



New Forest
DISTRICT COUNCIL

Council Meeting Agenda

26 February 2024



SUMMONS

To All Members of the Council

You are hereby summoned to attend a meeting of the District Council to be held in Council Chamber - Appletree Court, Beaulieu Road, Lyndhurst, SO43 7PA on Monday, 26 February 2024, at 6.30 pm



Kate Ryan
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

This agenda can be viewed online (<https://democracy.newforest.gov.uk>).

It can also be made available on audio tape, in Braille and large print.

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

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AGENDA

Apologies

1. MINUTES (Pages 7 - 24)

To confirm the minutes of the meeting held on 11 December 2023 as a correct record.

2. DECLARATIONS OF INTERESTS

To note any declarations of interests made by members in connection with an agenda item. The nature of the interests must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. CHAIRMAN'S ANNOUNCEMENTS

4. **LEADER'S ANNOUNCEMENTS**
5. **TREASURY MANAGEMENT STRATEGY 2024/25** (Pages 25 - 50)
6. **INVESTMENT STRATEGY 2024/25** (Pages 51 - 58)
7. **LICENSING SERVICE FEES AND CHARGES 2024/25** (Pages 59 - 64)
8. **PAY POLICY STATEMENT 2024/25** (Pages 65 - 76)
9. **REPORT OF CABINET - 7 FEBRUARY 2024** (Pages 77 - 190)
10. **REPORT OF CABINET - 21 FEBRUARY 2024** (To Follow)

Ahead of the Supplementary Council Agenda publication, which will follow the Cabinet meeting, the background Cabinet reports relating to this meeting can be viewed on the Council's website at the following link:-

[Cabinet – Wednesday 21 February 2024](#)

11. **THE 2024/25 COUNCIL TAX** (Pages 191 - 202)
12. **QUESTIONS** (To Follow)

To ask questions under Standing Order 22. Questions received will be published ahead of the meeting. (Members are reminded that questions must be submitted to Democratic Services by no later than 12.00 noon, Wednesday 21 February 2024).

13. **NOTICE OF MOTION - WASTE AND RECYCLING CENTRES**

In accordance with Standing Order 21, Cllr J Davies will move the following motion:-

"This Council is concerned by Hampshire County Council's plans to close Marchwood and Somerley Recycling Centres.

This Council believes these plans will increase fly-tipping in the New Forest and mean more money is spent by New Forest District Council on removing fly-tipped waste.

This Council calls for a corporate response to the consultation to be prepared expressing this council's opposition to the closure of any New Forest Recycling Centre.

This Council further calls on the Leader of the Council to write to the Government highlighting the dire financial situation of local authorities and urging the Government to make more funding available so local authorities do not have to cut vital public services."

Cllr Rackham will second the motion.

Under the provisions of Standing Order 42, the above motion, after being proposed and seconded (without speeches), should stand referred to the body within whose terms of reference the subject matter of the motions comes, or the Cabinet or such Committees or Panels that the Council may determine.

The Chairman may allow the motion to be dealt with at this meeting if they consider it urgent, convenient or conducive to the despatch of business.

14. SENIOR LEADERSHIP APPOINTMENTS (Pages 203 - 204)

15. MEMBERSHIP OF COMMITTEES AND PANELS

To consider any changes to the membership of Committees or Panels that might be proposed by the political groups.

16. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

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Agenda Item 1

11 DECEMBER 2023

NEW FOREST DISTRICT COUNCIL

Minutes of a meeting of the New Forest District Council held on Monday, 11 December 2023.

- * Cllr Neville Penman (Chairman)
- * Cllr David Hawkins (Vice-Chairman)

Councillors:

- * Alan Alvey
- * Peter Armstrong
Geoffrey Blunden
- * Hilary Brand
Mark Clark
- * Steve Clarke
- * Jill Cleary
- * Keith Craze
- * Kate Crisell
- * Sean Cullen
- * Jack Davies
Steve Davies
- * Philip Dowd
- * Barry Dunning
Jacqui England
- * Allan Glass
- * David Harrison
- * Matthew Hartmann
- * John Haywood
- * Jeremy Heron
- * Nigel Linford
- * Patrick Mballa
- * Colm McCarthy

Councillors:

- * David Millar
- * Neil Millington
- * Ian Murray
- * Alan O'Sullivan
- * Stephanie Osborne
- * Adam Parker
- * Dave Penny
- * Dan Poole
- * Caroline Rackham
- * Alvin Reid
- * Joe Reilly
- * Janet Richards
- * Barry Rickman
- * Steve Rippon-Swaine
- * John Sleep
- * Michael Thierry
- * Derek Tipp
- * Neil Tungate
Alex Wade
- * Malcolm Wade
- * Christine Ward
- * Phil Woods
- * Richard Young

*Present

Officers Attending:

Kate Ryan, Grainne O'Rourke, Alan Bethune, James Carpenter, Tanya Coulter, Daniel Reynafarje and Matt Wisdom.

Apologies

Apologies for absence were received from Cllrs Blunden, Clark, S Davies, England and A Wade.

45 MINUTES

RESOLVED:

That the minutes of the Special and Ordinary Council meetings held on 9 October 2023, be confirmed.

46 DECLARATIONS OF INTERESTS

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

47 CHAIRMAN'S ANNOUNCEMENTS**Grainne O'Rourke**

The Chairman reported that it was the final full Council meeting for the Strategic Director for Housing, Communities and Governance, and the Council's Monitoring Officer, Grainne O'Rourke.

Grainne joined NFDC from a local government background in June 1997, as Principal Solicitor - Planning. Members with long service recalled her excellent work supporting the Planning Committee.

Grainne had a succession of promotions, including to Head of Legal & Democratic Services in February 2000, with the addition of Monitoring Officer responsibilities reflected in 2001. Grainne was recognised as a brilliant advisor to the Council and its Members.

Grainne's work in the Monitoring Officer role also included the significant progress from 2011 to move the Council forward from the old Standards regime and help shape its Code of Conduct, and more recently overseeing the preparations for the new Council in 2023, a refreshed Constitution and a comprehensive new Member Induction Programme.

In 2015, Grainne became the Executive Head of Governance and Regulation, broadening her responsibilities across a range of regulatory services.

Grainne began the transformation of the Council's full range of Housing Services from 2018. And as preparations continued to meet the requirements of the new Social Housing Regulator, it was recognised that the Council could not be better placed to rise to future challenges in housing, having had Grainne's driving force to modernise and ensure that services meet the housing needs of local residents.

In recent years, Grainne was also instrumental in helping to deliver the Public Space Protection Orders for the New Forest, working with partners to secure powers to help protect the natural environment. Members recognised that her leadership of this project was much appreciated by local partners including the National Park, the Forestry Commission and the Verderers.

