

**15 FEBRUARY 2023**

**NEW FOREST DISTRICT COUNCIL**

**CABINET**

Minutes of a meeting of the Cabinet held on Wednesday, 15 February 2023

\* Cllr Jill Cleary (Chairman)

\* Cllr Diane Andrews (Vice-Chairman)

**Councillors:**

\* Geoffrey Blunden  
\* Steve Davies  
\* Michael Harris

**Councillors:**

\* Edward Heron  
\* Jeremy Heron  
\* David Russell

\*Present

**In attendance:**

**Councillors:**

Alan Alvey  
Ann Bellows  
Keith Craze  
Philip Dowd  
David Hawkins  
Alexis McEvoy

**Councillors:**

Joe Reilly  
Steve Rippon-Swaine  
Derek Tipp  
Malcolm Wade  
Christine Ward

**Officers Attending:**

Kate Ryan, Alan Bethune, Sara Hamilton, Richard Knott, Grainne O'Rourke,  
Joe Tyler and Sarah Rushby

**Apologies**

There were no apologies for absence received from Cabinet Members.

**75 LEADER'S ANNOUNCEMENTS**

The Leader reassured Members and the public that the Council had a comprehensive communications plan regarding the Voter ID at May elections. The plan would involve reaching out to different groups that were less likely to have an existing photographic ID. The Council's Information Offices would assist those who may not have suitable photographic ID through the Government Voter authority certificate.

The Leader reminded the Cabinet that, following the Local Elections in May 2023, the King's Coronation weekend is taking place and there would be an additional bank holiday on Monday 8 May. The Leader explained that the Council were advising residents how to get involved with volunteering and community organisation groups to arrange street parties.

**76 MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 1 February 2023 be confirmed and signed.

**77 DECLARATIONS OF INTEREST**

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

**78 PUBLIC PARTICIPATION**

There were no issues raised during the public participation period.

**79 HOUSING SERVICES RESOURCES 23/24 - ARISING FROM THE NEW SOCIAL HOUSING REGULATION CHANGES**

**RESOLVED:**

1. That Cabinet recommends to Council that they approve the resources the Housing Service has requested, as part of the 23/24 HRA budget to deal with the changes and improvements requires under the Social Housing Regulation Bill, the new Tenant Satisfaction Measures regime the new Social Housing Residents Charter.

**REASONS FOR DECISION:**

As set out in the report.

**KEY DECISION:**

Report to Cabinet and Full Council.

**PORTFOLIO:**

Housing and Homelessness Services.

**ALTERNATIVE OPTIONS CONSIDERED/REJECTED:**

As set out in the report.

**DECLARATIONS OF INTEREST:**

None.

**DISCUSSION:**

The Portfolio Holder introduced the report on the new housing improvement regime, starting in Spring 2023. He summarised the resources that are required to meet the fundamental new requirements placed upon the Council. Members heard that the Council's Executive Management Team (EMT) had endorsed the need for these extra resources and that it is recommended they form part of the 23/24 budget.

The Cabinet acknowledged that the new regime features several key measures that aim to improve the standards of social housing in the District. It was noted that the Council had made significant improvements and investment across the Housing Service and that more would be done to enable the Council to respond appropriately to the wide-ranging new duties.

Statutory compliance and housing quality, gas and electrical compliance, structural/disrepair work, damp and mould and anti-social behaviour were among the examples listed as areas where new resources are required.

Cabinet were reassured that the 22 new tenant satisfaction measures would be sufficiently covered and that this would not be to the detriment of other areas of concern, such as insulation, greener housing and electrical standards.

The Cabinet were pleased to hear from a Ward Member that the housing service had efficiently resolved issues of damp and mould arising at homes in their Ward. The Service Manager – Housing Options, Rents, Support and Private Sector Housing explained that was exemplary of the ongoing work that the housing team undertake and reassured Cabinet that the strong levels of engagement with tenants would continue to improve. He informed members that the new Tenant Engagement Manager would oversee the outreach to all areas of the District.

Members expressed their support for the recommendation.

## **80 HOUSING SERVICES RENT SETTING AND SERVICE CHARGE POLICY**

### **RESOLVED:**

That Cabinet recommends to Council the approval of the following:

- 1) The rent setting and service charge policy (as at Appendix 1 of the Cabinet report) in the context of government rent setting policy, HRA housing revenue account budget and housing public sector capital expenditure programme 2023/24.
- 2) The proposed changes to current rent setting processes to apply formula rent to the reletting of social rent dwellings and rent flexibility where applicable.
- 3) The proposed increase to domestic energy charges of up to 25% and up to a 7% uplift of the charges for communal services received, to match the proposed increase in the basic rent for 23/24 from 3rd April 2023.

