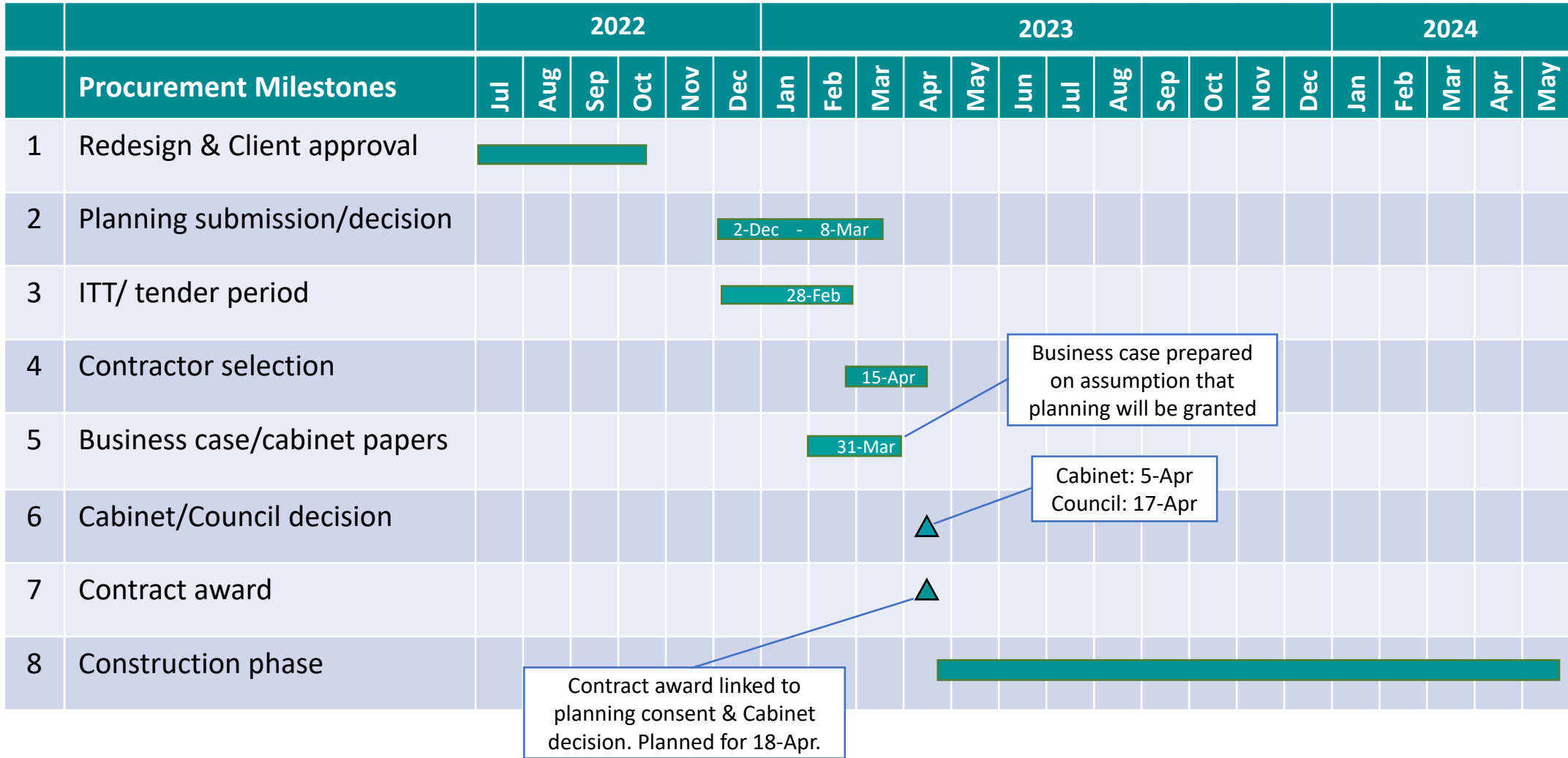
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# Hardley Depot Project Timeline Update

**November 2022**

# Hardley Depot Project – Timeline

20



## CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL – 17 NOVEMBER 2022

### THE NEW FOREST ECONOMIC PROFILE 2022

#### 1. RECOMMENDATIONS

1.1 That the Panel note the contents of the report.

#### 2. INTRODUCTION

2.1 In 2018 the Council commissioned the Economic & Business Intelligence Service (EBIS) at Hampshire County Council to compile an economic profile of the district.

2.2 In 2022 the Council commissioned EBIS to update and expand on this economic profile of the district. The profile was completed at the end of September 2022.

2.3 The profile will form part of an evidence base that will be used by the Council to inform strategies, plans and help shape priorities for the district.

#### 3. BACKGROUND

3.1 The evidence base (Economic Profile) focusses on New Forest District and its five sub areas. From an economic perspective the district can be broadly defined by five sub-areas: Core New Forest; New Forest Avon Valley; New Forest Coastal; New Forest Waterside; and Totton.

3.2 The profile covers a number of important policy areas in some detail grouped under three broad themes: economy & business, population & labour market, and skills & occupations.

3.3 The profile contains no New Forest economic projections as this was outside the scope of this work.

3.4 Most data used in the report comes from the UK Office for National Statistics – Regional Accounts, Annual Population Survey (APS), Business Register and Employment Survey (BRES), RTI Pay-rolled Employment, Claimant Counts, UK Business Counts, Mid-year Population Estimates and Census 2021 and 2011.

3.5 Strategically important sectors (knowledge intensive, marine, advanced manufacturing, care, hospitality and leisure, and land-based) are highlighted in the profile given their present and future importance to the local economy in terms of jobs and business growth.

#### 4. THE NEW FOREST ECONOMIC PROFILE 2022

4.1 The New Forest Economic Profile 2022 is available in its entirety at [www.newforest.gov.uk/localeconomydata](http://www.newforest.gov.uk/localeconomydata) however key points are as follows:

4.2 In relation to Economy & Business:

- **The New Forest is the fourth largest economy in the Hampshire County Council Area.** In 2020 the New Forest economy generated some £4.4bn (GVA). Including VAT and other indirect taxes on products (minus subsidies) this rises to nominal GDP of £5.1 billion to the economy. Thus, in terms of VAT and other indirect taxes on products, the New Forest contributes more to the exchequer

than the Hampshire average, although this is in part explained by the presence of Fawley Oil Refinery.

- **The New Forest still lags behind Hampshire on the output per head measure of economic prosperity but is as prosperous as Hampshire on the alternative measure based on average disposable household income per head.** Output (GVA) per head in the New Forest is about 18% below the Hampshire average but comparable to the Solent average. However, this measure of economic prosperity in the New Forest is reflective of the fact there is a high percentage of residents over retirement age in the New Forest. The alternative based on household incomes points to similar levels of prosperity as in Hampshire and is around a fifth above the Solent average.
- **The New Forest has a productivity gap with Hampshire average. Based on GVA (output) per hours worked,** productivity will be affected by type of business (capital/knowledge intensive, high value-added and high-paid versus low-value lower paid services), by type of jobs (employed or self-employed, full-time versus part-time), and individuals (skills/qualification levels). The New Forest has a smaller high valued-added sector base and a relatively higher share of workers in lower value occupations, such as local consumer-facing service industries that would lower overall productivity and make it harder for local higher productivity businesses to access local high-skilled workers, or to attract new high-tech businesses to the New Forest. Furthermore, demographics implies the New Forest will have to rely more on productivity growth than other districts in Hampshire.
- **Doing more with less working age people (productivity)** will be key to sustained economic growth over the medium and long term in the New Forest.
- **Economic growth was on average subdued in the period leading up to the pandemic (2015-2019),** and growth in real output has on average lagged both Hampshire and the UK. The New Forest experienced an above average impact of the pandemic with economic output (GVA) and overall economy (GDP) down 11% and 12% respectively in 2020.
- **Timelier national data saw the economy rebounding in 2021, with estimated Hampshire growth above the national average and the New Forest possibly even faster due to the recovery of consumer-facing services sectors.** However, the UK economy is showing signs of stalling in 2022 amidst geopolitical tensions and with rising inflation and low growth (stagflation) there is an increasing likelihood of recession in late 2022 and throughout 2023. Forecast growth is therefore subdued in the short-term.
- **Most broad sectors in the New Forest saw real growth in economic output (GVA) between 2015-2019 (pre-pandemic),** driven by business & admin support (local services) but also with solid growth in arts, entertainment & recreation, and in accommodation & food. Higher value-added traded services (HVATS) sector growth was led by professional, scientific & technical, and in ICT, while manufacturing drove growth in primary & secondary industries.
- **The impact of pandemic on the New Forest saw an unprecedented contraction in output across almost all broad sectors in 2020;** the exception being public admin & defence and to a lesser extent in retail.

- **Those sectors more reliant on social contact, including hospitality and leisure, were impacted most by national lockdowns.** As such, the New Forest saw accommodation & food output down 43%, while arts were down by one third. In contrast, essential public services and sectors that could adapt to home working and access IT and broadband were less impacted and generally fared better.
- **The New Forest has relatively high business concentrations, but low start-up rates and sluggish business growth.** With a smaller working age population the New Forest has more businesses per head than both Hampshire and the UK, and while its short-term survival rates (1, 3 and 5-years) are higher than the national average, start-up rates are relatively low and business growth generally lags both Hampshire and the UK. Lower start up rates will be influenced by location (rural areas are generally less dynamic than cities) and industrial mix (certain sectors have higher start-up rates than others).
- **Overall, the New Forest had 35 more businesses in 2021 than 2017 but gains made between 2017-2019 were largely lost between 2019-2021.** Businesses were supported through various Covid-19 grants during the pandemic to help mitigate against significant business closures.
- **However, spikes in cost prices (notably energy) in 2022 represents an existential threat to businesses** and entrepreneurship in 2022. Hospitality & leisure businesses, a key New Forest sector, are particularly vulnerable to the dangers of soaring costs and falling discretionary spending.

#### 4.3 In relation to the Population & Labour Market:

- **The New Forest has a stable but an increasingly aging population at the expense of a shrinking working age population that is projected to contract.** This will affect demand and investment over the medium term and beyond. Furthermore, differences in population between the latest Census and estimates may have implications for policy and local government funding formulas.
- **Overall, labour market participation in the New Forest is similar to the Hampshire average.** Employment and unemployment in the New Forest are similar to the Hampshire average and they compare favourably with the national average, although some ground has been lost due to the greater relative impact of pandemic on the New Forest's labour market.
- **The pandemic saw workplace employment numbers in the New Forest fall by 4,000 in 2020.** The structure of the economy and jobs (especially customer-facing services) meant the impact of pandemic on the New Forest was greater than for Hampshire or Great Britain.
- **However, timelier 2022 payrolled data for resident employment suggests a near return to pre-pandemic employee levels.** However, self-employment in the New Forest has been recovering at a quicker rate than benchmarks. Demand for labour also saw a sharp upturn from March 2021 onwards as the economy largely reopened with released pent up demand for jobs, especially in transport and hospitality characterised by shortages.

- **Climate change and commitments to net-zero by 2050 has focused the spotlight on green jobs.** Targeted green jobs in areas such as low carbon heat generation or alternative fuels could see the New Forest have the largest share of green jobs across Hampshire districts based on independent projections to 2030 and 2050. Likewise, the New Forest's concentration in manufacturing and construction will see those sectors become increasingly more in demand to help achieve the transition to net zero.
- **The New Forest remains one of the least deprived districts in the country, but its economic inactivity is above the Hampshire average,** and the impact of pandemic was greater for the New Forest than either Hampshire or UK. Furthermore, a shrinking workforce and greater dependency on household spending presents a challenge for recovery and growth.
- **The Pandemic saw a sharp increase in New Forest residents on main out-of-work benefits and those on in-work Universal Credit** and has yet to see any significant reversal. If economic conditions deteriorate as expected then the New Forest may see further increases in economic disadvantages as the cost-of-living impacts more on lower income households.

#### 4.4 In relation to Skills & Occupations:

- **The gap with Hampshire and UK in advanced skills has narrowed over the medium term but the latest data is less encouraging.** Gains made pre-pandemic slipped back in 2020, possibly as a combination of Brexit and Covid. Nonetheless, the New Forest has a comparatively smaller high-skilled workforce.
- **Almost twice as many people in the New Forest work in low-skilled occupations compared to Hampshire average.** However, the number of low skilled workers in 2021 is lower than in 2016.
- **The New Forest outperforms Hampshire and UK for the provision of on job-the-training.**

## 5. CONCLUSIONS

- 5.1 The economic profile will form part of an evidence base that will be used by the Council to inform strategies, plans and help shape priorities for the district. The evidence will be used to inform decisions within and outside of the Council.
- 5.2 It is recognised that some of the issues identified will be in part addressed by the future employment and housing growth, the Freeport will create further accelerated economic growth.
- 5.3 The Economic Development team are delivering a number of initiatives to support growth and productivity in the New Forest's businesses. This includes training and mentoring through the ERDF funded Hub & Spokes 'Business Boost' programme.
- 5.4 In addition the 'New Forest Business Start Up Campaign' will help address the low start-up rates identified in the economic profile by encouraging entrepreneurship and providing mentoring and advice to help new businesses survive and grow. This will be delivered through an external supplier and the procurement exercise for this is already underway.

## 6. FINANCIAL IMPLICATIONS

6.1 The cost of the Economic Profile (£9,500) was met from the Economic Development Initiatives budget. It will be used by other parts of the Council as well as by external partners to inform policy and decision making.

## **7. CRIME & DISORDER IMPLICATIONS**

7.1 None

## **8. ENVIRONMENTAL IMPLICATIONS**

8.1 No direct impact as this is an profile of the economy.

## **9. EQUALITY & DIVERSITY IMPLICATIONS**

9.1 The evidence recognises disparity between different parts of the district.

## **10. DATA PROTECTION IMPLICATIONS**

10.1 None; there is no personal data contained in the economic profile and no individuals can be identified from data sources.

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

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**and Economy**  
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**Sally Igra**  
**Economic Development Team Leader**  
**Sally.igra@NFDC.gov.uk**

### **Background Papers:**

**The New Forest Economic Profile 2022**  
[www.newforest.gov.uk/localeconomydata](http://www.newforest.gov.uk/localeconomydata)

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## CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL NOVEMBER 2022

### THE NEW FOREST BUSINESS START UP CAMPAIGN

#### 1. INTRODUCTION

- 1.1 The Economic Development team is undertaking a procurement exercise to appoint an experienced supplier to deliver a 'New Forest Business Start Up Campaign'. This will encourage and support individuals within the district who wish to start a business or move into self-employment.
- 1.2 There are currently gaps in the support available in the district for pre-start, start-up and early stage (defined as a business that has been trading for three years or less) enterprises; specifically, advice, support and information enabling businesses to overcome barriers to growth and improve resilience.
- 1.3 The campaign will include a 'New Forest Pitch Event' for pre-start businesses to pitch their business idea to a small panel of local experts, with a prizes for the best proposal.
- 1.4 The Economic Development team will promote the initiative through their business communication channels and work with corporate communications to reach the district's residents. In addition the team will work with external agencies and community groups to reach a wide audience of potential entrepreneurs.
- 1.5 It is envisaged that the Start Up campaign will run between January and June 2023.

#### 2. BACKGROUND

- 2.1 The 2022 New Forest Economic Profile reported that the majority of enterprises in the district (97.5%) are defined as micro (0-9 employees) and small (10-49 employees) sized businesses.
- 2.2 Business size is important, as medium to larger firms tend to account for much of the growth in jobs, turnover, and productivity and offer more job opportunities, job stability and higher wages. Nonetheless, small businesses are often seen as the backbone of the economy by creating new job opportunities and innovation.
- 2.3 The 2022 New Forest Economic Profile also identified that the district has relatively high business concentrations, but low start-up rates although short-term survival rates for new enterprises (1, 3 and 5-years) are higher than the national average.
- 2.4 Lower enterprise start-up rates will be influenced by location (rural areas are generally less dynamic than cities) and industrial mix (certain sectors have higher start-up rates than others).
- 2.5 The 2022 New Forest Economic Profile also identified that self-employment in the district was in decline in the pre-pandemic period (-15%) with 1,800 fewer self-employed (only partially offset by rising employee numbers). During the pandemic period, self-employment in the district continued to fall in line with national and county trends - research suggests the self-employed were hit harder than employees during pandemic despite Government support schemes available at the time.

However, the data used in the profile suggests the New Forest bucked the trend in 2021 with robust growth in self-employed resident workers; accounting for 14.4% of the working age population of the district (up from 12.8 in 2019).

- 2.6 Self-employment and entrepreneurship have traditionally become attractive options in times of economic uncertainty, but many would-be entrepreneurs don't know where to start or have limited experience of running a business.
- 2.7 The supplier delivering the Start-Up Campaign will provide support and mentoring to ensure both pre-start and new businesses have the skills they need to survive the crucial first few years and to grow and improve their resilience longer term.
- 2.8 Equally important is for entrepreneurs to have access to impartial advice to avoid costly mistakes and an opportunity to review the viability of their business plan before they launch the business.

### **3. CONCLUSIONS**

- 3.1 The project will provide at least 40 participants with a comprehensive package of support as well as deliver the 'New Forest Pitch Event'.
- 3.2 In addition to support offered through this initiative, the Economic Development team works with partners, including the Solent LEP, Growth Hubs and Innovate UK to ensure New Forest businesses and entrepreneurs not only have access to targeted support, funding and specialist advice to help them to grow and create high value, sustainable jobs but that residents and businesses make best use of these opportunities.

The Economic Development team actively promote these initiatives through their business communication channels. Solent LEP have confirmed the positive impact of this activity as they report that New Forest businesses take up a high proportion of places in their business support schemes.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 The cost of this project (in the region of £10,000) will be met from the Economic Development initiatives budget.

### **5. CRIME & DISORDER IMPLICATIONS**

- 5.1 There are none.

### **6. ENVIRONMENTAL IMPLICATIONS & EQUALITY & DIVERSITY IMPLICATION**

- 6.1 The programme will support the growth and development of new businesses who provide local employment potentially for local people.

### **7. DATA PROTECTION IMPLICATIONS**

- 7.1 The project will require beneficiary data to be shared between the supplier and NFDC.
- 7.2 The Economic Development Team Leader will work with the Council's Information Governance & Complaints Manager to ensure the project is GDPR compliant.

