

# NOTICE OF MEETING

**Meeting:** CABINET

**Date and Time:** WEDNESDAY, 16 FEBRUARY 2022, AT 10.00 AM\*

**Place:** COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA

**Enquiries to:** democratic@nfdc.gov.uk  
Tel: 023 8028 5072 - Matt Wisdom

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

Anyone wishing to speak should contact the name and number shown above no later than 12.00 noon on Friday, 11 February 2022.

**Kate Ryan**  
Chief Executive

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

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# AGENDA

## **Apologies**

### **1. MINUTES**

To confirm the minutes of the meeting held on 2 February 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. PUBLIC PARTICIPATION**

To note any issues raised during the public participation period.

**4. REPORT ON PROPOSED CLIMATE CHANGE AND NATURE EMERGENCY ACTION PLAN AND THE ROLE THE COUNCIL WILL PLAY GOING FORWARD (Pages 3 - 26)**

**5. MEMBERS' ALLOWANCES - SCHEME TO APPLY FROM 1 APRIL 2022 AND INDEPENDENT REMUNERATION PANEL (IRP) (Pages 27 - 30)**

**6. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING PUBLIC SECTOR CAPITAL EXPENDITURE PROGRAMME 2022/23 (Pages 31 - 50)**

**7. MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2022/23 (Pages 51 - 74)**

To:

**Councillors**

Edward Heron (Chairman)  
Jill Cleary (Vice-Chairman)  
Diane Andrews  
Geoffrey Blunden

**Councillors**

Steve Davies  
Michael Harris  
Jeremy Heron  
David Russell

CABINET – 16 FEBRUARY 2022

PORTFOLIO: LEADER

## **REPORT ON PROPOSED CLIMATE AND NATURE EMERGENCY ACTION PLAN AND THE ROLE THE COUNCIL WILL PLAY GOING FORWARD**

### **1. RECOMMENDATIONS**

#### 1.1 That the Cabinet:-

- (a) endorse the Strategic Actions set out in the Action Plan 2022-23;
- (b) endorse the approach set out in the report for the development of a Climate Change and Nature Emergency Strategy and Action Plan 2023-2028;
- (c) agree that the Action Plan is reviewed by Cabinet on an annual basis; and
- (d) agree the principle of creating a permanent Climate Change role noting the likelihood of required dedicated supporting resource as outlined within the body of the report.

#### 1.2 That the Cabinet recommend to Council that the governance arrangements outlined in the report be endorsed, with relevant issues being addressed through each Overview and Scrutiny Panel and the establishment of a cross-cutting officer board to oversee delivery.

### **2 INTRODUCTION**

- 2.1 The Cabinet declared a Climate and Nature Emergency at the meeting of the 6 October 2021 and agreed to bring a report to the February 2022 Cabinet meeting on the proposed action plan to deal with the Emergency, and the role the Council will play in reducing Carbon emissions.
- 2.2 The purpose of this report is therefore to consider and endorse the Action Plan 2022-2023 which includes operational actions which are already happening and strategic actions which will take place over the coming months to inform a Climate Change and Nature Emergency Strategy with supporting Action Plan over the period 2023-2028.
- 2.3 The report recognises that Climate Change is an intrinsic part of the role of all activities across the Council. Accordingly, Climate Change will be embedded in each Scrutiny Panel. The report will set out the resources needed to development and deliver a Climate Change and Nature Emergency Strategy, develop, update and monitor a 5-year rolling Action Plan that will be annually reviewed.

### **3 BACKGROUND**

- 3.1 To meet the net zero carbon by 2050 target set by government, and fully respond to the declaration of a Climate and Nature Emergency the Council will need to continue to ensure that reducing green house gas emissions and increasing climate resilience of both our own assets and the wider district area is central to the work of the organisation and embedded within the delivery of key objectives in all services.
- 3.2 The Council has been engaging in climate change and nature issues for many years taking steps to respond both in terms of making the district more resilient to the known

impacts and mitigating future climate change through reducing carbon emissions. The Council has sought to mitigate impact on the natural environment and nature and only as a last resort compensate. More recently this Council has shown strong leadership and been on the first Council's to require major development to deliver biodiversity net gain.

- 3.3 Having now declared a Climate and Nature Emergency the Council needs to demonstrate leadership which inspires and enables partners and communities and businesses to act, and in some cases will need to provide tools, resources and information to support them in doing so. Work has already been done by the Council and others to understand the needs and priorities of partners and communities as well as the drivers which will give them the urgency and capacity to act. We now need to build on this work.
- 3.4 The Council already work and co-ordinate with other groups including HCC, the NPA and Forestry England, networks and professional organisations which will be key to engaging potential partners to delivering joint actions.
- 3.5 Action to tackle climate change is supported by a range of strategies, framework and legislation at a national level which includes:
  - Climate Change Act
  - Environment Act
  - National Adaption Programme
  - National Planning Policy Framework
  - 25 Year Environment Plan
  - The 10 Point Plan for a Green Industrial Revolution
  - The Industrial Strategy
  - Clean Growth Strategy
  - Community Infrastructure Levy
  - Fuel Poverty Strategy for England
  - Social Value Act
  - Civil Contingencies Act
  - Building Regulations
- 3.6 These strategies and policies will be used, along with other drivers to progress work internally and with partners. In addition to accelerating actions to reduce greenhouse gas emission from our own estate, priority need to be given to ensuring that all relevant policies, plans and procedures actively contribute towards driving forward climate and nature mitigation and adaption. Recent national data published by the Department for Business, Energy and Industrial Strategy sets out local authority and regional carbon dioxide emissions national statistics 2005-2019. There is a breakdown of figures for each authority re per capita emissions and emissions per km square. [www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-to-2019](https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-to-2019)
- 3.7 Many actions that reduce carbon, build resilience to climate change and address the impact there has been on nature will also have substantial co-benefits around health and well being, protecting our environment, upskilling our workforce and enhancing our local economy.

## 4 ACTION PLAN 2022/2023

4.1 The October 2021 Cabinet report included a long list of activities that were already on going to address the Climate Change and Nature Emergency. Accordingly, the Action Plan has been created in 2 sections:

- Strategic Actions that include actions required to inform the Strategy and Action Plan for the next 5 years.
- Current and planned actions that are currently underway which create the Operational Action Plan for 2022-2023.

### 4.2 Strategic Actions

4.2 The Strategic Action Plan at Appendix A sets out the 6 Strategic Actions that will take place within the organisation in the first year of the Action Plan (2022-23) and mark the beginning of longer term projects and programmes. A summary of the actions and outcomes is given below, more detail of the active within each action is given in the Plan at Appendix A.

- **Strategic Action 1:** Define to set targets for the climate change emergency declaration. **Outcome:** Fully defined, evidence-based targets with a pathway outlined.
- **Strategic Action 2:** Define the target for the nature emergency declaration. **Outcome:** A fully defined, evidence-based target with a pathway outlined.
- **Strategic Action 3:** Collate existing data and conduct area-wide baseline emissions to identify key areas for programmes. **Outcome:** Data-driven programmes on climate change.
- **Strategic Action 4:** Engage with staff members to make climate change and nature a core deliverable. **Outcome:** Staff members are well-informed and acting on climate change and nature, wherever possible, within their roles and as part of decision-making.
- **Strategic Action 5:** Develop a climate change and nature engagement and communications strategy. **Outcome:** Greater transparency and availability of information regarding the work being carried out on climate change/nature.
- **Strategic Action 6:** Maximise partnerships and networks to facilitate the delivery of projects. **Outcome:** Leading the Place with greater partnership working and shared knowledge.

4.3 These strategic actions will provide an evidence base to inform the Strategy and targets. The County Council and many of the other districts have set targets and are measuring progress and reporting against these targets. Officers will continue to work closely with the County and others to ensure that the methodology that is chosen aligns with partners to ensure a unified approach, to identify gaps and avoid duplication of efforts.

#### 4.4 **Current and Planned Initiatives**

4.5 These have been divided into themes which include:

##### **i. Nature**

The Action Plan sets out a series of actions under this theme that are underway to reverse the impact climate change has had on nature through habitat creation, biodiversity uplift and considering how nature based solutions can help manage the impact climate change is having on our coastline.

##### **ii. Travel and Transport**

Acknowledging that transport, including marine, creates high levels of emissions across the district and the shoreline. The Action Plan sets out initiatives and interventions under this theme to encourage and enable modal shift, reduce emissions and provide infrastructure to support low emission vehicles.

##### **iii. Housing**

The Action Plan sets out ambitious actions relating to the Housing theme. The actions cover new developments in the District and the Council's approach to its own council housing stock, as well as the private housing sector. In 2020, the Council set up a Greener Housing Task and Finish Group which has met regularly to appraise and develop its thinking about how the Council can play a significant role, in its capacity as Housing Authority, to the whole climate and nature emergency debate. The work of the Group has involved bringing in several experts on a range of issues, all of which has fed into the development of a draft Greener Housing Strategy. The draft Strategy will be finalised during Spring this year. Working is on going to adopt a Climate Change SPD for all new development setting standards for development, this work will feed into the Local Plan Part 2 review.

##### **iv. Waste and Sustainable Resources**

The Action Plan sets out under this theme actions to ensure that the impact of construction phase of development is minimised, and sustainable materials are used. Organisationally the steps we are taking to minimise waste as well as reduce the amount of illegal disposal of waste across the District. The new Waste Strategy will target an overall reduction in household waste, a substantial increase in materials recycled, and a decrease in waste disposed via landfill and incineration. These are all actions which will reduce overall emissions and damage to the natural environment within in the District.

##### **v. Energy**

The Action Plan sets out under this theme key actions to reduce energy consumption within our own estate and to ensure that new machinery is powered by sustainable means.

## **vi. Health**

The Action Plan under this theme sets out actions relating to resilience, working with partners, providing education, advice and guidance to support businesses and the community in becoming more resilient in adapting to the climate change challenges by identifying risks and implementing mitigation measures. Air quality work is a key activity under this theme, heavily linked to the work around transport.

The Council has a regulatory role through environmental protection, licensing and planning regimes to monitor and improve air quality. Work is developing with partners to increase resident awareness, influence behaviour change, revise policies requiring positive climate change actions and seeking compliance with current industry standards.

## **vii. Organisational**

The Action Plan sets out how the organisation is championing our climate journey and ensure that in everything they do, they consider the impact on the climate. The actions include how we will continue to encourage hybrid way of working to minimise non-essential travel and use our purchasing powers to ensure that we buy sustainable products and drive sustainability through contracts.

## **5 DEVELOPING A STRATEGY**

- 5.1 The Action Plan for the period 2022/23 identifies the strategic actions that need to take place over the coming year which will inform a Climate Change and Nature Emergency Strategy. The Strategy will need to be crossing cutting and it is critical that key partners externally including the wider public sector, town and parish councils and community groups and residents are engaged in the development of the Strategy.
- 5.2 The Strategy, informed by defined targets and evidence on baseline emissions, will cover all the work of the Council. To meet the targets that will be proposed, services will need to consider how they will actively continue to contribute to reducing emissions and building resilience. It is essential that all future activities are embedded into business as usual and that self funding/sustainable models are used as much as possible.
- 5.3 As the District Council has limited control over a significant proportion of the emissions and resilience activities that will be required to meet the targets, responsibility for aspects of the strategy will sit with residents, land owners and other bodies such as the wider public sector, industry and business. It will be critical to work closely with the National Park and Forestry England particularly around nature recovery.
- 5.4 One of the strategic actions is to develop an engagement and communications programme with the Strategy and on-going action plan including, amongst other matters, the development of measures to influence specific behaviours to enhance the work that is already on going to protect the nature conservation interests of specific areas within the National Park.
- 5.5 It is proposed that the Strategy initially covers a period of 5 years supported by a 5 year rolling Action Plan reviewed annually both in terms of progress against targets and forward planning projects and programmes.

## **6 RESOURCES**

- 6.1 Whilst there are clear actions already happening in Services across the Council a dedicated resource will be required for the implementation of the strategic actions, the development of a strategy, cross departmental visibility of initiatives and avoidance of duplication. The work is specific and cannot be absorbed within the day job of current staff.
- 6.2 The resource will be responsible for the development, monitoring, implementation and review of the Climate Change and Nature Emergency Strategy and Action Plan to ensure delivery against targets. The role will be responsible for establishing the baseline data needed to enable measurement and reporting against targets e.g. carbon budgets, nature recovery and measures of climate resilience. They will also develop and co-ordinate bids for external funding as future initiatives and opportunities arise.
- 6.3 The officer will also develop and maintain a network of internal and external stakeholders to support the delivery of the Action Plan. They will use established forums and /or establish new forums, they will organise and attend events and workshops to support delivery of the action plan. It is important to note at this point that the role will not be responsible for the delivery of the initiatives that are embedded within Services, however they will be called on to provide advice, organise training sessions or bring examples of good practice or projects from other organisations. The resource will also look for funding opportunities and ways of working with other organisations to share information and evidence to meet targets in the most cost-effective way.
- 6.4 A dedicated communications and engagement strategy will form an integral part of the overall strategy which will cover both internal staff and external partners and communities. Whilst recognising there are already communities and organisations taking forward this agenda in the Forest, there is also a role for the Council to influence and encourage people to make small, easy changes to their everyday behaviours which, cumulatively, have the potential to achieve large scale change across communities. As such, the Climate Change Strategy and Action Plan will include the development of measures to influence specific behaviours of residents, staff and organisations. This could include targeted communications and campaign activities, as well as wider interventions. The resource will work with the Communications team to develop and deliver targeted, behaviour insights led, communications to a range of audiences including residents. This work will place additional demands on the resources within the Communication team and there will be a need for additional resource to respond.

## **7 GOVERNANCE**

- 7.1 As set out earlier in the report Climate Change is an intrinsic part of the role of all activities across the Council. As a cross-cutting issue it is intended to embed Climate Change in each Overview and Scrutiny Panel with reports specifically detailing how the activities of services and specific decisions contribute to addressing the Climate and Nature Emergency.
- 7.2 To ensure that the required progress is made on the development of the long-term strategy and delivery of the Action Plan against targets and timelines an officer Climate Change and Nature Emergency Board will be established that will initially meet on a monthly basis to review and report on progress. The Board will be Chaired by the



Chief Executive with reporting from the new Climate Change resource. Administrative support for the Board meetings and records will be provided from existing resources.

## **8 CONCLUSIONS**

- 8.1 There has been marked progress in establishing the strategic actions that need to be carried out to inform the Strategy and set clear measurable targets. Engagement with the County Council over the past months has provided valuable insight into the range of projects that are already underway and to highlight further opportunities.
- 8.2 There continues to be close working with the National Park particularly around nature recovery, a piece of joint work has been commissioned around resident behaviour that will inform future joint work.
- 8.3 Approving the recommendations set out in the report will enable the Strategy and strategic actions to be driven forward and deliver the outcomes identified.

## **9 FINANCIAL IMPLICATIONS**

- 9.1 The Council's proposed Budget for 2022/23 has set aside additional funding to be aligned to Corporate Plan priority activities. The updated Capital Programme also now includes a £500,000 fund to provide finance to enhance the sustainability on capital projects, including the Council's fleet. In response to the declaration of the nature and climate change emergency and the clear links to improved sustainability as a running theme throughout the Corporate Plan, it is envisaged that the additional resource requirements as outlined within this report would draw down on these newly budgeted funds.
- 9.2 Any work that emanates from the action plan will need to be subject to an assessment of financial viability, proportionality and ultimately affordability. Actions will need to align to the financial resources available to the Council.

## **10 ENVIRONMENTAL IMPLICATIONS**

- 10.1 All measures within the Action Plan will have a positive impact on the environment.

## **11 CRIME & DISORDER IMPLICATIONS**

- 11.1 None arising directly from this report.

## **12 EQUALITY AND DIVERSITY IMPLICATIONS**

- 12.1 Action Plan includes actions which are likely have both positive and potentially negative impacts on persons sharing a relevant protected characteristic. These include, but are not limited to, social justice in terms of carbon and climate resilience and fuel poverty. A key strand of developing the Climate Change Strategy and Action Plan will be to fully assess the potential impacts of the actions and incorporate mitigation measures as necessary.

### **13 PORTFOLIO HOLDER COMMENTS**

13.1 While the Council has a long track record of undertaking measures to reduce its environmental impact, as illustrated within the 6th October 2021 report to Cabinet, the Climate Change & Nature Emergency Strategy and Action Plan sets a strategic framework for further measures and ensures that the 'golden strand' of sustainability set out within the Corporate Plan is delivered. I support the recommendations within section 1 of the report.