Most recently, in November 2022, Grainne became the Strategic Director for Housing, Communities and Governance and would leave the Council with the legacy of high quality services, her professional approach and an incredible contribution to the Council over 26 years with NFDC. The Chairman extended, on behalf of the Council, his personal thanks to Grainne, for all her work.

Group Leaders also paid tribute to Grainne on behalf of their groups, recognising her contribution to initiatives such as St George's Hall, Calshot, the transformation of Housing Services and the significant contribution to the Council in the Monitoring Officer role.

Grainne thanked Members for their kind words, and wished the Council every success for the future.

Engagements

The Chairman reported on the following engagements undertaken since the last Council meeting:-

17 October

Attended the Youth Options Annual Review and Celebration at Hanger Farm Arts Centre in Totton, hosted by HM Lord Lieutenant of Hampshire. This shared the success stories of some of the children and young people together with the work that Youth Options provide.

26 October

HM Lord Lieutenant of Hampshire hosted the Hampshire Awards Ceremony as President, held at St Swithuns School in Winchester.

2 November

Attended the Solent Mind Celebration and AGM, which reflected on the past year, looking ahead to the future and continuing to strengthen partnerships, and looking at the challenges of mental health.

6 November

Attended the Annual Awards Ceremony of Minstead Trust, hosted by Daniel, someone supported by the Trust. The Wellbeing Instructor Andy spoke about the internal magazine that is produced and there was also a demonstration and a performance by the Portsmouth supported choir.

13 November

Attended, as President, the AGM of New Forest Mencap in New Milton. The agenda consisted of funding and grants during the financial year and an annual report.

17 November

Attended the Royal Hampshire Regiment Reception in Winchester.

24 November

Attended the presentation of a new defibrillator positioned at the New Inn Pub in Hounslow, Totton. This was due to the fundraising efforts over the last 18 months to raise money for this to be provided and installed. Wessex Heartbeat presented the community with it on the day.

Represented the District Council at the Beaulieu Annual Estate Dinner, hosted by Lord Montagu. The guest speaker, Hallam Mills, spoke about his work at Bisterne Farms and the Environmental Farmers Group.

30 November

Attended the Brilliance in Business Awards for the New Forest Business Partnership. The awards ceremony, representing the 9000 businesses in the New Forest, celebrated the success and achievements of local businesses, and the presentation of awards were made in the 18 categories.

2 December

Attended the Carol Service for the New Milton Town Mayor, featuring performances by the New Forest Community Choir and the La Nova singers.

6 December

Hosted the Inaugural Long Service Award Annual Reception, celebrating NFDC employees who had reached 20, or 30 years of service to the Council this year.

The Chairman extended his thanks to the Vice-Chairman for attending the Mayor of Test Valley's charity event on 10 November, on his behalf.

48 LEADER'S ANNOUNCEMENTS

The Leader made the following announcements:-

One Year as Leader

The Leader referred to the recent one-year anniversary of being Leader of the Council. She expressed her privilege to have taken on the Leader portfolio, to listen to residents, visit key projects, and work with officers at the council. She placed on record her thanks to the Council's Members for their work over the last year.

Freeport and Partnerships

The Leader continued to represent the Council through developing relationships with partners locally and across the Freeport. Last month she met with the new Principal of Brockenhurst College to discuss how the organisations could work more closely together on the skills agenda, and she also attended the Solent Cluster Conference as key-note speaker. The Leader pledged the Council's full support to The Solent Cluster's work and the transition to Net Zero, due to the positive lasting legacy for the District's residents. This would help the New Forest to keep being a place for opportunity and innovation. The Leader was also honoured to have been invited to join the District Council Network board where she would continue to highlight the great services delivered by districts, local to their communities, and also represent issues of shared concern with Government.

Local Bank Closures

One issue the Leader knew was of a concern to many in the Forest, was the closure of local bank branches, which seemed to be escalating. She had written to the two local MPs on the matter and also asked officers to ensure the Council responded to the current FCA consultation regarding access to cash.

Corporate Plan and Transformation

Members were reminded of the development of the draft Corporate plan which would shape Council services based on the results of the residents' survey, whilst aiming to operate in greener and smarter ways. She was proud to highlight the progress made in shaping Future New Forest – the transformation strategy that would take the Council from good to great. The Council's local leadership role was also highlighted, with the example of making a difference in Calshot by supporting the community through updating facilities, improving wellbeing, and finding solutions for food insecurity.

Council Officers

The Leader reported her reflection that the officers at New Forest District Council were exceptional and she expressed her thanks for all their work. The Leader highlighted her passion to continue to promote the Council as a respected local employer with benefits that support people's home lives as well as thriving in the workplace. In the coming months, she invited Members to engage in the initiatives to ensure the New Forest continued to be a wonderful place to live, work, rest and visit.

49 REPORT OF CABINET - 1 NOVEMBER 2023

PART I – ITEMS RESOLVED BY CABINET

There were no speakers on the items resolved by Cabinet at its meeting on 1 November 2023.

PART II – RECOMMENDATIONS TO COUNCIL

Item 2 – Procurement Strategy (2023 Refresh)

Cllr Heron introduced the item and moved the recommendations from the Cabinet meeting. Cllr Cleary seconded the motion.

RESOLVED:

That the Procurement Strategy (2023 Refresh) set out in attachment Appendix 1 of the report, be adopted.

50 REPORT OF CABINET - 6 DECEMBER 2023

PART I – ITEMS RESOLVED BY CABINET

Item 3 – Medium Term Financial Plan 2023 Onwards

One Member highlighted the burden placed on motorists of the New Forest by raising car parking fees and charges. In response, the Portfolio Holder for Finance and Corporate highlighted that the Council's decision on this matter had provided for service users of car parks to contribute towards an appropriate level of fees and charges, rather than the wider local population, some of whom may not be able to afford a car.

Item 5 – Supporting the Armed Forces and the Armed Forces Covenant

The Council's Armed Forces Member Champion welcomed the amendment made at the Cabinet meeting, to recognise explicitly in the recommendations all four services and Armed Forces charities. Other Members welcomed the report and the work underway across the Council.

One Member highlighted the work of the Royal British Legion, including recent campaigns for a Veterans Commissioner for England. He encouraged councillors to keep in touch with this work and to support their campaigns where relevant and appropriate in support of the covenant commitments.

PART II – RECOMMENDATIONS TO COUNCIL**Item 6 – Transformation Strategy 2024-2028 (Future New Forest – Transforming Tomorrow, Together)**

The Leader introduced the item and moved the recommendations from the Cabinet meeting. Cllr Heron seconded the motion.