## **8. RECOMMENDATIONS**

8.1 That the content of this report is noted.

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

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### **Background Papers:**

**New Forest Economic Profile 2022**

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# ICT Programme Update

November 2022

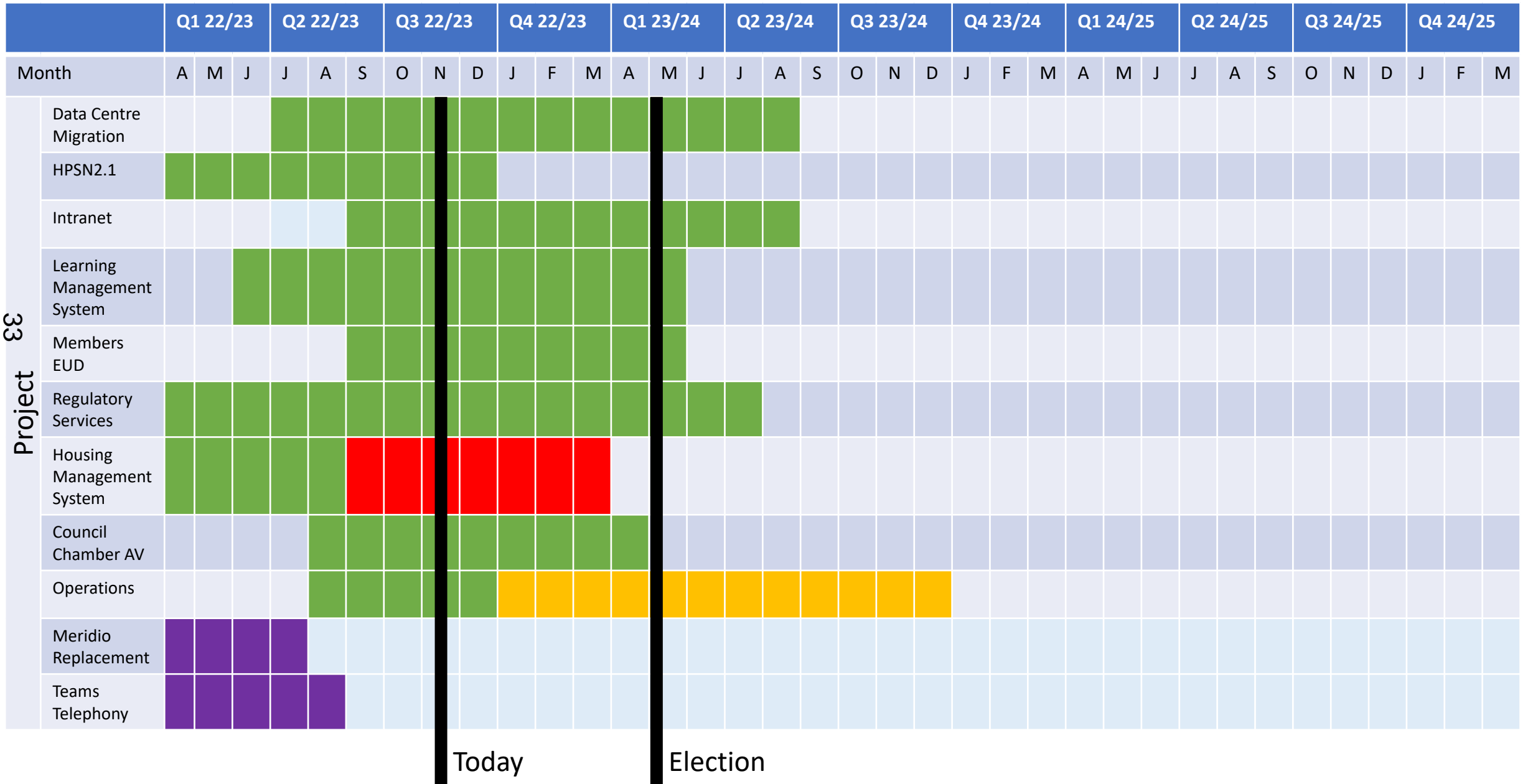
Paul Downton  
Service Manager

# ICT Strategic Programme

*Live projects*

Goal	Relevant Project
<b>Robust, reliable systems and support that underpin NFDC service delivery</b>	Data Centre Migration Project
	HPSN 2.1 Replacement Project
<b>Contemporary working practices achieved through appropriate use of technology</b>	Intranet Project
	Learning Management System Project
	Members End-User Devices (BAU)
<b>Digital services that reduce operational costs and increase resident and customer satisfaction.</b>	Regulatory Services Project
	Housing Management System Project
	Council Chamber Audio Visual Project
	Operations Project

# ICT Programme Timeline 2022/25



# Project Budgets

<b>ICT Work Programme - SA803</b>		<b>22/23 Actuals to date</b>	<b>22/23 Latest Budget</b>	<b>Rephasing into 23/24</b>
Work order #				
291097	Office 365 (phase 3 - SharePoint)	14,280	31,000	Project Complete
291098	Office 365 - Teams	32,251	44,000	Project Complete
<b>TOTAL CAPITAL PROJECTS</b>		<b>46,531</b>	<b>75,000</b>	
291093	Apps - Project RS (Accolaid replacement IDOX)	108,874	372,000	TBC
291099	Apps - Operations	-	237,000	TBC
291076	Software Apps Upgrade and Development	32,110	39,000	TBC
291094	Website/Customer Portal	-	25,000	TBC
291100	HPSN	14,144	87,000	TBC
291103	Council Chamber AV replacement	-	132,000	TBC
291104	Migration to the Cloud	-	150,000	TBC
291105	NEC API	23,600	25,000	TBC
291106	Intranet Upgrade	-	50,000	TBC
291107	Learning System Management Platform	-	20,000	TBC
291108	Heycentric Implementation	-	50,000	TBC
294019	Equipment Replacements	167,147	160,000	TBC
<b>291199</b>	<b>AB provisional future rephasing figure</b>		<b>- 422,000</b>	TBC
<b>TOTAL REVENUE PROJECTS</b>		<b>345,875</b>	<b>925,000</b>	<b>-</b>
291190	Housing Services ICT Project (HA110)	36,272	153,000	
<b>TOTAL OTHER PROJECTS</b>		<b>36,272</b>	<b>153,000</b>	<b>-</b>

# Project Briefing

## RAG Rating Key:

- Red = Late, Over-spent or Under-delivered
- Amber = At risk of running late, over-spending or under-delivering
- Green = On time, on budget and on target to delivery as intended
- Purple = Complete

		Scope	Total Budget £000's	Target Go-Live	RAG Rating	Update	RISK Rating
GC	Data Centre Migration	Migrate the council's core ICT infrastructure to Azure.	150	08/23	Green	Project is in its procurement stage now that requirements have been completed and the business case approved by the project board.	M
	HPSN2.1	Replace the connectivity services currently provided by Hampshire CC and replace analogue services ahead of the Digital 2025 deadline (BT are removing all analogue services in 2025 and moving to a full digital infrastructure).	100	12/22	Amber	Project is running to a tight schedule but is on target for completion in November 2022. Site surveys have identified upgrades that are required at some sites across the district, the necessary improvements are within the budget and timescales for this project. Having awarded the contract to the incumbent ISP the project budget has been revised downwards.	M
	Intranet	The project will replace the existing, traditional intranet with a modern intranet offering collaboration, knowledge management, social, news and productivity space functionality that integrates with the council's desktop tools. Content review and updates will become a continuous improvement activity monitored through the new governance arrangements that will be introduced.	50	08/23	Green	Project manager appointed to this project has begun to organise the project board and teams.	L
	Learning Management System	Implement a LMS to manage training of staff and collate training records	TBC	05/23	Green	Requirements gathering complete	L
	Members EUD	Provide council laptops to Members for conducting council business.	60	05/23	Green	Survey of member requirements completed in September 2022. Trial devices have now been received and are being prepared for deployment	M

		Scope	Total Budget £000s	Target Go-Live	RAG Rating	Update	Risk Rating
Project	<b>Regulatory Services</b>	<p>Project is intended to replace the current business system (Acolaid) that is now end of life.</p> <p>The project will Implement a supplier supported SaaS solution that provides;</p> <ul style="list-style-type: none"> <li>•Minimal system administration overhead.</li> <li>•Appropriate record management arrangements in the new solution.</li> <li>•Facilitate mobile/field working arrangements for NFDC officers.</li> <li>•NPA will also be off-boarded from the NFDC planning system during this project.</li> </ul>	479	07/23	Green	<p>Delays at any stage in our project will result in milestones being delayed.</p> <p>A continuous improvement programme will follow Go-Live, the teams having configured the system will be able to continually update and improve the system in a structured way going forward.</p>	M
	Housing Management System	The project will work with its chosen supplier to implement a replacement software solution for the current housing management system (Orchard) and the use of the corporate Document Management System Anite Enterprise at Work.	153	09/22	Red	<p>Forecast for project completion is currently March'23.</p> <p>Availability of NFDC resources to work with the supplier developing the system has been a challenge that has led to delays.</p>	H

	Scope	Total Budget £000s	Target Go-Live	RAG Rating	Update	Risk Rating
Council Chamber AV	Replace the audio-visual equipment in the Council Chamber at Apple Tree Court.	130	04/23	Green	Project is in its procurement phase. Procurement through GCloud 12 framework is intended to bring forward completion of the project.	M
<b>Operations</b>	Introduce a single software platform for the administration of operational services. (Project Initiation Document to be agreed)	237	12/22	Amber	Project is progressing through the procurement whilst still addressing potential service improvements to be introduced once a software solution and supplier has been selected.	H
<b>Payments</b>	The project will replace existing income management software in response to industry changes instigated by Mastercard.	50	12/22	Amber	A very tight timetable for delivery has been put upon the council and our suppliers to meet a December 22 deadline to replace current payment software. Good progress has been made and we are on target for completion. Amber RAG rating is due to the tight timescales and absence of contingency.	M
Meridio Replacement	Replace the corporate document management system that is end of life with a modern document management system	100	07/22	Purple	Project has completed on-time and under budget (£83k)	L
Teams Telephony	Replace the corporate telephony platform that is end of life with a unified communications platform.	100	05/22	Purple	Project has completed on budget	L

# ICT Programme

## Risks and Issues

Programme RAG Rating is **Amber = At risk of running late, over-spending or under-delivering**

- Project Management
  - Increasingly difficult to recruit but pivotal to project delivery
- Project over-runs
  - tie up technical resources and project management impacting the ICT ability to support projects scheduled to come online
- Capabilities and Capacity
  - An ICT Service Review identified a need for more technical capability within the council
  - A Business Relationship Manager role has been introduced to manage technology contracts and drive value for money from all of these contracts.
  - Recruitment and retention of capable staff is a challenge – pay award and spine review will help

## **CORPORATE AFFAIRS & LOCAL ECONOMY OVERVIEW & SCRUTINY PANEL – 17 NOVEMBER 2022**

### **REVIEW OF COMPLAINTS 2021/22**

#### **1. RECOMMENDATIONS**

- 1.1 That the report be noted;
- 1.2 That Service Managers and Executive Heads ensure that employees respond appropriately to customers who appear not to have received an expected standard of service from the Council;
- 1.3 That Service Managers and Executive Heads be reminded to review complaints about their services regularly, and to implement any learning from them.
- 1.4 That Service Managers and Executive Heads pass compliments/ positive feedback from members of the public to the Information Governance and Complaints Team.

#### **2. INTRODUCTION**

- 2.1 This report provides an overview of complaints received, and dealt with, by the Council's Complaints Team during the period 1 April 2021–31 March 2022. It includes those complaints which the Council is aware were made to the Local Government and Social Care Ombudsman and the Housing Ombudsmen (the Council is not always advised of complaints made direct to the Ombudsmen). Some comparisons with previous years are included.
- 2.2 This report also includes examples of some of the compliments/ positive feedback that have been received by Council officers during the period 1 April 2021–31 March 2022.

#### **3. PROCEDURE AND RECORDING OF COMPLAINTS**

- 3.1 The Council's Corporate Complaints Procedure can be found on the Council's [website](#). It provides that:
  - all complaints at stage 1 are dealt with by the relevant Service Manager;
  - if the complainant is not satisfied with the Service Manager's response, the complaint is dealt with at stage 2 by the relevant Executive Head; and
  - if the complainant remains dissatisfied, they may pursue their complaint to stage 3, when it is reviewed by the Executive Head of Governance and Housing on behalf of the Chief Executive.
- 3.2 A tiered approach to complaints is commonplace amongst other authorities and in line with Local Government and Social Care Ombudsman and Housing Ombudsman advice.

#### 4. COMPLAINTS FOR 2021/22

4.1 Please see the following tables of information which all provide a breakdown of information for 2021/22 compared to 2020/21:

- **Appendix 1** - Complaints received by the Council
- **Appendix 2** - Complaints referred to the Local Government and Social Care or the Housing Ombudsman.
- **Appendix 3** – Complaints found to be justified locally and financial settlements.

4.2 Additionally, **Appendix 4** has been prepared to provide a visual representation of trends in relation to corporate complaints. This covers the years 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 with a comparison of the total number of complaints per year, together with a comparison between complaints by business area and findings locally for the years 2020/21 and 2020/21.

4.3 It will be noted that a total of 89 complaints were received and logged in 2021/22, compared with 73 in 2020/21, 78 in 2019/20, 97 in 2018/19 and 66 in 2017/18.

#### 5. COMPLAINTS TO THE LOCAL GOVERNMENT AND SOCIAL CARE OR THE HOUSING OMBUDSMAN

5.1 On 20 July 2022, the Local Government and Social Care Ombudsman wrote to the Council with an annual review letter, providing statistical information regarding complaints received about the Council. The total number of Local Government and Social Care Ombudsman complaints recorded by the Council for 2021/22 was 12. Of those 12 only 4 were subject to detailed investigations and 2 complaints were upheld (50%). These were both regarding actions of the Council's Development Management Service and there were findings of maladministration and injustice. However, it should be noted in both instances, these findings did not relate to the substantive complaints, but aspects of how the complainant had been communicated with during the course of their contact with the Council. Further detail is provided in **Appendix 2**. The average number of complaints upheld in similar authorities was 51%.

5.2 The Ombudsman will generally not investigate a complaint unless the complainant has exhausted all stages of a Council's Corporate Complaints Procedure. However, there are instances where complainants contact the Ombudsman directly and, therefore, in **Appendix 1**, there are some examples where a complaint is being recorded as having progressed to the Ombudsman without being recorded as having progressed to Level 3 of the Council's Corporate Complaints Procedure.

5.3 For the year 2021/22 there was 1 complaint to the Housing Ombudsman. The outcome is still pending.

#### 6. HOUSING OMBUDSMAN'S COMPLAINT HANDLING CODE

6.1 In July 2020 the Housing Ombudsman published a Complaint Handling Code ('the Code'). This Code was introduced to provide a high-level framework to support landlords in handling housing related complaints. One of the requirements of the Code is that landlords carry out regular self-assessments against it and take appropriate action to ensure that complaint handling is in line with the code. The Council's most recent self-assessment is published on the Council's [website](#) and included as **Appendix 5**.

6.2 The Housing Ombudsman conducted a review of the Code one year after it took

effect to strengthen and support a positive complaint handling culture. The changes took effect from 1 April 2022 and all landlords have until 1 October 2022 to become compliant. Officers have reviewed the Code and, having put in place new reporting mechanisms to the Tenants Involvement Group on complaints, the Council is fully compliant. The Council's assessment of compliance with the revised Code will be reported to members next year.

## **7. LEARNING FROM COMPLAINTS**

- 7.1 It remains important for Services to review each complaint received and, where appropriate, to take action to avoid or to minimise complaints of a similar nature. As part of their initial responses to any complaints received, Service Managers are expected to address any underlying causes that might remove the reason for the complaint.
- 7.2 If complaints are escalated to Stage 2, the Executive Head will examine the reasons for the complaint and, if considered appropriate, ensure that changes in practices are put in place.
- 7.3 When undertaking stage 3 reviews or responding to complaints to an Ombudsman, the Executive Head of Governance and Housing will discuss the complaint with the relevant Service Manager and/or the appropriate Executive Head, and encourages actions or changes. If the matter is one which appears to affect other services as well, those services are involved.

## **8. COMPLIMENTS**

- 8.1 The Information Governance and Complaints Team has asked Service Managers to pass on compliments and positive feedback that officers receive so that this can be logged and reported to Executive Heads and members.
- 8.2 It is important to recognise the good work that officers of the Council do, as well as identifying where improvements can be made. The Council's Chief Executive is supportive of this and has also encouraged Service Managers to pass this information on.
- 8.3 **Appendix 6** has been prepared with a summary of some of the positive feedback that was received in the financial year 2021/22. The Information Governance and Complaints Team intend to promote this further through contact with Service Managers, Corporate Communications, and the development of an online form that members of the public can be directed to.

## **9. CONCLUSIONS**

- 9.1 The Council's Corporate Complaints Procedure continues to provide a robust system for investigating and resolving complaints.
- 9.2 It is important that all services of the Council accurately record complaints received and notify the Information Governance and Complaints Team so that proper records are maintained and action monitored.
- 9.3 The Ombudsman has upheld two complaints for the period 1 April 2021 to 31 March 2022. Both were regarding the Development Management Service.