**For further information contact:**

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and the Economy  
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**Background Papers:**

<b>New Forest District Council Climate Change and Nature Emergency Action Plan</b>	
<p>Following the declaration of a Climate Change and Nature Emergency in October 2021, New Forest District Council have assessed the actions that are currently being delivered and are planned to be delivered across its services between 2022-2025. The Action Plan will be reviewed annually, and the progress made against each action will be identified.</p> <p>The Strategic Actions outline what will take place within the organisation in the first year of the Action Plan (2022-2023) and mark the beginning of longer-term programmes and projects.</p>	
<b>Strategic Actions 2022-2023</b>	
<p><b>Strategic Action 1: Define to set targets for the climate change emergency declaration.</b></p> <ul style="list-style-type: none"> <li>- De-couple the New Forest District Council estate versus the wider New Forest area and set targets. Scoping what is covered by term estate</li> <li>- Identifying and working with experts to assess the trajectory for reducing emissions for both the estate and wider area.</li> <li>- Assessing what is in and out of scope for the estate emissions</li> </ul> <p><b>Outcome:</b> A fully defined, evidence-based target with a pathway outlined.</p>	<p><b>Strategic Action 2: Define the target for the nature emergency declaration.</b></p> <ul style="list-style-type: none"> <li>- Identifying and working with experts to identify relevant baseline measurements and a trajectory for meeting and measuring progress towards the target.</li> <li>- Assess against the Environment Act to align the target with Central Government.</li> </ul> <p><b>Outcome:</b> A fully defined, evidence-based target with a pathway outlined.</p>
<p><b>Strategic Action 3: Collate existing data and conduct area-wide baseline emissions to identify key areas for future focus.</b></p> <ul style="list-style-type: none"> <li>- Map existing baseline data and carry out a gap analysis</li> <li>- Identifying and working with experts to conduct the area-wide baseline emissions data.</li> <li>- Map baseline data against existing actions to identify gaps and consolidate these into a long-term programme to reach the climate change targets.</li> </ul> <p><b>Outcome:</b> Data-driven programme on climate change.</p>	<p><b>Strategic Action 4: Engage with staff members to make climate change and nature a core deliverable.</b></p> <ul style="list-style-type: none"> <li>- Explore the provision of skills training e.g., carbon literacy.</li> <li>- Adopt decision tools, designed by Hampshire County Council, to embed carbon mitigation and climate change adaptation into all decisions.</li> </ul> <p><b>Outcome:</b> Staff members are well-informed and taking action on climate change and nature, wherever possible, within their roles and able to advise on the issue as part of decision-making.</p>

**Strategic Action 5: Develop a climate change and nature engagement and communications strategy.**

- Reaching residents, such as through developing webpages to showcase information, including the climate change actions.
- Utilising internal communications channels and developing further external channels.
- Exploring insights-led, behavioural change communications to engage residents.
- Carry out a stakeholder mapping exercise and development an engagement plan
- Capture activities of other stakeholders and target/performance measures
- Continue to work with partners on shared messages to influence behaviours

**Outcome:** Greater transparency and availability of information regarding the work being carried out on climate change/nature.

**Strategic Action 6: Maximise partnerships and networks to facilitate the delivery of projects.**

- Maximising links with Hampshire County Council, such as through the Hampshire Climate Change Officers Group, to align with and support existing projects, such as community engagement initiatives.
- Demonstrate Place Leadership and maximise partnership working with the New Forest National Park Authority and Forestry England. Map existing projects and programmes and identify gaps to inform future actions
- Join new local and national networks on nature and climate change to enhance knowledge, alongside becoming more deeply involved in existing networks to amplify the climate change and nature agenda.

**Outcome:** Leading the Place with greater partnership working and shared knowledge.

Project Area	Action	Service delivering	Indicators	Outcome(s)	Co-benefits	Deliver start date	*
<b>Nature</b>							
<b>Biodiversity net gain</b>	Prepare and publish a biodiversity Supplementary Planning Document to build upon future mandatory requirements (10% Biodiversity Net Gain) and provide local context and requirements for developers including biodiversity design code and case studies. Biodiversity design code to include one nesting/roosting feature per dwelling average, hedgehog highways etc as standard.	Policy and Strategy (Planning)	Through the completion and adoption of the strategy	Integration of biodiversity enhancement measures and best practice as part of developments.	Nature and well-being	Q4 2022	N E
	Explore potential for and cost of incorporating swift boxes in NFDC assets as part of scheduled planned maintenance e.g., re-roofing projects, soffits, fascias etc where access at height will be gained. Explore potential links with Hampshire Swifts.	Policy and Strategy (Planning) and Housing Maintenance	Preparation of a costed plan to seek approval for this initiative. If successful, record the number of boxes installed, when and where and map these assets.	Greater nesting opportunities for the red listed swift (and other red listed species such as house sparrow). Improve their conservation status within the New Forest area.	Nature	Q1 2022	N I
	Explore NFDC landholdings to establish if there are any areas which could be suitable to deliver biodiversity net gain (BNG) projects. Seek to incorporate BNG into existing projects such as recreation mitigation sites.	Policy and Strategy (Planning)	Schedule of potential land parcels to be established. Proposals for individual projects that may arise from the land holding search.	Identify and deliver BNG projects	Nature, economic	Q2 2022	C, A, N I

	Early introduction of requirements set out in the Environment Act 2021 to require development to deliver 10% biodiversity net gain. Local planning guidance on implementation published.	Policy and Strategy (Planning)	Biodiversity Net Gain metric	10% biodiversity net gain	Nature, health and well-being, environmental quality	Jul-20	C, A, N, I E
Flood and coastal erosion risk management	Christchurch Bay & Harbour Flood & Coastal Erosion Risk Management (FCERM) Strategy - a strategy to consider delivery of SMP management policies for flood & coastal erosion risk management activities.	Lead authority for delivery is BCP Council, with NFDC Coastal Team as a partner.	Through the completion and adoption of the strategy	Delivery of an action plan of FCERM schemes that will consider future flood and erosion risk. Nature based solutions may be form part of the action plan. Taking account of future climate change.	Economic and social	Summer 2021	C, A E
	Hurst Spit to Lymington Flood & Coastal Erosion Risk Management (FCERM) Strategy - A strategy to consider delivery of SMP management policies for flood & coastal erosion risk management activities.	Lead authority for delivery is the Environment Agency, with NFDC Coastal Team as a partner.	Through the completion and adoption of the strategy	Delivery of an action plan of FCERM schemes that will consider future flood and erosion risk. Nature based solutions may form part of the action plan. Taking account of future climate change.	Economic, nature and social	Winter 2021	C, A, NE
	Durlston to Hurst Sediment Resource Management Programme - identifying sediment sources to enable sustainable beach management.	Lead authority for delivery is BCP Council, with NFDC Coastal Team as a partner.	By identifying suitable sites & implementing FCERM activities.		Nature & economic	Winter 2022	C, A, N E
Habitat preservation / creation	Implement Grass Strategy to improve efficiency of grass cutting and introducing wildflowers.  Trial will start in Totton working in partnership with Totton Town Council	Grounds and Street scene	Number of wildflower meadows created	Increase on pollination sources for bees and insects. Increase in habitat and Biodiversity	Nature and well-being	2022	A, N I
	Solent Waders and Brent Geese Strategy - support for Strategy and ensuring that supporting habitats are not lost, and where loss is unavoidable ensure suitable replacement habits are provided.  <a href="https://solentwbgs.wordpress.com/">https://solentwbgs.wordpress.com/</a>	Policy and Strategy (Planning)/ HIWWT	Health (number) of bird populations	No decline	Nature	2019-Ongoing	N E

<b>Tree planting</b>	Jubilee Tree Planting. Engage with local communities where possible and practical	Grounds and Street scene	Number of Trees planted in Support of Queens Jubilee	30 Locations for 60 trees and one site for woodland pasture creation	Nature, Health and wellbeing	2022	C, A, N, I E
	Delivery of 'Tree Strategy'	Grounds and Street scene	Recording number of Replacement trees planted annually to meet 2:1 commitment	Achieve 2:1 ratio	Nature and Health	Jan-22	C, A, N E
<b>Tree planting</b>	Require new development to plant trees	Development Management	Through the assessment/sign off of a planning approval and the imposition of a planning condition	Planting carried out in accordance with the approved scheme and maintained until the trees become established	Nature and health	Jan-22	C, A, N E
<b>Local Green Infrastructure Strategies</b>	Preparing local green Infrastructure Strategies for main settlements within the district. Pilot project for New Milton; others to follow for: • Totton and Eling• Marchwood• Hythe and Dibden• Fawley/Blackfield/Holbury• Lymington and Pennington• Ringwood• Fordingbridge/ Ashford/Sandleheath• Milford on Sea	Policy and Strategy (Planning)	Completion of local settlement strategies	GI improvement projects in: Signage of walking routes, making green spaces interesting places, improving accessibility for all, pleasant places to sit and enjoy, improve enjoyment and management of accessible woodland, Enhancing local biodiversity, Enhancement of water features, Greening streets	Nature, health and well-being	Autumn 2021	C, A, NE
<b>Local nature recovery strategy and network</b>	Local Nature Recovery Strategies (LNRS) are a flagship measure in the Environment Act. They are a new system of spatial strategies for nature which will plan, map, and help drive more coordinated, practical, focussed action and investment in nature's recovery to build the national Nature Recovery Network. Work with others to establish key locations within the District for nature recovery projects. Input into the LNRS seeking to agree priorities for nature's recovery, map the most valuable existing areas for nature and map specific proposals for creating or improving habitat for nature and wider environmental goals	Policy and Strategy (Planning), collaboration with Local Nature Partnership	Through the completion and adoption of the strategy	Prioritisation for delivery of biodiversity net gain habitats in most appropriate and desirable areas in line with LNRS	Nature, Health, social, economic	Apr-22	C, A, N E

# Housing

<p style="text-align: center;"><b>New Developments</b></p>	<p>Changes to the building regulations come in from June 2022 which require improved minimum insulation requirements, future proofing of heating systems and limiting solar overheating. The Building Regulations are minimum government set standards that all new and extended buildings must comply with. the approved documents which clarify the changes can be found here <a href="https://www.gov.uk/government/collections/approved-documents">https://www.gov.uk/government/collections/approved-documents</a></p>	<p>Building Control (Planning)</p>	<p>Compliance with the approved documents</p>	<p>This is applicable to all new build and extensions and will be assessed at application stage and completion</p>	<p>Nature, Health, Economic</p>	<p>Jun-22</p>	<p>C E</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>New Developments</b></p>	<p>Prepare Supplementary Planning Document: Planning for a changing climate (adaptation, mitigation, related matters e.g. sustainable resource use)</p>	<p>Planning</p>	<p>Report to Cabinet for agreement to publish for public consultation Feb 2022. Report to Council for formal adoption (TBC Q3 2022)</p>	<p>SPD adoption by Autumn 2022</p>	<p>Social, economic</p>	<p>Autumn 2021</p>	<p>C, A E</p>
	<p>Local Plan Review Part 2 (may become a full review): prepare additional Local Plan policies on climate change mitigation and adaption to achieve zero carbon development, expanding on the LP Part 1 and above SPD.</p>	<p>Planning</p>	<p>The Local Plan timetable is monitored through the published Local Development Scheme (which needs updating)</p>	<p>Indicative target for adoption by 2025</p>	<p>May include carbon offsetting and higher water efficiency standards that could have nature benefits, possibly recreation/wellbeing/landscape and BNG if carbon offsets are local e.g. tree planting projects</p>	<p>Commenced via work on SPD</p>	<p>C, A E</p>
	<p>Working at strategic level in the Avon Valley to identify mechanisms to reduce or offset nutrient phosphate impacting - in conjunction with reducing flows due in part to Climate Change - on water bodies in designated SPA</p>	<p>Planning</p>	<p>Nutrient budget based on development trajectory. Mitigation project not sufficiently advanced to monitor</p>	<p>Private sector led mitigation solutions</p>	<p>Economic, social</p>	<p>Est. Autumn 2022</p>	<p>N, A E</p>
	<p>Delivery of BREEAM very good designation for Business Park development at Crow Lane Ringwood</p>	<p>Estates &amp; Valuation</p>	<p>Project Management and reporting as the project is delivered</p>	<p>Delivery of BREEAM very good designation for the development</p>	<p>Economic</p>	<p>Nov-22</p>	<p>C I</p>



<b>Greener Housing</b>	A Greener Housing Strategy 2022-2031 is due to go through the decision process of Scrutiny, Cabinet and Council, whereby a full action plan will follow. The proposal will include areas such as: -Completing stock condition surveys by 2024. - Retrofit cost modelling. - Future heating systems. - Identifying funding opportunities.	Housing	Greener Housing Strategy 2022-2031	All council homes with an EPC Rating of C or better	Economic	Jun-22	C E
	Pilot scheme – Testwood Club.Confirm new build standards.Locations.Establish Future heating systems.Explore Low carbon building process.Work with Planning to establish standards across the sector in the NF.	Housing	Greener Housing Strategy 2022-2031	Delivery of Testwood Site and learning post completion feeding in to following schemes	Economic	Jun-22	C, A E
<b>Affordable warmth</b>	The Greener Housing Strategy 2022-2031 will also address affordable warmth: -Understand the data - Education and Communication - Landlord Forum - Fuel Poverty initiatives - Partnerships - HCC - Grant funding	Housing	Greener Housing Strategy 2022-2031	Successful grant bids from, or for, the private housing sector in the New Forest	Economic, social	Jun-22	C E
<b>Resilient developments</b>	Ensure that a new development is designed to ensure that it captures surface water and allows it to percolate into the ground rather than being discharged into existing watercourse and outlets. The use of Sustainable Urban Drainage Systems (SUDs) can achieve this action.	Development Management	Through the assessment of planning applications and the technical input of the Environment Agency	New development is carried out in accordance with the scheme that has been approved by NFDC and the Environment Agency	Nature, health and economic	Jan-22	A, N E
	Ensure that a new development is designed in a way to make it resilient to climate change. An example being when a proposal relates to land that has the potential to flood (from sea, river or surface water) in an extreme event, is designed to provide resilience. This can be achieved through requiring floor levels to be higher than would normally be approved. Similarly, new development can be designed to reduce the impact of increasing in temperatures by making use of shading opportunities, tree planting, window positions.	Development Management	Assessing details through the planning application process and ensuring that development is carried out in accordance with the approved plans	Facilitating the delivery of homes and other development that is less susceptible to the impacts of climate change	Environmental, economic and social	Jan-22	A E

Recreation impact mitigation	Having in place appropriate mitigation strategies - for example Recreational Mitigation Strategy where adverse impacts arising from new development cannot be avoided, ensuring that appropriate mitigation measures are in place to address adverse impacts  <a href="https://newforest.gov.uk/article/1938/Recreational-Mitigation-Strategy">https://newforest.gov.uk/article/1938/Recreational-Mitigation-Strategy</a>	Policy and Strategy (Planning)	Health and status of nature conservation sites and protected species		Nature, health and well-being, environmental quality	2014 - ongoing	C, N E
	Working with Bird Aware to implement its mitigation strategy in Solent/Southampton Water. Where adverse impacts arising from new development cannot be avoided, ensuring that appropriate mitigation measures are in place to address adverse impacts <a href="https://birdaware.org/">https://birdaware.org/</a>	Policy and Strategy (Planning)/ Bird Aware	Health of designated sites	No decline	Nature, health, economy	2014 - Ongoing	NE

## Travel and Transport

81 Active travel	Consider the introduction of employee benefit schemes such as the Cycle to Work Scheme	HR	Uptake of staff in the schemes provided	Introduction of schemes that staff engage with	Health, Staff Engagement	During 2022	C I
	Green travel plans for all the leisure centres & installation of upgrades to secure bike racks	Partnerships & Operations in Partnership with Freedom Leisure	NFDC to monitor. Installation of the upgrade bike racks.	Execution of the plans and evidence of the bike racks being upgraded.	Health, economic and social	Jul-21	C, A E
	Work with developers to achieve schemes that maximise the ability for residents to access facilities, employment and recreation by foot/cycle. This can be achieved through creating mixed use developments that either include services/employment opportunities or are designed to include simple, attractive non-vehicular routes to such locations	Development Management	Through negotiations on planning application and associated Travel plans. On going monitoring	A reduction in the proportion of residents being able to access facilities without using a motor vehicle	Health, economic and social	Jan-22	C E