Some Members highlighted the importance of maintaining face-to-face customer services for residents, ensuring this worked for all parts of the New Forest. Consultation in respect of any proposed changes was also highlighted as a key aspect of bringing both staff and residents along the Transformation journey.

The Portfolio Holder for Finance and Corporate highlighted that Transformation was a broader improvement programme wider than customer services alone, which in itself was designed to achieve efficiencies. This would allow the Council to consider options to maintain or enhance capacity for those residents who engaged with the Council in a non-digital way.

In responding to the debate, the Leader committed to maintaining a face-to-face customer offer for those residents who needed it, alongside ensuring that meaningful consultation was undertaken and considered throughout the process.

RESOLVED:

That the Transformation Strategy at Appendix 1 and the Year One Indicative Work Programme at Appendix 2 of the Cabinet report, be approved.

Item 7 – Council Tax 2024/25 – Setting the Tax Base

Cllr Heron introduced the item and moved the recommendations from the Cabinet meeting. Cllr Cleary seconded the motion.

RESOLVED:

That:-

- (a) The calculation of the Council's tax base for the year 2024/25 be approved; and
- (b) Pursuant to the report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount

calculated by this Council as its council tax base for the year 2024/25 be as follows and as detailed in Appendix 3 of the Cabinet report:-

PARISH/TOWN	TAX BASE 24/25
Ashurst & Colbury	939.9
Beaulieu	511.9
Boldre	1,067
Bramshaw	337.8
Bransgore	1,846.8
Breamore	185.7
Brockenhurst	1,911.1
Burley	809.2
Copythorne	1,235.7
Damerham	248.3
Denny Lodge	159.2
East Boldre	384.4
Ellingham, Harbridge & Ibsley	632
Exbury & Lepe	116.3
Fawley	4,634.5
Fordingbridge	2,423.8
Godshill	225
Hale	267.7
Hordle	2,434.2
Hyde	519.8
Hythe & Dibden	7,482.5
Lymington & Pennington	7,529.6
Lyndhurst	1,478.5
Marchwood	2,075.2
Martin	200.3
Milford on Sea	2,938.7
Minstead	374.4
Netley Marsh	818
New Milton	10,619.4
Ringwood	5,501.6
Rockbourne	169.9
Sandleheath	299.6
Sopley	392.4
Sway	1,731.8
Totton & Eling	9,511.7
Whitsbury	104.7
Woodgreen	252.9
Whole District	72,371.5

Item 8 – Council Tax Reduction Scheme 2024/25, Housing Benefit Income Disregard and National Non-Domestic Rate Relief Policy Review

Cllr Heron introduced the item and moved the recommendations from the Cabinet meeting. Cllr Cleary seconded the motion.

A Member of the Task and Finish Group expressed his concern about moving forward with changes, given the low levels of consultation response. Some Members asked how this might be addressed moving forwards. A member highlighted the volume of consultations the public were currently being asked to

respond to and this might be presenting in fatigue to the exercise, without assurance that the responses were truly impactful on the final design of proposals.

In response to the debate, the Portfolio Holder shared Members' disappointment with the low number of consultation responses. However, the context for the report was £9.5 million of resident support, which had been received well by partner agencies, many of which were advocates for those hard to reach groups that Members recognised were important to engage.

RESOLVED:

That:-

- (a) An increase the standard earnings disregard and removal of the additional earnings disregard, as detailed in Section 7 of the Cabinet report, from 1 April 2024, be approved;
- (b) That a Task and Finish Group review a Banded scheme during 2024;
- (c) That the full disregard of war pension income in the assessment of Housing Benefit, as detailed in Section 9 of the Cabinet report, be approved; and
- (d) That the updated National Non-Domestic Rate Relief policy as detailed in Section 10 of the Cabinet report, be approved.

Item 9 – Freedom Leisure Contract Variation

Cllr Poole introduced the item and moved the recommendations from the Cabinet meeting. Cllr Cleary seconded the motion.

Cllr Rackham moved the following amendment as an addition to the recommendation:-

“That the support offered to Freedom Leisure is conditional, upon Freedom Leisure guaranteeing that existing services used by established community groups are protected and maintained.”

Cllr M Wade seconded the amendment.

Members speaking for the amendment highlighted the contract variations undertaken to support Freedom Leisure to date, and concerns that this would continue into the future, coupled with uncertainty for community use of the facilities.

Members speaking against the amendment highlighted the improved financial position of the Council having entered into the partnership with Freedom Leisure. It was suggested that in operating the leisure centres, Freedom should be entitled to make operational decisions to the benefit of all customers and users of the facilities. Some Members expressed that the recent swimming club consultation could have been handled better and lessons could be learnt moving forward on any proposed service changes.

In responding to the debate on the amendment, Cllr Rackham highlighted the uncertainty faced by community groups and the need for protection of their use of the facilities they depended upon.

In responding to the debate on the amendment, the Portfolio Holder for Community, Safety and Wellbeing reiterated that Freedom Leisure needed to make operational decisions on the running of leisure services. He concluded by reminding the Council that had it not entered into the partnership, the full financial burden for the rising cost of utilities would be with the Council.

Put to the vote, the amendment was lost.

The Council continued to debate the substantive motion. One Member highlighted the global energy crisis that could not have been foreseen when the Council entered into the partnership and in doing so, it had allowed the Council to share this burden instead of having to address the full financial impact alone. Some Members expressed their concern that the contract continued to be subject to variations, and this was changing the landscape of the original benefits of the partnership arrangements.

In responding to the debate on the substantive motion, the Portfolio Holder for Community, Safety and Wellbeing reminded the Council that five leisure centres remained open for business in the New Forest, and without the support of a partner to share the burden of the utility costs, the Council would be looking at how the full financial burden could be addressed. In many other local authority areas, this gap had been addressed by the closure of some facilities.

A request for a recorded vote was supported by the requisite additional 11 Members. Subsequently, the substantive motion of the report of Cabinet was put to a recorded vote, the outcome of which was as follows:-

Voting for:- Cllrs Alvey, Armstrong, Clarke, Cleary, Craze, Crisell, Dunning, Glass, Hartmann, Hawkins, Heron, Linford, Murray, O'Sullivan, Penman, Penny, Poole, Reid, Rickman, Rippon-Swaine, Sleep, Thierry, Tipp, Tungate, Ward and Young.

Voting against:- Cllrs Brand, Cullen, J Davies, Dowd, Harrison, Haywood, Mballa, McCarthy, Millar, Millington, Osborne, Parker, Rackham, Reilly, Richards, M Wade and Woods.

Abstaining:- None.

The motion was carried, 26 in favour, 17 against, 0 abstaining.