**For further information please contact:**

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**Background Papers:**

Public documents and  
exempt info

## NUMBER OF NEW COMPLAINTS BY SERVICE AREA 2021/22

Service	Complaints received	Progressed to level 3	Progressed to Ombudsman and Housing Ombudsman	Started at Ombudsman
<b>Governance and Housing</b>				
Information Governance and Complaints	1	1	1	
Legal and Procurement	1	1		
Housing Options, Rents, Support and Private Sector Housing	22	6	1	
Housing - Maintenance	13	2		
Housing - Compliance and Asset Management	2			
Housing – Strategy and Development	0			
Housing – Estate Management and Community Support	8	3		
Business Improvement and Elections	0			
<b>Finance and Corporate Services</b>				
Human Resources	0			
Health and Leisure	0			
ICT	0			
Revenues and Benefits	4			2
Estates and Valuation	0			
Finance	0			
<b>Planning, Regeneration and Economy</b>				
Building Control	0			
Coastal (Beach Huts)	0			
Parking/Enforcement	3			
Planning – Development Management (Planning and Enforcement)	17	8	8	
Planning – Policy & Strategy	0			
Tree Team	0			

<b>Partnership and Operations</b>				
Cemeteries	2	1	1	
Customer Services	1			
Grounds, Street Scene and Open Spaces	1			
Waste and Transport	13			
Environmental Health	1			
<b>Total</b>	<b>89</b>	<b>22</b>	<b>11</b>	<b>2</b>

#### NUMBER OF COMPLAINTS BY SERVICE AREA 2020/21

<b>Service</b>	<b>Complaints received</b>	<b>Progressed to level 3</b>	<b>Progressed to Ombudsman and Housing Ombudsman</b>	<b>Started at Ombudsman</b>
<b>Governance and Housing</b>				
Information Governance and Complaints	0			
Legal and Procurement	2		1	
Housing Options, Rents, Support and Private Sector Housing	19	2		
Housing- Maintenance	10	1		
Housing- Compliance and Asset Management	0			
Housing – Strategy & Development	1	1		
Housing – Estate Management and Community Support	4	1		
Business Development and Elections	0			
<b>Finance and Corporate Services</b>				
Human Resources	0			
Health and Leisure	1			
ICT	0			

Revenues and Benefits	4			1
Finance				
<b>Planning, Regeneration and Economy</b>				
Building Control	0			
Coastal (Beach Huts)	0			
Parking/Enforcement	4			
Dog Warden	1			
Planning – Development Management	12	9	3	
Planning – Enforcement	0		1	
Planning – Policy & Strategy	2			
Tree Team	4			
<b>Partnership and Operations</b>				
Cemeteries	0			
Customer Services	0			
Waste and Transport	5			
Grounds, StreetScene and Open Spaces	3			
Environmental Health	1			
<b>Total</b>	<b>73</b>	<b>14</b>	<b>6</b>	<b>1</b>

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**COMPLAINTS TO LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN OR HOUSING OMBUDSMAN BY SERVICE AREA 2021/22**

**Local Government and Social Care Ombudsman**

Service	Ombudsman	Details	Ombudsman's Decision
Development Management (Planning and Enforcement)	3	The complaint stated there was no suitable surface water drainage scheme in place for a development resulting in flooding issues on land.	<p><b>Not upheld:</b> No Maladministration.</p> <p>No fault in the Council's decision making process.</p>
		The complaint stated that there were infringements of planning permission granted to neighbour resulting in flooding issues on land. The Council found no infringement.	<p><b>Upheld:</b> Maladministration. Injustice.</p> <p>The Ombudsman found fault with the way the Council communicated with complainant and concluded that the complainant was put to unnecessary time and trouble following up the complaint. However, this is the extent of the injustice this fault caused. It is unlikely that earlier contact and action by the Council would have led to a different outcome in relation to the main complaint issues.</p> <p><b>Recommended action:</b> £100 payment in recognition of the avoidable time and trouble experienced by the complainant.</p>
		<p>The complaint stated that the Council failed to take enforcement action and wrongly said planning permission was not required for a development.</p> <p>The complainant also stated that the Council had threatened action under the Council's unreasonably persistent complainant policy when legitimate concerns were being raised.</p>	<p><b>Upheld:</b> Maladministration Injustice</p> <p>No evidence of fault in how the Council handled enforcement matters. The Council should have dealt with concerns appropriately without making reference to the persistent and unreasonable complainants policy.</p>

			<p><b>Recommended action:</b></p> <ul style="list-style-type: none"> <li>• Apologise to complainant for warning that the Council would apply the persistent or unreasonable complainants policy; and</li> <li>• Send a memo to officers to remind them of the circumstances in which a resident can be warned about the application of the persistent or unreasonable complainants procedure.</li> </ul>
Revenues and Benefits	1	The complaint stated that the Council did not process a business claim for the Covid-19 small business grant. They were unaware the Council had not received the claim until after the scheme had closed. The complainant also complained the Council provided no appeals process for the scheme.	<p><b>Not upheld:</b> No maladministration.</p> <p>There was no fault in the Council's administration of the COVID-19 small business grant scheme. Although the complainant's business did not receive a grant, they could not say this was because of an error by the Council. The Council agreed to make a discretionary payment to the business.</p>
<b>Total</b>	<b>4</b>		

### Housing Ombudsman

Service	Housing Ombudsman	Details	Housing Ombudsman's Decision
Information Governance and Complaints	1	The complainant is complaining that they were previously classified as a persistent and unreasonable complainant.	Pending decision
<b>Total</b>	<b>1</b>		

**COMPLAINTS TO LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN OR HOUSING OMBUDSMAN BY SERVICE AREA 2020/21**

**Local Government and Social Care Ombudsman**

<b>Service</b>	<b>Ombudsman</b>	<b>Details</b>	<b>Ombudsman's Decision</b>
Development Management(Planning)	3	Council didn't deal with the new build application correctly.	<b>Upheld:</b> No maladministration No injustice.  The Council failed to identify a breach during initial visit.
		Lack of response to enquiry and issues raised regarding project	<b>Closed after initial enquiries</b> Out of jurisdiction
		Concerns with Officer's report re development next door	<b>Not investigated</b> Late complaint (over 12 months)
Development Management (Enforcement)	1	Fence - Enforcement case	<b>Closed after initial enquiries</b> Out of jurisdiction.
Housing – Private Sector	1	Refused rent in advance and deposit scheme regarding renting out property to tenant	<b>Not upheld</b> No maladministration
Tax & Benefits	1	Refusal for a small business grant fund application. Minstead Community Shop Ltd	<b>Not upheld:</b> No maladministration
Legal/Corporate Complaints	1	Parish Councillor complaint	<b>Closed after initial enquiries:</b> No further action

<b>Total</b>	<b>7</b>		
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Housing Ombudsman : 0

**NUMBER OF COMPLAINTS CONSIDERED JUSTIFIED OR PARTLY JUSTIFIED INTERNALLY - 2021/22**

Service	Total Complaints	Total Justified or Partly Justified including delay in dealing with complaint	Further information	Financial settlements
<b>Governance and Housing</b>				
Information Governance and Complaints	1			
Legal and Procurement	1			
Housing Options, Rents, Support and Private Sector Housing	22	14	Delay to work and damage to carpet caused by contractor. Damaged carpet replaced and apology provided.	£1432.20 goodwill payment
			Apology for the delay with readying property. Apology for lack of timely responses to complaints.	£750 goodwill payment
			Apology given regarding officer's handling of a telephone call.	
			Apology for handling of housing situation and lack of timely response to emails. Agreed to remove debt owed to the Council.	£2379 debt to the Council written off.
			Apology given and staff advised to improve communication and updates provided to complainant.	
			7 x Acknowledgement and apology given for data protection breach.	3 x £90 towards costs of credit report service
				2 x £500 goodwill payment
				1 x £1,500 goodwill payment
			Issue over succession of tenancy, resulting in tenant remaining in property.	
Apology given for missed correspondence and plan of action in place going forward.				

Housing Maintenance	13	10	7 x Apology provided for delays and lack of communication regarding maintenance and/or repair requests, works arranged and action plans put in place.	
			Apology given for the delayed repair action. Works have now been carried out on the property.	£150 for time, trouble and goodwill.
			Apology given for failure to fix freezer.	£180 payment towards freezer contents.
			Apology for damp/ mould issues, full damp survey arranged.	£500 towards costs of damaged items and in recognition of issues experienced.
Housing- Compliance and Asset Management	2	1	New cooker has been fitted and apology given for delay.	
Housing- Strategy and Development	0			
Housing- Estate Management and Community Support	8	3	Apology that an email went unanswered. Plan put in place for periodic work to property to prevent issues with roots in garden recurring.	
			Apology provided regarding lack of timely communication with tenant. Steps put in place for outside of property to be assessed by a Building Safety Officer.	
			Apology provided regarding lack of timely communication with tenant. Issue with letter not received by tenant; agreed alternative forms of communication will be used going forward.	
Business Improvement and Elections	0			
<b>Finance and Corporate Services</b>				
Human Resources	0			
Health and Leisure	0			

ICT	0			
Revenues and Benefits	4	2	Apology given regarding inconvenience caused due to a reference number and name does not appearing on statements to contractor. This technical issue is being resolved. Apology given that the Council was unable to accommodate cheques as requested by the contractor due to poor supplies.	
			Apology given to complainant about poor customer and lack of communication provided whilst trying to close an account they were an Executor for.	
Estates and Valuation	0			
Finance	0			
<b>Planning Regeneration and Economy</b>				
Building Control				
Coastal (Beach Huts)	0			
Parking/Enforcement	3			
Planning – Development Management (Planning and Enforcement)	17	2	Apology given for the poor communication between officers and complainant. Complainant advised that reasonable issues that have been raised and will be looked into.	
			Acknowledgment and apology for disclosure of data and apology for lack of timely response to correspondence.	£250 goodwill payment
Planning – Policy & Strategy	0			

Tree Team	0			
<b>Partnership and Operations</b>				
Cemeteries	2			
Customer Services	1	1	Apology given for handling of enquiry and complainant advised further training will be given to officers.	
Grounds, StreetScene and Open Spaces	1	1	Apology provided regarding hedge cutting and possible risk to wildlife.	
Environmental Health	1	1	Apology given for delay with responding to noise complaint.	
Waste & Recycling	13	11	5 x Apology for Waste/Garden/Glass non collections or repeated non-delivery of waste sacks.	
			2 x Apology given for lack of correspondence regarding damaged bins enquiry. Replacements provided.	
			Apology provided and confirmed to complainant that staff will have updated training to ensure that refuse is left in appropriate locations.	
			Apology for accidental collision between vehicles.	
			Apology given and offer provided to replace damaged flowers.	
			Apology given and complainant assured further training will take place for staff regarding assisted collections.	
<b>Total</b>	<b>89</b>	<b>46</b>		<b>13</b>

**NUMBER OF COMPLAINTS CONSIDERED JUSTIFIED OR PARTLY JUSTIFIED INTERNALLY - 2020/21**

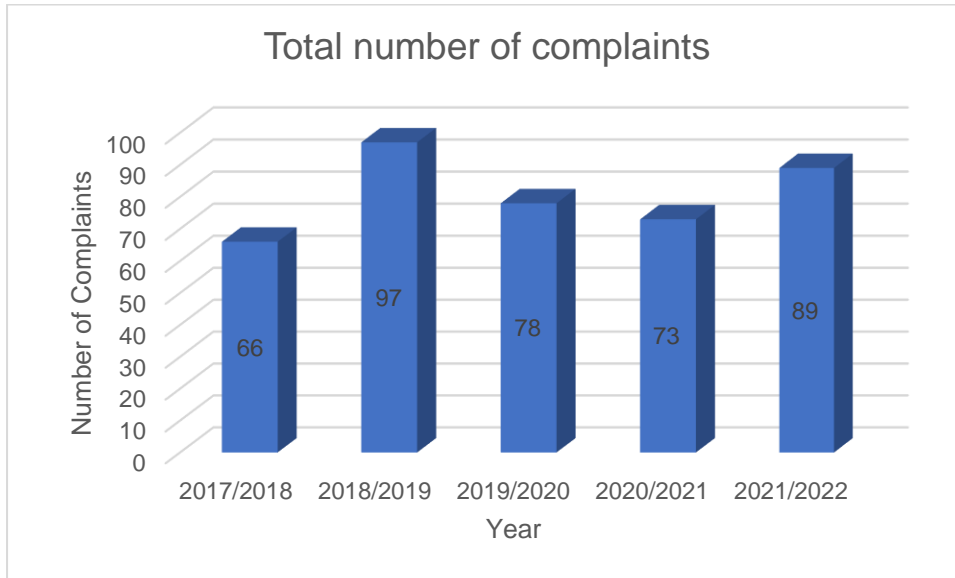
<b>Service</b>	<b>Total Complaints</b>	<b>Justified or Partly Justified including delay in dealing with complaint</b>	<b>Financial settlements</b>
Building Control	0		
Cemeteries	0		
Coastal (Beach Huts)	0		
Community Alarms	0		
Corporate Complaints	0		
Legal	2	2 (Data breach incidents in connection with a subject access request response)	2 (2 x £400 good will gesture).
Environmental Health	1		
Elections	0		
Grounds Maintenance	0		
Health & Leisure	1		
Housing – Private Sector Housing	2		
Housing – Maintenance	10	9 (Delays & incorrect information provided. Delay with maintenance. Damage to flooring, leaking roof and damage to walls. Lack of action regarding roof repair. Council driver speeding. Works not completed properly by contractor)	1 (£200 Contributory payment towards replacement flooring).
Housing – Estate Management	4	1 (Rodent issue from neighbouring property)	
Housing - Options	17	14	1 (£250 Compensation for additional costs and inconvenience caused). 2 (£1,200. Value of loss for disposal of contents plus time and trouble). 3 (£78.86. Full amount that was paid in respect of the rent for the property).
Housing - Strategy & Development	1		
HR	0		

55

ICT	0		
Parking	4		
Dog Warden	1		
Planning – Development Control	12	5 (Lack of response to enquiry. Inconsistencies with planning permission. Complainant didn't receive a comprehensive reply. Lack of response to issues raised and information not provided)	
Planning - Enforcement	0		
Planning – Policy & Strategy	2	1 (Error made by officer regarding TPO application due to lack of clarity given in the application)	
Street Scene	3	2 (Wrongful removal of vehicle. Overnight parking and litter left)	
Tax & Benefits	4	1 (Council tax charges)	
Tree Team	4	1 (Delayed contact regarding encroaching tree)	
Waste & Recycling	5	4 (Garden waste non collection. Non delivery of waste sacks for years. Stack pile of sacks left on drive)	
<b>Total</b>	<b>73</b>	<b>40</b>	<b>6</b>

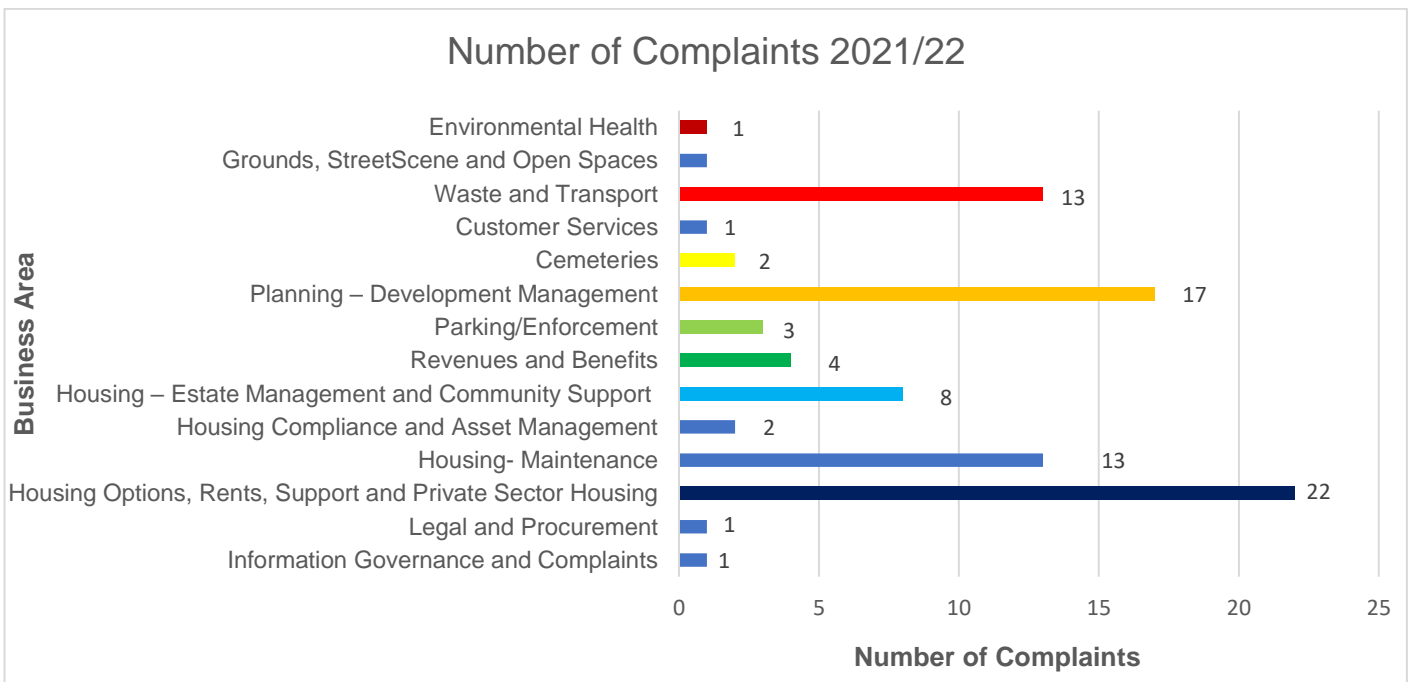
**1. COMPARISON OF TOTAL NUMBER OF COMPLAINTS PER YEAR**

Total number of complaints received 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022.

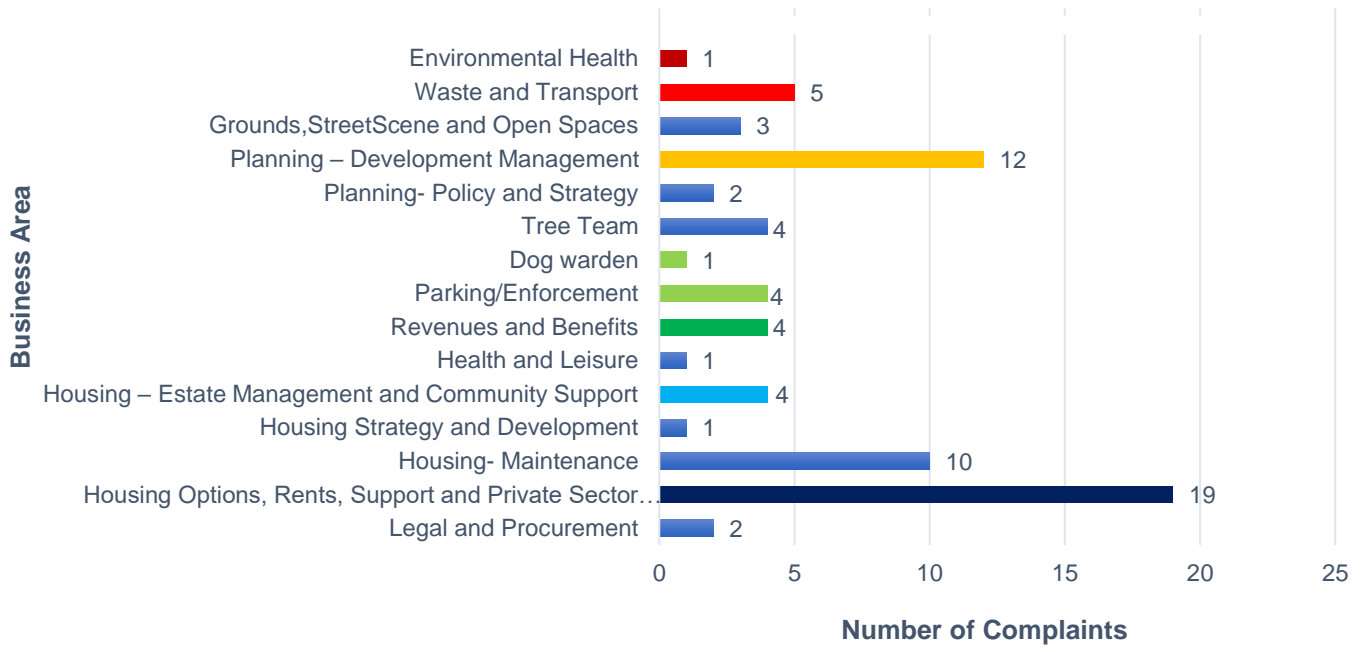


Total number of complaints received in 2021/2022 is 89, this is increase of 22% from 2020/2021 when there was 73.