<b>Reducing travel</b>	Implement home and site working to reduce the need to commute to the centre of the New Forest and to reduce travel	Building Control (Planning)	Staff feedback and workload monitoring	Continued service delivery	Nature, Health, Economic	Apr-20	C I
	Continue to monitor the effectiveness of hybrid working and in particular the effect on performance management and cross-cutting collaboration	HR	Through completion of performance reviews. 1-2-1 feedback on delivery of corporate projects	Reduced carbon emission from home to work commute mileage	Environmental and wellbeing	During 2022	C I
	Partnership with Hythe ferry which allows discounted parking in NFDC car park for ferry users thus reducing vehicles driving in/out of Waterside in and out of Southampton	Environmental Enforcement and Amenities	Increase in Hythe ferry concession parking sales	Aim for increased passenger number on Hythe ferry	Health	1.10.10	C E
<b>Transport emissions</b>	Review and revise the Taxi Licensing Policy with consideration to policy on licensing of hackney carriage and private hire vehicles (age and emissions)	Environmental and Regulation (Licensing Service)	Review, revision, consultation of taxi licensing policy.	Council adoption	Health	Summer 2022	C, N E
	Increase charges for larger engine vessels and those on wall moorings to encourage smaller engines and sail craft	Environmental Enforcement and Amenities	Numbers of smaller engine vessels in use	Reduction in larger engines vessels	Health, nature	Jan-20	C E
<b>Renewable fuel</b>	Review vehicle and plant replacement programme and identify options for lowering emissions, including but not limited to Hydrogenated Vegetable Oil (HVO) and electrification.	Waste and Transport Service, but in partnership with all services with vehicle/plant assets	Officer working group is developing a scope for this review in January 2022.	Completion of review in 2022, with the aim of reducing overall emissions from fleet and plant.	Local air quality improvements, possible whole system cost reduction over life of vehicle/plant (case-by-case basis).	Review commences January 2022	C I
	Conversion of all appropriate Grounds and Street scene Fleet to operate on Battery or Biofuel	Grounds and Street scene in partnership with Transport	Annual review of Fleet replacement and procurement	% substitution annually as and when Tech is available	Nature, Health, Economic	Ongoing	CI
	Increase number of electric vehicle charge points in car parks to help reduce emissions. By end of 2021, 29 fast chargers were installed.	Environmental Enforcement and Amenities	Number of charge points installed	Aim for at least 10 more double chargers by 31/12/22	Economic	2019	C, I E

	Aim to replace vehicles with Electric vehicles when replacements due. Currently have 2	Environmental Enforcement and Amenities in partnership with Transport	Number of Electric vehicles	Aim for 2 more by end of 2022	Economic	12.1.22	C, A I
	Require new residential development to install infrastructure to allow occupants to have a vehicle charging point	Development Management	Ability to check that all relevant planning approvals have the necessary charging point condition	All new dwellings and commercial uses will have the ability to charge electrical vehicles from their homes/premises	Improvements to air quality benefitting health and nature	2022	C E

## Waste & Sustainable Resources

02 Waste management	Develop and implement a new Domestic Waste Strategy for household waste  <a href="https://democracy.newforest.gov.uk/documents/s20939/Waste%20Strategy%20Update%20RPT.pdf">https://democracy.newforest.gov.uk/documents/s20939/Waste%20Strategy%20Update%20RPT.pdf</a>	Waste and Transport Service	Development of strategy will be measured via its adoption by the Council in 2022. Implementation will follow, and its delivery will be monitored via key performance indicators which will be included within the strategy document.	Adoption of strategy in 2022, and a subsequent reduction in the carbon impact of household waste generated in the NFDC area	Mitigating natural resource loss, compliance with Government regulations, more economically efficient waste service.	Development - ongoing. Implementation - 2022-2027	C E
	Require new development to provide, as part of their Construction Environment Management Plan, a statement outlining the measures that they are taking to reduce the environmental impact of development. e.g: recycling/separation of waste, routing of construction vehicles, dust control, no burning on site etc.	Development Management	Through the assessment of a planning application and the imposition of suitably worded pre-commencement planning condition.	Developers carrying out the works in accordance with an approved scheme that seeks to reduce the environmental impact of the construction phase	Nature, health, social and economic	2022	C, N E
Waste management	Review best practice and ensure proper storage of waste with rising temperatures and the impact on local residents from fires, odour and pests	Environmental and Regulation (Food and safety)	Review during inspections and monitoring of complaints/services requests	Reduction in waste and improved storage, reducing impact on neighbourhood	Health, Nature	2022-23	A, N E

<b>Waste prevention</b>	The building control service to be 95% paperless in the service delivery and record storage	Building Control (Planning) DM	Through the monitoring of applications received	95% paperless service	Nature, economic	Apr-19	C I
	Installation of 'Water Fillers' to reduce plastic waste	Grounds and Street scene	Number of sites with Water Fillers installed.	Reduction in single use plastic Water meter can record level of refilling	Nature	2022	C, N E
	Using paperless systems	Environment and Regulation	Worksmart completed applications	Reduced amount of waste	Economic	2021	C I
	Reduction in paper and storage	Grounds and Street scene	Performance monitoring and staff feedback	Improved efficiency of officers	Nature	Ongoing	C I
<b>Sustainable resources</b>	Cease the use of Peat or Peat Related Products	Grounds and Street scene	Alternative composts and soil amendments to be used in all circumstances	No peat products in stores	Nature	Immediate	C, NI
<b>Fly tipping enforcement</b>	New post of Environmental Crime Enforcement Officer	Environmental Enforcement and Amenities	Increase in fines and prosecutions and overall reduction in large fly tips in NFDC area	Increase in fine revenue and bringing more offenders to court	Nature, economic, social	6.9.21	N E
<b>Energy</b>							
<b>Energy efficiency</b>	Through replacement of old plant and machinery within the leisure centres, Freedom Leisure aim to save 900 tonnes of CO2 over the 11 year contract term with NFDC	Partnerships & Operations in Partnership with Freedom Leisure	Monthly KPI contract monitoring by the contract monitoring officer	Through contract monitoring, to be able to report back a clear reduction in CO2 consumption	Economic	1.7.21	C I
<b>Energy efficiency</b>	To save 88,500kwh of electricity per year and 123,000kwh of gas per year in Leisure centres, with a £51,800 reduction in energy costs per annum	Partnerships & Operations in Partnership with Freedom Leisure	Monthly KPI contract monitoring by the contract monitoring officer	Through contract monitoring, to be able to report back a clear reduction in electricity and gas consumption and associated energy costs	Economic	1.7.21	C, A I

<b>Renewable energy</b>	Consider renewable energy and sustainable options when Building and Refurbishing Public Toilets	Grounds and Street scene	Consider Solar panels, Solar Lighting, Rain harvesting Heat Exchangers etc	At least one Energy efficient solution in each of the 23 PC's	Economic	Apr-22	C, A, N I
	Mobile surveillance cameras to catch fly tipping etc to be solar powered	Environmental Enforcement and Amenities	Number installed per year	Reduction in fly tipping	Economic	1.1.22	C E
	Supported Hampshire County Council's Solar Together scheme, providing the opportunity for homeowners to buy high quality solar panels at a competitive price through a group-buying model.	Planning	Number of households registering. Solar panels installed. Estimated CO2 saved.	Increase in residential renewable energy generation	Social	Mar-21	C, A E
	Conversion of all 2 Stoke Petrol Grounds Maintenance Equipment to Battery Power	Grounds and Street scene	Annual audit of equipment and procurement specs.	% Equipment replaced annually with final target 100%	Nature and Health	Jan-21	C I
	Install 50 Air Source Heat Pumps (ASHPs) in rural off-gas Council-owned properties	Housing	Installation of 50 ASHPs. Project managed through to end of August with procured contractor.	Installation of 50 ASHPs.	Economic	14/07/1905	C I
	Upgrade Solar Panels on civic buildings (ATC, LTH)	Civic Buildings & Facilities	Internal management and reporting	Upgrade Solar panels at LTH and ATC	Economic	Jun-21	C I
	All ticket machines in car parks to be solar powered (no mains)	Environmental Enforcement and Amenities	All installed machines from 2017 solar powered (no mains supply)	Achieved and ongoing as new machines ordered to replace older machines will also be solar powered	Economic	2017	C, A E
<b>Health</b>							
<b>Air Quality</b>	Monitoring of air quality in the new forest	Environmental and Regulation (Environmental protection) Planning	Assessing air pollutant levels in accordance with the National Air Quality Strategy	Production of LAQM Annual Status Reports which are reported to DEFRA	Health nature	Since 1995	A, N E

<b>Air Quality</b>	The Clean Air Strategy sets out plans to improve air quality in the New Forest, improve health and protect the environment.	Environmental and Regulation (Environmental protection)	Completion and adoption of a Clean Air Strategy	Council adoption and delivery of an action plan	Health, nature	2022	C, A, N E
	Promotion of cleaner burning in open fires, stoves and bonfires. Campaign extended to monitor pollutants associated with burning using sensors with the aim to provide further information to the public and inform decision making	Environmental and Regulation (Environmental protection)	Delivery and evaluation of the burn better campaign in conjunction with the Environment Centre and other Hampshire Local Authorities	Greater public awareness and behaviour change	Health nature	2020 (burning campaign) 2022 (monitoring)	C, A, N E
	Permitted processes (LAPPC) Working with businesses to ensure compliance with regulations and emission limits, including implementation of best available techniques and technology to reduce emissions to air	Environmental and Regulation (Environmental protection)	Routine site inspections (6months – 3years)	Inspections to ensure compliance is met and annual reporting to DEFRA	Health, Nature	Since 1990	C, N E
	Preparation of Supplementary Planning Document for Air Quality in New Development	Planning and Environmental and Regulation	Report to Cabinet for agreement to publish for public consultation.	Council adoption	Health, nature	Jan 2022 for panels	C, A E
<b>Health and safety</b>	Monitoring of pests/invasive species such as mosquitos/possible diseases	Environmental and Regulation with Hampshire County Council Public Health and UKHSA	Local plan for monitoring and response to invasive mosquitos	Surveillance and response where necessary	Health	Apr-21	A, N E
	Advice on working in more extreme temperatures - health and safety impacts of extreme hot or cold	Environmental and Regulation (Food and safety)	Monitoring of service requests and national statistics	Improved working environments and reduction in work related ill health	Health	On going	A E
<b>Emergency planning</b>	Emergency planning and business continuity policies in place	Corporate responsibility	Review of processes in place including business continuity to deal with emergency response	NFDC protected and able to continue to deliver critical services	Economic	Oct-21	A, N E

Community resilience to climate change	Residents and businesses are informed on the risks associated with climate change (excess heat and cold, flooding, water shortage, poor air quality) site specific flood evaluation plans	Environment and Regulation and HCC	Processes in place to mitigate against an emergency response requirement	Communities and businesses are protected through robust local plans	Health and nature	Oct-21	A, N E
Community resilience to climate change	Working with partners to improve health and wellbeing of residents	Environment and Regulation (Health and Partnerships) with HCC PH	Develop an action plan with priorities which support the Health and Wellbeing Strategy	Improvements to residents' health to enable them to better live with climate change impacts	Health	2022	AE

## Organisational

Corporate Plan	Overall commitment and strategic direction for sustainability within the corporate plan <a href="https://www.newforest.gov.uk/article/2836/Leaders-portfolio">https://www.newforest.gov.uk/article/2836/Leaders-portfolio</a>	Corporate	Regular reporting on delivery of corporate plan to overview and scrutiny panels	Sustainability is at the centre of decisions		Oct-21	C, A, N I, E
Carbon emissions baseline data	Collection and use of data on the carbon emissions of the Council's estate	Civic Buildings & Facilities	Internal management and reporting	Completion and use of carbon emissions data collection tool provided by LGA	Economic, Health	May 2022	C, I E
Procurement	Review current procurement strategy wording to ensure it reflects the Climate & Nature Emergency declaration. The Procurement Strategy 2018-22 already covers our approach to Environmental Impact by having a targeted approach based on each procurement project (contract).  All service teams to put climate impact front and centre when developing 'wants and needs' of specification. Tender response forms to include a scored element to assess bidder's offers. Bids to be evaluated with climate change scoring built in.  <a href="https://www.newforest.gov.uk/media/698/Procurement-Strategy/pdf/Procurement_Strategy_2018-22_v4.00_Mar21.pdf?m=637499445812770000">https://www.newforest.gov.uk/media/698/Procurement-Strategy/pdf/Procurement_Strategy_2018-22_v4.00_Mar21.pdf?m=637499445812770000</a>	Strategic procurement	Each Procurement Project to test the impact of the service requirement upon the Environment. Outcome specifications (a key component of every tender) to set out the Environmental opportunities. Awarded contracts to be Monitored for delivery of such opportunities (via KPI's and good news outcomes).	The Procurement Strategy to support the Councils aims and objectives in the Climate Change & Emergency Action Plan. Decisions made by Council, EMT and Service Managers to be communicated to our suppliers via the tendering of contracts with built-in provision for Environmental change.	Nature, Health, Economic & Social	Summer 2021	C, A, N E



<p style="text-align: center;"><b>Procurement</b></p>	<p>All Contracts to be managed and monitored to ensure delivery to the Councils specification and that a continual improvement cycle is locked in. Environmental impacts to be measured and reported. "If you do not measure it - you will not improve it"</p>	<p>Strategic procurement</p>	<p>Innovations that contribute to the Climate and Nature Emergency are achieved and reported upon.</p> <p>Resilience to be driven by effective contract management in each Service. KPI's specifically targeted to track Environmental performance goals to be baked into the contract specification and delivery outcomes.</p>	<p>Commitment by our suppliers to deliver positive contributions to the Climate &amp; Nature Emergency. NFDC Services to report back via contract management channel to EMT/Council. Contract Administrators to measure and report on Innovations (Service led and Supplier Led) that impact on Climate &amp; Nature Emergency.</p>	<p>Nature, Health, Economic &amp; Social</p>	<p>Winter 2022</p>	<p>C, A, N E</p>
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CABINET – 16 FEBRUARY 2022

## **MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2022 AND INDEPENDENT REMUNERATION PANEL (IRP)**

### **1. RECOMMENDATIONS**

- 1.1 That the Cabinet recommends to Full Council that:-
- (a) The current scheme of members' allowances be made as the scheme to apply from 1 April 2022;
  - (b) The Independent Remuneration Panel as outlined at paragraph 5, be appointed for a four year period commencing 1 March 2022;
  - (c) The Panel's terms of reference be agreed as set out in Appendix 1; and
  - (d) The current offer of 1.75% (which has already been implemented for staff this year) be applied to members' allowances for 2021/22, before the end of this financial year, should no agreement be reached with the National Joint Council (NJC).

### **2. INTRODUCTION**

The purpose of this report is:

- (a) To seek the required annual agreement for the current scheme of allowances to be made as the scheme to apply from 1 April 2022, and
- (b) To approve arrangements for two reviews of the Council's Members' Allowances Scheme, during 2022/23 and from 2024 onwards.

### **3. CURRENT SCHEME**

- 3.1 The Council is required annually to make a scheme of members' allowances, which must be published.
- 3.2 The current scheme is available to view at <https://democracy.newforest.gov.uk/documents/s20823/Chapter%2029.pdf>
- 3.3 The current scheme provides for the annual adjustment of allowances (basic, special responsibility and dependant carers' allowances) by the Local Government staff employees' national pay award annual percentage increase.
- 3.4 The employee's national pay award for 2021/22 is still being negotiated. If an award is made it will automatically, under the terms of the Scheme, be backdated to 1 April 2021. As backdating can only be implemented in the same financial year, it is recommended that the current offer of 1.75% (which has already been implemented for staff this year) be applied to members' allowances before the end of this financial year, should no agreement be reached. No other changes to the scheme are proposed. Indeed, no changes are possible without a recommendation from the Independent Remuneration Panel.

#### **4. INDEPENDENT REMUNERATION PANEL (IRP)**

- 4.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 provide that where an authority relies on an index for the annual adjustment of members' allowances, it must not do so for longer than four years without a recommendation from its Independent Remuneration Panel (IRP). The Panel must comprise at least three members.
- 4.2 The Council's previous IRP last made a recommendation in relation to the Members' Allowances scheme in 2017 for the scheme that applied from April 2018. To continue with the indexing to the national pay award, it is necessary to obtain fresh recommendations before the end of the financial year 2022/23. It is anticipated that further recommendations may be sought from 2024 onwards, once the new Council has had a year of operation, reflecting on any new governance arrangements and closer inspection of the impact of a reduction in the Council's size from 60 to 48 councillors. The Panel also considers parish and town council allowances where those councils already, or wish to, pay allowances to their members.