RESOLVED:

That the proposals set out in the Cabinet report be approved, to vary the contract with Freedom Leisure to deal with the significant challenges presented by the unforeseen increases in energy costs, achievable via the incorporation of a mechanism for the Council to share the cost of utilities over and above the costs assumed in the bid.

51 QUESTIONS

Questions were put and answered under Standing Order 22, as follows:-

- From Cllr Parker to the Leader of the Council, Cllr Cleary on Southern Water.

- From Cllr Woods to the Portfolio Holder for Environment and Sustainability, Cllr Blunden on car parking fees and charges.
- From Cllr J Davies to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole on Freedom Leisure.
- From Cllr M Wade to the Portfolio Holder for Community, Safety and Wellbeing on crime reduction.
- From Cllr Clark to the Portfolio Holder for Environment and Sustainability, Cllr Blunden on the Waste Strategy.
- From Cllr Rackham to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, on car park income.
- From Cllr Brand to the Portfolio Holder for Planning and Economy, Cllr Tipp, on engaging with New Forest businesses.
- From Cllr Millar to the Portfolio Holder for Environment and Sustainability, Cllr Blunden on the Waste Strategy.
- From Cllr Haywood to the Leader of the Council, Cllr Cleary on the closure of Ringwood Brewery
- From Cllr Rackham to the Leader of the Council, Cllr Cleary, on Southern Water
- From Cllr Haywood to the Portfolio Holder for Finance and Corporate on the impact of increased fees and charges.

Note: A copy of the full questions and replies are attached to these minutes.

52 NOTICE OF MOTION

The Chairman confirmed that Cllr Blunden, with the consent of his seconder, had withdrawn the motion as he had unexpectedly been unable to attend the meeting to present it.

This would be brought forward to a future Council meeting.

53 APPOINTMENT OF MONITORING OFFICER

RESOLVED:

1. That Tanya Coulter (currently Service Manager – Legal and Deputy Monitoring Officer) be appointed as Monitoring Officer, with effect from the departure date of the current Monitoring Officer, Grainne O'Rourke.
2. That the consequential amendments be made throughout the Council's Constitution.

54 MEMBERSHIP OF COMMITTEES AND PANELS

There were no changes.

CHAIRMAN

FULL COUNCIL – 11 DECEMBER 2023 – QUESTIONS UNDER STANDING ORDER 22

First Questions

Question 1

From Cllr Parker to the Leader of the Council, Cllr Cleary

I have been made aware of yet another sizeable sewage leak at a Southern Water run pumping station in the New Forest - this time at Flexford Lane, Sway.

I was delighted that the Leader shared my concerns about the sewage discharge near Lyndhurst in September and agreed that pollution of our rivers and land is unacceptable. She will recall that she committed in her statement of 11 September 2023 to this Council that “the District Council will do all it can to support [the Environment Agency]” and that the Council would “continue to work hard with our partners to protect and improve [the New Forest environment]”.

The Leader will recall that in 2021 Southern Water was fined £90m for deliberately dumping billions of litres of raw sewage into the Beaulieu River and other sites. Then, just last month, over 18,000 households in our District, including residents in my ward of Brockenhurst and Denny Lodge, had no water supply due to the shutdown of the Testwood Water Supply Works. Most recently I have had videos and photos shared with me of raw sewage running into a stream at Flexford Lane water Works in Sway, with toilet paper clinging to the verges.

The ongoing impact of these failings cannot continue to simply be accepted by this Council. Therefore will the Leader please detail all actions taken by the Council since her statement of the 11 September 2023 to support enforcement efforts and protect the New Forest environment? Will she also lay out her plans for the coming weeks and months to ensure that our residents have both the unique environment in which we all live and their water supply protected?

Answer:

I was extremely concerned to hear of this incident and agree that it is unacceptable. Whilst it is the Environment Agency that has lead responsibility for investigating the pollution incidents you have highlighted and for taking enforcement action to tackle serious pollution of controlled waters, Council officers will continue to work closely with the Environment Agency and Southern Water as we have a shared desire to prevent similar incidents from occurring.

During the past couple of months, officers of the Council have also engaged with Southern Water on strategic planning matters and their draft business plan, which identifies priorities of protecting and improving our environment, healthy rivers and seas and providing a reliable supply of water to their customers. This plan details investment expected in the New Forest to deliver improvements to storm overflows and capacity of their networks and has been submitted to OFWAT for scrutiny prior to determination. We will continue to engage with Southern Water over the next few months as they begin to implement these plans.

As you will be aware, the Council supported our communities in response to the incident in November where over 18,000 properties along the Waterside were without drinking water and are continuing to work with our emergency planning partners to ensure Southern Water learn from this experience and put in place robust plans to improve resilience and reduce the likelihood of future incidents.

Question 2

From Cllr Woods to the Portfolio Holder for Environment and Sustainability, Cllr Blunden

Fordingbridge Surgery recently contacted me about the increase in the price of the parking clocks. Specifically, they informed me that one member of staff has decided to leave to go to a job where they don't have to pay to park. In light of the failure to consult businesses and services before forcing through this massive increase, would the Portfolio Holder consider introducing a discounted parking clock for local businesses?

Answer:

Our council car parks have a range of users, including visitors and tourists, shoppers, and those who work in nearby businesses. Our car parks are conveniently located and well maintained, and they therefore play a significant role in our local economy.

We also know, through benchmarking, that our parking clocks present outstanding value for money and provide a large saving compared to the equivalent pay and display costs.

As such our parking clocks already provide local businesses with a discounted parking scheme and we are delighted to see this continue.

Note – this question was dealt with in writing in the absence of Cllr Blunden.

Question 3

From Cllr J Davies to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole

Following news of a further planned bailout, this would now be the 2nd bailout by New Forest Taxpayers since Freedom Leisure were handed the leisure centre contract. Does the Portfolio Holder agree that the Council should have done what the Liberal Democrats proposed at the time and waited until we were out of covid to decide what to do with the leisure service?

Answer:

I welcome this question entirely as it gives me another opportunity to comment on how the Council has been financially well supported by Freedom Leisure in the first 2 years of the contract with them.

Yes, we paid a contractual management fee in year 1. This fee was half a million pounds less than the position originally forecast by the Council under the continuation of the in-house model. Do I think it the wrong decision to save the New Forest tax-payer half a million pounds in one year, absolutely not; I stand by it fully.

The matter of the significant and unforeseen utilities increase is very unfortunate, but again, I absolutely welcome the fact that we have a partner taking the significant lions-share of the increased costs, as opposed to those increased costs landing solely with this authority and so to the New Forest tax-payer.

I wonder, had Councillor Davies attended the recent all-member briefing on this subject, I'm not sure he would have asked this question at all.

Note – in response to a supplementary question referring to the closure of leisure centres in other areas operated by Freedom, the Portfolio Holder reiterated that he was happy with the

level of service being provided and that five centres remained open for business in the New Forest.