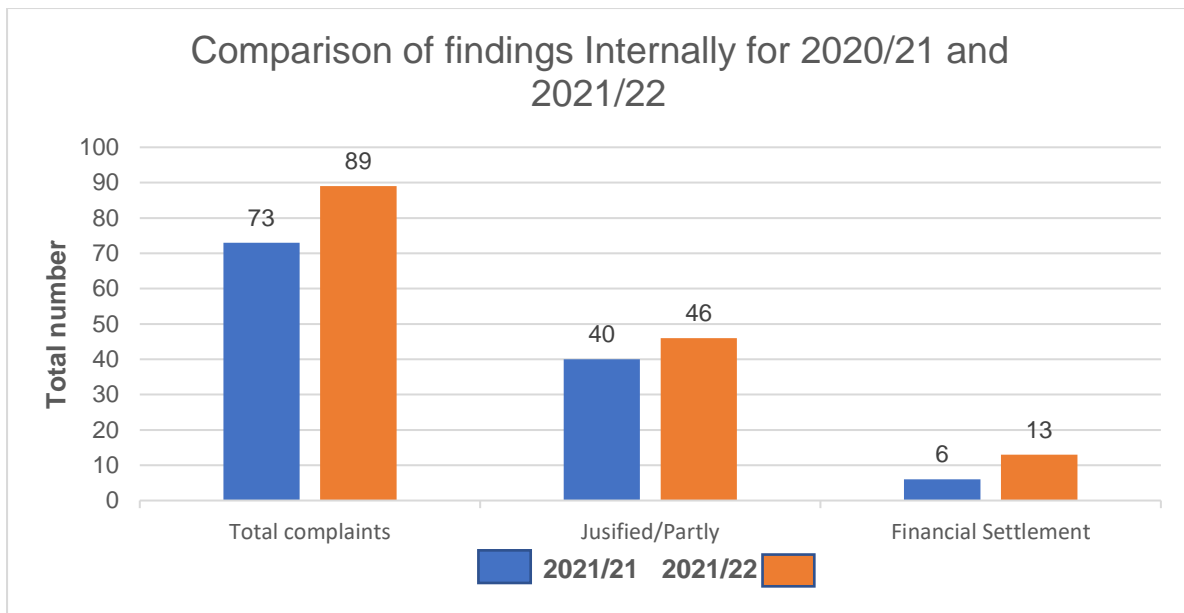
**2. COMPARISON OF COMPLAINTS RECEIVED BY BUSINESS AREA FOR 2020/2021 AND 2021/2022**



### Number of Complaints 2020/21



### 3. COMPARISON OF FINDINGS INTERNALLY FOR 2020/20 AND 2021/2022



## Housing Ombudsman Complaint Handling Code: Self-assessment form

Compliance with the Complaint Handling Code			
<b>1</b>	<b>Definition of a complaint</b>	Yes	No
	Does the complaints process use the following definition of a complaint?  <i>An expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents.</i>	Yes	
	Does the policy have exclusions where a complaint will not be considered?	Yes	
	Are these exclusions reasonable and fair to residents?  Evidence relied upon: <i>Our complaints policy has procedures to deal with persistent and unreasonable complaints. These are dealt with on a case by case basis</i>	Yes	
<b>2</b>	<b>Accessibility</b>		
	Are multiple accessibility routes available for residents to make a complaint?	Yes	
	Is the complaints policy and procedure available online?	Yes	
	Do we have a reasonable adjustments policy?	<i>Our complaints policy details the alternative formats available and how to request these</i>	
	Do we regularly advise residents about our complaints process?	Yes	
<b>3</b>	<b>Complaints team and process</b>		
	Is there a complaint officer or equivalent in post?	Yes	
	Does the complaint officer have autonomy to resolve complaints?	Yes	
	Does the complaint officer have authority to compel engagement from other departments to resolve disputes?	Yes	
	If there is a third stage to the complaints procedure are residents involved in the decision making?		<i>No - not currently</i>

	Is any third stage optional for residents?	Yes	
	Does the final stage response set out residents' right to refer the matter to the Housing Ombudsman Service?	Yes	
	Do we keep a record of complaint correspondence including correspondence from the resident?	Yes	
	At what stage are most complaints resolved?	Stage 1	
<b>4</b>	<b>Communication</b>		
	Are residents kept informed and updated during the complaints process?	Yes	
	Are residents informed of the landlord's position and given a chance to respond and challenge any area of dispute before the final decision?	<i>Tenants are able to ask for a review of a decision made under level 1 and 2 of the procedure, with the final level 3 decision taken by the Executive Head on behalf of the Chief Executive</i>	
	Are all complaints acknowledged and logged within five days?	Yes	
	Are residents advised of how to escalate at the end of each stage?	Yes	
	What proportion of complaints are resolved at stage one?	<i>The Majority of complaints are resolved at stage 1</i>	
	What proportion of complaints are resolved at stage two?	<i>Any complaints escalated to stage 2 or 3 are resolved with a very small number being referred to the Housing Ombudsman (in 2020/21 there were no referrals)</i>	
	What proportion of complaint responses are sent within Code timescales?  <ul style="list-style-type: none"> <li>• Stage one Stage one (with extension)</li> <li>• Stage two Stage two (with extension)</li> </ul>	<i>Stage 1 - majority (small minority required extension, all responded to within extension deadline) Stage 2 - majority (with extension – all)</i>	
	Where timescales have been extended did we have good reason?	Yes	
	Where timescales have been extended did we keep the resident informed?	Yes	

	What proportion of complaints do we resolve to residents' satisfaction	<i>Majority, with 0 being referred to the Housing Ombudsman in 2020/21</i>	
<b>5</b>	<b>Cooperation with Housing Ombudsman Service</b>		
	Were all requests for evidence responded to within 15 days?	N/A	
	Where the timescale was extended did we keep the Ombudsman informed?	N/A	
<b>6</b>	<b>Fairness in complaint handling</b>		
	Are residents able to complain via a representative throughout?	Yes	
	If advice was given, was this accurate and easy to understand?	Yes	
	How many cases did we refuse to escalate?  What was the reason for the refusal?	0	
	Did we explain our decision to the resident?	N/A	
<b>7</b>	<b>Outcomes and remedies</b>		
	Where something has gone wrong are we taking appropriate steps to put things right?	Yes	
<b>8</b>	<b>Continuous learning and improvement</b>		
	What improvements have we made as a result of learning from complaints?	<i>Any improvements identified by complaints officer are actioned</i>	
	How do we share these lessons with:  a) residents?  b) the board/governing body?  c) In the Annual Report?	<i>Plans to share through annual report to residents</i>  <i>Shared with Corporate Overview &amp; Scrutiny Panel</i>  <i>Plans to share through annual report being developed</i>	
	Has the Code made a difference to how we respond to complaints?	Yes	

	What changes have we made?	<i>Enhancing the role of the Ombudsman throughout procedure</i>
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**SUMMARY OF COMPLIMENTS/ POSITIVE FEEDBACK RECEIVED BY SERVICES FOR 2021/22**

Below are quotes or summaries of some of the compliments/ positive feedback received for Council officers.

**HOUSING OPTIONS, RENT AND PRIVATE SECTOR HOUSING SERVICE**

- *“Thank u. Appreciate u letting me know and again I honestly can’t thank u enough for the help u have given me and my family these last couple of months and getting us moved I will also be forever grateful to u for this.”*
- *“Just wanted to say what a fantastic team you guys are at NFDC. It’s an absolute pleasure working with people that go above and beyond. So impressed with the service you offer our sometimes very difficult and vulnerable clients. You all make such a difference. Much impressed”*
- *“wanted to say thank you ... You've helped me tremendously and taken a lot of pressure off. Thank you to you and the team.”*
- *“I just wanted to pass on another email of gratitude to [officer name].”*
- *“[officer name] was lovely to talk to and very empathic and understanding when I realise you and your team are under so much pressure at the moment to house so many people . I am so scared and so frightened right now. And although still very upset and anxious [officer name] was great. You really do have such an exceptional team.”*
- *“Thank you so much for your help and support so far”*
- *From Community Partners: “I joined the ... meeting to introduce myself, talk about my developing role and the team were singing NFDC housing support team praises! They reflected how responsive and helpful we are, from housing officers to support workers, how we are mindful of individual needs and the positive outcomes of collaborative working. A special mention to our superman [officer name] they said you had gone above and beyond for your clients and they remain very appreciative of your input”.*
- *“Since December 2021, I have had an awful lot of help and support from [officer name], in all aspects of helping .... with debt and housing”.*
- *“[officer name] has gone over and above in helping me in what has been a very difficult period.”*
- *“I don't know if you recognise outstanding members of council staff- but if you do, please consider that I actually think [officer name] could not have done more to help .... and support me through this difficult period, Thank you”*
- *Officer feedback to Manager “[officer name] worked with... over a long period and through a process of offering different means of help and sometimes being that help ... ”.*

- Officer taking customer telephone call *“have just received a phone call from a client who wanted to speak to me regarding [officer name]. ...was very emotional and extremely thankful of the support and assistance provided....has said that [officer name] has gone above and beyond and eased all concerns at every stage of the homelessness process. ... wanted us to know that [officer name] is an asset to the homelessness team.”*

## **ENVIRONMENT AND REGULATION**

Positive feedback from licensed premises: *“excellent service”* from start to finish.

## **COMMUNICATIONS COVERING ALL SERVICES**

### **Social media comments:**

- *“Thank you for collecting our rubbish in this hot weather what ever time it is.”*
- *“Well done to these workers they are the best”*
- *“Thank you for letting us know. Thank you for your hard work. We know it’s not easy.”*
- *“Thank you for keeping us updated”*
- *“Thank you for telling us! We know things are not easy”*

### **Social media direct messages:**

- *“Thank you for your time ... I appreciate this service very much”*
- *“Thanks for your prompt reply”*
- *“Can you please pass on my thanks to the domestic waste team... Thank you! Great customer service”*

### **Responses to residents’ communications emails:**

- *“Thank you for your regular briefs. They are concise, clear, and very useful.”*
- *“Thank you for another excellent email sustaining a first class community service. Really commendable.”*

### **Residents’ communications emails survey:**

- *“I feel I am a human who has rights in how the council is operating and feel my council tax is being well spent in regards to informing me.”*
- *“I really appreciate these emails. The council is not something I’d ever really given much thought to before, but it actually makes me feel more a part of the community to be aware of what the NFDC is doing to help and support residents.”*
- *“I don’t know how I managed without the emails that you send.”*

- *“The e-mails are clear, concise and relevant”.*

## **COASTAL SERVICES**

### **Feedback on website:**

- *“Great for getting wave height data.... Have a nice day and thanks for helping .... with their dive planning”.*
- *“Hi - Hope all is well! Firstly, fantastic website! Brilliant to see all this data in an accessible format. I am keen to explore more about how one of our hospitals is responding to the latest heatwave..., might there be accessible historical data logs for sites that I could download for local analysis? Many thanks for any help”*
- *“Another great tool for dive managing and planning, especially when diving the inshore area and knowing real time wave height and direction”*
- *“This is a very useful facility, especially as the former Met Office recording station at .... is no longer operating”.*
- *“Your website is beautifully clear and easy to use, so please don't change it too much... Thanks for a really useful facility that helps us keep our boat moored off ....”*
- *“Great source of current and past weather and sea conditions... it is vital that sea goers have local up to date weather conditions before getting out on the water. Thank you for providing this very valuable resource”*
- *“Fantastic resource”*
- *“Excellent service providing essential information for coastal management”*

## **REVENUES AND BENEFITS**

### **Comment from Revenues and Benefits Service Manager:**

- *“We received numerous compliments on the speed and efficiency in administering various business support grants to businesses throughout the year, as well as support to residents through the Test and Trace Support Payments and Household Support Fund.”*

## **ENFORCEMENT AND AMENITIES**

- *“This morning we had a visit from 2 very nice men one called [officer name] to discuss with us about our business waste”*

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## CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL – 17 NOVEMBER 2022

### COUNCIL TAX REDUCTION SCHEME 2022/23

#### 1. RECOMMENDATION

- 1.1 That the Corporate Affairs and Local Economy Overview and Scrutiny Panel recommends to Cabinet that the backdate period be extended from 6 months to 12 months, as detailed in Section 6, from 1 April 2023.
- 1.2 That a Task and Finish Group review a Banded scheme during 2023.

#### 2. INTRODUCTION

- 2.1 Members will recall that local authorities are responsible for setting up their own local Council Tax Reduction Scheme to support those of working age on low income with paying their council tax. The Government stipulated that there must be no change to the level of support that pensioners receive and there are no plans to localise the scheme for this group. Currently, there are currently no plans to include Council Tax Reduction within Universal Credit.
- 2.2 The Council Tax Reduction Scheme must be formally made by the Council no later than 11 March in any year, to take effect from 1 April.
- 2.3 The Council Tax Reduction Scheme fulfils the prescribed requirements for localised schemes.
- 2.4 There are currently 7,904 claimants receiving Council Tax Reduction. Of these 4,151 are working age and 3,753 are of pensionable age. See Appendix 1 for caseload trend.
- 2.5 The current Council Tax Reduction Scheme costs approximately £9.1 million. This is split between:

Working Age	£4,423,073
Pensioner	£4,650,428

The cost is shared between all precepting authorities.

- 2.6 The amount of Council Tax Reduction awarded affects the tax base of each organisation and is not identified within the overall formula grant allocation.

#### 3. REVIEW PROCESS

- 3.1 The Task & Finish Group met to review the current scheme and proposed changes effective from 1 April 2023.
- 3.2 Due to the ongoing impact of the pandemic and administering various support schemes, including Test and Trace Support Payments, Household Support Fund, Food Voucher scheme, Omicron Business Grants and the £150 Energy Rebate scheme, it has not been possible to undertake a full review of the scheme, including consideration of a banded scheme. It is recommended by the Revenue and Benefits

Service Manager, who has been in consultation with the Portfolio Holder for Finance, to consider this in 2023.

- 3.3 The recommendations of the Task & Finish Group are to be considered by the Corporate Affairs and Local Economy Overview Scrutiny Panel, the Cabinet and full Council in December 2022.

#### **4. THE CURRENT LOCAL COUNCIL TAX REDUCTION SCHEME**

- 4.1 The council's Council Tax Reduction Scheme protects the vulnerable. A person is vulnerable if they (or a partner) are in receipt of Disability Living Allowance, Personal Independence Payments or Severe Disablement Allowance.
- 4.2 The council's Council Tax Reduction Scheme for 2022/23 requires all working age claimants (except the vulnerable) to pay a minimum of 10% council tax.
- 4.3 The council's Council Tax Reduction Scheme also includes:
- Council Tax Reductions are capped at band D (so that claimants living in higher banded properties receive any reduction based on band D).
  - A savings limit of £6,000, so that claimants with more than £6,000 in savings are not entitled to any reduction.
  - The council's Council Tax Reduction Scheme incentivises work by disregarding £25.00 a week of earnings. For comparison purposes, the government disregards in Housing Benefit are £25.00 for a lone parent, £20.00 for a disabled claimant, £10.00 for a couple and £5.00 for a single claimant.

#### **5. MATTERS CONSIDERED BY TASK & FINISH GROUP**

- 5.1 Collecting council tax from those on low income is difficult, with significantly more work for officers. Administration has also increased, notably in working with those affected. In 2022/23 council tax bills increased by an average of 3%, meaning council tax payers having to pay more. This is likely to continue in the forthcoming years.
- 5.2 The Council Tax in-year collection rate for those in receipt of Council Tax Reduction, who are not a pensioner or vulnerable, has reduced from 79.72% to 74.63% and overall in year collection rate for those in receipt of Council Tax Reduction reduced from 91.95% to 85.59%.
- 5.3 Many of the claimants have also been affected by other welfare reform changes as well as an increase in the cost of living, in particular fuel and food inflation which adversely affects low income households.

#### **6. DISCUSSION ON COUNCIL TAX REDUCTION SCHEME FOR 2023/24**

- 6.1 The group considered reviewing various aspects of the current scheme. This included:
- the 10% minimum contribution
  - the Band D cap

- 16 hours additional earnings disregard

6.2 The Group discussed these aspects and agreed to maintain these and not to propose any changes.

6.3 The Group also discussed a Banded scheme and recommended a fundamental review of this be undertaken in 2023.

6.4 The Group discussed one proposed change, primarily to support our most vulnerable households. The proposed change is summarised as follows:

Description	No of claims affected	Financial impact
To extend the backdating period of 6 months to 12 months	Minimal	Minimal

6.5 The Group discussed the reasons and impact of the proposed change:

#### **To extend the backdate period from 6 to 12 months**

Where a claimant has delayed in making their claim and there is continuous “good cause” their claim can be backdated for a period of up to 6 months. The Group discussed extending this time period to provide additional support to our most vulnerable claimants who, in exceptional circumstances, delayed making their claim, and who otherwise would have to pay their council tax for the period. Although the number of claims who will benefit from this will be minimal, it will provide much needed additional financial support.

The Group agreed to consult on extending the backdate period from 6 to 12 months.

6.6 The Group were made aware of the Exceptional Hardship Payment scheme which is available to support any claimant in exceptional financial hardship with paying their Council Tax due to a shortfall between their Council Tax Reduction and the amount of Council Tax to pay. A new online form is being developed to apply for an Exceptional Hardship Payment and we will work with our partners to promote this.

## **7. CONSULTATION**

7.1 The Council has a duty to consult on any changes to the scheme. The Council undertook a consultation exercise over a 6-week period, from 30 August 2022 to 12 October 2022, advertising on the council’s website and on decision notices, as well as contacting partner organisations, including Citizens Advice New Forest.

7.2 The Council only received 3 responses, two strongly agreeing with the proposed change, with one disagreeing, although not providing any explanation for their view. However, due to the minimal response it is not possible to determine any conclusions.

7.3 After considering the consultation responses, the Group recommend making the proposed change to the Council Tax Reduction scheme from 1 April 2023.

**8. FINANCIAL IMPLICATIONS**

- 8.1 The financial implications of the proposed change were discussed.
- 8.2 The cost will be minimal, especially as the Council only retains around 10% of the total Council Tax collected.