#### **5. IRP TO SERVE FOR REVIEWS**

- 5.1 Due to significant changes over recent years and future structural changes in the make-up of the Council as it reduces to 48 members from May 2023, it is felt appropriate to take the opportunity to refresh the Independent Remuneration Panel by reviewing its members.
- 5.2 It is important that members serving on the Panel have a thorough understanding of the roles and workloads of councillors (which can differ across councils depending on meeting demands and members' representational roles), an appreciation of the political arrangements under which different councils operate, and a realistic approach to the general public's view on acceptable levels of allowances.
- 5.3 South East Employers, the employment and workforce experts for the Council and other public sector organisations in the region have been engaged to lead the work of the IRP. The following Panel Members are recommended for appointment who are all local to Hampshire:-
- Mark Palmer – Development Director, South East Employers (Chair)
- Roger Farrall – Retired Local Government Officer and experienced Independent Remuneration Panel Member
- Martin James – Retired Human Resources Specialist and experienced Independent Remuneration Panel Member
- Julia Abbott – Retired Academic Professional and experience Independent Remuneration Panel Member.
- 5.4 The proposed terms of reference of the Panel are attached at Appendix 1.
- 5.5 The review is proposed to take place in March 2022 and the IRP will report their findings to the Cabinet and Council thereafter on a revised scheme to apply from 2022/23. All members of the Council will be advised of the arrangements for the Panel's meetings and will be invited to contribute to the deliberations.
- 5.6 Officers will also ascertain from Town and Parish Councils whether they wish the Panel to make recommendations for allowances to their councillors. Any costs of the

Panel sitting as a Parish Remuneration Panel must be borne by the Town and Parish Councils concerned.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Payments to four IRP members to sit on two hearings in 2022 and 2024 are estimated to be in the region of £14,000. This can be met from existing budgets. Provision for the necessary uprating process in line with the national pay award is made within the Medium Term Financial Plan.

## **7. ENVIRONMENTAL, EQUALITIES & DIVERSITY AND CRIME & DISORDER IMPLICATIONS**

- 7.1 There are no specific environmental or crime and disorder implications arising directly from this report.
- 7.2 A review of Members' Allowances will take into account the needs of councillors, including but not limited to those with dependents and who are carers. It is likely that the IRP will make specific recommendations that address equalities implications.

### **Further information:**

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**Independent Remuneration Panel – Terms of Reference**

1. To review New Forest District Council's Members' Allowances Scheme when requested by the Cabinet, but at least every four years, and to make recommendations to the Cabinet for any changes to the Scheme that the Panel considers appropriate, within existing budgets.
2. To make recommendations for the level of any further allowances that might be referred to the Panel by the Cabinet from time to time.
3. As and when requested by the Cabinet, to sit as the Independent Remuneration Panel for Parish and Town Councils in the District, and to make appropriate recommendations to Parish and Town Councils on the level of allowances to apply to their Councillors, within existing budgets.

CABINET – 16 FEBRUARY 2022

PORTFOLIO: HOUSING AND  
HOMELESSNESS SERVICES

## HOUSING REVENUE ACCOUNT BUDGET AND HOUSING PUBLIC SECTOR CAPITAL EXPENDITURE PROGRAMME 2022/23

### 1. RECOMMENDATIONS

- 1.1 That the Cabinet be asked to approve the proposed planned maintenance and improvement works programme for 2022/23 – 2024/25, as set out in Appendix 2.
- 1.2 That the Cabinet be asked to recommend to the Council that;
  - i) the HRA budget, as set out in Appendix 1 of this report, be agreed;
  - ii) from 03 April 2022, an increase in rents of 4.1% from the 2021/22 weekly rent level, in accordance with Government guidelines, be agreed;
  - iii) from 03 April 2022, an increase in service charges of 3.1% from the 2021/22 weekly service charge level, be agreed;
  - iv) a Housing Capital Programme to 2024/25, as set out in Appendix 4, be agreed.

### 2. INTRODUCTION

- 2.1 This report sets out the proposed Housing Revenue Account (HRA) budget, the proposed rent levels and other charges, the maintenance programme and a proposed Housing Public Sector Capital Programme for 2022/23 – 2024/25.
- 2.2 The proposed budgets for 2022/23 were considered by the Tenant Involvement Group on 20 January 2022 and by the Housing and Homelessness Services Overview & Scrutiny Panel on 19 January 2022. Their comments are set out in Sections 12 and 13.
- 2.3 The proposed HRA budget is attached as **Appendix 1**, and the proposed Capital programme at **Appendix 4**. Cabinet is required to recommend budgets for consideration at Council on 21 February 2022.

### 3 KEY ISSUES

- 3.1 Housing Authorities and Registered Providers face on-going challenges to maintain the continuation of high-quality services to their tenants, ensuring that buildings are safe and free from hazards and gearing up to deliver greater energy efficiency measures in the retrofitting of their stock, as well as delivering more affordable homes. Tenants, too, are facing challenges over

rises in the cost of living and increases in energy bills. The proposal set out below to increase rents in line with the Government's current recommendation is considered to strike the right balance to ensure that the Council continues to provide high quality services to tenants and that the necessary programmes of maintenance and repairs to council housing stock are undertaken, as well as delivering new affordable council homes for the District.

3.2 Members are asked to consider a number of financial issues for 2022/23.

### 3.3 **Housing Rents**

3.3.1 The report identifies a proposed social rent increase of 4.1%, in line with the Government's current recommendation. It is the third increase, following a four-year social rent reduction programme. Current indications are that annual increases of CPI +1% may be applied for a further two-year period.

3.3.2 Following the rent increase, average weekly rents will be £106.27 for 2022/23. The actual increase will vary by property but will amount to an average increase of £4.19 per week.

### 3.4 **Service Charges – Hostels & Older Persons Accommodation**

3.4.1 The primary aim when reviewing and setting service charges is to ensure that relevant costs are fully recovered from those who benefit from additional services provided. It is proposed to increase charges for 2022/23 by an inflationary level of 3.1% but note that service charges for a few properties will increase by this inflationary increase and up to a further £2 per week, due to the gradual withdrawal of protections in place from the latest review carried out in 2019/20.

### 3.5 **Garage Rents**

3.5.1 It is proposed that there is no change to garage rents which were last increased by 30p per week (2.9%) to £10.70 per week, plus VAT where applicable, in 2020/21.

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

3.6.1 The report proposes total budgetary provision of £6.896 million for planned maintenance and improvement works to houses and estates. Details of the proposed works for 2022/23 and an indication of proposals for the following two years are set out in **Appendix 2**.

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

3.7.1 The Council set up a new Housing Compliance and Asset Management Section to ensure fire safety and statutory compliance matters are given the appropriate priority. Following a comprehensive review of fire safety and fire risk assessments, a new separate budget



is included within the capital programme to deal with fire risk assessment actions. Budget, totalling £5.5 million has been earmarked over a 3-year period (£3 million in 2022/23, £2 million in 2023/24 and £0.5 million in 2024/25) to deal with implementing new fire doors, where required, across the Council's blocks of flats, other fire remedial work including compartmentation works and new alarms, to ensure that the risk of fire is as low as reasonably practicable.

#### 4 HRA INCOME 2022/23

- 4.1 Estimated total income for 2022/23 is £1.152 million higher than the original budget for 2021/22. The income variations from the 2021/22 approved budget are set out below:

	<b>Change £000</b>	<b>Paragraph</b>
Dwelling Rents	(1,138)	4.2
Non – Dwelling Rents	41	4.3
Service Charges	(2)	4.4
Other Income	(53)	4.5
<b>Total</b>	<b>(1,152)</b>	

- 4.2 **Dwelling Rents (£1.138 million increase)** – The proposed budget for 2022/23 includes the benefits of £1.119 million arising from the proposed 4.1% rent increase and £96,000 from a return to more normal levels of voids than in the last two years, but these are offset by a reduction of £77,000 from net gains in property numbers not being as high in 2021/22 as anticipated.
- 4.3 **Non - Dwelling Rents £41,000 (reduction)** – This income is derived from garages and rents of other housing land. The overall decrease reflects the impact of reduced lettings due to voids and anticipated development opportunities on garage sites.
- 4.4 **Service Charges (£2,000 increase)** – Anticipated income will increase by £21,000 due to the proposed 3.1% increase in charges but this is offset by a reduction of £19,000 due to increased void costs from a higher level of turnover of lettings.
- 4.5 **Other Income (£53,000 increase)** – Despite utilising reserves to fund the capital programme, interest earnings have increased by £43,000 following an increase in anticipated interest rates. The Shared Amenities contribution from the General Fund has increased by £14,000 to cover inflationary increases in costs and increases in expenditure on trees and other estate budgets. These are offset by a reduction of £4,000 in other miscellaneous income items.

#### 5 HRA EXPENDITURE 2022/23

- 5.1 Budgeted operating expenditure for 2022/23 is £1.002 million higher than the approved budget for 2021/22, which after allowing for transfers from reserves means that surplus resources available for contribution to the capital

programme remain at the same level as in 2021/22, as detailed in paragraph 5.7. The major variations are set out below:

	<b>Change £000</b>	<b>Paragraph</b>
Cyclical/Reactive Maintenance	80	5.2
General Management	663	5.3
Special Services/Homeless Assistance	102	5.4
Rents, Rates, Taxes and other charges	4	5.5
Capital Financing Costs	153	5.6
Operating Expenditure	1,002	
Contribution to Capital - Supporting Housing Strategy	0	5.7
<b>Total</b>	<b>1,002</b>	

- 5.2 **Cyclical/Reactive Maintenance £80,000** – Increased maintenance budgets are principally due to pay and prices increases of £170,000 and a reduction of £110,000 in income for work carried out on non - Housing assets but these have largely been offset by a reduction of £180,000 in cyclical maintenance budgets, the programme for which is set out in **Appendix 2** and £46,000 in staffing budgets for work now carried out externally.
- 5.3 **General Management £663,000** - Supervision and Management budgets will increase principally due to pay and prices increases of £192,000, £453,000 for additional staffing within the Housing Repairs and Housing Estate Management Teams, increased corporate allocations of £172,000 and increased other direct allocations of £65,000 but these will be offset by the removal of £150,000 non- recurring expenditure from 2021/22 for a replacement Housing ICT system (funded from the ICT Replacement Reserve) and £87,000 from a vacant post reduction in the Housing Development Team and other staff costs in the Housing Repairs team. The increase in resources within the Housing Estates Management Team will enable a greater proactive approach to dealing with tenant issues and their concerns, including anti-social behaviour, and will provide a greater presence within estates to deal with these issues directly and more quickly, to prevent escalation. The additional resources in Housing Repairs will enable the Council to deliver, at a quicker pace, the necessary fire assessment actions and other programmed works.
- 5.4 **Special Services/Homeless Assistance £102,000** – An increase in budgets is principally due to pay and prices increases of £55,000, additional property cleaning costs of £29,000, an increase of £7,000 in the trees and other grounds maintenance budgets, an allocation of £6,000 for CCTV monitoring and £4,000 additional corporate cost allocations.

- 5.5 **Rents, Rates, Taxes and Other Charges £4,000** – Additional costs are due to the inclusion of latest updated budgets for hostel unit Council Tax charges.
- 5.6 **Capital Financing Costs £153,000** – Capital Financing costs have increased by £153,000. This is largely due to principal repayments of £131,000 and interest costs of £72,000 on new borrowing for the proposed capital programme set out in Section 7 of this report and £48,000 additional interest costs of existing internal borrowing, due to anticipated increased interest rates, offset by a reduction of £98,000 in interest costs due to the repayment of the next £4.1 million instalment of the settlement borrowing in March 2022.
- 5.7 **Contribution to Capital - Supporting Housing Strategy £0** – Any operating surplus, after transfers from earmarked reserves (see paragraph 5.3), is invested into the Housing Capital Programme. For 2022/23 this contribution is estimated at £9.120 million, unchanged from 2021/22.

## 6 HRA RESERVE BALANCE

- 6.1 The HRA Reserve balance as at 1 April 2021 was £1 million. This is considered to be a prudent level.
- 6.2 The original 2021/22 HRA budget showed a net operating deficit position of £350,000 which was to be met from earmarked reserves. A financial update report for the year will be presented to Cabinet on 2 February 2022. In accordance with current policy, any surplus or deficit for the year will be balanced by a transfer to or from the Acquisitions and Development Reserve, which stood at £13.089 million as at 31 March 2021.
- 6.3 The proposed HRA budget for 2022/23 currently shows a net operating deficit position of £200,000 but this relates to non-recurring expenditure and will be funded from earmarked reserves, resulting in no change to the general HRA reserve balance. The estimated Housing Revenue Account balance at 31 March 2022 and 31 March 2023 will therefore be £1 million.

## 7 HRA MEDIUM TERM FINANCIAL PLAN

- 7.1 Attached as **Appendix 3** is an indication of HRA budgets for two years post 2022/23 and is included to enable decisions for 2022/23 to be made in the context of affordability for the medium term. While these budgets will be amended in future years, it shows that estimated operating surpluses for each year exceed the level of resource required to fund the Major Repairs, Disabled Facilities Grants and Estate Improvements capital expenditure programmes, that are traditionally funded from HRA revenue contributions. This indicates that both the revenue and capital programmes are affordable over the period 2022/23- 2024/25.

## 8 CAPITAL PROGRAMME

- 8.1 The proposed Housing Public Sector capital expenditure programme for 2022/23 totals £24.900 million. The detailed programme and anticipated funding is set out below:

	<b>Original 2021/22 £000</b>	<b>Latest 2021/22 £000</b>	<b>Original 2022/23 £000</b>
<b>Proposed Expenditure</b>			
Fire Risk Assessment Works	0	0	3,000
Major Structural Refurbishments	0	0	1,000
Planned Maintenance & Improvements	6,050	6,050	5,500
Estate Improvements	200	200	200
Disabled Facilities Adaptations	1,000	900	1,000
Development Strategy	13,000	9,500	14,200
<b>TOTAL</b>	<b>20,250</b>	<b>16,650</b>	<b>24,900</b>
<b>Funded by</b>			
Revenue	9,120	9,120	9,120
Capital Receipts	2,000	2,000	2,000
Acquisitions and Dev. Reserve	2,630	1,730	2,150
Government Grant	1,300	0	1,950
Internal Borrowing	5,200	3,800	2,270
External Borrowing	0	0	7,410
<b>TOTAL</b>	<b>20,250</b>	<b>16,650</b>	<b>24,900</b>

- 8.2 Significant works to properties, including compartmentation and new fire doors, have been identified following detailed Fire Assessment surveys. Funding of £3 million is proposed for 2022/23.
- 8.3 The Authority is holding several properties requiring significant structural refurbishment works, a number of which are currently void. Initial funding of £1 million is proposed to upgrade these properties.
- 8.4 Overall expenditure on maintenance budgets is increasing but to partially offset the additional new expenditure identified in paragraphs 8.2 and 8.3 the general Planned Maintenance and Improvements budget for 2022/23 has reduced by £550,000 to £5.500 million. Details of the proposed programme are set out in **Appendix 2**.
- 8.5 The proposed capital programme for 2022/23 includes £14.200 million to be invested in additional homes. This level of expenditure is also expected over the period post 2022/23 through to 2025/26, in line with the Council's new Housing Strategy, as covered in more detail in paragraph 8.6. **Appendix 4** shows the proposed capital programme to 2024/25.
- 8.6 The Council's Housing Strategy targets the delivery of at least 600 new homes covering the period 2018 - 2026. The delivery of the Housing Strategy to 2026 will seek to ensure ring-fenced Housing Revenue Account (HRA) resources are maximised to their full potential. The recent removal of the borrowing cap gives Local Authorities enhanced flexibilities in terms of playing a key part in the delivery of new affordable homes across the Country. Whilst modelling suggests that limited borrowing will be required to achieve the objectives set

out within the strategy, it will be necessary to monitor progress over time. The Council should be prepared to consider any opportunities that arise, and the potential should be there to fund the delivery of new homes through borrowing as long as a sound financial viability appraisal confirms it is suitable to do so. The Council has a sound financial platform to build upon and the delivery of the Housing Strategy to 2026 will seek to further enhance the financial performance of the existing HRA. By venturing into new tenures, the financial performance of the HRA will improve, as additional rental income is made available for the essential maintenance and management of the Council's overall Portfolio and to fund more new affordable homes.

- 8.7 Based on latest estimates, the proposed capital programme will result in the total accumulated borrowing requirement exceeding the level of Housing specific cash reserves held during 2022/23. This would necessitate external borrowing during 2022/23 to finance the programme. However, the decision about timing of actual borrowing will be taken as part of the Council's overall Treasury Management Strategy.

## **9 ENVIRONMENTAL IMPLICATIONS**

- 9.1 The capital works programme continues to provide more sustainable measures to improve the thermal efficiency of Council housing stock, through more efficient window replacement programmes, insulation, boiler replacements and air source heat pumps. Through the work undertaken by the Greener Housing Task and Finish Group and the emerging Greener Housing Strategy, the Council is committed to undertaking more sustainable measures year on year including through the retrofitting of its stock.
- 9.2 All products used in the repair, maintenance and improvement of Council homes are selected to ensure the minimum impact upon the environment and at the same time balance the need to improve the energy efficiency of tenants' homes in order to meet the requirement for thermal efficiency under the Decent Homes Standard.

## **10. CRIME AND DISORDER IMPLICATIONS**

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

## **11. EQUALITY AND DIVERSITY IMPLICATIONS**

- 11.1 All equality and diversity implications will be considered at every stage of the process of commissioning and carrying out planned maintenance, improvement and cyclical maintenance works. In addition, any contractor used for works will have been assessed, as part of the process in becoming an approved NFDC contractor, in respect of their adherence to equality and diversity principles.