Question 4

From Cllr M Wade to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole

In the year ending July 2022 there were 12,174 incidents of reported crime in the New Forest district a 17.3% rise on the previous year ending in July 2021, what is this authority doing to combat this growth in crime beyond putting in some more CCTV cameras?

Answer:

As my fellow Member will recall, the period July 2020 – July 2021 was a time when England was under much social restrictions. The impact of two full lockdowns, the rule of six, businesses mandated to close, a 10pm curfew for the hospitality sector with social restrictions only ending in July 2021 widespread, also interrupted social behaviours and crime locally and nationally.

I am pleased to advise that as Chair of the Safer New Forest Strategy and Delivery Group, I see first-hand, the commitment and collaboration of representatives from the Safer New Forest partnership. Through the formulation of the annual strategic assessment of crime and disorder partnership plan to address crime and disorder issues, this Council, with the support and shared vision of our partners, is intrinsically involved in addressing crime and disorder in our communities. Let me touch on some specifics:-

- Protecting our most vulnerable children through positive safeguarding actions through the Missing, Exploited and Trafficked group and Local Children's Partnership.*
- NFDC lead the district wide Domestic Abuse Forum, providing training to frontline practitioners, supporting victims of domestic abuse and resourcing local services for New Forest residents experiencing harm.*
- Working alongside our partners in Police, Probation, Adult Services and Health, operating tactically to interrupt offending behaviour and divert offenders through positive opportunities and channels of change.*
- Representing the needs of the New Forest to the Home Office and securing additional financial awards for rural communities. For implementing preventative measures for protecting violence against women & girls.*

It is through a coordinated approach with our partners, that the total New Forest crime is equivalent to 0.3% of England's total crime incidents in the year. The findings from the serious violence assessment confirm the New Forest had lower rates of violence with injury, robbery, and possession of a weapon compared to other Hampshire authorities, Isle of Wight, Portsmouth & Southampton and England averages.

I am pleased to confirm that through this dedicated approach, the New Forest remains a safe place to live, work and visit being the 118th safest non-metropolitan district in England (of 181 total) by order of crime.

Note – in response to a supplementary question on increased crime in the New Forest and measures to make residents feel safer, the Portfolio Holder highlighted the upcoming CCTV project that would deliver effective outcomes in this area.

Question 5

From Cllr Clark to the Portfolio Holder for Environment and Sustainability, Cllr Blunden

Following the recent announcement that the costs for implementing the Waste Strategy have now changed due to Government intervention. How much can we expect back from the Government on wasted costs, or will all be passed on to our Residents and taxpayers?

Answer:

Members who attended the most recent Place and Sustainability Overview and Scrutiny Panel had the opportunity to receive an update and ask questions on the implications of “Simpler Recycling” as announced by the Prime Minister on 20 September. That update report also went through Cabinet last week. On both occasions it was made clear that the overall financial implications of the proposed changes, what funding is available, and how this Council will need to respond are still being worked through.

There is much in our Waste Strategy, including the rolling out of wheeled bins that will not need to change, and there is a clear alignment with our desire to increase recycling levels across the District.

Much investment already committed was required in any case, to ensure our refuse and recycling services were fit for the future. We expect there to be clarity from DEFRA in the coming weeks over funding for the roll out of elements of Simpler Recycling such as food waste. As stated in the report that went to Cabinet, officers will report back to Cabinet once we are able to fully quantify the financial implications.

Note – this question was dealt with in writing in the absence of Cllr Clark and Cllr Blunden.

Question 6

From Cllr Rackham to the Portfolio Holder for Environment and Sustainability, Cllr Blunden

Parking charges are bringing in £1.2million but costs of car park maintenance are approximately £400,000 annually. Can the portfolio holder please explain what the excess profit is to be spent on?

Answer:

The Council does not make “profit” on its car parks, any surplus revenue generated beyond the costs of maintenance and management funds the provision of other council services that our residents rely on, to support service delivery by the Council and as identified in our Medium Term Financial Plan is a key component of delivering a balanced budget.

Note – this question was dealt with in writing in the absence of Cllr Blunden.

Question 7

From Cllr Brand to the Portfolio Holder for Planning and Economy, Cllr Tipp

One of the key activities of the Business, Tourism and High Street Portfolio is to – identify all businesses in the District and target engagement with them. Could the Portfolio holder explain what this means and what this looks like?

Answer:

The Portfolio in question is now the Planning and Economy Portfolio. Identifying all businesses in the District is a very high thing to achieve, with businesses coming and going all the time.

What we are trying to do is to contact those businesses who wish to engage and want our help. We send out 3,500 electronic newsletters to our businesses, alongside chambers of trade and local partners. We also run business support activities such as the recent and ongoing Rural Fund grants which are still open and businesses can apply for until March 2024.

Cabinet colleagues, officers and I meet regularly with representatives from some of our largest businesses, including the Association of British Ports, Exxon Mobil and those promoting Fawley Waterside.

In the New Year we will be launching the very popular ‘Shop Doctor’ scheme, a mystery shopper initiative. We are also very active with the New Forest Business Partnership.

I hope you will agree that this Council has an impressive record of engagement and it will continue to do so.

Note – in response to a supplementary question on a straw poll conducted by Cllr Brand which raised some areas for consideration on effectively engaging local businesses, the Portfolio Holder welcomed the receipt of this poll so that officers could consider the data.

Question 8

From Cllr Millar to the Portfolio Holder for Environment and Sustainability, Cllr Blunden

Although many residents support this Council’s move to adopting wheelie bins, many do not. And on both sides there are people who are concerned about the implementation process, and in particular, where such bins will be stored. For example, a sizeable number of properties in Fordingbridge were built with brick bin stores, designed to hold dustbins. They will not be suitable for wheelie bins. Residents have been told that NFDC will be carrying out a survey of properties across the district to identify which properties will need alternatives to wheelie bins.

How is this assessment being conducted? Has any of Fordingbridge, Godshill and Hyde been surveyed? And are residents being engaged in the process? Our experience so far is that any assessment seems to be being carried out without any engagement with the local community, who are unaware of when to expect an assessment, how they might highlight their particular circumstances to officers, where to find the result for their household and how to appeal.

Answer:

I am confident that our wheeled bins will present advantages that outweigh some of the perceived implications of the changeover. They will enable us to recycle more as a district, something that I hope we can all agree is essential. It will lead to less mess across the forest on collection days that so often results from our current environmentally unsustainable plastic bin bags being split by animals and birds. It will also present less of a health and safety risk to our dedicated and hard working bin crews.