**9. CRIME & DISORDER IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS / DATA PROTECTION IMPLICATIONS**

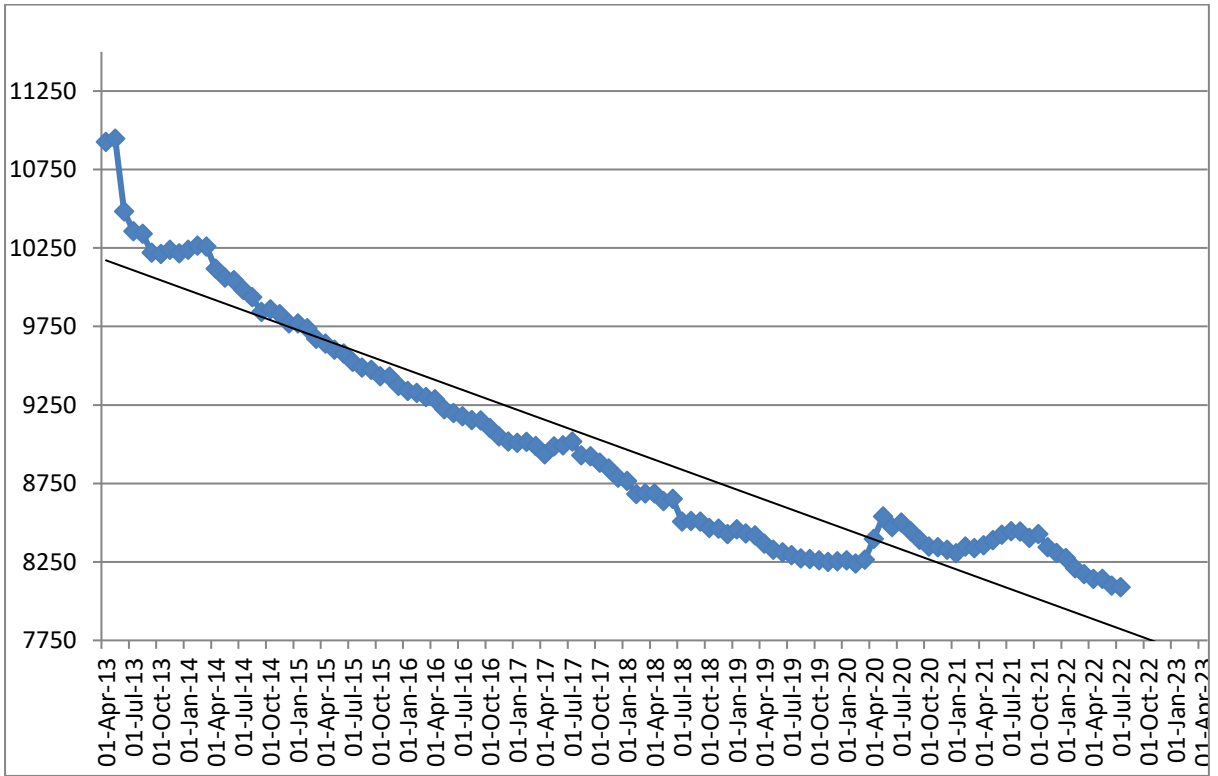
- 9.1 There are none

**10. EQUALITY & DIVERSITY IMPLICATIONS**

- 10.1 Our Council Tax Reduction scheme continues to support those on a low income and protects vulnerable households.

**For further Information Contact:**  
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**Background Papers:**  
Minutes of Task & Finish Group



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## COUNCIL TAX EMPTY HOMES PREMIUM, SECOND HOME PREMIUM, DISCOUNTS AND POLICIES

### 1. RECOMMENDATION

- 1.1 That the Corporate Affairs and Local Economy Overview and Scrutiny Panel recommends to Cabinet the following:
- a) that the empty homes premium as detailed in Section 3 remain unchanged
  - b) that the extension of the Empty Homes Premium as detailed in Section 4 be approved
  - c) that the introduction of a second homes premium of 100% as detailed in Section 4 be approved
  - d) that the removal of the council tax discount for properties in Prescribed Class D, as detailed in Section 5, be approved,
  - e) that the updated policies as detailed in Section 6 be approved

### 2. INTRODUCTION

- 2.1 The purpose of this report is to consider the recommendations of 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 policy reviews.
- 2.2 The effective date of any change would be 1 April 2023 unless otherwise stated.

### 3. EMPTY HOMES PREMIUM

- 3.1 The aim of introducing the Empty Homes Premiums is to encourage owners of empty properties to bring them back into use.
- 3.2 The government have stated that they “want to address the issue of empty properties. It can’t be right to leave a property empty when so many are desperate for a place to live”. Two years is considered sufficient time for homeowners to sell, rent or complete any major renovations that might be required, and the premium seeks to incentivise owners to bring their properties back into use.
- 3.3 There are certain exemptions in place for properties that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of the main property. While not an exemption, guidance states that consideration should be given for properties which are genuinely for sale or available to rent, and that owners should not be penalised in cases of hardship. These decisions are to be made on a case-by-case basis and regularly reviewed.
- 3.4 Tackling empty homes is part of our Private Sector Empty Homes Strategy and the Private Sector Housing and Revenues teams work together. The council’s Private Sector Leasing Scheme is promoted on any Empty Home Premium communication.
- 3.5 If an unoccupied property is furnished, such that it is capable of being lived in, a premium does not apply.
- 3.6 The current empty homes premium and the level of discretion available are summarised as follows:

Conditions	Discretion available	Current premium applied by NFDC
Empty for 2 years or more	Up to 100%	100%
Empty for more than 5 years	Up to 200%	200%
Empty for more than 10 years	Up to 300%	300%

3.7 The Task and Finish reviewed these premiums and recommend no changes to these premiums.

#### 4. PROPOSED NEW PREMIUMS

4.1 The Queens speech in May 2022 included a specific Levelling Up and Regeneration Bill that proposes to give local authorities discretion to address second homes and to extend their exiting provisions in relation to empty homes.

4.2 The bill recognises the impact that high levels of second home ownership can have in some areas and introduces a new discretionary council tax premium on second homes of up to 100%. It will also allow councils to apply a council tax premium of up to 100% on properties which have been empty for longer than one year, rather than the two years as currently. The bill states this will encourage more empty homes into productive use, while enabling councils to raise and retain additional revenues to support local services and keep council tax down for residents.

4.3 These proposals require legislation to be laid and Royal Assent before they become available for billing authorities to implement. This will provide further details, including any exemptions. In addition, a determination must be made at least one year before the beginning of a financial year to which it relates, hence the reason for its inclusion. Therefore, should Royal Assent be received prior to 31 March 2023, the council could potentially apply these new proposals from 1 April 2024.

#### 4.4 Second Homes

4.4.1 There are 1,608 properties currently registered as being unoccupied and furnished, and therefore potentially second homes. The breakdown by council tax band is:

Band	A	B	C	D	E	F	G	H
No. of Second homes	128	126	224	387	287	212	201	40

4.4.2 The Group were supportive of applying a premium to second homes and recommend adopting a second homes premium of 100%, subject to legislation being laid.

#### 4.5 Empty Homes Premium

4.5.1 There are currently 203 properties that have been empty between 12 months and 24 months. The breakdown by council tax band is:

Band	A	B	C	D	E	F	G	H
No. of empty properties	26	27	49	46	29	13	11	2

4.5.2 The Group recommend applying a 100% empty homes premium where a property has been empty for more than one year, subject to legislation being laid.

## 5. DISCRETIONARY COUNCIL TAX DISCOUNTS

5.1 The Task and Finish Group reviewed the current discounts to council tax payers who meet specified criteria. These are summarised as follows:

Discount	Conditions	Discretion available	Current discount applied	Quantity in 21/22
Prescribed Class C	Property is unoccupied and substantially unfurnished	Discount between 0% and 100% for up to 6 months. Both amount and duration are discretionary.	100% for 1 month from date property <b>first</b> becomes unoccupied and unfurnished	5,278
Prescribed Class D	Property is unoccupied and substantially unfurnished and requires major repair works to render it habitable.	Discount between 0% and 100% for 12 months. Only the amount is discretionary, not the duration.	50%	461

5.2 The Group discussed the above discounts.

- A. **Prescribed Class C.** This discount applies to properties which are unoccupied and substantially unfurnished. Local authorities have discretion to set a discount of between 0 and 100% for any period up to 6 months. The discount applies from the date the property first becomes unoccupied and substantially unfurnished. After the discount ends, the full council tax is payable.

The current discount is 100% for 1 month. The reasoning for the discount is to allow sufficient time for changes in occupation or minor works to be undertaken. Members considered that this should encourage prompt turnover of properties and reduce “voids”. It also avoids billing landlords for small sums between lets.

The Group recommend no change.

- B. **Prescribed Class D.** This discount applies to properties which are unoccupied and unfurnished and where major repair works or structural alterations are required or under way, often referred to as “uninhabitable”.

Local authorities have discretion to set a discount of between 0 and 100% for a maximum period of 12 months. There is no discretion on the duration, only on the amount of discount. After 12 months the discount ends, the full council tax is payable. The current discount in this District is 50% for 12 months. Members were keen to encourage properties to be brought back into use.

The Group recommend reducing the discount from 50% to 0%.

## **6. POLICY REVIEWS**

### **6.1 FAIR COLLECTION AND DEBT RECOVERY POLICY**

6.1.1 The Group reviewed the current Fair Collection and Debt Recovery Policy for the Revenues and Benefits Service (Appendix 1). The policy has been updated following the introduction of Breathing Space.

6.1.2 Local Authorities are encouraged to approve a policy on how collection and debt recovery is administered. Nationally, Local Authorities have been criticised on how they deal with debts, in particular council tax. The recommended policy ensures the council's approach to debt collection is transparent and demonstrates our approach to working with taxpayers and partner organisations.

6.1.3 Having a fair collection and debt recovery policy will enable the council to sign up to the Citizens' Advice Council Tax protocol, and we have engaged with Citizens Advice New Forest with the policy.

6.1.4 The Group support the updated policy attached as Appendix 1 and recommend its approval and adoption with immediate effect.

### **6.2 DISCRETIONARY HOUSING PAYMENTS POLICY**

6.2.1 Local Authorities can award Discretionary Housing Payments (DHP's) where there is a shortfall between the rent a landlord is charging and the amount of Housing Benefit or the housing element of Universal Credit being awarded, or to help with housing costs.

6.2.2 The legislation covering Discretionary Housing Payments is the Discretionary Financial Assistance Regulations 2001, and delegated powers for decisions have been authorised. The policy review gives full regard to the updated Department for Work and Pensions Guidance Manual for Discretionary Housing Payments and demonstrates our proactive and collaborative approach to supporting households.

6.2.3 The Group support the updated policy attached as Appendix 2 and recommend its approval and adoption with immediate effect.

### **6.3 EXCEPTIONAL HARDSHIP PAYMENTS POLICY**

6.3.1 An Exceptional Hardship Payments Policy is to assist residents who have applied for and are entitled to Council Tax Reduction, and who are experiencing exceptional financial hardship. This is to provide further assistance where a resident is in receipt of Council Tax Reduction, but the level of support does not meet their full council tax liability.

6.3.2 The legislation covering Exceptional Hardship Payments is in S13A (1) (c) of the Local Government Finance Act 1992, and forms part of the Council Tax Reduction Scheme, and delegated powers for decisions have been authorised.

6.3.3 The Group support the updated policy attached as Appendix 3 and recommend its approval and adoption with immediate effect.

## **7. FINANCIAL IMPLICATIONS**

7.1 The financial implications of each of the above are:

**Empty Homes Premium** – applying a 100% premium after 1 year, instead of the current 2 years, would increase income by £120,000, of which the council's share is £12,000.

**Second Homes Premium** – applying a premium of 100% for second home properties could increase income by up to £3.6m, of which the councils share is £360,000.

**Council Tax Prescribed Class D** – reducing the discount from 50% to 0% could increase income by £208,000, of which the councils share is £20,800.

**8. CRIME & DISORDER IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS / DATA PROTECTION IMPLICATIONS**

8.1 There are none.

**9. EQUALITY & DIVERSITY IMPLICATIONS**

9.1 There are no equality and diversity implications.

**For further Information Contact:**  
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**Background Papers:**  
Minutes of Task & Finish Group

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**Revenues and Benefits Service**

**Fair Collection and Debt Recovery**  
**Policy**

## Contents

1. Introduction
2. Benefits of a debt collection policy
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7. Getting into arrears
8. Council Tax and Business Rates Recovery process
9. Housing Benefit overpayments
10. Council Tax Reduction
11. Sundry Income
12. Breathing Space
13. Working with partners
14. Write-offs
15. Credit
16. Policy review

## **1. Introduction**

- 1.1 The Council has a legal duty to recover all sums due to the Council in order to deliver quality public services. A collection and debt recovery policy ensures that collection methods are fair to everyone, especially those on low incomes. This Policy covers the collection of Council Tax, Business Rates, Sundry Income, Housing Benefit, and non-entitlement to Council Tax Reduction and has been written in consultation with Citizens Advice New Forest whose assistance with providing debt advice is invaluable.
- 1.2 It is recognised that people do not pay their debts for a variety of reasons and there is no one-size fits all approach to collecting arrears.
- 1.3 The council will ensure that no individual is discriminated against on any grounds. t.
- 1.4 Some people, because of living in or on the margins of poverty, will have difficulty in paying. The Council will help such people to minimise the impact of debt on them and we will work collaboratively with partner organisations to support residents.
- 1.5 Some people may deliberately set out to delay or not make payments and all methods of enforcement will be used to secure payment in these cases.
- 1.6 Some people may be able to pay but do not pay because of an oversight or personal difficulties and not because of a deliberate decision to avoid or delay payment. The Council will seek to help such people develop a culture of payment by encouraging them to get in contact and discuss a resolution to their difficulties at the earliest opportunity.
- 1.7 Encouraging customers to contact the council is central to our debt recovery approach. Where a person makes contact their circumstances will be considered with a view to agreeing a reasonable payment arrangement, minimising recovery action. Where people fail to make contact or maintain arrangements, recovery of the debt will continue.

## **2. Benefits of a debt collection policy**

- 2.1 The Policy will:
  - a) Help to reduce the effect of debt on people on low income
  - b) Mean that by being approachable individuals will be more willing to contact us when they first face difficulties
  - c) Enable people who fall into arrears to come to payment arrangements appropriate to their circumstances
  - d) Help to identify deliberate non-payers or people who delay payment
  - e) Make sure that when we take enforcement action it is appropriate and likely to be effective

## **3. Aims of the Policy**

- 3.1 The aims of the Policy are to:
  - a) Take positive action to prevent arrears occurring
  - b) To provide a range of payment methods
  - c) Take enforcement action against deliberate non-payers
  - d) Ensure prompt billing and to remind people quickly if they do not pay

- e) Encourage people to make early contact to avoid the build-up of debt

#### **4. Debt collection principles**

##### **4.1 The council:**

- a) Considers that people have a responsibility to pay
- b) Aims to identify those who can pay but do not or who delay payment
- c) Actively encourages contact at every stage of the recovery process
- d) Aims to help maximise income and/or entitlement to discounts, exemptions, reliefs, or benefits
- e) Will provide a service that is sensitive to individuals and their needs and sympathetic to those in hardship
- f) Will signpost and refer to advice agencies where appropriate and consider safeguarding vulnerable individuals
- g) Will utilise all means of recovery available where appropriate

#### **5. Notifications**

- 5.1 The Council will provide prompt and clear information about the amount due, when the payments are due, how to make payments, details of discounts, exemptions and support and contact details. We will use plain English, without the use of jargon and promote organisations where customers can obtain free and impartial advice and information.

#### **6. Making a payment**

- 6.1 The Council promotes a payment culture and offers a variety of methods for paying bills and invoices. This includes by:

- Direct debit
- Standing Order – these are arranged by the individual with their bank. They must notify their bank of any changes to the amount due
- Phone – by contacting our office or using our 24/7 telephone payments system
- On-line – by using the Council’s secure payments service at [www.nfdc.gov.uk](http://www.nfdc.gov.uk)
- Payment card – these can be used at any post office
- Visiting a local council office
- On-line banking
- Cheques

- 6.2 Council Tax – there are three direct debit collection dates available, 1<sup>st</sup>, 15<sup>th</sup> and 23<sup>rd</sup> of the month.

- 6.3 For taxpayers who do not pay by direct debit, the default payment date is the first of the month although we can accept an alternate payment date where we specifically agree this with the taxpayer. Bills are sent in March requesting payments over 10 installments, April to January. Taxpayers can request instalments to be spread over 12 months and the Council will promote this where a taxpayer is having difficulty paying or is in arrears.

- 6.4 Business Rates has a direct debit collection date of 1<sup>st</sup> or 15<sup>th</sup> of the month.

- 6.5 Housing Benefit overpayments has a direct debit collection date of either 5<sup>th</sup> or 20<sup>th</sup> of the month.

- 6.6 Sundry Income has a direct debit collection date of the 1<sup>ST</sup> of the month.
- 6.7 Where we agree a payment plan, the date for payments will be flexible.
- 6.8 The Council will publicise this information on our website, [www.nfdc.gov.uk](http://www.nfdc.gov.uk) Whichever payment method is used, payment must be received by the due date.

## **7. Getting into arrears**

- 7.1 Where an individual gets into arrears with their payment, the Council will:
- a) Expect priority debts, as defined by the Financial Conduct Authority, which includes council tax, to be paid before any non-priority debts
  - b) Aim to maximise their income and inform them of their potential entitlement to state benefits, discounts, exemptions, and reliefs
  - c) Consider pausing recovery where the taxpayer contacts the Council to work with them to pay their arrears
  - d) Advise how they can obtain independent advice and work with third parties, including advice agencies
  - e) Undertake basic debt advice which will include reviewing income and expenditure, discussing plans to repay priority debts and referrals to more specialist support, e.g., Citizens Advice New Forest.
- 7.2 The Council will agree a payment plan with the individual that reflects the ability to pay and the level of debt outstanding. This will take into consideration:
- a) The amount of arrears
  - b) The period of time taken to pay the arrears
  - c) Their payment history
  - d) Their financial situation, including reasonable living expenses
- 7.3 Where a payment arrangement is agreed, the Council will notify the customer of the amount and frequency of payments. Where payments are made as agreed, no further recovery steps will be taken. Where an individual does not provide information or give details of their income and expenditure the Council may refuse the arrangement and pursue alternative means to recover the debt.
- 7.4 Where the council receives a payment which does not match an instalment, the sum paid will be used to reduce the oldest debt.

## **8. Council Tax and Business Rates Recovery process**

- 8.1 In accordance with legislation, where payments have not been made, the Council will seek recovery through the following:

### Reminder Notice

- 8.2 A Reminder Notice is issued where an instalment is due and has not been paid. The notice will request the amount overdue to be paid within 7 days. If payment is not received within a further 7 days the full remaining balance of the years council tax or business rates will become due.
- 8.3 At this stage, where the customer contacts the council, council staff will be able to offer a number of alternatives:

- Re-profile the instalments to spread the payments
- Check entitlement to any discount, exemptions, or reliefs
- Check for Council Tax Reduction entitlement
- Special arrangements, e.g. weekly payment or double payment to be made on the next instalment

#### Second Reminder

- 8.4 Where payments are brought up to date following the issue of a Reminder Notice, but then a further payment becomes overdue a second reminder is issued. If payment is not received within a further 7 days the full remaining balance of the years council tax will become due.
- 8.5 If the taxpayer is in receipt of Council Tax Reduction, they will always receive two reminder notices before further recovery proceedings.

#### Final Notice – Council Tax

- 8.6 A Final Notice is issued where payment becomes due after issuing a reminder or second reminder and the right to instalments is lost and the full remaining balance for the year becomes due within 7 days.
- 8.7 The Council will be able to offer the alternatives above to assist the taxpayer.