## **12. TENANTS' VIEWS**

12.1 These are challenging times for both individual households and the Council. We recognise the rent increase is substantial and would urge the Council, in partnership with others, to continue to look at ways to support households who may be struggling financially. However, we understand the Council is facing increased costs in maintaining homes and as well as the need to increase investment in building safety, home improvements, providing more homes and the greener housing initiative.

Therefore, we believe the proposed recommendations are fair, the rent level represents good value for money and resources have been reasonably allocated.

## **13. HOUSING & HOMELESSNESS SERVICES SCRUTINY PANEL COMMENTS**

13.1 The Housing & Homelessness Services Scrutiny Panel, at its meeting of 19 January 2022, was supportive of the recommendations.

## **14. PORTFOLIO HOLDER COMMENTS**

14.1 I endorse all the recommendations in this report. As a Housing Authority, delivering high quality services to our tenants is our priority. This budget will enable us to ensure that our council dwellings are maintained in good order as well as providing a greater presence in our Estates so that we can engage directly with tenants. I would like to express my thanks to the Tenants Involvement Group for the work they continue to do in representing the views of our tenants to help us improve service delivery and I am pleased that they consider the recommendations in this report are fair and represent value for money.

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### **Background Papers:**

Published documents as referred to within this report.

## HOUSING REVENUE ACCOUNT BUDGET

	2021/22 £'000	2022/23 £'000	Variation £'000	Para
<b>INCOME</b>				
Dwelling Rents	-27,276	-28,414	-1,138	4.2
Non Dwelling Rents	-713	-672	41	4.3
Charges for Services & Facilities	-730	-732	-2	4.4
Contributions towards Expenditure	-64	-60	4	4.5
Interest Receivable	-15	-58	-43	4.5
Sales Administration Recharge	-33	-33	0	4.5
Shared Amenities Contribution	-242	-256	-14	4.5
<b>TOTAL INCOME</b>	<b>-29,073</b>	<b>-30,225</b>	<b>-1,152</b>	
<b>EXPENDITURE</b>				
Repairs & Maintenance				
Cyclical Maintenance	1,346	1,196	-150	5.2
Reactive Maintenance	3,418	3,648	230	5.2
<b>Supervision &amp; Management</b>				
General Management	5,546	6,209	663	5.3
Special Services	1,290	1,377	87	5.4
Homeless Assistance	76	91	15	5.4
<b>Rents, Rates, Taxes and Other Charges</b>				
Provision for Bad Debt	150	150	0	5.5
<b>Capital Financing Costs</b>				
Capital Financing Costs	8,400	8,553	153	5.6
<b>TOTAL EXPENDITURE</b>	<b>20,303</b>	<b>21,305</b>	<b>1,002</b>	
<b>HRA OPERATING SURPLUS(-)</b>	<b>-8,770</b>	<b>-8,920</b>	<b>-150</b>	
Contribution to Capital - supporting Housing Strategy	9,120	9,120	0	5.7
<b>HRA Total Annual Surplus(-) / Deficit</b>	<b>350</b>	<b>200</b>	<b>-150</b>	
Use of Reserves for Major Projects	-350	-200	150	5.3
<b>HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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**3 YEAR HOUSING PLANNED MAINTENANCE AND IMPROVEMENT PROGRAMME 2022 TO 2025**

**1. INTRODUCTION**

- 1.1 This programme has been compiled taking into account the rolling 10-year Housing Planned Maintenance and Improvements programme.
- 1.2 All works identified in this report are based upon stock condition surveys, and feedback from Housing Maintenance Officers. This is followed by an inspection regime prior to work being specified to ensure only expenditure required is actually committed.
- 1.3 The programme for 2022 to 2025 has been devised to continue to meet the requirements of the “Decent Homes Standard”.

**2. PROGRESS REPORTING OF THE PROGRAMME**

- 2.1 Overall budgetary and programme control is exercised by regular review meetings and detailed monthly information being provided to Senior Managers and the Housing Accountant.
- 2.2 As in previous years, expenditure on the Planned Maintenance Programme will be controlled through the year in response to tenders received by adjusting workloads, specifications and work programmes. Priority works will be identified and carried out to ensure that the maximum expenditure is achieved within the overall budget.

**3. BUDGET PROVISIONS**

- 3.1 The budgets for 2022/23 are £6,895,740 for planned maintenance projects (this is made up of £5,500,000 planned works, including £172,000 for hardwired telecare renewal), £200,000 for estate improvements, and £1,195,740 for cyclical maintenance. These budgets will substantially contribute to achieving the Decent Homes Standard.
- 3.2 A provision of £500,000 has been included in the planned maintenance budget for 22/23 for Green initiatives. This project will be delivered in line with our Greener Housing agenda and will utilise additional Government funding to subsidise its delivery.
- 3.3 As mentioned in appendix 1, significant works to properties, including compartmentation and new fire doors, have been identified following detailed Fire Assessment surveys. Initial funding of £3 million is proposed for 2022/23 and is in addition to the total planned works budget. However, this will mean adjustments to the programmes, where some replacement schemes will be extended over a longer period, whilst still keeping within Decent Homes Standard guidelines.
- 3.4 Schedule 1 is a summary of the various headings of expenditure comprising the total budget provision and includes estimates for future years.

## 4. PROPOSALS

4.1 Within the Planned Maintenance programme, the work proposed is broadly in line with that of previous years. The prime purpose of this expenditure is to maintain the fabric of Council homes, to ensure services such as electrical and heating systems are in a safe condition and importantly to ensure that all our homes continue to meet the Decent Homes Standard. Current predictions indicate that the Council will continue to achieve this target.

4.2 The Decent Homes Standard requires properties to meet several criteria ranging from general fitness to having modern facilities. Guidance issued advises that for a home to be decent it must meet the following four criteria: -

- It contains no serious hazards under the Housing Health and Safety Rating System;
- It is in a reasonable state of repair;
- It has reasonably modern facilities and services;
- It provides a reasonable degree of thermal comfort.

4.3 A property will fail the requirement for 'reasonably modern facilities and services' if it lacks three or more of the following aspects: -

- A reasonably modern kitchen (20 years old or less);
- A kitchen with adequate space and layout;
- A reasonably modern bathroom (30 years old or less);
- An appropriately located bathroom and WC;
- Adequate insulation against external noise (where external noise is a problem);
- Adequate size and layout of common areas for blocks of flats.

4.4 An explanation of some of the items included within Schedule 1 is given below:

- An allowance of £611,000 has been made for replacing kitchens in 2022/23. This will allow for the renewal of all the kitchens over 20 years old (excluding where the tenant has previously refused the works). This kitchen refurbishment contract has been tendered on a 4-year framework commencing in 2019;
- An allowance of £550,000 has been made for renewing bathrooms in 2022/23 and this will allow for the replacement of all the bathrooms over 30 years old (excluding where the tenant has previously refused the works); This bathroom refurbishment contract has been tendered on a 4-year framework commencing in 2019.
- An allowance of £782,000 has been made for upgrading heating installations in 2022/23 with modern energy efficient boilers and controls, and this will allow for the renewal of all the boilers over 15 years old (excluding where the tenant has previously refused the works);
- An allowance of £673,000 has been made for re-roofing in 2022/23.
- An allowance of £450,000 has been made for replacing windows and renewing front entrance doors.
- An allowance of £241,000 has been made for replacement of commercial boilers. This is for communal heating systems that are life expired.

- Included within miscellaneous works are works such as water main renewals, door entry upgrades and larger works identified from Reactive Maintenance repairs.

4.5 An allowance of £200,000 has been made for improvements within estates such as forming parking bays and enhancing external communal areas etc.

4.6 Cyclical maintenance

- This programme of works covers the servicing contracts and any other shorter-term reoccurring works. The majority of these works cover our Health and Safety and legislative servicing responsibilities.
- Housing Maintenance completes approximately 50% of this programme using in-house direct labour. This includes the gas, oil and solid fuel inspections and breakdown attendance.
- External Contractors provide the fire alarm, lift and automatic doors servicing as well as legionella checks and window cleaning. These are currently managed by the Housing team through Council Corporate Contracts.

## 5. **TENANT INVOLVEMENT**

5.1 With planned maintenance and improvement works it is intended to continue with the current practice of involving tenants and residents in aspects of the work that affects their homes. Consultation will ensure that any inconvenience and disruption is kept to a minimum.

5.2 Where choice can be given without compromising the effectiveness or the necessity of the work, this will be given. Choice could mean the tenant electing not to have the work done, or in selecting finishes and colour schemes, if and when improvements are carried out. Generally, no choice will be given where works, such as re-roofing, involve essential maintenance work.

## 2022/23- 2025 MAINTENANCE BUDGETS

<b>Planned Maintenance &amp; Improvements</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Kitchen Modernisations	611,000	662,000	662,000
Bathroom Modernisations	550,000	662,000	662,000
Heating – boiler replacements gas	782,000	813,000	813,000
Electrical Works	516,000	513,000	513,000
Roofing	673,000	200,000	200,000
Repointing	50,000	50,000	50,000
External doors and windows	450,000	1,100,000	1,100,000
Asbestos Removal and surveying	250,000	250,000	250,000
External wall insulation Surveys and remedial work	250,000	250,000	250,000
Commercial Boiler replacement	241,000	180,000	180,000
Solid fuel Heating replacement	161,000	20,000	20,000
Fire alarm upgrades	104,000	100,000	100,000
Miscellaneous works, including water main renewal and door entry upgrades	190,000	580,000	860,000
Greener housing initiatives	500,000	500,000	500,000
Telecare Upgrade	172,000	120,000	120,000
<b>TOTAL PLANNED MAINTENANCE &amp; IMPROVEMENT BUDGET</b>	<b>£5,500,000</b>	<b>£6,000,000</b>	<b>£6,180,000</b>

<b>CYCLICAL MAINTENANCE</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Appliance servicing (including gas, solid fuel, oil, smoke Detectors & CO Servicing)	894,240	887,000	887,000
Fire alarm servicing/upgrading	61,800	62,000	62,000
Lift servicing/upgrading	86,000	86,000	86,000
Portable appliance testing	4,200	4,200	4,200
Legionella checks	20,600	21,000	21,000
Emergency Lighting	71,000	71,000	71,000
Telecare	15,000	15,000	15,000
Servicing automatic doors	10,300	10,300	10,300

**Schedule 1**

Window Cleaning	20,600	21,000	21,000
Miscellaneous	120,00	42,500	219,500
<b>TOTAL CYCLICAL MAINTENANCE</b>	<b>£1,195,740</b>	<b>£1,220,000</b>	<b>£1,397,000</b>

<b>ESTATE IMPROVEMENTS</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Provision of estate works and paving	200,000	200,000	200,000
<b>TOTAL ESTATE IMPROVEMENTS</b>	<b>£200,000</b>	<b>£200,000</b>	<b>£200,000</b>

<b>TOTAL FORECAST MAINTENANCE EXPENDITURE</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>TOTAL EXPENDITURE</b>	<b>£6,895,740</b>	<b>£7,420,000</b>	<b>£7,777,000</b>

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## MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT

	Budget 2022/23 £'000	Forecast 2023/24 £'000	Forecast 2024/25 £'000
<b>INCOME</b>			
Dwelling Rents	-28,394	-29,246	-30,124
Dwelling Rents - Growth	-20	-137	-275
Non Dwelling Rents	-672	-692	-713
Charges for Services & Facilities	-732	-754	-777
Contributions towards Expenditure	-60	-60	-60
Interest Receivable	-58	-10	-10
Sales Administration Recharge	-33	-33	-33
Shared Amenities Contribution	-256	-256	-256
<b>TOTAL INCOME</b>	<b>-30,225</b>	<b>-31,188</b>	<b>-32,247</b>
<b>EXPENDITURE</b>			
Repairs & Maintenance			
Cyclical Maintenance	1,196	1,220	1,397
Reactive Maintenance	3,648	3,721	3,795
Supervision & Management			
General Management	6,209	6,133	6,256
Special Services	1,377	1,405	1,433
Homeless Assistance	91	93	95
Rents, Rates, Taxes and Other Charges	81	83	84
Provision for Bad Debt	150	150	150
Capital Financing Costs - External Legacy	8,179	8,097	8,016
Capital Financing Costs - External New	142	940	1,581
Capital Financing Costs - Internal	232	306	306
<b>TOTAL EXPENDITURE</b>	<b>21,305</b>	<b>22,147</b>	<b>23,114</b>
<b>HRA OPERATING SURPLUS(-)</b>	<b>-8,920</b>	<b>-9,041</b>	<b>-9,133</b>
Contribution to Capital - supporting Housing Strategy	9,120	9,041	9,133
<b>HRA Total Annual Surplus(-) / Deficit</b>	<b>200</b>	<b>0</b>	<b>0</b>
Use of Reserves for Major Projects	-200	0	0
<b>HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE FUNDED CAPITAL PROGRAMME</b>			
Major Repairs	5,500	6,000	6,180
Disabled Facilities Grants	1,000	1,000	1,000
Estate Improvements	200	200	200
	<b>6,700</b>	<b>7,200</b>	<b>7,380</b>

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CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

PUBLIC SECTOR HOUSING CAPITAL PROGRAMME

		PROJECT REQUIREMENTS £			2022/23 PROJECT FINANCING £				
		2022/23	2023/24	2024/25	Grants & Conts.	Cap Receipts / DC's	Internal/External Borrowing	HRA	HRA Reserves
Fire Risk Assessment Works	HRA	3,000,000	2,000,000	500,000			3,000,000		
Major Structural Refurbishments	HRA	1,000,000	1,000,000	0			1,000,000		
HRA - Major Repairs	HRA	5,500,000	6,000,000	6,180,000				5,500,000	
Estate Improvements	HRA	200,000	200,000	200,000				200,000	
Council Dwellings - Strategy Delivery	HRA	14,200,000	15,200,000	15,200,000	1,950,000	2,000,000	5,680,000	2,420,000	2,150,000
Disabled Facilities Grants	HRA	1,000,000	1,000,000	1,000,000				1,000,000	
		<b>24,900,000</b>	<b>25,400,000</b>	<b>23,080,000</b>	<b>1,950,000</b>	<b>2,000,000</b>	<b>9,680,000</b>	<b>9,120,000</b>	<b>2,150,000</b>
									<b>24,900,000</b>

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CABINET – 16 FEBRUARY 2022

PORTFOLIO: FINANCE, INVESTMENT  
AND CORPORATE SERVICES / ALL

## MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2022/23

### 1. Recommendations

- 1.1 Cabinet is asked to recommend to Council that:
  - 1.1.1 there is a General Fund Net Budget Requirement in 2022/23 of £20,674,420, as set out in appendices 5a - d to this report;
  - 1.1.2 the budget is set in accordance with the fees and charges as agreed by the Portfolio Holders and published in the lead up to the final budget approval and adoption;
  - 1.1.3 the New Forest District Council Band D Council Tax for 2022/23 shall be £188.36;
  - 1.1.4 the General Fund Capital Programme for 2022/23 of £17.174m, as set out in appendix 6 to this report be approved;
  - 1.1.5 the Section 151 officer and Chief Executive, working in consultation with the Leader and appropriate Portfolio Holder (depending on the nature of the item), have delegated approval to allocate budget from the 'Corporate Plan Delivery' funds made available within this budget to Services to achieve the objectives as laid out within this report; and
  - 1.1.6 the site licence fees and service charges at Stillwater Park be increased by 4.9% in line with RPI inflation.

### 2. Purpose of Report

- 2.1 To consider the development of the Medium Term Financial Plan, set the General Fund revenue and capital budgets for 2022/23 and set the level of Band D Council Tax.