I would call on all members of this Council to support the roll out and help reinforce some of this positive messaging to their constituents. As one Council we all have to do better to reduce our environmental impact, and I would hope that this is an issue that is above politics.

I expect that the absolute majority of New Forest homes will be able to accommodate our standardised offer. However, we also appreciate that there is a limited number of properties across the District that will not be suitable for the approved waste and recycling collection service. This is why we committed to carrying out a comprehensive survey of all properties to assess them for storage and access constraints associated with the use of wheeled bins.

The surveying of over 80,000 properties is a lengthy task and has now been ongoing since the summer 2023. The surveying is being carried out by Keep Britain Tidy, a leading environmental charity with experience of independently advising on such matters. Keep Britain Tidy have provided an efficient methodology and worked with us to build a bespoke survey for the New Forest.

Amongst other things, the survey accounts for properties with limited storage capacity, physical obstacles such as steps, and properties where access for the collection vehicles maybe limited.

The areas you mentioned, Fordingbridge, Godshill, and Hyde have all been partially surveyed so far and we expect that the surveying will be complete early in the spring and Keep Britain Tidy will then provide us with the survey results.

We will be writing to all householders ahead of the service go live to inform them of the containers they will receive; when they are likely to be delivered, and when the new collection service will start.

We have built into our timeline a period for residents who feel they have been offered the wrong service to raise any concerns, but the roll out will be based on facts and evidence, not personal preference. This period and process will be supported by waste advisors, who will be able to engage with residents to ensure the correct service is provided. We are currently finalising our timeline, but we know it is important to allow ample time for this process to take place ahead of the distribution of containers.

Note – this question was dealt with in writing in the absence of Cllr Blunden.

Question 9

From Cllr Haywood to the Leader of the Council, Cllr Cleary

Members will likely have read in the press of the closure, by its current owners Carlsberg Marstons, of the Ringwood Brewery on Christchurch Road in Ringwood. From January, brewing and distribution of Ringwood ales there will cease, brewing transferring to the Midlands and distribution transferring well outside our district, with the sad loss of 10 jobs. Ringwood Brewery is highly regarded around the world as a trailblazer in the revival of traditional English ale and is a popular brand throughout our country. It is a source of pride

for many in Ringwood and more widely in the New Forest. Can I ask the Leader what steps this council has taken to help retain this iconic brand in its home town?

Answer:

I share your concern that CMBC has taken the decision to close the iconic Ringwood brewery with such little notice.

As he says, the brewery puts Ringwood on the map as a popular brand throughout the country and is an important USP for the town at a time when our high streets need a diverse offer to thrive.

Clearly, there is a limited amount an authority can do in terms of the decisions of a private business to operate.

However, I am aware that there has been local interest in taking on the brewery through a consortium of interested parties and investors. I have committed to meet urgently with a representative of that consortium and as soon as I have done so I will ask officers to consider what, if any, actions we can take.

Second Questions

Question 10

From Cllr Rackham to the Leader of the Council, Cllr Cleary

Our residents have recently had to contend with flooding, cut off water supply, sewerage dumps in rivers on numerous occasions and now a major issue with sewerage collection at Totton. I wonder if the council can acknowledge that Southern Water seems unable to provide an adequate service and look again at how NFDC should be planning for ongoing help to residents with not only Flood Action Plans for each area but also Water Collection and Supply Emergency planning to further support the residents where Southern Water is unable to do so.

Answer:

I too, am very concerned about the recent events you have highlighted and the significant impact that this has had on our residents. This week, I, along with other Hampshire Local Authority Leaders, will be sending a letter to the Chief Executive of Southern Water.

This letter will set out our concerns over their performance and our diminished confidence in them, following the recent emergency responses affecting our communities. We will be proposing a meeting in the new year, in order for them to explain how they will learn from these past experiences and the improvements they have planned, to provide the service that our residents deserve.

To support this a thorough debrief and lessons learnt exercise is taking place at a multi-agency Local Resilience Forum level, following the water supply disruption incident in the Waterside area.

A report with findings will be presented to the Housing and Communities Overview and Scrutiny Panel, which will include cover the Council's own response during the incident and our recovery.

New Forest District Council officers work closely with Hampshire County Council and other partners, on how we continue to support our residents, identifying skills and assets within

communities and developing their community plans to help improve community resilience in the future.

Note – in response to a supplementary question on practical steps the Council can take to support local communities through emergency planning incidents, the Leader highlighted this as one of the areas for consideration as part of the Local Resilience Forum debrief and review.

Question 11

From Cllr Haywood to the Portfolio Holder for Finance and Corporate, Cllr Heron

When people face significant changes to their detriment, it is normal to expect that some change their behaviour to avoid that detriment. This behaviour change can also have indirect side effects in areas seemingly loosely connected to the change in question. Given the eye-watering increase in long stay parking charges, what modelling of such behaviour change has this council done, if so what did that modelling reveal, and does it anticipate any impact on its headline revenue increase from this?

Answer:

The revised car parking fees still compare well with neighbouring authorities and present excellent value for money. The council is not expecting a significant reduction in the usage of its car parks as a result but will monitor this as part of its regular financial reporting. In addition, as outlined in October's Cabinet report, a new Parking Strategy will be developed to inform the long term approach to provision of parking in NFDC. The Parking Task and Finish Group is meeting for the first time tomorrow to begin this work, which will include engagement with service users and other stakeholders.

Note – in response to a supplementary question on initiatives being explored by Town and Parish Councils to mitigate behaviour changes, the Portfolio Holder highlighted the role of Hampshire County Council as part of on-street car parking and the ability of all agencies to respond appropriately to any car parking displacement.

COUNCIL – 26 FEBRUARY 2024

AUDIT COMMITTEE – 26 JANUARY 2024

TREASURY MANAGEMENT STRATEGY REPORT 2024/25

1. RECOMMENDATIONS

That the Council approve:

- 1.1. The Treasury Management Strategy 2024/25 to 2026/27 including the Annual Treasury Management Investment Strategy for 2024/25 (and the remainder for 2023/24) and the Treasury Indicators contained within Annex A.
- 1.2. That authority be delegated to the Section 151 Officer, who in turn delegates to Hampshire County Council's Deputy Chief Executive and Director of Corporate Operations, as agreed in the Service Level Agreement, to manage all Council investments and borrowing according to the Treasury Management Strategy Statement as appropriate.

2. INTRODUCTION

- 2.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.
- 2.2. Treasury risk management at the Council is conducted within the framework of the CIPFA Code which requires the Council to approve a Treasury Management Strategy Statement (TMSS) before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 2.3. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

3. POLICIES AND APPROVALS REQUIRED

3.1. Treasury Management Strategy Statement

The Treasury Management Strategy Statement sets out how the Council's treasury service will support the capital expenditure and financing decisions taken over the three-year period from 2024/25 to 2026/27. The day-to-day treasury management function and the

limitations on activity through treasury indicators are also set out in the statement.