#### Complaint

- 8.8 Where the amount is still due the council will make a complaint to the magistrate's courts requesting the issue of a liability order. Before making the complaint the council will check to ensure the summons is properly served.
- 8.9 Once the complaint is made to the court the magistrates will issue a summons to attend a liability order hearing. This summons is issued advising that the right to pay by instalments is lost and the full balance outstanding should be paid immediately. The summons advises that failure to pay the sum due or contact the council will result in a liability order being granted by the magistrates.
- 8.10 Where a summons is issued to a taxpayer in recipient of Council Tax Reduction, we will not apply the £40 summons costs. In addition, if the taxpayer agrees an arrangement ahead of the liability order hearing, the £30 liability order costs are also not applied.
- 8.11 Where a summons and liability order are issued and granted costs of £70.00 are added to the council tax account.

#### Liability Order

- 8.12 Once a liability order is granted by the magistrates the council will send the taxpayer a liability order notice along with a request for financial information.
- 8.13 Where the taxpayer has contacted the council, the council will:
- Agree an affordable payment plan, aiming to pay the balance due within the financial year to avoid starting the next financial year in arrears

- Encourage payment by direct debit
  - Monitor payment arrangements to ensure compliance
- 8.14 Where the taxpayer does not contact the council, make a payment, or defaults on an agreed payment plan, the council will consider the most appropriate recovery method. For Council Tax this includes:
- Attachment to state benefits, such as Jobseekers Allowance/Universal Credit/Income Support or Pension Credit
  - Attachment to earnings
- 8.15 The amount deducted is determined by legislation.
- 8.16 Where the taxpayer does not contact the council and the above methods of recovery are not available, the debt will be passed to an Enforcement Agent. The Enforcement Agent will send a Pre-Compliance letter to encourage the taxpayer to make contact and agree a payment plan. If the taxpayer does not contact the Enforcement Agent in relation to the Pre-Compliance letter within 14 days, formal proceedings will commence. This will incur additional costs. Enforcement Agents operate within a legal framework with a regulated fee structure. They will agree payment arrangements appropriate to the circumstances. Where the Enforcement Agent becomes aware that the taxpayer is vulnerable, they will contact the council to seek further advice.
- 8.17 In exceptional circumstances and only with the council's permission, the Enforcement Agent can take possession of goods if payments are not made.
- 8.18 The council will only recall a debt from an Enforcement Agency in exceptional circumstances, where it is in the best interests of all parties.
- 8.19 If the above options fail the Council will consider alternative recovery methods. This includes but is not necessarily limited to:
- Applying for a Charging Order on the property
  - Applying for a bankruptcy or insolvency order
  - Applying for a committal to prison – but only where all recovery methods have been considered, and the council considers that the taxpayer is wilfully refusing or has shown culpable neglect to pay and the taxpayer has failed to contact the council

## **9. Housing Benefit overpayments**

- 9.1 An overpayment of benefit is any amount which has been paid but to which there was no entitlement. In accordance with regulations, the Council is responsible for recovering all overpayments of benefit and must:
- Establish any underlying entitlement
  - Establish the cause of the overpayment
  - Identify the period and amount of the overpayment
  - Decide if the overpayment is recoverable
  - Consider whether or not we will recover the overpayment
  - Decide who to recover the overpayment from
  - Notify any "person affected"
  - Classify and record overpayments so we can make the correct rate of recovery

- 9.2 Where there is ongoing entitlement to Housing Benefit, any overpayment will be deducted from this amount, subject to specified amounts. The council will not reduce a person's weekly payable benefit to below 50 pence. If the amount being deducted is causing hardship the claimant can request a revised repayment arrangement based on their financial circumstances. The council will usually request completion of an income and expenditure form.
- 9.3 Where there is an overpayment and no ongoing entitlement to Housing Benefit the council will send an invoice. Where a claimant contacts the council we will agree a payment arrangement, taking into consideration their financial circumstances. Where the claimant does not contact the council within 14 days, or keep to the payment arrangement, the council will send a reminder. If there is still no contact within a further 14 days, the council will send a Final notice. If there is still no contact the council can recover the overpayment by:
- Attachment to the claimant's earnings
  - Attachment to state benefits
  - Requesting another council recover the overpayment from Housing Benefit
  - Collection Agency

## **10. Council Tax Reduction**

- 10.1 Council Tax Reduction is paid by way of a credit to the claimant's council tax account. Where an amount is paid that the claimant is not entitled to, e.g. failure to notify a change in circumstance, the council will consider if the amount is recoverable. Where the amount is recoverable the amount will be debited from the council tax account. The resulting outstanding council tax will be recovered in the same manner as other sums of council tax.

## **11. Sundry Income**

- 11.1 An invoice will be issued as soon as possible. The recovery process will depend on the service but typically payment will be due within 21 days, unless specified otherwise, e.g. monthly direct debits or an agreed payment plan has been arranged.
- 11.2 If payment is not received within 21 days of the amount being due and the customer has not contacted the council, a reminder will be sent. If payment is not received within 14 days after the reminder has been issued a final reminder will be sent or the specific service is notified of the non-payment for them to proceed in line with their own policy.
- 11.3 Where the taxpayer has contacted the council, the council will:
- Agree an affordable payment plan
  - Encourage payment by direct debit or Standing Order
  - Monitor payment arrangements to ensure compliance
- 11.4 If a payment is still not received a notice is sent informing the taxpayer to contact the Council to make an arrangement or further recovering proceedings will commence, including a Collection Agency or Court.
- 11.5 If the debt remains due and the taxpayer has not contacted the Council the debt will be sent to a Collection Agency. The Council will only recall a debt from the

Collection Agency in exceptional circumstances and where it is in the best interests of all parties.

11.6 Where the debt still remains due the council can apply to the court and obtain a County Court Judgment. This will incur costs. Once obtained the council may enforce the debt by applying for:

- An attachment of earnings order
- County Court Enforcement Agent

## **12. Breathing Space**

12.1 The Debt Respite Scheme (Breathing Space Moratorium) will give a customer in arrears or debt the right to legal protections from creditors for up to 60 days. There are two types of breathing space; a standard breathing space and a mental health breathing space, where the breathing space period lasts for as long as the taxpayer is receiving crisis treatment.

12.2 A taxpayer can apply through a debt advisor and will work with a debt advisor throughout the breathing space period to receive debt advice and review their circumstances to agree a plan to deal with their debts.

12.3 The Council will adhere to the legislation and guidance and will promptly pause any recovery on receipt of a breathing space notification.

## **13. Working with partners**

13.1 We will work collaboratively with partner organisations to support residents and provide signposting information when communicating with residents. The Council will provide contact details, meet regularly and engage promptly with partners.

13.2 Where the council is notified by the taxpayer that they are seeking advice from a relevant body, the council will suspend recovery of the debt.

13.3 Where a recognised debt advisor prepares a Standard Financial Statement, and an arrangement is made the Council will recognise this. Offers of a payment plan received will be treated in good faith.

13.4 The Council will meet regularly with the Enforcement Agent, have point of contacts, and an escalation and returns procedure, for example if the taxpayer is vulnerable.

## **14. Write-offs**

14.1 Where the council has exhausted all recovery methods and there is no realistic prospect of recovering the amount outstanding, the council will write-off the debt.

14.2 The council may reverse a write-off and resume recovery in certain circumstances, e.g. if they reclaim Housing Benefit.

## **15. Credit refunds**

15.1 When a credit has built up on a council tax account and it has been identified the taxpayer had a debt with the Council, this may be used to repay or reduce a debt, including Housing, Benefits and Sundry Income. Any monies that remain in credit can then be refunded to the taxpayer.

15.2 Where there is more than one debt, the credit will normally be used to reduce or clear the biggest or oldest debt, or where it is in the interest of the taxpayer to avoid further recovery proceedings, for example possession of property.

**16. Policy review**

16.1 We will review this policy every 5 years, or sooner in the event of a relevant change in legislation.



## **New Forest District Council**

### **Discretionary Housing Payments (DHP)**

#### **Policy**

## Contents

1. What are Discretionary Housing Payments
2. Purpose of this policy
3. What are Housing costs?
4. Welfare Reform
5. What a DHP cannot help with
6. Claiming a DHP
7. Awarding a DHP
8. Amount and duration of award
9. Paying a DHP
10. Authorisation
11. Notifying an award of DHP
12. Appeals
13. Changes in circumstances
14. Overpayments
15. Fraud
16. Complaints
17. Publicity
18. Policy review

## **1. What are Discretionary Housing Payments?**

- 1.1 The legislation covering Discretionary Housing Payments is the Discretionary Financial Assistance Regulations 2001. This policy gives full regard to the Department for Work and Pensions Guidance Manual for Discretionary Housing Payments.
- 1.2 Local Authorities can award Discretionary Housing Payments (DHPs) where there is a shortfall between the rent a landlord is charging and the amount of Housing Benefit or the Housing Element of Universal Credit being awarded, or to help with housing costs. Where Universal Credit is awarded and housing costs refer to support for mortgage interest payments, owner-occupiers are not eligible to receive DHPs.
- 1.3 The main features of DHPs are:
- the scheme is purely discretionary,
  - there is no right to a payment,
  - there must be an entitlement to Housing Benefit, or the Housing Element of Universal Credit
  - they cannot be awarded to pay for ineligible service charges,
  - the total amount of DHPs that can be awarded in any financial year is limited by the Secretary of State. Once this budget is spent the Council cannot make any more awards.
  - The council is allowed to spend up to 2½ times the funding allocations. However, the extra money must be sourced from the council's own finances.
  - Any unspent Discretionary Housing Payment funding will have to be returned to the Department for Work and Pensions.
- 1.4 The Council will assist potential beneficiaries to claim a DHPs.

## **2. Purpose of this policy**

- 2.1 The Council will operate the DHP scheme and consider making a DHP to applicants who meet the qualifying criteria as detailed below. Every application will be treated on its merits and all applicants will be treated equally and fairly. The Council is committed to work closely with the Council's Homelessness Team, Social Landlords, the local voluntary sector, and other organisations where appropriate, and seek, through the operation of this policy, to:
- to safeguard tenancies and prevent homelessness
  - minimise hardship
  - reduce the need for temporary accommodation for homeless households
  - encourage and sustain New Forest residents in employment
  - support the vulnerable in the local community
  - help applicants through personal crisis and difficult events
  - keep families together
  - help applicants with their rent whilst they seek cheaper/smaller accommodation
- 2.2 The DHP scheme should be seen as a short-term emergency fund to help New Forest residents. However, in some cases long term awards may be appropriate.

### **3. What are “Housing costs”?**

3.1 Housing costs are not defined in the regulations and this approach purposely allows broad discretion and interpretation. In general, “housing costs” usually refers to rental liability, although the term can be interpreted to include:

- Rent in advance
- Other lump sum costs associated with a housing need such as removal costs.

3.2 Council Tax liability cannot be met by DHP, even where an applicant is receiving Council Tax Support.

3.3 A DHP can be awarded in exceptional circumstances and where other financial support is not available, for a rent in advance for a property that the applicant is moving to. When awarding a DHP, The Benefits Service will ensure that:

- The rent is affordable for the tenant, and
- The tenant has a valid reason to move, and
- The deposit or rent in advance is reasonable and
- The applicant’s circumstances are exceptional

3.4 The Council will establish if the applicant is due to have a rent deposit returned to them in respect of their existing tenancy, and other assistance available to them, for example the Council’s Rent Deposit Scheme.

### **4. Welfare Reform**

4.1 The Government has implemented a number of welfare reforms. This includes:

- Size criteria in the social rented sector
- Local Housing Allowance
- Benefits Cap
- Universal Credit
- 2 Child limit for new claims

4.2 The Benefits Service will work with applicants affected by welfare reforms. This may include awarding a DHP. Where an application is received, we will look to signpost to other support where appropriate and work in partnership with relevant agencies and internal departments to ensure applicants are offered the appropriate support, advice, and information.

### **5. What a DHP cannot help with**

5.1 A DHP cannot help with the following:

- Ineligible service charges which are included in the rent for example gas, electricity, or water
- Mortgage payments
- Shortfalls in HB due to overpayment recovery or certain sanctions

- Rent arrears where the applicant was in receipt of maximum Housing Benefit or Universal Credit
- Short fall in rent due to Housing Benefit or Housing Element within Universal Credit that have been suspended
- Household goods such as furniture or white goods
- Payments towards a council tax bill

## **6. Claiming a DHP**

6.1 Before an award is made, the Council must be satisfied that the applicant is entitled to:

- Housing Benefit (HB) or the Housing Element of Universal Credit; and
- Requires further assistance with their housing costs.

6.2 Where there is no entitlement to Housing Benefit or Universal Credit a DHP cannot be awarded.

6.3 A DHP can be claimed for two properties in exceptional circumstances, such as where someone is temporarily absent from their main home because they are a victim of domestic abuse.

6.4 To claim DHP's the applicant, or someone acting on their behalf, must fill in and sign an application form, or complete an e-form, detailing all their income and expenditure. The Council may accept details of income and expenditure not on its own application form and will assist those that are vulnerable to complete an application form, for example a home visit

6.5 The Benefits Service will usually request bank statements for the previous two months, showing all transactions, an applicant's Universal Credit award and tenancy agreement, and may request further information or evidence to assist in making a decision. The applicant will be asked to provide the evidence within one month of the date of request, although this may be extended in appropriate circumstances. If the applicant fails to provide the requested evidence, the council will make a decision on the information available. The Council will contact the applicant by telephone, email, or arrange an interview or home visit if necessary.

6.6 Before a decision is made, the Benefits Service will seek to ensure the applicant maximizes their income by checking entitlement to other state benefits or financial support that may be available to them, for example Council Tax Reduction and Personal Independence Payments. The Benefits Service will also give budgeting advice and refer for debt advice through Citizens Advice or other agencies if appropriate

## **7. Awarding a DHP**

7.1 In making a decision the following factors will be considered:

- what steps the applicant is taking to move to smaller or more affordable accommodation
- the amount of the shortfall between the Housing Benefit or the Housing Element of Universal Credit awarded and the amount of rent

- how long the shortfall is likely to be for
- the household of the applicant and their circumstances and whether they are likely to change
- the financial circumstances of the household, including all income, the types, amounts and reasonableness of expenditure
- what steps the applicant is taking to reduce expenditure and engage in budgeting support if appropriate
- the amount of household savings and debts
- any social or medical issues in the household or adaptation's due to a disability which may make moving to a suitable alternative accommodation difficult
- the impact on the applicant and the council if the application is refused
- whether the applicant contributed to the shortfall
- if tied to an existing tenancy
- if a rent deposit is needed to assist in moving to affordable accommodation
- if there has been a previous award of DHP
- if the applicant is engaging with their work coach if receiving Universal Credit
- any other special circumstances

7.2 The Benefits Service will consider the above factors, which is not exhaustive, and decide on the level of DHP to award. Any award will not exceed the total eligible rent.

7.3 An award of DHP does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

## **8. Amount and duration of award**

8.1 The duration and the amount of the award are determined at the discretion of the Council and will be based on the evidence supplied and the circumstances of the claim. The start date of the award will normally be:

- the Monday following receipt of the application form, or
- the date HB or Universal Credit entitlement starts, providing the application is received within one month of this date, or
- an earlier date if the Benefits Service considers reasonable

8.2 The DHP award will:

- normally award DHPs for a three-month period when on expiry the award can be reviewed, or a new application made. A DHP may be made for a shorter period of time where appropriate.
- not normally award a DHP for more than a year. Awards may be extended if the applicant's circumstances are exceptional or unlikely to change.
- consider any reasonable requests for backdating an award of DHP, usually limited to the current financial year, so long as there is an award of Housing Benefit or Universal Credit.

8.3 A DHP shall not be awarded for any period where the applicant has no entitlement to either Housing Benefit or the Housing Element of Universal Credit.

## **9. Paying a DHP**

- 9.1 The Benefits Service will decide who the most appropriate person to receive the DHP award. This will normally be to whoever is receiving the Housing Benefit or the Housing element of Universal Credit. However, the Benefits Service may decide to pay the landlord if appropriate. Payments will be by electronic transfer (BACS) or by crediting the applicants rent account.
- 9.2 Payment frequency will normally be in line with Housing Benefit payments, either 2 weekly or 4 weekly if paid to a landlord. Where an applicant is receiving Universal Credit, payments will be monthly.
- 9.3 Where payments of Housing Benefit are suspended or where there is a sanction on Universal Credit, payments of DHP will be suspended. This is to ensure that the applicant takes the necessary steps to provide the relevant information to the Council or the Department for Work and Pensions.

## **10. Authorisation**

- 10.1 Any one-off awards over £2,500 will be approved by the Service Manager - Revenue and Benefits

## **11. Notifying an award of DHP**

- 11.1 On receipt of an application for a DHP the Benefits Service will aim to inform the applicant of its decision within two weeks of receiving all the evidence and information, or as soon as reasonably practicable thereafter.
- 11.2 Where the application is successful the notification will advise the applicant:
- the weekly amount of DHP awarded,
  - if the award is a one-off award,
  - the start and end date of the award and the need to re-apply on expiry if appropriate
  - how, when and to whom the DHP will be paid
  - the requirement to report any changes in circumstances
  - any actions that need to be undertaken by the applicant and/or partner
- 11.3 Where the application is not successful, the notification will state this, along with an explanation for the decision and the right for a review.
- 11.4 The Benefits Service will keep a record of all decisions in accordance with its retention policy.

## **12. Appeals**

- 12.1 DHPs are not payments of Housing Benefit and are therefore not subject to an appeal. However, the Council will operate the following approach following a refusal to award a DHP or a decision not to backdate an award of DHP:

- 12.2 An applicant (or appointee) who disagrees with a DHP decision can request an explanation of the decision. This must be done by e-mail, letter, or phone within one month of the date of the decision. The Benefits Service will explain its decision to the applicant and aim to resolve the matter.
- 12.3 Where the applicant disagrees with the reasons for the decision this must be done by e-mail, letter, or phone within one month of the date of the decision. This decision will be made by the Service Manager Revenues and Benefits. This decision is final and may only be challenged via judicial review or by complaint to the Local Government Ombudsman.
- 12.4 In exceptional circumstances the one-month time limit to appeal a decision can be extended.

### **13. Changes in circumstances**

- 13.1 On awarding a DHP the applicant must notify the council of any changes in circumstances to the Benefits Service straight away. The Benefits Service may revise the award of DHP or decide to end the award, for example where the applicant has misrepresented or failed to disclose a material fact, or where they no longer need financial assistance towards their housing costs
- 13.3 The decision will be notified to the applicant within 14 days, or as soon as reasonably practical.

### **14. Overpayments**

- 14.1 Where a DHP is overpaid, officers will consider whether it is appropriate to recover in full, or in part, or not at all. The Council will seek to recover any DHP which has been overpaid as a result of misrepresentation or failure to disclose a material fact, fraudulently or otherwise.
- 14.2 Overpaid DHPs will be recovered from the applicant or payee. This is normally done by sending an invoice. Under no circumstances will recovery be made from Housing Benefit payments due to the applicant.
- 14.3 The Council does have discretion not to recover an overpayment of DHP.
- 14.4 The Benefits Service will notify the applicant of a decision to recover an overpayment of DHP, along with details on how to request the offer of a review of the decision.