### **REASONS FOR DECISION:**

As set out in the report.

### **KEY DECISION:**

Report to Cabinet and Full Council.

### **PORTFOLIO:**

Housing and Homelessness Services.

**ALTERNATIVE OPTIONS CONSIDERED/REJECTED:**

As set out in the report.

**DECLARATIONS OF INTEREST:**

None.

**DISCUSSION:**

The Portfolio Holder introduced the report on the Housing Services Rent Setting and Service Charge Policy and informed members that decision making in relation to rent and service charge setting must be transparent and appropriately monitored. In the case of the policy at hand, the requirement is for rent setting to be aligned with the HRA Medium Term Financial Plan and 30 Year Business Plan. Formula rent represented the maximum rent level that the Council can set for each property.

Cabinet considered the uplifts in domestic energy and communal services charges alongside the financial pressures the HRA was facing and accepted that it was necessary to try to maximise income to cover the expenditure required by the Council.

Following a question from a non-Cabinet member, the Service Manager – Housing Options, Rents, Support and Private Sector Housing explained that affordability assessments would continue to calculate financial support for those who needed it and that they would receive the requisite assistance and support provided by housing services.

Members of the Cabinet were in agreement that this was the appropriate way to proceed and were supportive of the recommendations to Council.

**81 HOUSING REVENUE ACCOUNT BUDGET AND THE HOUSING SECTOR CAPITAL EXPENDITURE PROGRAMME FOR 2023/24**

**RESOLVED:**

- 1) That the Cabinet approve the proposed planned maintenance and improvement works programme 2023/24-2025/26, as set out in Appendix 2.
- 2) That Cabinet recommends that Council approve the following:
  - a) The HRA budget, as set out in Appendix 1 of the report.
  - b) An increase in rents of 7.0% from the 2022/23 weekly rent level, in accordance with Government guidelines, from 03 April 2023.
  - c) An increase in garage rents of 13% from the 2022/23 weekly rent level, from 03 April 2023.

- d) An increase in shared ownership property rents of 7% from the 2022/23 weekly rent level, varied from the allowed RPI +1% increase of 13.1% in accordance with Government request of the Housing Sector, from 03 April 2023.
- e) A further uplift in domestic energy service charges of up to a maximum of 25% and an increase of up to 7% in communal service charges in line with the annual rent increase, ahead of a wider review and consultation later in the year, from 03 April 2023.
- f) A Housing Capital Programme to 2025/26, as set out in Appendix 5 of the report.

**REASONS FOR DECISION:**

As set out in the report.

**KEY DECISION:**

Report to Cabinet and Full Council.

**PORTFOLIO:**

Housing and Homelessness Services.

**ALTERNATIVE OPTIONS CONSIDERED/REJECTED:**

As set out in the report.

**DECLARATIONS OF INTEREST:**

None.

**DISCUSSION:**

The Portfolio Holder introduced the report on the Housing Revenue Account Budget and the Housing Sector Capital Expenditure Programme for 2023/24. He explained that the proposed rent levels and other charges, maintenance programme and proposed Housing Public Sector Capital Programme for 2023/24-2025/26 accounted for the on-going challenges facing Housing Authorities and Registered Providers. The proposals, as set out in the report and its appendices, sought to increase rents in line with the Government's current recommendation. In addition, the HRA budget and expenditure programme would strike the right balance to ensure that the Council continued to provide high quality services to tenants. The necessary programmes of maintenance and repairs to housing stock would take place along with the delivery of affordable new Council homes in the District.

Cabinet were reminded that the Tenant Involvement Groups were, overall, understanding of the fee increases and appreciative of the maintenance and refurbishment of housing stock.

It was accepted that the recommendations in the report acknowledged the financial pressures on the HRA and provided a reasonable and appropriate foundation that

required the necessary maximum allowable uplift to income.