This report has been prepared prior to the adoption of the Capital Programme for 2024/25 and subsequent years. Therefore, the target indicators may be subject to minor variation. These indicators are targets only and minor adjustments will not be reported.

Any adjustments to the treasury management limits will be reported.

3.2. Treasury Management Investment Strategy

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice (the CIPFA Code). This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The Treasury Management investment strategy sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.

This strategy is shown in Annex A in Section 5.

The above policies and parameters provide an approved framework within which officers undertake the day-to-day treasury activities.

This strategy aims to strike a balance between allowing for current investment levels to continue, whilst also considering the Council's intention to directly invest in both commercial and residential property.

4. ENVIRONMENTAL IMPLICATIONS

4.1. There are no environment implications arising from this report.

5. CRIME AND DISORDER IMPLICATIONS

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

6. AUDIT COMMITTEE COMMENTS

6.1 The Committee considered the Treasury Management Strategy Report 2024/25 at its meeting on 26 January 2024 and supported the recommendations set out in the report.

TREASURY MANAGEMENT STRATEGY 2024/25 – 2026/27

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2. EXTERNAL CONTEXT

- 2.1. The following paragraphs explain the economic and financial background against which the TMSS is being set.

2.2. Economic background

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Council's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. The November 2023 quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from 4.6% the previous month, and in line with the recent trend being lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again being lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to

continue falling slowly, but taking until early 2025 to reach the 2% target and then falling below target during the second half of 2025 and into 2026.

2.3. Credit outlook

Credit default swap (CDS) prices are used as an indicator of credit risk, where higher premiums indicate higher perceived risks. CDS prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Quarter 2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility was lower in 2023 compared to 2022, but 2023 saw more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on the Council's treasury adviser, Arlingclose's, counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

2.4. Interest rate forecast (December 2023)

Although UK inflation and wage growth remain elevated, the Council's treasury management adviser, Arlingclose, forecasts that Bank Rate has peaked at 5.25%. The BoE's Monetary Policy Committee will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Quarter 3 2024 to a low of around 3% by early-mid 2026.

Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

3. BALANCE SHEET SUMMARY AND FORECAST

- 3.1. On 31 December 2023, the Council held £118.2m of borrowing and £56.7m of investments. This is set out in further detail at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in Table 1.

Table 1: Balance Sheet Summary and Forecast	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Forecast £m	31/03/26 Forecast £m	31/03/27 Forecast £m
General Fund CFR	27.5	29.0	28.8	34.3	32.8
Housing Revenue Account CFR	10.8	21.1	31.6	40.4	50.0
HRA Settlement	118.1	114.0	109.9	105.8	101.7
Total CFR	156.4	164.1	170.3	180.5	184.5
Less: External borrowing *	(118.3)	(114.0)	(109.9)	(105.8)	(101.7)
Internal borrowing	38.1	50.1	60.4	74.7	82.8
Less: Balance sheet resources	(69.6)	(52.8)	(45.4)	(43.2)	(40.7)
New borrowing or Treasury investments (-)	(31.5)	(2.7)	15.0	31.5	42.1

* shows only loans to which the Council is committed and excludes optional refinancing

- 3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3. The General Fund CFR is showing an increase over the period as the Council implements the new Waste Strategy. New commercial and residential investment schemes have currently been put on hold due to the current interest rates making schemes less viable. The Housing Revenue Account (HRA) CFR is also increasing as the Council looks to deliver the requirements arising from Decarbonisation and the current housing development programme, as per the Housing Strategy to 2026. Table 1 demonstrates that the Council will be internally borrowed

beyond the resources available for investment. At this point, an external borrowing position potentially sets in. At the appropriate time the Council will consult with its treasury advisors on how best to service its borrowing requirements, including the possibility of renewing maturing loans on the HRA.

3.4. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation.

3.5. **Liability benchmark**

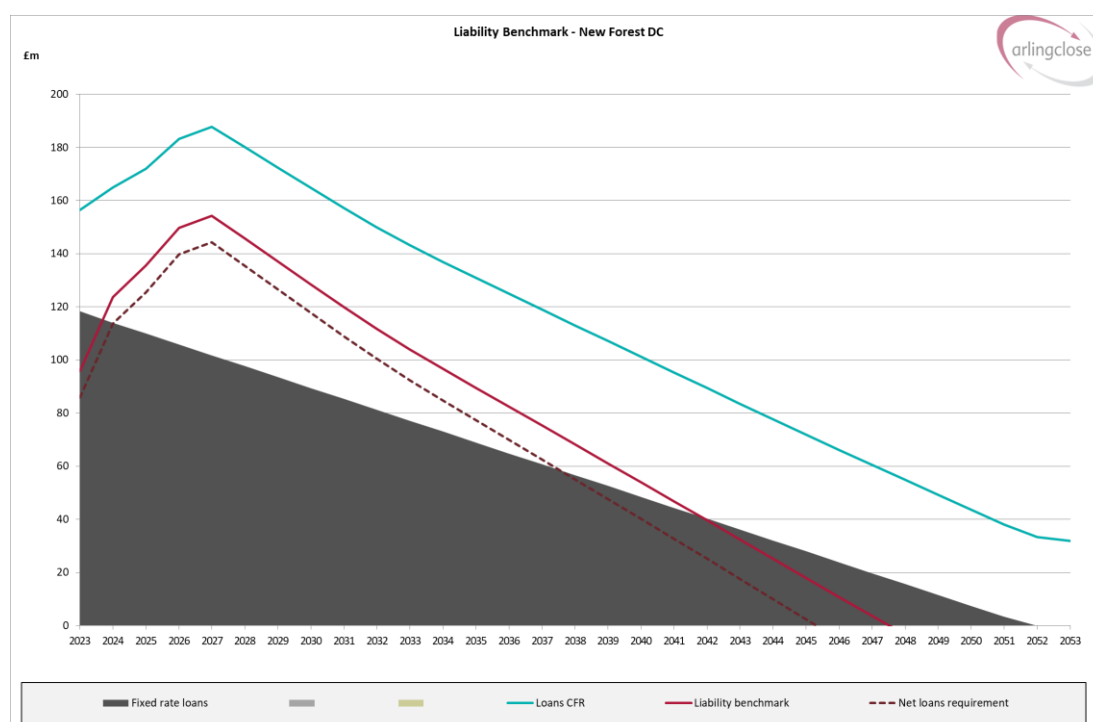
To compare the Council's actual borrowing against an alternative strategy, CIPFA requires that a liability benchmark is calculated to show the lowest risk level of borrowing. This assumes the same forecasts as Table 1 but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Liability benchmark	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Forecast £m	31/03/26 Forecast £m	31/03/27 Forecast £m
Total CFR	156.4	164.1	170.3	180.5	184.5
Less: Balance sheet resources	(69.6)	(52.8)	(45.4)	(43.2)	(40.7)
Net loans requirement	86.8	111.3	124.9	137.3	143.8
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	96.8	121.3	134.9	147.3	153.8

At the start of the period, 31 March 2023, the Council had a Total CFR of £156.4m, external borrowing of £118.3m, balance sheet resources of £69.6m and a liability benchmark of £96.8m. The difference of £38.1m between the CFR and external borrowing is internal borrowing which is where the Council has used its own resources to fund its borrowing requirement.