### **15. Fraud**

- 15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 15.2 An applicant who tries to fraudulently claim a Discretionary Housing Payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

15.3 Where the Council suspects that such an offence may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

**16. Complaints**

16.1 The Council's "Feedback, comments and complaints" procedure is available on the Council's website and will be applied if a complaint is received about this policy or administration of the scheme.

**17. Publicity**

17.1 The Council will publicise the scheme and proactively work with applicants to identify and assist with applications, in particular vulnerable applicants. Information will be included in decision notices, on the council's website and the Benefits Service will actively work with partner organisations, including the Council's Homelessness Team, Social Services, Citizens Advice, voluntary organisations, and Housing Associations.

**18. Policy Review**

18.1 We will review this policy every 3 years, or sooner in the event of a relevant change in legislation or guidance.

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**New Forest District Council**

**Council Tax Reduction**

**Exceptional Hardship Payments (EHP)**

**Policy**

1. What are Exceptional Hardship Payment Awards
2. Purpose of this policy
3. Claiming Exception Hardship Payment
4. What an EHP cannot help with
5. Awarding Exceptional Hardship Payment
6. Amount and duration of award
7. Notifying an award of Exceptional Hardship Payment
8. Appeals
9. Change in circumstances
10. Overpayments
11. Fraud
12. Complaints
13. Publicity
14. Policy review

**1. What are Exceptional Hardship Payments?**

- 1.1 The Exceptional Hardship Payment (EHP) scheme has been set up by the Council to support those in receipt of Council Tax Reduction who are experiencing exceptional hardship. The scheme provides further support where there is a shortfall between the Council Tax Liability and the amount of Council Tax Reduction (CTR).
- 1.2 Exceptional Hardship Payments falls within S13A (1) (c) of the Local Government Finance Act 1992 and forms part of the Council Tax Reduction Scheme
- 1.3 The main features of EHPs are:
  - The scheme is purely discretionary and there is no right to a payment
  - EHP awards are not a payment of the main CTR scheme
  - CTR must be in payment in the week which an EHP award is made
  - Exceptional Hardship Payments are designed as short-term help to applicants in extreme financial hardship.
  - awards are subject to available funding.

## **2. Purpose of this policy**

- 2.1 The purpose of this policy is to specify how the Council will operate the scheme and to indicate some of the factors which will be considered when deciding if an Exceptional Hardship Payment award can be made.
- 2.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in terms of access to the scheme and the decisions made.
- 2.3 The Benefits Service is committed to work with applicants to:
  - alleviate poverty and minimise hardship
  - support the vulnerable in the local community
  - help applicants through personal financial crisis and difficult events

## **3. Claiming an Exceptional Hardship Payment**

- 3.1 The Exceptional Hardship Payment is a short-term award, whilst the applicant seeks alternative solutions. Before an award is made, the Council must be satisfied that the applicant is entitled to Council Tax Support
- 3.2 All applicants must be willing to undertake all of the following:
  - Make a separate application for assistance
  - Provide full details of their income, capital, and expenditure
  - Assist the Council in trying to reduce Council Tax liability by way of any other discount, reductions and exemptions that can be granted
  - Maximise their income through the application for other welfare benefits, and identifying ways in which their overall household expenditure can be reduced
  - Accept assistance from either the Council or third parties such as the Citizens Advice, or similar organisations, to enable the applicant to manage their finances more effectively
  - Identify potential changes in payment methods and arrangements to assist the applicant

- 3.3 An applicant, or someone acting on their behalf, must make a claim for an EHP award by submitting an application to the council's Benefit Team. The application form can be obtained on-line via the website, telephone or in person at the Council offices. Customers can get assistance with the completion of the form from the Benefits team.
- 3.4 The application must be fully completed and supporting information or evidence provided, as reasonably requested by the council.
- 3.5 In most cases, the person who claims an EHP award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on their behalf such as an appointee, if it is considered reasonable.
- 3.6 The council may accept details of income, capital, and expenditure not on its own application form.
- 3.7 Where an applicant is not claiming a council tax discount or exemption to which they may be entitled or a claim for Council Tax Support, or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income, before their claim for EHP will be decided.
- 3.8 An award of EHP cannot be awarded for the following circumstances:

#### **4. What an Exceptional Hardship Payment cannot help with**

##### 4.1 A EHP cannot help with the following

- For any other reason than to reduce Council Tax Liability
- Where the council considers that there are unnecessary expenses/debts etc. and that the client has not taken reasonable steps to reduce them
- To reduce any CTRS overpayment
- A shortfall caused by the Department of Work and Pensions sanction or work/interview/training opportunities
- When CTRS is suspended
- Where full Council Tax liability is already being met by Council Tax Reduction
- To pay for any additional council tax caused through the failure of the applicant to notify of a change in circumstances in a timely manner or where the applicant has failed to act correctly or honestly.
- Court Costs for non-payment of Council Tax or Administrative Penalties

#### **5. Awarding an Exceptional Hardship Payment**

##### 5.1 In making a decision the following factors will be considered:

- The shortfall between the CTR and Council Tax Liability
- Steps taken by the applicant to reduce their Council Tax liability
- The financial and medical circumstances (including ill health and disabilities) of the applicant, his or her partner, any dependants, and any other occupants of the applicant's home
- Changing payment methods, re-profiling Council Tax instalments or setting alternative payment arrangements to make them affordable
- Ensure all discounts, exemptions and reductions are granted
- Any savings or capital that might be held by the applicant or his or her family, irrespective of whether the capital is disregarded under the Council Tax Reduction scheme

- The income and expenditure of the applicant, his or her partner and any dependants or other occupants of their home. If information being requested is not provided the council may refuse the application.
- The impact on the applicant and the council if the application is refused
- All income may be considered, including those which are disregarded for CTR
- If there has been a previous award of EHP
- The length of time they have lived in the property
- The exceptional nature of the applicant's circumstances

5.2 The Benefits Service will consider the above factors, which is not exhaustive, and decide on the level of EHP to award. Any award will not exceed the total eligible council tax.

5.3 Any award of Exceptional Hardship Payment does not guarantee that a further award will be considered.

## **6. Amount and duration of award**

6.1 The duration and the amount of the award are determined at the discretion of the Council and will be based on the evidence supplied and the circumstances of the claim. The start date of the award will normally be:

- the Monday after the claim for an EHP is received by the council,
- an earlier date if the Benefits Service considers reasonable

6.2 The maximum length of the award will:

- not exceed the end of the financial year in which the award is given.
- the award may be ended early if the circumstances of the applicant change which means they are no longer considered to be in exceptional financial hardship.

## **7. Notifying an award of Exceptional Hardship Payment**

7.1 On receipt of an application for EHP the council will aim to inform the applicant of its decision within one month.

7.2 Where the application is successful the council will notify the applicant and advise:

- The amount awarded and credit the Council Tax Account
- A demand notice with the revised balance and instalments due
- The start and end date of the award and the need to re-apply on expiry if appropriate
- The requirement to report any changes in circumstances

7.3 Where the application is not successful, the council will write to the applicant and explain the reasons for the decision and give the right for a review.

## **8. Appeals**

8.1 EHP awards are not payments of Council Tax Reduction and are therefore not subject to appeal. However, the council will operate the following approach following a refusal to award an EHP or a decision not to backdate an award of EHP.

- 8.2 An applicant (or appointee) who disagrees with a EHP decision can request an explanation of the decision. This must be done by e-mail, letter, or phone within one month of the date of the decision. The Benefits Service will explain its decision to the applicant and aim to resolve the matter.
- 8.3 Where the applicant disagrees with the decision this must be done by e-mail, letter, or phone within one month of the date of the decision. This decision will be made by the Service Manager Revenues and Benefits. This decision is final and may only be challenged via judicial review or by complaint to the Local Government Ombudsman.
- 8.4 In exceptional circumstances the one-month time limit to appeal a decision can be extended.

## **9. Changes in Circumstances**

- 9.1 On awarding a EHP the applicant must notify the council of any changes in circumstances to the Benefits Service straight away. The Benefits Service may revise the award of EHP or decide to end the award, for example where the applicant has misrepresented or failed to disclose a material fact, or where they no longer need financial assistance towards paying their council tax.
- 9.2 The decision will be notified to the applicant within 14 days, or as soon as reasonably practical.

## **10. Overpayments**

- 10.1 The council will seek to recover any EHP award which has been overpaid as a result of misrepresentation or failure to disclose a material fact, fraudulently or otherwise. This is normally done by sending a revised Council Tax bill.
- 10.2 The council does have discretion not to recover an overpayment of EHP.
- 10.3 The Benefits Service will notify the applicant of a decision to recover an overpayment of EHP, along with details on how to request a review of the decision.

## **11. Fraud**

- 11.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.
- 11.2 An applicant who tries to fraudulently claim an Exceptional Hardship Fund award by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.
- 11.3 Where the Council suspects that such an offence may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated. This may lead to the council issuing a penalty under regulations 11, 12 & 13 of the Council Tax Reduction scheme (Detection of Fraud and Enforcement) Regulations 2013.

## **12. Complaints**

- 12.1 The Council's "Feedback, comments and complaints" procedure is available on the Council's website and will be applied if a complaint is received about this policy or administration of the scheme.

## **13. Publicity**

- 13.1 The council will publicise the scheme and work with partner organisations, including the Council Tax team, Housing, Social Services, Citizens Advice and Housing Associations.

## **14. Policy Review**

- 14.1 This policy will be reviewed every 3 years, or sooner in the event of a relevant change in legislation or guidance.

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## CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL – 17 NOVEMBER 2022

### FINANCIAL STRATEGY TASK AND FINISH GROUP – OUTCOME REPORT

#### 1. RECOMMENDATIONS

- 1.1 That the Overview and Scrutiny Panel note the contents of the report and endorse the follow up actions for carrying through to the relevant Overview and Scrutiny Panels.

#### 2. PURPOSE

- 2.1 The Financial Strategy Task & Finish Group has reviewed the Council's financial strategy and has sought to understand how the plans and assumptions made by the Portfolio Holders marry up with the overarching financial planning of the Council. This report presents the findings of the Group.

#### 3. INTRODUCTION AND CONTEXT

##### 3.1 Terms of Reference

The terms of reference for the Financial Strategy Task and Finish Group were:

*'To gather an understanding of how the Council's overall financial strategy brings together various financial workstreams. This includes income maximisation and prioritisation of resources to ensure the delivery of the Council's priorities, and to challenge how the plans and assumptions made by the Portfolio Holders fit with the overall strategy.'*

##### 3.2 Membership of Group

Cllr Keith Craze (Chairman)  
Cllr Sue Bennison  
Cllr Jack Davies  
Cllr Philip Dowd  
Cllr Allan Glass  
Cllr Alexis McEvoy  
Cllr Alvin Reid  
Cllr Joe Reilly

#### 4. AREAS COVERED

- 4.1 Having received an overview of the Council's financial position, generic questions were asked of each Portfolio Holder, together with some specific questions and follow up questions from last year's Group.
- 4.2 The generic questions asked the Portfolio Holders to elaborate on:
- A) The main pressures faced by Portfolio's services, quantified where possible.
  - B) Opportunities that exist within the Portfolio's services to do things more efficiently, or to reduce risk to the Authority.
  - C) Areas of investment received, or that the Portfolio Holder would like to progress with, and the benefits that have been realised, or will be realised.
  - D) Aspirations as Portfolio Holder for improved services to the Residents, Businesses and Visitors of the New Forest.

## 5. FINDINGS / ISSUES RAISED

5.1 It was notable how a few regular themes occurred in several of the presentations, these included:

1. **Recruitment, Retention and Training**

This was referenced as being a challenge at present by more than half of the Portfolio Holders. It was commented that the pending 2022/23 pay award would help but that NFDC could do more to promote itself including showcasing the benefits of working for the Council. Upskilling, training and clear career progression also had a role to play in attracting and retaining highly skilled staff.

2. **Pay Award**

This was referenced by half of the Portfolio Holders as being a significant financial challenge due to the scale of the 2022/23 award. This demonstrated sound awareness of the balance that pay award can make in helping recruitment & retention, as against the financial cost that comes with it. It is right that cost pressures due to pay (and inflation) are seen as a collective responsibility, and not just the responsibility of Finance, it might therefore have been a reasonable expectation that all Portfolio Holders would have covered this in their presentation.

3. **ICT Improvements**

Several Portfolio Holders mentioned the key role that enhanced ICT would play in facilitating service improvements to the customer. We must therefore maintain momentum and ensure appropriate resource matches that needed to deliver the digital strategy, and ensure the right level of training and development, and so competence exists across Council departments to crystallise the benefits available from the new technology being implemented. The benefit realisation should be measured and monitored, to ensure desired outcomes are being met. It was also considered by the group that an over reliance on ICT to deliver efficiency and service improvements could actually hinder progress, in some areas.

5.2 A selection of specific matters discussed from each portfolio is highlighted below, including proposed follow up actions.

### 5.3 Leader

5.3.1 Transformation – the group noted that the Council was preparing for the next 4 years and the new cohort of councillors. Changes had also been made around the capital programme, which ensured that the Council had better oversight of project delivery and the rising costs being faced. Emergency planning and business continuity was ongoing and the MTFP shows challenges ahead. The Portfolio Holder was confident that if they continued working through their transformation plan, they would deliver the aims of the Council, including at its heart, a better level of service for the customers. Members were aware that the Corporate Affairs and Local Economy Overview and Scrutiny Panel would be due to receive reports on the Transformation Programme, which included both a customer and accommodation workstream.

5.3.2 Accommodation – it was noted that the Council was still learning about the new hybrid approach to working post-Covid. More work was required here to get the best out of NFDC's accommodation, and to ensure the right balance was achieved in remote working between the employee and the Council as the employer.

5.3.3 Communications – the Portfolio Holder confirmed a report would be forthcoming to the O&S Panel in January, providing a 6 monthly update on the additional communications activities, following additional investment in this area.

5.3.4 **Actions to Follow Up:**

1. Overview and Scrutiny reporting on the Transformation Programme to commence during 2023.
2. Overview and Scrutiny Update report on Communications activity to come forward to the January Panel.

**5.4 Finance, Investment and Corporate Services**

5.4.1 Inflation and Interest Rates – the Portfolio Holder referred to the current rate of inflation and the impact this was having in certain areas across the Authority. Although the base rate had also increased sharply, it was commented that medium term forecasts, as seen in mortgage rates, indicated that the current uncertainty would settle rather than being a long-term position.

5.4.2 Supporting residents with cost of living – all households and businesses were being impacted by inflation and had suffered as a result of rising cost of fuel. The Council was limited in its ability to assist, and it was for Central Government to deliver on this help. There was a dedicated webpage on the NFDC website confirming the funding assistance and support that is available. It was noted that NFDC had performed exceptionally well at distributing central govt grant locally including £150 rebate.

5.4.3 Asset investment – The Council was looking to deliver many strands with this Strategy, including most prominently direct support to the New Forest Economy. The Council has not overextended itself or invested all over the country, but instead invested sensibly and proportionately within the District, and was set to have spent its £30M fund by the end of this year. The Council had achieved a diverse number of assets, and had exceeded income expectations, due to the utilisation of internal finance. A refresh of the Strategy and an extended fund was currently being considered.

5.4.4 ICT Investment – The Group reiterated its request for a suitable KPI be devised to track ICT investment as against the benefits realisation.

5.4.5 **Action to follow up:**

1. ICT Investment Vs Benefits Realisation KPI to be devised and put into use.

**5.5 Housing and Homelessness Services**

5.5.1 Homelessness – the Portfolio Holder commented on a significant increase in homelessness applications, and so costs to the Council in the current financial year. It was noted that a full and specific report on this issue was included within the November 2022 Cabinet papers. The Council sought to continue to increase Temporary Accommodation numbers across the District. Specific officers had been appointed to help the Council's role in the Homes for Ukraine scheme, with these costs met by government grant.

- 5.5.2 Housing Maintenance – increased void numbers and inflationary cost pressures were putting the maintenance budgets under strain. A supplementary budget request was required during the current year. It was confirmed that the launching of a new Minor Works Framework, establishing local and regional suppliers as preferred suppliers to the Council would help with the delivery of the maintenance programme, and would seek efficiency improvements over the 4-year term. The Portfolio Holder was pleased to confirm the completion of the first 50 air source heat pumps, part-funded by the government.
- 5.5.3 Housing Delivery – Significant challenges, including slow momentum on larger sites coming forward and competition with other RPs, but good progress was being made with 257 additional accommodation units added, with a further 153 in the pipeline. A discussion ensued on the costs of new build greener housing Vs retrofitting, and it was noted that the Council’s Greener Housing Working Group had it within their remit to consider the financial viability balance.
- 5.5.4 Estates and Tenancy Management – Work in this area was becoming increasingly complex and recruitment of suitably experienced officers was difficult, as proven by a recent recruitment campaign to 2 additional posts in this area. The Portfolio Holder was encouraged to push back to HCC when their Adult Social Care responsibilities should set in. The Portfolio Holder commented on a new App about to be trialled for ASB reporting on our housing estates and also confirmed good progress was being made on a new overarching tenant record management system.
- 5.5.5 **Action to follow up:**
1. Continue to ensure maximum support is utilised from the Adult Social Care function at the County Council when it comes to complex care matters as seen through estate management
  2. To monitor effectiveness of the air source heat pumps through greener housing group

## 5.6 Environment and Coastal Services

- 5.6.1 Waste & Transport – The Portfolio Holder commented that it had a been a difficult year for recruitment, but that at present, all roles were filled. The annual fuel bill had increased significantly (+£200,000), as had the cost of the waste sacks (+£116,000), provided by the Council. Members also recalled the recent significant increase required in the fleet replacement budget.
- 5.6.2 Parking & Coastal – Good progress was being made in partnership with BCP and the Environment Agency on the Flood & Coastal Erosion Risk Management Strategies. It was commented during discussion that the Portfolio Holder should take greater account of the District coastline extending beyond Lymington. Recent storm events had resulted in the further loss of beach huts. It was also suggested in discussion that more secure bike locking facilities in some locations might encourage more cycling. The Portfolio Holder also commented on the roll-out of EV charging points within NFDC car parks, and members noted the inclusion of a project within the Shared prosperity fund to further develop this programme.
- 5.6.3 Waste Strategy New Burdens Funding – the Portfolio Holder was asked specifically about the current position in relation to New Burdens Funding for the roll out of the

new Waste Strategy. Communication on this matter had not progressed since the initial confirmation that councils would be compensated for the cost of rolling out a new separate food collection service. Plans appeared to be continuing for the introduction of the Extended Producer Responsibility Scheme, but Members were mindful of an increased cost burden being placed on the packaging, that ultimately would find its way onto the consumer.

#### **5.6.4 Actions to follow up:**

1. That a progress report on works to bring about a more modern Parking Service, including car parking innovations and ways of charging more appropriately, be brought forward to the O&S Panel during 2023.
2. That an update on District-wide coastal and flood defence strategy be provided to the O&S panel during 2023, including partnership options.
3. Provision of secure bike cages be considered so as to encourage bike use.