### 3. Background

- 3.1 On 1 September 2021 and 1 December 2021 the Cabinet considered a number of issues through the established Medium Term Financial Plan reporting that would affect the annual budget for 2022/23. The budget process has been more typical this year, although there are still implications of the Coronavirus Pandemic that are addressed over the medium term period.
- 3.2 The figures as included in the September and December MTFP reports were based on latest information available at that time, before the provisional local government finance settlement had been released and before various new funding measures had been announced as part of the Government's pledge to support Local Government from the ongoing financial issues facing the sector as a whole. **The financial assumptions in this paper are based on the provisional finance settlement for 2022/23.**

- 3.3 The Medium Term position to 2025/26 forecasts a budget deficit of £1.895m. The MTFP includes options to close the gap, including the ongoing crystallisation of new income, and the delivery of savings and efficiencies in order to enable investment in services and priorities and protect frontline service delivery to the Community. A specific senior management group will focus on the Council-wide approach to opportunity and efficiencies across assets, services and our way of working. This stronger framework will ensure the Council remains well placed to invest in services and continue to deliver a balanced budget over the Medium Term Period.
- 3.4 In accordance with the Council's financial strategy this report sets out the final proposals for:
- The General Fund Net Budget Requirement for 2022/23
  - A level of Council Tax for 2022/23
  - The Medium Term Financial Plan to 2025/26
  - The General Fund Capital Programme for 2022/23
- 3.5 The Chancellor's November '21 budget statement included headline additional Local Government support of £4.8bn over a 3 year period. Overall Core Spending Power will increase by £8.5bn over the 3 year period, but this includes specific social care reform (no direct impact to this Council) and Council Tax increases. Despite 3 year funding announcements, a 1 year settlement was produced in December 2021.
- 3.6 The Levelling up White Paper, released on the 2<sup>nd</sup> February, makes it even more likely that ministers will be restarting the local government funding reforms in Spring of 2022. This means that the Fair Funding review and so Business Rate Reset will be under consideration again, with the potential to impact on 2023/24. The Council has protected itself against any immediate financial challenge that might come about as a result, through the inception and accumulation of a Budget Equalisation Reserve. It is business rate growth of c£2m as included within the Council's MTFP each year until the start of 2025/26 that is most at risk in any revised finance settlement formulae. Transitional funding is expected, but quantum and longevity are yet to be determined.
- 3.7 The Bank of England increased interest rates in December 2021, the first rise since March 2020. This isn't necessarily surprising considering CPI inflation reached 5.1% in November. Consumers, including the Council, are seeing the price of every day goods increase, and this is especially prominent in utilities, in part driven by an increase in global demand on the wholesale market. This important context is not forgotten when balancing the needs of the Council to cover its own expenditure pressures to deliver services to residents, and the proposed levels of Council Tax.

## **4. Financial Strategy**

- 4.1 The Council's financial strategy for 2022/23 includes:
- The setting aside of additional financial resources to facilitate the delivery of key Corporate Plan objectives
  - The establishment of a senior management group to ensure delivery of projects, efficiencies, income and savings to protect the delivery of frontline services provided to the Community
  - The maximisation of income, including reviews of fees and charges
  - Supporting investment in infrastructure and services through the prudent use of its reserves

- Sufficient and appropriate level of reserves are available during the period of the Medium Term Financial Plan to safeguard frontline services; and
- An understanding of balancing the needs of service users and council taxpayers.

The budget for 2022/23 is set out in line with this strategy.

- 4.2 In order to address the forecast deficit to 2025/26, the Council's financial strategy over the medium term period extends to:
- A broad Council-wide focus on delivery and transformation to identify and deliver a programmed approach to assets, services and ways of working
  - Continuation of partnering and collaboration with others to transform service delivery
  - The release of accrued short-term reserve balances to assist in the damping of the Fair Funding Review (and impact this has specifically to retained business rates) as necessary
  - The utilisation of reserve balances (and when necessary external borrowing) to invest in assets and assist in supporting a vibrant and robust New Forest Economy, whilst targeting valuable additional income
  - Ensuring strategies developed through the corporate framework appropriately feed into the Council's financial strategy; and
  - Invest in a Cleaner Greener approach to financial planning and spending.

## 5. Medium Term Financial Plan – General Fund Budget 2022/23

- 5.1 The December MTFP set out a forecast deficit position of £512,000 for 2022/23. Thanks to the ongoing delivery of savings and additional income being brought into the Council, coupled with a positive financial settlement for 2022/23, the Council is well placed to be able to invest in additional resources to deliver on its key priorities, as outlined within the updated 2021 Corporate Plan. As a result of the finance settlement for 2022/23, the Council is set to receive an additional £639,000 in 22/23 compared to earlier forecasts. Business rate retention forecasts have also been updated and have resulted in the ability for the Council to set aside £300,000 to support the Council in its ambition to remain an employer of choice through a review in local pay and conditions. The updated resource summary and budget requirements (both totalling £21.041m for 2022/23) are provided as appendix 1 and 2.
- 5.2 Typically, the backdrop of the Council's annual budget process has been in the context of available funding, including Council Tax increases, still failing to meet the additional service costs, let alone enabling a surplus for investment in enhanced activity and delivery. Within this Medium Term Financial Plan, the Council can afford to embed additional budgetary provision of £250,000 per annum over the period to 2025/26, with a supplementary additional £200,000 in 2022/23. This additional financial resource will enable the Council to deliver more, and is proposed to be targeted in the following priority areas;
- **Sustainability;** to deliver the Council's green infrastructure projects and initiatives additional resources, including new personnel to lead and manage the programme are needed to accelerate delivery
  - **Regeneration;** across the district, with a focus on the Waterside and Town Centres (initially Totton). This will require new personnel to lead and manage, including vital engagement with the communities, businesses and landowners

The funding will also look to extend to the additional following priority areas, including, but not limited to;

- **Local Employment & Economic Growth**; across the district with a focus on the creation of new job opportunities and upskilling
- **Housing Delivery**; across the District, working with key stakeholders to improve the availability of new housing
- **Waste Strategy**; to deliver a modern waste and recycling collection service with continued effective resident engagement throughout and an efficient roll out.
- **Customer and Employee Insight**; gathering an in-depth understanding of the needs of the New Forest community and the needs of our workforce.

5.3 It is proposed that the Council's Executive Management Team will support Cabinet and Portfolio Holders to prioritise projects in line with the Corporate Plan. The Council's Chief Executive and Section 151 Officer will then work in consultation with the Leader and appropriate Portfolio Holder in allocating specific funds from the amounts made available within this budget.

5.4 The pension fund was in a fully funded position at the time of the 2019 triennial valuation. This valuation set the contribution rates for 2020/21 – 2022/23, and so the Council will not be required to make an annual deficit payment to the fund in 2022/23. Recognising that the fund can fluctuate significantly in each triennial valuation, the Council is not removing this financial commitment from its budget, but instead, will make a (£1.25M) contribution towards financing the 2022/23 Capital Programme. This position will be reviewed for future years when the 2022 triennial valuation is concluded.

5.5 Material changes (greater than £50k, or worthy of note) that have been made within the budgets in comparison to 2021/22 include;

Pay & Price Increases - £1.345m to 22/23

- Costs due to Pay Award (including 2021/22 pay award not originally anticipated) and incremental progression have totalled £940k.
- £300k is included within the 2022/23 budget to provide funding for a review of local pay and conditions (with proposals reportable through the HR Committee and Council).
- Inflation, predominately in utilities and contracts has been budgeted at £105k to 2022/23.

Budget Adjustments relating to one-off items - £122,000 to 22/23

- The period covered by this MTFP assumes that a number of posts withheld as part of the COVID-19 emergency budget response will require re-instating (£100,000).
- A reduction in Grant Funding coupled with increased costs results in an increase to the Homelessness budget of £165,000 in 2022/23. It is expected that these cost increases will largely be reversed in 2023/24.
- A rent review is underway at Dibden Golf Centre and will likely result in the Council realising less of a financial surplus per annum than previously budgeted.
- A member working group recommended to increase the Councillor grants from £600 per Councillor to £1,000 per Councillor in 2022/23 to support specific events aligned to the Queens Jubilee (£24,000).
- The adopted local plan will result in fluctuating demands on planning resourcing and income over the period covered by this MTFP.

- Cumulative minor budget changes identified throughout the detailed budget preparation process have yielded net savings of £147,000 to 22/23.

#### Ongoing Savings and Income Generation - £1.086m improvement to 22/23

- **Delivery Model Reviews**
  - The revised delivery model of the Council's 5 Health & Leisure Centres has enabled a reduction in costs of £430k to 2022/23.
  - The boundary review scheduled to take effect from 2023/24 is expected to yield savings in the region of £80,000 per annum.
- **Efficiency Programme**
  - Reviews have been concluded crystallising savings of £224,000 (Exec Mgmt Team, Operations Mgmt, Enforcement and Secretarial Teams).
- **Strategy Delivery**
  - Net additional Investment Property Income of £278,000 has been added to the budget for 2022/23 reflecting the additional income earned from investments made in 2021/22.
- **Payback Projects**
  - Payback projects result in additional income / savings totalling £60,000 to 2022/23, and a further £150,000 in 2023/24.
- **Windfalls**
  - Removal of NNDR liability on Public Conveniences and Rent Reviews have yielded savings and additional income of £94,000 to 22/23 and beyond.

#### New Budget Requirements and alignment of budget to Priorities - £2.072m to 22/23

- **Investments in Service Delivery and Community Benefit**
  - Corporate Plan Delivery – ongoing; The budget for 2022/23 and MTFP through to 2025/26 gives the Council an exciting opportunity to invest in the delivery of key Corporate plan objectives.
  - Corporate Plan Delivery – one-off; The budget for 2022/23 gives the Council an exciting opportunity to invest in the delivery of key Corporate plan objectives, some of which need an immediate injection in the 2022/23 financial year, achievable through one-off funding.
  - Supporting Delivery of the Capital Programme – the General Fund is able to make a contribution towards capital project financing in 2022/23.
  - The current programme and emerging ICT Strategy for 22/23 and beyond requires funding to be set aside within the Council's financial planning (£625k per annum, with c£500k to the General Fund). The new strategy will be worked up in full and will be subject to Overview and Scrutiny and Cabinet ratification before any projects commence.
  - The 2021/22 budget removed the contribution from the General Fund to pay for the Public Convenience Refurbishment Programme. This has been reinstated to the 2022/23 budget (£300k).
  - The December MTFP confirmed that a £200,000 increase to the Asset Maintenance and Replacement programme was required to maintain Council assets and keep on track with a suitable cyclical replacement programme.
  - £100k of additional resource has been included within the proposed budget for 2022/23 to ensure delivery of a revised waste strategy.
  - As the Council continues to upgrade and modernise its suite of ICT applications, additional revenue funding is required to recognise the third-party hosing charges, as opposed to the cost of capital on-premise servers.

- The Community Grants process has identified grants totalling £85,600 for 2022/23 which will directly funded by the General Fund revenue budget.
- An additional £50k has been added to the Communication budget.
- Other items (individually less than £50k) as detailed in appendix 2 total £86k to 22/23.
- **New Budget Requirement**
  - As detailed in previous reporting, proposed changes by Hampshire County Council in income arrangements and contamination charges have the potential to impact this Council's budget in 2023/24 of up to £400k. Work is ongoing with the county council and district councils on a partnership agreement which will detail the new financial arrangements from 2023/4 onwards.

Covid-19 Recovery - £979,000 improvement to 22/23

- A partial return of pre-pandemic levels of Health & Leisure income has been assumed for 2022/23, resulting in a budget adjustment of £1.5M, with a full recovery to pre-covid levels expected by 2023/24. These forecasts are reflected within the contractual arrangements the Council has with Freedom Leisure.
- Parking levels are expected to continue to recover in 2022/23, with a full recovery to pre-covid levels expected by 2023/24.
- Interest earnings are expected to increase during 2022/23, reflecting a rise in the BoE base rate. The increase is assumed despite a forecast reduction in balances as balances are used to finance the Capital programme over the next 2/3 years.
- The one-off grants and new expenditures allowed for within the 2021/22 budget will be removed for 2022/23.

5.6 The report and appendices demonstrate that the Council is in a strong position to invest in its services and has planned for a significant level of new income and savings to help absorb the necessary cost increases and realignment of the budget to meet Corporate Plan priorities. However as outlined further in section 6 of this report, there is still work to be done over the period covered by this Medium Term Financial Plan to deliver on, and identify further options to support the production of a balanced budget to 2025/26.

5.7 **Planned use of and contributions to Reserves**

Appendix 5d outlines all movements in reserves actioned in the 2022/23 General Fund revenue budget setting. In summary, the original 2021/22 budget allowed for net transfers to reserves totalling £296,400. In 2022/23, planned net transfers from reserves total £37,800.

Section 9 of this report provides a commentary on the level of other useable reserves, over the period covered by this MTFP.

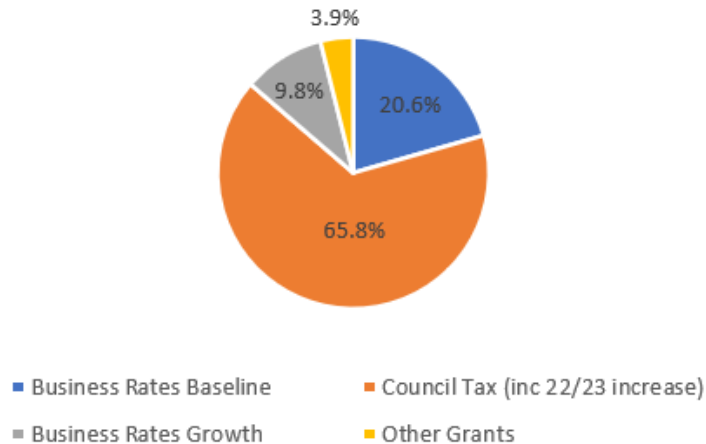
5.8 **Summary of Proposals and Council Tax for 2022/23**

5.8.1 The 2022/23 budget is set in the context of an ongoing pandemic. Estimates have been made on the impact into 2022/23 and over the Medium Term period. The Council's General Fund reserve is maintained at £3M to support any additional non-funded pressures that may arise, above the budget provisions allowed for.



5.8.2 The General Fund net budget requirement for 2022/23 will be £20.674m (appendix 5a & 5b), an increase of £1.383m on the 2021/22 budget requirement. The budget is funded predominantly through Council Tax and Business Rates, with further support coming via central government grants:

NFDC General Fund: Funding 2022/23



5.9.3 The proposed central support service business unit budgets have been provided at appendix 5c. Due to their nature, these costs end up across several Portfolios and so warrant separate inclusion as part of this budget setting report.

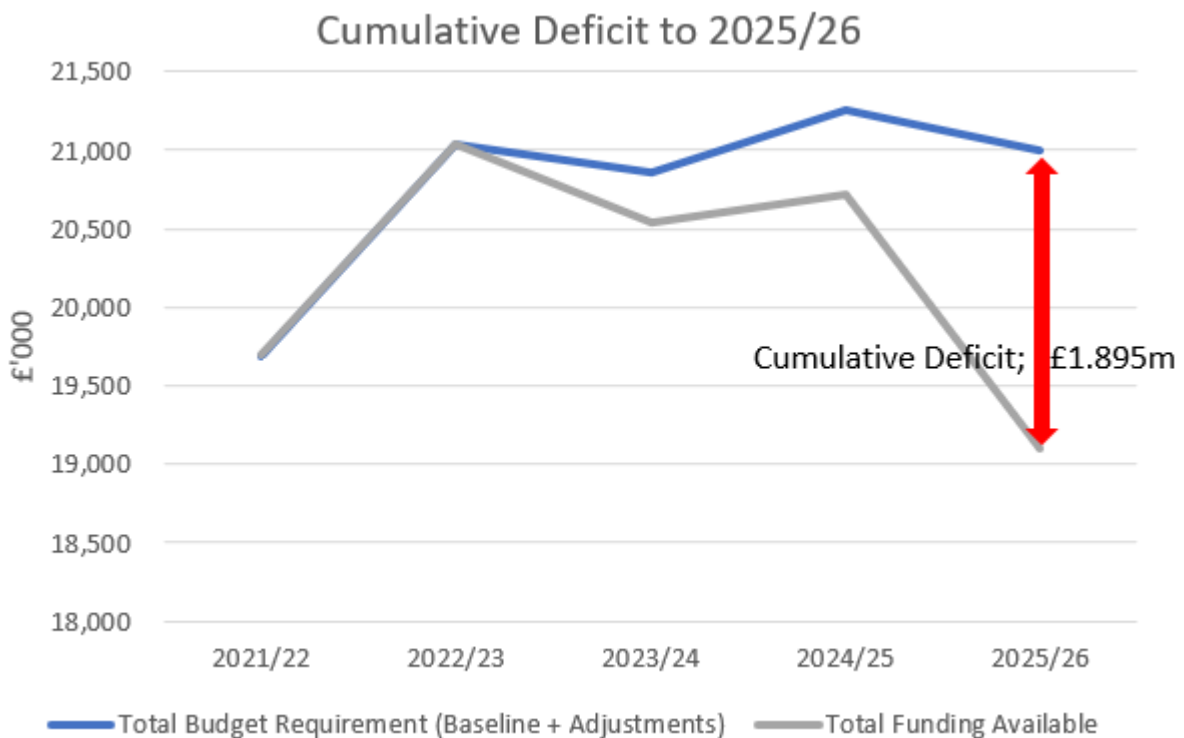
5.9.4 **The balanced budget for 2022/23 includes a proposed Band D Council Tax increase of £5 (2.7%) to £188.36 for the year. Out of the overall General Fund Net Budget Requirement in 2022/23 of £20,674,420, the overall cost to be met by council taxpayers will be £13,584,920.**

## 6. The Medium Term Position

6.1 A 1 year funding settlement has been made by the government leaving uncertainty over the medium term on the potential impact that the ongoing Fair Funding Review and the final design of the business rate retention scheme will have on individual local authorities. Both could have the ability to have a significant weighting on the availability of resources to fund Council services. The LGA and DCN continue to lobby the government on behalf of Local Government on a meaningful longer-term settlement to enable robust medium term financial planning.