## 82 MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 23/24

### RESOLVED:

That Cabinet recommend to Council the approval of the following:

- 1) The General Fund Net Budget Requirement in 2023/24 of £22,468,250, as set out in appendices 5a - d to the Cabinet report.
- 2) The New Forest District Council Band D Council Tax for 2023/24 of £193.99.
- 3) The General Fund Capital Programme for 2023/24 of £15.031 million, as set out in appendix 6 of the Cabinet report.
- 4) The proposed fees and charges as included at appendix 7 of the Cabinet report.

### REASONS FOR DECISION:

As set out in the report.

### KEY DECISION:

Report to Cabinet and Full Council.

### PORTFOLIO:

Finance, Investment and Corporate Services/All.

### ALTERNATIVE OPTIONS CONSIDERED/REJECTED:

As set out in the report.

### DECLARATIONS OF INTEREST:

None.

### DISCUSSION:

The Portfolio Holder introduced the report of the Medium-Term Financial Plan and Annual Budget 23/24. Cabinet, having considered the development of the plan, the General Fund revenue and capital budgets for 2023/24, and the proposed level of Band D Council Tax, felt satisfied to recommend that Council approve the recommendations.

It was acknowledged that despite the MTFP position to 2026/27 forecasting a budget deficit of £1.324 million, there were options within the plan to close the gap via crystallisation of new income and the delivery of savings and efficiencies. As of the Autumn 2022 Statement, additional funding was available in England, in the form of up to £1 billion of new grant funding across 2023/24. This was welcomed given the rising interest rates, CPI inflation levels and general costs. Although a

one-year funding settlement would leave some uncertainty over the medium term, the Cabinet were reassured that the Council was working to cover its own expenditure pressures to deliver key services to residents.

The Section 151 Officer explained that the Council's proposed budget had set aside additional 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 would all help to protect the delivery of frontline services, forming a core part of the strategy. Other resource streams proposed to maximise income, support investment, safeguard frontline service and balance the needs of service users and council taxpayers.

Cabinet acknowledged that sustainability, regeneration, local employment, economic growth and customer & employee communications were areas where financial resource had been targeted. Comparably to other Councils across the country, NFDC would also face challenges and economic pressures over the medium and longer term, however the Council remained in a robust financial position with a balanced budget for the 2023/24 financial year and a plan to address the medium term forecast deficit to 2026/27.

The Cabinet were satisfied that the budget preparation process was robust, that reserve levels were adequate and that the forecast reduction in reserves was well planned and used the resources to the best effect in an appropriate and sensible manner.

Members noted the £300,000 one off investment that would be made on community safety and understood that this directly addressed the findings of the local Resident Insight Survey, benefitting community safety going forward.

## **83 FREEDOM LEISURE**

### **RESOLVED:**

- 1) That Council approve the proposal, as set out in the report, to finalise the negotiated resolution related to the Transition Year deficit, in accordance with the procedure set out in the Council's contract.

### **REASONS FOR DECISION:**

As set out in the report.

### **KEY DECISION:**

Report to Cabinet and Full Council.

### **PORTFOLIO:**

Partnering and Wellbeing.

### **ALTERNATIVE OPTIONS CONSIDERED/REJECTED:**

As set out in the report.

### **DECLARATIONS OF INTEREST:**

None.

**DISCUSSION:**

The Portfolio Holder introduced the report on the Freedom Leisure partnership and the negotiated resolution relating to the Transition Year deficit.

Cabinet was mindful of the position that the Council and Freedom Leisure found themselves in regarding the impact that the COVID-10 pandemic, energy costs and cost of living crisis had had on Year 1 of the contract

The Section 151 Officer explained that the deficit incurred in the Transition Year stood at £1,866,650. Cabinet acknowledged the work that had been undertaken between the Council's Officers and Freedom Leisure, in accordance with provisions within the contract, to negotiate an increase in the Management Fee from £1.23 million to £1.5 million. This was considered to be a reasonable outcome taking into account the bid parameters of the original tender exercise and it was explained that Freedom Leisure had accepted this proposal.

Cabinet noted that, had the project and the partnership agreement not been undertaken, the Council would have been required to meet the entire deficit. It was heard that, following a question on whether the Council should bring the leisure centres back into Council control, that despite the challenges faced over the last year, the District's leisure centres remain open and did not close any swimming pools, due to the partnership with Freedom Leisure. Recognition was also given to the improvements that Freedom Leisure have made.

It was noted that the process to outsource the management of the Leisure Centres had been formally scrutinised by Council Panels and that a dedicated Task & Finish Group had both monitored and input into the process.

CHAIRMAN