### **5.7 Planning, Regeneration and Infrastructure**

5.7.1 Staffing – the Portfolio Holder gave an update on the pressures faced within her services when it came to recruitment and retention. The new fire safety bill would also place additional pressures on Building Control surveyors, who would need to be suitably trained and qualified in this additional area. It was noted that the Council's training contract was used frequently, to encourage upskilling, and to encourage staff retention.

5.7.2 ICT – there was an ongoing project to replace the ICT used across Planning and regulatory services. It was envisaged that the new system would create efficiencies in process, and reduce risk.

5.7.3 Rights Of Way – concern was expressed regarding the rights of way and how the District / HCC and Towns and Parishes would work together. It was felt that officers needed to monitor any current and enhanced SLA with the County Council to ensure that it delivered what it needed to.

5.7.4 Spending developer contributions – It was noted that some sound progress had been made in terms of spending both Section 106 and CIL contributions, but to ensure the continued momentum, increased delivery, and maximisation of alternative sources of income, a more robust process would be developed in order to deliver projects in a more timely manner. Two reports would be forthcoming to the Cabinet in November covering S106 and CIL, but further work was required on the enhanced programme of projects, that would come forward before the end of the financial year.

#### **5.7.5 Action to follow up:**

1. That reports be brought forward to the relevant Overview and Scrutiny Panel on S106 and CIL to include balances, project delivery, and pipeline project development. These should be supplemented by 6 monthly progress reporting thereafter.

## **5.8 Business, Tourism and High Streets**

5.8.1 There are currently four members of staff that work within the remit of the Portfolio, with a further staff member being recruited to focus on investment and the Freeport. The Freeport would be good opportunity to upskill New Forest residents and workers. Working with partners locally would be key to realising this potential and would also be required in providing support to businesses.

5.8.2 The Portfolio Holder explained that there was a long-term concern that the High Street was changing due to the changing nature of shopping habits. However, in the short-term the District's many high streets were shown to not be failing and were demonstrating resilience. The Council had been allocated funds from UK shared Prosperity fund (£1M of funding across the next 3 years) and are awaiting confirmation of our proposed investment plan to utilise the funding.

### **5.8.3 Action to follow up:**

1. That an update be submitted to a future Overview and Scrutiny Panel meeting on use of the £1M in funds allocated to the Council by the UK Shared Prosperity fund.

## **5.9 Partnering and Wellbeing**

5.9.1 Health & Leisure – The rising costs of heating swimming pools was recognised and that some swimming pools across the Country were closing due to these rising costs. The financial pressures were being addressed by Freedom Leisure by critically reviewing all operational aspects of the business and ongoing discussions were being held with NFDC through the Partnership board. The £2.4M of capital enhancements to the Leisure centres were progressing well, with some new facilities already available, with more to be finalised.

5.9.2 Environmental & Regulation – The recently adopted Health & Wellbeing strategy sets out an action plan as to how the Council will play its part in fostering and supporting our residents. It was envisaged that delivery would be met through existing resources, and this would be kept under review.

5.9.3 CCTV & Careline – The Portfolio Holder was exploring opportunities to improve the use of the CCTV suite for NFDC operational assets, and work was ongoing with the Police to set up 2 remote viewing terminals within Police stations; this work funded by the Police, not NFDC. Self-installation of carelines was also being considered, reducing installation costs to the customer, and reducing travel and downtime for officers. A large project was also underway to further digitise the service and allow for increased use of deployable cameras.

### **5.9.4 Action to follow up:**

1. That the Overview and Scrutiny Panel continue to be given regular updates on Leisure Partnership.

## **5.10 People and Places**

5.10.1 Community Grants and Arts – The Portfolio Holder emphasised the pressure on the Community Grants Budget with £130k Revenue and £85k Capital grants given this year, but with some organisations disappointed as the budget does not match the

requests. It was envisaged that requests would likely exceed the resources available for the 23/24 process. The Group were encouraged by the work of the Council's new community arts officer; a match-funded post by the English Arts Council for 12 months.

5.10.2 Cemeteries – The Portfolio Holder commented on the pressure on cemeteries provision across the District and confirmed that work was ongoing with officers to identify options for future provision.

5.10.3 Streetscene (inc. Fly-tipping) – How we keep the district clean and free from illegal fly-tipping was particularly important to our residents. Additional resources had been focused on this area, and work was ongoing to look at the wider use of CCTV to provide the vital evidence required to take action on individuals who choose to fly-tip. The Portfolio Holder commented on Operation Wolf which had been a successful multi-agency approach to tackling vehicles suspected of carrying waste with the intent to fly-tip. It was also noted that the Council had installed a number of Solar Compacting smart bins, with more to come pending the agreement of the Council's UK Shared Prosperity Fund Investment Plan.

5.10.4 When asked about the relationship between the S106 charging mechanism for open space maintenance, and the costs to actually carry out the required maintenance, the Portfolio Holder confirmed that working had improved between the Open Space and Planning Teams, and confirmed that a report on open space maintenance would be forthcoming to the Overview and Scrutiny Panel during 2023.

#### **5.10.5 Action to follow up**

1. Overview and Scrutiny reporting on Open Space Maintenance to occur during 2023.
2. That the Overview and Scrutiny Panel be provided with periodic updates on combating fly tipping, including budget implications.

## **6. CONCLUSIONS AND GROUP COMMENTS**

6.1 The following is a list of points made by the members of Group, that they would like to see continue to be embedded within the Council's financial planning;

1. Partnership Working – more opportunities still exist here to do more.
2. More robust in dealing with the County Council, especially when it comes to the grey lines between statutory responsibilities.
3. Service Managers are encouraged to use their best efforts to tap into any funding available from Central Government or other external agencies, to support the Council's work and initiatives.
4. Staff development and progression key to fulfilling roles and encouraging staff retention.

6.2 Members of the Group were impressed with the depth and breadth of knowledge of the Portfolio Holders. The group was grateful to them for their support, and for the support given to the Portfolio Holders from Officers in the Council. Their combined engagement in this process, including the consistency in the formatting of the presentations had resulted in some sound actions to follow up on and embed within the Financial planning of the Council.

**Further Information:**

Financial Strategy Task and Finish  
Group

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**Background Papers:**

Financial Strategy Task and Finish  
Group working papers  
Published documents

# Pensions Update

**An update on the provisional results of the  
2022 triennial revaluation**

# Triennial Revaluation

- Every 3 years, the fund actuary carries out a detailed assessment on the fund assets and liabilities
- Their review determines the Primary and Secondary employer contribution rates for the next 3 year period

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**Primary  
Rate**

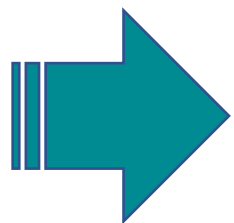
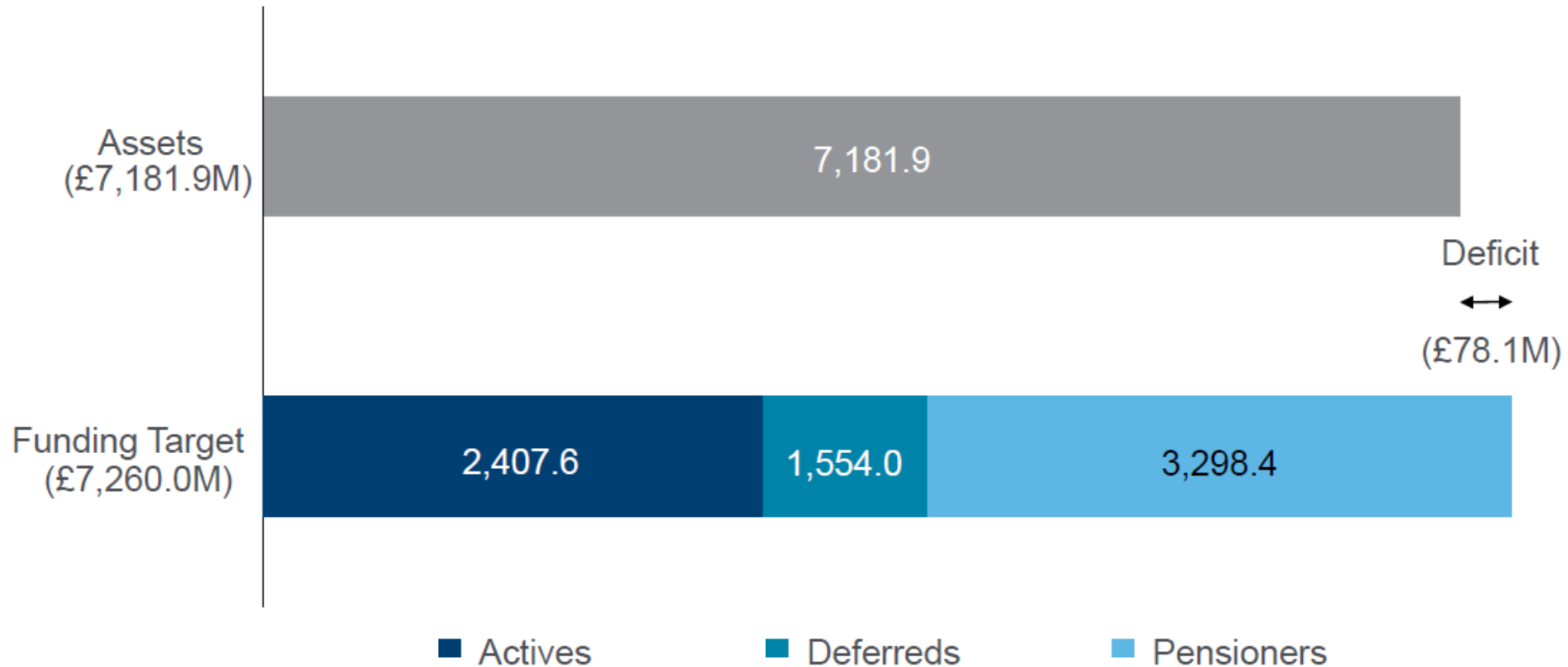
- Employer Contributions to meet the cost of new benefits

**Secondary  
Rate**

- Employer Contributions to eliminate surplus / shortfall

# Reminder 2019 Position

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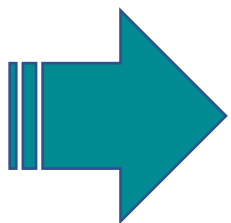
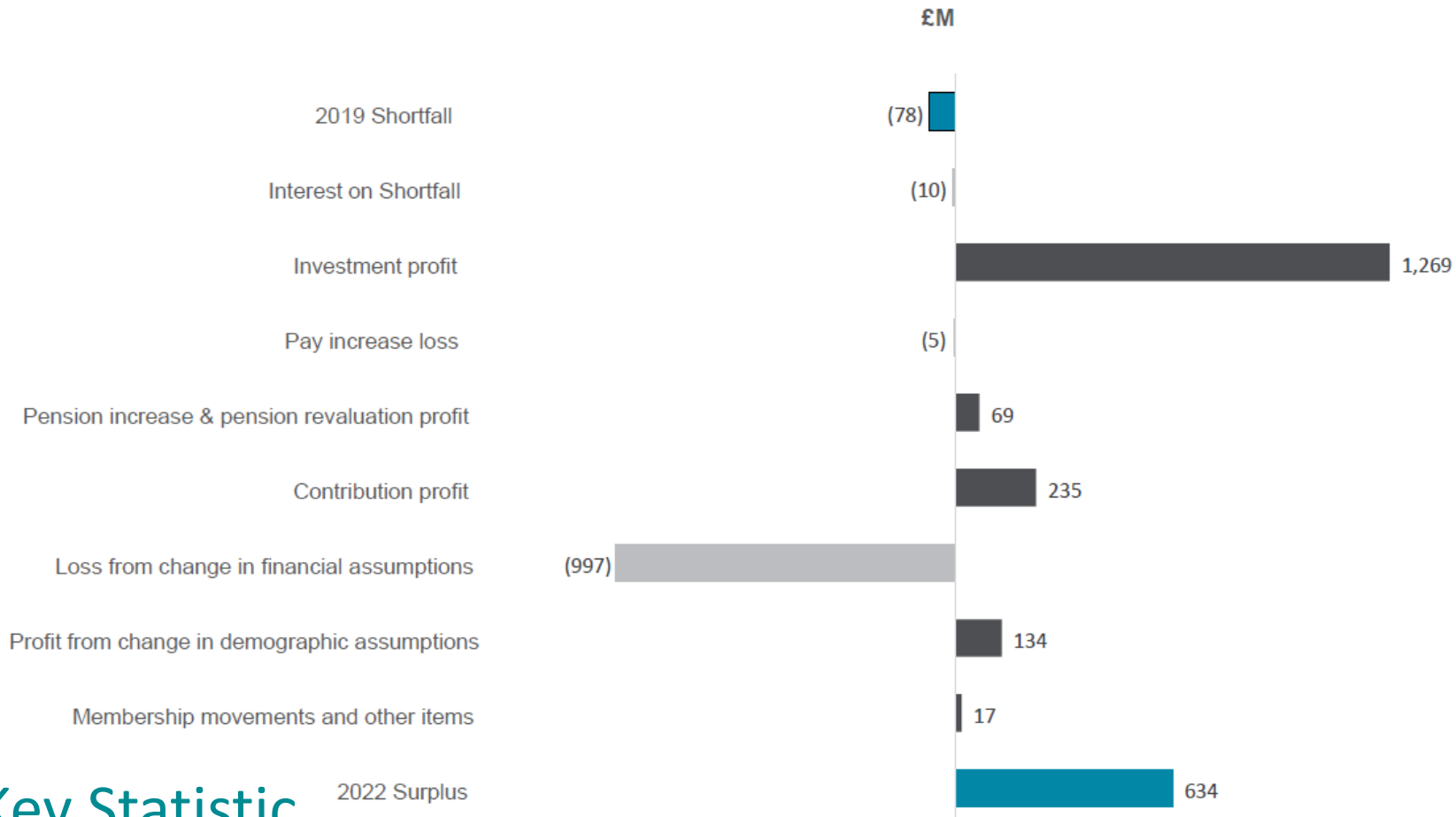


## Key Statistic

Whole of Fund funding Ratio: 98.9%

# Change in Funding Position (2022)

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## Key Statistic

Whole of Fund funding Ratio: 107.1%

# What does this mean to NFDC

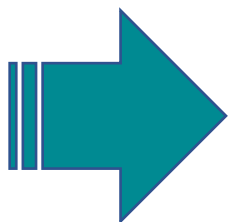
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	2016 Valuation	2019 Valuation	2022 Valuation
Primary Rate	17.1%	18.4%	17.4% - 18.4% *
Secondary Rate	£1.850M	£nil	£nil

£1.25M  
within 22/23  
base budget

\* Why is there a range?

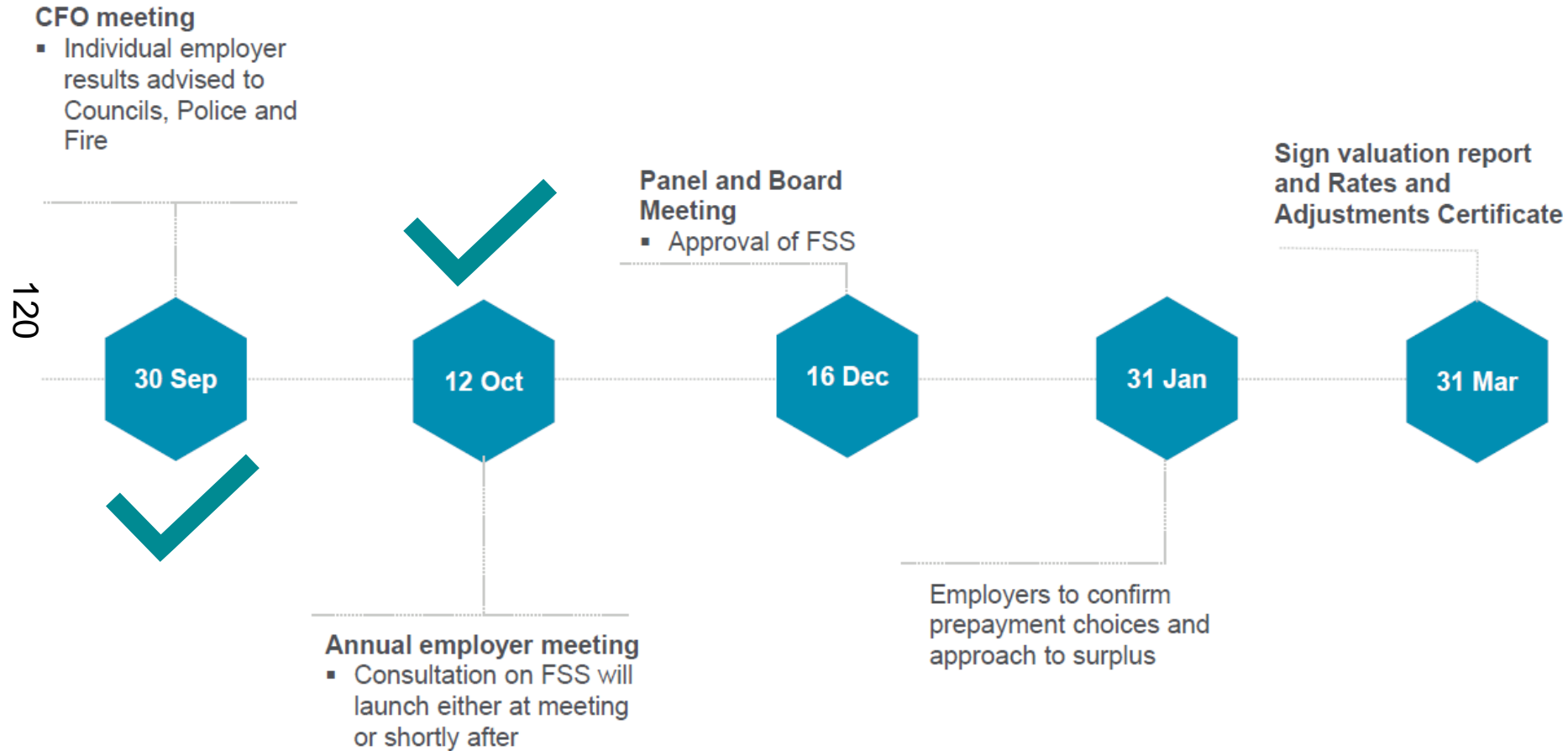
- Pension fund de-pooling (in 2019) means that NFDC now gets a unique rate, rather than a pooled rate with other LA's
- An 17.4% rate would seek to protect a 105% ratio (minimum option)
- An 18.4% rate would seek to protect NFDC's unique ratio above 105%



## Key Point

The advice from the Actuary is to aim to protect the unique ratio

# Timetable and Next Steps



# Summing Up

- A very positive revaluation
- The December MTFP will take of the position and will recommend the level of contribution for NFDC covering 2023/24 – 2026/27
- Members of the panel asked to note the contents of this update

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