6.2 In the years preceding 2022/23, the government made a clear move away from providing revenue budget support to lower tier authorities, towards a system where local authorities rely on local taxation paying for the local services provided. The 2022/23 settlement introduces some new additional funding to Local government, including this Council, but is only in the context of a 1 year settlement. The Council's reliance on Business Rates as a key funding source continues to be extremely prominent. The Medium Term Financial Plan assumes a significant proportion of the Council's funding is receivable through Business Rate income. Officers of the Council will await any government proposals with regards to changes to the current 50% retention scheme, and any other more fundamental changes to this form of taxation with interest.

- 6.3 The Medium Term summaries set out over appendices 1, 2 and 3 provide an outlook of the future years' budgets and are set out on a prudent basis using the latest known information. Over the period covered by this plan, the delivery of the strategic sites as identified in the adopted Local Plan and the potential for Freeport status within the District both have the potential to offer significant financial opportunities to the New Forest.
- 6.4 The Council will continue to work towards the financial strategy as set out in section 4 of this report to ensure the longer-term financial stability of the Council. The current Medium Term Financial Plan deficit to 2025/26 (appendix 2) of £1.895m will be closed dependant on the;
- successful implementation of the commercial and residential property strategies to bring valuable new sources of additional income into the Council,
  - Council-wide focus on delivery and transformation to identify and deliver a programmed approach to assets, services and ways of working,
  - Council's ability to maximise its revenues through local taxation; and
  - prudent use of budget equalisation reserves



- 6.5 The ongoing work on the development of the Council's new **Waste Strategy** in line with government requirements and the National Strategy has the potential to have a significant bearing on the cost of delivery of the waste and recycling service over the Medium Term. It is assumed that increased costs of delivery, which could be upwards of £1.5m per annum, will be supported with new burdens / transition grant by the government, as well as income to be received through the Extended Producer Responsibility Scheme, but the quantum and funding period is yet to be determined. As works continues on the development of the strategy, the Council is likely to face options in terms of the delivery timeline, and the risk of progressing ahead of new burdens financing being finalised. This will necessitate a review of the Medium Term Financial Plan. More detail will be made available in the emerging Waste Strategy itself.

- 6.6 The project to designate the **Solent Freeport** is progressing, and will have specific financial implications to the Council at varying stages. It is anticipated that additional costs of rate collection and planning input will be receivable as admin costs from the retained business rate pool. Over the 25 year life of the Freeport designation, the potential additional funding available for the delivery of regeneration, innovation and infrastructure that would otherwise have failed to receive the required levels of funding, has the potential to be significant. More detail will be made available within the timetabled Freeport key decision report.

## **7. Pay & Reward**

- 7.1 The working assumption in this Medium Term Financial Plan is that annual pay award of 2% will be applied to each financial year 2022/23 – 2025/26. The Council is well placed to respond to additional pay inflationary pressures, should it need to through the General and Budget Equalisation reserves. The Employee Side Liaison Panel will keep abreast of developments on the 2021/22 pay bargaining negotiations as they progress into 2022 (headline increase is 1.75% at present).
- 7.2 The Council has set aside £300k within the 2022/23 budget to provide funding for a review of local pay and conditions (with proposals reportable through the HR Committee and Council). This financial commitment demonstrates the Council's understanding that appropriate pay and remuneration are key to the achievement of service delivery standards that the Council strives to achieve.

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

- 8.1 The Council's proposed General Fund Capital Programme for 2022/23 totals £17.174m. This is £500,000 more than the proposed Capital Programme Budget presented to the Cabinet on the 2<sup>nd</sup> February. The additional £500,000 has been proposed within the Capital Programme to enable the Council to make further Capital investment in improved sustainability.
- 8.2 The detail at project level and the proposed financing for the 2022/23 programme is detailed in appendix 6. The overall Capital Programme budget will be further supplemented (via 2022/23 Financial Monitoring) with £2.1m of rephasing from 2021/22, as included within the 2<sup>nd</sup> February Financial Monitoring Report.
- 8.3 The Capital programme includes the New Depot project. This project was initially included within previously approved capital programmes with a caveat that design and feasibility could proceed, but delivery would require further approval from Cabinet and where necessary Full Council. This is still the case as the budget for 2022/23 is prepared.
- 8.4 The profiling of expenditure on the delivery of the Crow Lane industrial park development project has also been updated, with the substantive part of the project spend expected to take effect in 2022/23.
- 8.5 Other key elements of the Council's Capital Programme are the Commercial and Residential Property Acquisition and Development Funds. These are not shown in the programme at appendix 6 because of the uncertainty around when funds will be required. The Council has established governance arrangements in place for the approval of

funds, with each potential Commercial purchase demonstrating a strong link to supporting employment and the Economy within the District. The in-year financial reporting and updates to the Corporate Overview and Scrutiny Panel provide members with valuable updates on activity in this area.

- 8.6 The proposed budget for 2022/23 includes two additional posts to improve on the timely delivery of Recreational Mitigation Projects. Other parts of Recreational Mitigation Strategy including behaviour change initiatives, monitoring and survey work will also be picked up by this additional resource, funded by CIL / Habitat contributions.
- 8.7 A range of Prudential Indicators need to be approved prior to the start of each financial year. The Council's Capital Strategy presented to the Cabinet on 2<sup>nd</sup> February 2022 included the key capital Indicators. The Treasury Management function and Investment Strategy for 2022/23 to 2024/25 were considered by the Audit Committee on 28 January 2022 and have been recommended to the Council for approval.

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

- 9.1 There are a range of safeguards in place to help prevent local authorities overcommitting themselves financially. These include the Chief Finance Officer's duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement (England and Wales).
- 9.2 The 2022/23 budget has been constructed based on all latest information and considers all factors that will have an implication to 2022/23 that are in the Council's control. Budget variations in relation to the ongoing pandemic have been considered and included within the budget where appropriate. Income projections are sensible and not overinflated, inflation is allowed for where it is expected to occur, and the full cost of the Council's staffing establishment is based on latest pay assumptions and is calculated in an appropriate level of detail. Senior Management across the Council engage with the Council's central finance team on the preparation of the detailed budgets, and only budgets that have the backing of senior management make it through to this budget setting report for consideration by members of the Cabinet.
- 9.3 In setting the General Fund Revenue Budget for 2022/23, the Council is contributing to capital reserves to support the financing of the capital programme. The overall reserve transfers are clearly laid out in appendix 5d and are for specific purposes. Appendix 6 details the value of reserves to be utilised in financing the General Fund Capital Programme in 2022/23. The Council's Capital Strategy (Cabinet 1-Feb-2022) takes this further to combine the General Fund and Housing Revenue Account Capital Programmes and details how reserves will be utilised in financing the delivery of these forecast programmes over the medium-term period. Use of reserves is supplemented where appropriate with borrowing, and an assessment is made on the affordability and proportionality of financing charges to the revenue budget.
- 9.4 The General Fund Balance reserve at £3m is considered to be adequate for 2022/23 considering the overall size of the Council's budget and in the backdrop of the pandemic. This reserve balance will be reviewed during 2022/23 to take into account the Leisure delivery model adjustment, as well as any other significant delivery models that change resulting in a shift in retained risk to the Council. Variations in actual performance as compared to budget assumptions are inevitable in an organisation with a turnover as

large as the Council's, especially when also considering the diverse range and complexities of services and differing levels of demand on those services throughout a fiscal period. Reserves exist, in particular the General Fund Balance reserve, to provide a cushion for these variations.

- 9.5 The Council's Chief Finance Officer is satisfied on the robustness of the estimates as included in the budget for 2022/23 and MTFP to 2025/26 and is able to provide assurance on the adequacy of reserves held by the Council.

## 10. Stillwater Park

- 10.1 Annually, the Cabinet recommends to Council the proposed Fees and Charges increase for the licence fees and service charges at Stillwater Park.
- 10.2 In line with previous years, the level of increase being proposed is in line with September RPI inflation, equivalent to 4.9%.

## 11. Fees and Charges

- 11.1 Council Policy is to maximise income from fees and charges, and to ensure that charges are kept under review taking account of inflation and competition (where applicable).
- 11.2 Portfolio Holders have reviewed and set their fees and charges levels across several services for 2022/23. These have been published via Portfolio Holder Decision notices.
- 11.3 The published Fees and Charges reviews of note are:

<b>Service Area</b>	<b>Review Information</b>	<b>Link to Notice</b>
Waste & Recycling	Refuse Sacks, Garden Waste and Special Collections –inflationary increases	<a href="#">Decision - 2022-23 Fees and Charges – Waste and Recycling</a>
Beach Huts	c10% increase on site fees	<a href="#">Decision - 2022/23 Fees &amp; Charges – Beach Hut Licence Fees</a>
Keyhaven River	Fees frozen at 2021 prices	<a href="#">Decision - 2022 Fees &amp; Charges – Keyhaven River</a>
Car Parking - Clocks - Meters Town Centres - Meters Amenities	New prices for 2022 Prices frozen at 2018 levels Prices frozen at 2021 levels	<a href="#">Decision - CAR PARKING FEES AND CHARGES 2022 AND PARKING ARRANGEMENTS FOR CHRISTMAS 2021 IN SUPPORT OF LOCAL BUSINESSES</a>

## **12. Risk Management**

- 12.1 The budget for 2022/23 is based upon best estimates, but uncertainty still remains over the medium term, particularly surrounding the pandemic recovery, the potential re-design of the Business Rate retention scheme (in replacement of all other central funding) and the continuing uncertain economic climate. There have been strong suggestions that the Fair Funding review will commence during 2022 which has the potential to impact on the Council's finances over the Medium to long term. It is vitally important that the Council continues with its prudent financial planning and continues to deliver the required savings/new income over the medium term period.
- 12.2 The Council provides regular financial monitoring reports, providing valuable updates on the latest forecasts as against original expectations and has £3m in the General Fund Reserve, available to support service delivery budgets. The Council also has a Budget Equalisation Reserve, which exists to smooth out annual fluctuations in Council funding. Within this context, the budget as now presented to Cabinet is considered to be robust and deliverable.

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

- 13.1 Over the Medium term, as the Council continually strives to provide quality services at maximum value for money, any potential Crime and Disorder AND Equality and Diversity implications will be covered as and when key decisions are made.

## **14. Environmental Implications**

- 14.1 The Council's vision to become a more sustainable authority will gather momentum in 2022/23. This is evidenced through the publication of the proposed Climate and Nature emergency action plan, covered elsewhere on the agenda. It is envisaged that the additional budget allowed for within this report will enable the Council to deliver on that action plan, and invest in carbon reduction projects and green initiatives. As the Council moves forwards with its climate action plan and longer-term strategy, the Medium Term Financial Plan will be reviewed and further reports brought forward as required.
- 14.2 Investment in the Smarter Working programme, and more lately the roll out of the Hybrid Working policy has helped to reduce travelling time for officers across several departments of the Council and has improved the efficiency of a large proportion of office space. The Asset Maintenance and Replacement Programme will see energy efficient lighting installed in more areas of Council buildings and will replace older less economic vehicles with the latest and most up to date models.

## 15. Portfolio Holder Comments

- 15.1 The medium term financial plan sets out the Council's forecast for the period up to 2025/26 and continues to show a deficit of £1.895m although I remain confident that this will be addressed over the period.

Against that backdrop the Government settlement for 2022/23, whilst ensuring that we can continue to meet today's financial pressures, is again a single year settlement adding to the longer term uncertainty and we are further restricted by the government cap limiting our ability to profile council tax in line with changing requirements.

Within the MTFP we detail the positive financial returns associated with our commercial strategy and it is worth mentioning that, when setting out this policy we believed the overriding principles should look to foster economic activity within the district and it is pleasing to see that we continue to deliver on that ideal with a diverse range of investments.

### For Further Information Please Contact:

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### Background Papers:

MTFP – Sept '21  
MTFP – Dec '21  
Financial Monitoring – Nov '21  
Financial Monitoring – Feb '22  
Asset Maint. & Repl. – Feb '22  
Capital Strategy.– Feb '22

## MEDIUM TERM FINANCIAL PLAN 2021 - 2025

## SUMMARY OF RESOURCES

## FUNDING

	2021/22	2022/23	2023/24	2024/25	2025/26
Original					
Budget	Forecast	Forecast	Forecast	Forecast	Forecast
£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Business Rates Baseline	3,997	3,997	4,077	4,159	4,242
Business Rates Baseline Indexing Compensation	208	328	328	328	328
- Business Rates Tariff Adjustment					
- Business Rates Retained Surplus	1,926	1,858	2,200	2,200	
- Business Rates Collection Fund Deficit(-) / Surplus	-424	199			
Transition Grant / Business Rate Redistribution					400
New Homes Bonus	276	366			
Local Council Tax Reduction Grant	209				
Lower Tier Services Grant (originally one-off to 21/22)	170	179			
Services Grant (one-off 22/23)		276			
Irrecoverable Tax Loss Compensation	44				
Contribution to (-) / From Budget Equilisation Reserve	138				
<b>Total Government Determined Resources</b>	<b>6,544</b>	<b>7,203</b>	<b>6,605</b>	<b>6,687</b>	<b>4,970</b>
Council Tax					
Base from Previous Year	12,969	13,023	13,838	13,937	14,037
- Council Tax Collection Fund Deficit(-) / Surplus	-312	348			
Tax Base Adjustment (Additional Properties)	8	107	99	100	100
Agreed Increase	358	360			
<b>Total Council Tax</b>	<b>13,023</b>	<b>13,838</b>	<b>13,937</b>	<b>14,037</b>	<b>14,137</b>
<b>TOTAL FUNDING</b>	<b>19,567</b>	<b>21,041</b>	<b>20,542</b>	<b>20,724</b>	<b>19,107</b>
Cumulative Change from Original 2021/22		1,474	975	1,157	-460
%age change		8%	5%	6%	-2%



## MEDIUM TERM FINANCIAL PLAN 2021 - 2025

## SUMMARY OF BUDGET REQUIREMENT

	2022/23	2023/24	2024/25	2024/25
	Forecast	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
<b>Baseline Funding 2021/22</b>	19,567	19,567	19,567	19,567
<b>Budget Requirement 2022/23 - 2024/25</b>				
<b>Pay &amp; Price Increases</b>				
Pay Award (2021/22 headline 1.75%)	300			
Pay Award (assumed 2%)	400	400	400	400
Increments	160	200	200	200
National Insurance Increase	180			
Reduced Pay Award and Increments - Leisure Delivery Review	-100	-100	-100	-100
Sum set aside for potential pay spine review	300			
Prices (Insurance, Utilities, Fuel & Maint.)	105	50	50	50
<b>Pay &amp; Price Increases</b>	<b>1,345</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Cumulative Pay &amp; Price Increases</b>	<b>1,345</b>	<b>1,895</b>	<b>2,445</b>	<b>2,995</b>
<b>Budget adjustments relating to one-off items</b>				
Reversal of Vacancy Management		100		
Homelessness Grant Reduction / Cost increase	165	-120		
Dibden Rent Review 22/23 - 26/27	80			
Reduction in Community Alarms Income	30	-10	-10	-10
Taxi Licence 5 yr cyclical income	29			
Increase to Councillor Grants - HM Platinum Jubilee	24	-24		
Air Monitoring Contract			37	-37
Milford Beach Shingle Recharge (3 yr budget top-up from 21/22)			-87	
Planning: Strategic Sites		-80	40	40
Removal of Fixed Term Post - Digital	-40			
Other net Adjustments	-166			
	122	-134	-20	-7
<b>Ongoing Savings and Income Generation</b>				
Delivery Model Review - Heealth & Leisure Centres	-430			
Delivery Model Review - Electoral Review of the District		-80		
Efficiency Programme - Executive Management Team	-121			
Efficiency Programme - Operations Mangement	-45			
Efficiency Programme - Enforcement Team	-38			
Efficiency Programme - Secretarial Review	-20			
Strategy Delivery - Commercial	-165			
Strategy Delivery - Residential	-113			
Payback - Keyhaven Moorings Improvements	-53			
Payback - Solar PV investment	-7			
Payback - Car Park Clock Scheme		-150		
Windfall - Removal of NNDR on Public Conveniences	-45			
Windfall - Rent Reviews (NFEC and Hythe Marina)	-49			
	-1,086	-230	0	0
<b>Cumulative effect of Adjustments and Savings</b>	<b>-964</b>	<b>-1,328</b>	<b>-1,348</b>	<b>-1,355</b>

## MEDIUM TERM FINANCIAL PLAN 2021 - 2025

## SUMMARY OF BUDGET REQUIREMENT

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

	2022/23	2023/24	2024/25	2024/25
	Forecast	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
Investment in Delivery of Corporate Plan Objectives; ongoing funding	250			
Investment in Delivery of Corporate Plan Objectives; one-off funding	200	-200		
Supporting Delivery of the Capital Programme	200			-200
Investment in ICT Strategy to 2024/25	500			-500
Investment in Public Convenience Refurbishment Programme	300			
Investment in Asset Maintenance and Replacement Programme	200			
Investment in Waste Strategy Delivery	100		-100	
Investment in Digital Services for Residents	100	-25	-25	
Investment in Community Grants	86	14		-100
Investment in Communications	50			
Investment in Fleet Mangement	28			
Investment in Data Governance	27			
Investment in Priority Places	22	-22		
Investment in Management of Asbestos	9			
HCC T19; Waste Collection		400		
	2,072	167	-125	-800
<b>COVID-19 Recovery</b>				
Health & Leisure Centre Income Recovery	-1,500	-500		
Planning Income Recovery	-25			
Parking Income Recovery	-80	-40		
Interest Earnings	-100			
Additional Expenditure as a result of Covid-19	-360			
COVID Support Grant 2021/22	786			
Sales, Fees and Charges Scheme Q1 2021/22	300			
	-979	-540	0	0
<b>Cumulative effect of New Requirements and COVID Recovery</b>	1,093	720	595	-205
<b>Total Budget Requirement (Baseline + Adjustments)</b>	21,041	20,854	21,259	21,002
<b>Total Funding Available (as above)</b>	21,041	20,542	20,724	19,107
<b>Estimated Cumulative Surplus / Shortfall (-)</b>	0	-312	-535	-1,895

## MEDIUM TERM FINANCIAL PLAN 2021 - 2025

## OPTIONS IDENTIFIED TO CLOSE BUDGET SHORTFALL

Commercial / Residential Property Investment 2022/23  
 Commercial / Residential Property Investment 2023/24  
**Cumulative Property Investment Income**

## Targeted Efficiency / Income Yield Programme

£5 Council Tax Increase 2022/23  
 £5 Council Tax Increase 2023/24  
 £5 Council Tax Increase 2024/25  
 £5 Council Tax Increase 2025/26  
**Cumulative Council Tax Increase**

## MTFP 24/25 Potential Impacts....

Potential: Business Rate Changes  
 Potential: Fair Funding Review  
 Potential: Waste Strategy  
 Potential: Triennial Pension Valuation 2022  
 Potential: Asset Review

## Total of the Options Identified

## Use of Equalisation Reserves (-) / Headroom (to support Capital) +

2022/23	2023/24	2024/25	2025/26
Forecast	Forecast	Forecast	Forecast
£'000's	£'000's	£'000's	£'000's
	120	120	120
		250	250
<b>0</b>	<b>120</b>	<b>370</b>	<b>370</b>
	126	376	626
	363	363	363
		366	366
			369
<b>0</b>	<b>363</b>	<b>729</b>	<b>1,098</b>
+/- ?	+/- ?	+/- ?	+/- ?
+/- ?	+/- ?	+/- ?	+/- ?
+/- ?	+/- ?	+/- ?	+/- ?
	+/- ?	+/- ?	+/- ?
+/- ?	+/- ?	+/- ?	+/- ?
<b>0</b>	<b>609</b>	<b>1,475</b>	<b>2,094</b>
<b>0</b>	<b>297</b>	<b>940</b>	<b>199</b>

## Reserves Supporting the MTFP

General Fund Balance  
 Budget Equilisation Reserve

3,000	3,000	3,000	3,000	3,000
2,837	2,837	2,837	2,837	2,837

## MEDIUM TERM FINANCIAL PLAN 2021-2025

	2021/22	2022/23	2023/24	2024/25
	£'000's	£'000's	£'000's	£'000's
<b>ASSET MAINTENANCE &amp; REPLACEMENT PROGRAMME</b>				
Asset Maintenance				
Health & Leisure Centres (including Equip)	500	550		
Offices, Depots & Outlying Buildings	112	118		
Stillwater Park	68			
CCTV Camera Replacement	38			
Public Conveniences	60			
Cemeteries		15		
Contingency		35		
	<b>778</b>	<b>718</b>	-	-
ICT Replacement Programme	100	100		
Vehicles and Plant (Depreciation / MRP)	1,125	1,312		
	<b>2,003</b>	<b>2,130</b>	-	-
Rephased Budget from previous year	- 68			
Less: Proportion rechargeable to Third Party Tenants	- 15			
Less: Proportion allocated to HRA	- 214	- 230		
<b>Total Revenue Programme</b>	<b>1,706</b>	<b>1,900</b>	<b>1,900</b>	<b>1,900</b>
<b>ICT INVESTMENT AND THIRD PARTY GRANTS</b>				
ICT Strategy	558	625	625	
Less: Proportion allocated to HRA	- 121	- 125		
	437	500	625	
Community Grants - 'One-off Construction'	80	85	100	100
<b>Total Business Development and Third Party Programme</b>	<b>517</b>	<b>585</b>	<b>725</b>	<b>100</b>

## MEDIUM TERM FINANCIAL PLAN 2021-2025

## GENERAL FUND BUDGET 2022/23

	2021/22	2022/23	2022/23	2022/23
	£'000's	£'000's	£'000's	£'000's
	Budget	Gross Expenditure	Income	Budget
<b>PORTFOLIO REQUIREMENTS</b>				
Business , Tourism and High Streets	296	299	-2	297
Environment and Coastal Services	3,588	10,438	-6,338	4,100
Finance, Investment and Corporate Services	2,614	40,877	-37,099	3,778
Housing and Homelessness Services	1,791	5,624	-3,599	2,025
Leader	435	499	-3	496
Partnering and Wellbeing	5,153	4,777	-1,764	3,013
People and Places	3,573	4,439	-726	3,713
Planning, Regeneration and Infrastructure	2,512	4,451	-1,755	2,696
	<b>19,962</b>	<b>71,404</b>	<b>-51,286</b>	<b>20,118</b>
Reversal of Depreciation	-1,526	0	-1,589	-1,589
Contribution to/(from) Earmarked Revenue Reserves	-815	204	-242	-38
Contribution to Reserves	1,250	0	0	0
<b>NET PORTFOLIO REQUIREMENTS</b>	<b>18,871</b>	<b>71,608</b>	<b>-53,117</b>	<b>18,491</b>
Minimum Revenue Provision	1,265	1,571	0	1,571
Contribution to Capital Programme Financing (RCCO)	0	1,750	0	1,750
Interest Earnings (Net)	-569	0	-772	-772
New Homes Bonus	-276	0	-366	-366
<b>GENERAL FUND NET BUDGET REQUIREMENTS</b>	<b>19,291</b>	<b>74,929</b>	<b>-54,255</b>	<b>20,674</b>
<b>COUNCIL TAX CALCULATION</b>				
Budget Requirement	19,291	74,929	-54,255	20,674
Less:				
Settlement Funding Assessment				
Lower Tier Services Grant	-170	0	-179	-179
Services Grant	0	0	-276	-276
Council Tax Reduction Support Grant	-209	0	0	0
Business Rates Baseline	-3,997	25,983	-29,980	-3,997
	<b>-4,376</b>	<b>25,983</b>	<b>-30,435</b>	<b>-4,452</b>
Locally Retained Business Rates	-2,134	1,495	-3,680	-2,185
Budget Equalisation Reserve	-138	0	0	0
Estimated Collection Fund (Surplus)/Deficit Business Rates	424	0	-199	-199
Estimated Collection Fund (Surplus)/Deficit Council Tax	94	0	-253	-253
Irrecoverable Tax Loss Grant	-44	0	0	0
<b>COUNCIL TAX</b>	<b>13,117</b>	<b>102,407</b>	<b>-88,822</b>	<b>13,585</b>
<b>TAX BASE NUMBER OF PROPERTIES</b>	<b>71,538.70</b>			<b>72,122.10</b>
<b>COUNCIL TAX PER BAND D PROPERTY</b>	<b>183.36</b>			<b>188.36</b>
<b>GENERAL FUND BALANCE 31 MARCH</b>	<b>3,000</b>			<b>3,000</b>

## MEDIUM TERM FINANCIAL PLAN 2021-2025

## ANALYSIS OF GROSS PORTFOLIO REQUIREMENTS

	Employees	Premises	Transport	Supplies and Services	Support Services	Capital Charge	Gross Expenditure	Income	Budget
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>2022/23</b>									
Business, Tourism and High Street	209	0	0	51	39	0	299	-2	297
Environment and Coastal Services	5,503	1,538	1,750	982	425	240	10,438	-6,338	4,100
Finance, Investment and Corporate Services	4,403	285	21	35,768	399	1	40,877	-37,099	3,778
Housing and Homelessness Services	1,922	274	0	3,063	365	0	5,624	-3,599	2,025
Leader	321	7	3	117	51	0	499	-3	496
Partnering and Wellbeing	2,591	800	0	875	480	31	4,777	-1,764	3,013
People and Places	2,440	630	447	646	194	82	4,439	-726	3,713
Planning, Regeneration and Infrastructure	3,515	0	0	270	666	0	4,451	-1,755	2,696
	<b>20,904</b>	<b>3,534</b>	<b>2,221</b>	<b>41,772</b>	<b>2,619</b>	<b>354</b>	<b>71,404</b>	<b>-51,286</b>	<b>20,118</b>
<b>2021/22</b>									
Business, Tourism and High Street	198	0	0	66	34	0	298	-2	296
Environment and Coastal Services	5,027	1,498	1,665	743	343	272	9,548	-5,960	3,588
Finance, Investment and Corporate Services	3,935	260	21	35,358	346	1	39,921	-37,307	2,614
Housing and Homelessness Services	1,868	334	0	2,720	303	0	5,225	-3,434	1,791
Leader	288	7	3	101	43	0	442	-7	435
Partnering and Wellbeing	7,197	2,186	1	1,395	765	35	11,579	-6,426	5,153
People and Places	2,286	702	427	627	162	82	4,286	-713	3,573
Planning, Regeneration and Infrastructure	3,335	0	0	241	571	0	4,147	-1,635	2,512
	<b>24,134</b>	<b>4,987</b>	<b>2,117</b>	<b>41,251</b>	<b>2,567</b>	<b>390</b>	<b>75,446</b>	<b>-55,484</b>	<b>19,962</b>

## MEDIUM TERM FINANCIAL PLAN 2021-2025

## CENTRAL SUPPORT SERVICE BUSINESS UNITS

	Employees	Premises	Transport	Supplies and Services	Support Services	Capital Charge	Gross Expenditure	External Income	Budget
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
<b>2022/23</b>									
Human Resources (704)	327	13	3	58	169	0	570	-34	536
Community & Business Improvement (713)	88	3	0	1	6	0	98	0	98
Communications (716)	225	8	0	7	19	0	259	0	259
Legal Services (742)	279	8	1	48	133	0	469	-1	468
Secretarial Services (724)	182	8	0	16	33	0	239	0	239
ICT (736)	1,232	39	6	82	141	0	1,500	-65	1,435
ICT Maint./Licences/Phones (738)	0	0	0	1,452	0	0	1,452	0	1,452
ICT Communications (740)	0	0	0	212	50	0	262	-23	239
The Design Room (734)	42	0	0	16	11	0	69	0	69
Customer Services (732)	244	13	1	4	60	0	322	0	322
Courier (722)	30	0	11	0	2	0	43	0	43
Information Offices (731)	290	65	2	79	14	0	450	-8	442
Support Services (762)	247	20	0	23	37	0	327	0	327
Transactional Finance (766)	100	10	0	21	23	0	154	-2	152
Accountancy (780)	445	10	1	11	143	0	610	-25	585
Internal Health and Safety (822)	200	4	2	17	14	0	237	0	237
Hsg Maint - Shared Support Hub	524	46	2	11	81	0	664	0	664
Hsg Maint - Operations Management	510	49	39	11	45	0	654	0	654
Site Officers (960)	113	11	0	1	24	0	149	0	149
Central Procurement (964)	213	5	1	13	44	0	276	-1	275
Valuers (970)	289	6	3	20	55	0	373	-80	293
Property Services (976)	211	8	3	4	67	0	293	0	293
Building Cleaning - Offices	76	0	0	2	19	0	97	0	97
	<b>5,867</b>	<b>326</b>	<b>75</b>	<b>2,109</b>	<b>1,190</b>	<b>0</b>	<b>9,567</b>	<b>-239</b>	<b>9,328</b>

## MEDIUM TERM FINANCIAL PLAN 2021-2025

GENERAL FUND REVENUE BUDGET -  
MOVEMENT IN RESERVES

	Contribution From(-) / To Reserves in 2021/22	Reserve Transfers not required / possible in 2022/23	Contribution From(-) / To Reserves for 2022/23	Use of (-) / Contributions to reserves in 2022/23
	£'000's	£'000's	£'000's	£'000's
<b>Contribution from Reserves</b>				
Asset Maintenance Project Rephasing	-68	68		0
Community Housing Fund	-44		-1	-45
Open space Maintenance	-56			-56
Lymington STP	-172	172		0
ICT Strategy 18-22 (GF proportion)	-437	437		0
Community Grants	-80	80		0
Use of COMF for Env. Health Post			-49	-49
Arts Council Grant Received in advance			-15	-15
Rough Sleepers Grant	-77			-77
	-934	757	-65	-242
<b>Contribution to Reserves</b>				
District Council Elections	44			44
Rough Sleepers Grant	75			75
Lymington STP			20	20
Coastal Protection (b/fwd to 20/21)			65	65
	119	0	85	204
<b>Budget Equilisation Reserves</b>				
Budget Stabilisation	-138	138		0
Pension Adjustment 2019 Valuation	1,250	-1,250		0
	1,112	-1,112	0	0
<b>Total Contribution from (-) / to reserves</b>	<b>297</b>	<b>-355</b>	<b>20</b>	<b>-38</b>



MEDIUM TERM FINANCIAL PLAN 2021-2025

CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

	Portfolio	PROJECT REQUIREMENTS £				ORIGINAL 2022/23 PROJECT FINANCING £			
		2021/22 £ Budget Revised	2022/23	2023/24	2024/25	NFDC Resources / Loan	Better Care Fund	Grant	DC / CIL
Sustainability Fund	LEADER / ALL		500,000			500,000			
Disabled Facilities Grants	HOU (GF)	1,200,000	1,200,000	1,200,000	1,200,000		1,200,000		
Strategic Regional Coastal Monitoring (22-27)	ENV & COAST	2,118,000	1,978,000	1,783,000	1,811,000			1,978,000	
Strategic Regional Coastal Monitoring (18-21)	ENV & COAST	399,000							
Strategic Regional Coastal Monitoring (12-17)	ENV & COAST	291,000							
Barton Drainage Test (19-21)	ENV & COAST	200,000							
Barton Horizontal Directional Drilling Trials	ENV & COAST		225,000	50,000		25,000		200,000	
Emergency Works - Milford Sea Wall	ENV & COAST	15,000							
Milford Promenade Handrail	ENV & COAST		115,000			115,000			
Milford Beach and Cliff Study	ENV & COAST			300,000					
Milford Beach Scheme plus BMP	ENV & COAST				100,000				
Hurst Spit Beach Shingle Source Study	ENV & COAST		100,000	50,000				100,000	
Public Convenience Modernisation Programme	PEOPLE & PL	30,000	300,000	300,000	300,000	300,000			
Public Convenience Refurb Scheme - Lym Quay Enhancem	PEOPLE & PL	198,000							
Health & Leisure Centres	PART & WELL	2,400,000							
New Depot Site: Hardley	F,I & CS	100,000	4,000,000	1,900,000	100,000	4,000,000			
New Depot Site: West	F,I & CS	100,000							
V&P; Replacement Programme	F,I & CS	3,145,000	3,081,000	1,755,000	1,148,000	3,081,000			
Smarter Working; Future Delivery	F,I & CS	250,000							
Economic Sustainability & Regeneration Projects	F,I & CS								
- Crow Lane Ringwood	F,I & CS	3,200,000	4,995,000	250,000		4,995,000			
Commercial Acquisitions	F,I & CS	3,270,000							
Residential Acquisitions	F,I & CS	204,000							
Open Space Schemes	P&I	88,000							
Mitigation Schemes	P&I	70,000	680,000	420,000	100,000				680,000
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>		<b>17,278,000</b>	<b>17,174,000</b>	<b>8,008,000</b>	<b>4,759,000</b>	<b>13,016,000</b>	<b>1,200,000</b>	<b>2,278,000</b>	<b>680,000</b>
									<b>17,174,000</b>
<b>LOAN FINANCED</b>					<b>V&amp;P</b>	<b>-3,081,000</b>			
					<b>80% of Economic Regeneration</b>	<b>-3,996,000</b>			
<b>RESIDUAL NFDC RESOURCES</b>						<b>5,939,000</b>			

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