Graph 1: Liability Benchmark Graph



The liability benchmark is the lowest level of debt the Council could hold if it used all of its balances, reserves and cash flow surpluses to fund its CFR. The liability benchmark graph is based on five years of data which explains why the Loans CFR line in Graph 1 continues to reduce past the initial five year period – the diagram assumes that no new capital projects will begin after 2026/27, which is a very unlikely scenario but a reflection of the current horizon for capital expenditure forecasts.

The Council expects a positive liability benchmark across the forecast period, due to a rising CFR in combination with an expectation that balance sheet resources will drop, which generally means an authority is required to take external borrowing to fund the gap between its resources and the CFR.

The chart shows that by 31 March 2024 it is expected that the external borrowing the Council has already arranged will not be sufficient, with it being below the minimum borrowing requirement, and so indicates that additional borrowing may be required to rectify this. In addition, Table 1 forecasts treasury investment balances of £2.7m as at 31 March 2024; to meet MiFID II (Markets in Financial Instruments Directive) requirements of retaining professional investor status the Council is required to retain an investment balance of at least £10m, and therefore it is indicated that potentially short term borrowing is required to ensure the investment balances remain above £10m.

Unfortunately, a limitation of liability benchmarking is that the further out the forecast, the less it can be relied upon (particularly after 2026/27 after the end of the current capital expenditure forecast period) and so as time passes, the requirement to borrow may change and either may

not be there for the whole period, or alternatively cash flow requirements that are not known about today may become present later which may require the Council to take additional external borrowing in the future.

4. BORROWING STRATEGY

4.1. The Council currently holds £118.2m of loans. The balance sheet forecast in Table 1 shows that there is expected to be a small investment balance of £2.7m as at 31 March 2024. To ensure that investment balances remain above £10m there may be a requirement to borrow during 2023/24, subject to actual cashflow requirements. Further borrowing is then anticipated in 2024/25 and future years. The Council may also borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £230.5m.

4.2. Objectives

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

4.3. Strategy

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium term to either use internal resources, or to borrow short-term loans instead.

By internally borrowing, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future costs low, even if this causes additional cost in the short-term.

The Council has previously raised all of its long-term borrowing from the Public Works Loan Board (PWLB) but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily

for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans. The Council may take the decision to retain the level of current borrowing attributed to the Housing Revenue Account to meet forthcoming pressures related to maintenance and building requirements. The level of borrowing could be retained through rearranging PWLB loans on maturity.

The Council may also arrange forward starting loans during 2024/25, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans (normally for up to one month) to cover unplanned cash flow shortages.

4.4. Sources of borrowing

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- UK Infrastructure Bank Ltd
- any institution approved for investments
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Hampshire Pension Fund)
- capital market bond investors
- retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

4.5. Other sources of debt finance

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

- similar asset backed finance

4.6. Short-term and variable rate loans

These loans leave the Council exposed to the risk of short-term interest rate rises, which is monitored through the indicator on interest rate exposure in the treasury management indicators below.

4.7. Debt rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

5. TREASURY INVESTMENT STRATEGY

- 5.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £28.9m and £76.5m, and balances are expected to reduce over the forthcoming year due to internal borrowing in relation to the capital programme.

5.2. Objectives

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. The council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

5.3. Strategy

As demonstrated by the liability benchmark above, the council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.

Given the increasing risk the Council aims to continue to hold investments that provide diversification through greater security and/or higher yielding asset classes. This is especially the case for the estimated funds that are available for longer-term investment.

At 31 December 2023 approximately 44% of the Council's investment balances were invested so that they were not subject to bail-in risk, as

they were invested in Government investments, pooled property and equity funds, and secured bank bonds. Of the 56% of investment balances that were subject to bail-in risk, 85% were held in overnight money market funds and cash plus funds which are subject to a reduced risk of bail-in due to the high level of diversification within these investments, and 15% were held in overnight bank call accounts for liquidity purposes.

Further detail is provided at Appendix B.

5.4. Environmental, social and governance factors

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

5.5. Business models

Under the new IFRS 9 standard, the accounting for certain investments depends on the 'business model' for managing them. The Council aims to achieve value from its internally managed treasury investments through a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

5.6. Investments targeting higher returns

In previous years the Council earmarked an amount of its cash balances for investments targeting higher yields; these were made from its most stable core balances with the intention that they would be held for at least the medium term, and it was targeted that these investments would achieve a return of at least 4%. This was a successful approach through the period of very low interest rates, as this portfolio achieved higher interest rates than what was being achieved by cash investments and significantly increased the annualised average income return for the total investment portfolio.

Following the increases in UK Bank Rate the decision was made to subsume the investments targeting higher returns within the long-term investment portfolio as there was no longer a significant difference between the interest rates being achieved by those investments and cash, as short-term interest rates are now comparable with longer term interest rates.

The Council will however continue to make use of long-term balances, making investments in longer term investments including local authorities, other asset classes and regions, fixed capital value and

pooled funds to mitigate the risk of low interest rates which will affect cash investments when UK Bank Rate is reduced. This diversification also helps to mitigate the risk of overexposure to a single event affecting a specific asset class.

The Council continues to invest in pooled funds which enables it to achieve a greater degree of diversification than could effectively be achieved by directly owning individual assets. Pooled funds are managed by specialist external fund managers who are best placed to select and manage investments, for example with property investments in selecting appropriate buildings and then managing the relationship with tenants and the maintenance of those buildings.

Diversification in itself does not guarantee positive outcomes. The selection of a pooled fund is carefully managed to target funds with a strong performance track record and objectives that are well aligned to the Council's income returns aims without putting its initial investment at undue risk over the longer term. The Council is therefore currently invested in a pooled fund that specialises in providing income returns to support the revenue budget. As a result of their income focus this fund may not achieve the same capital growth and therefore total return, as other more general investment funds, however it is likely to deliver good income returns for the longer term.

The investible universe for pooled funds is vast and part of the service provided by Arlingclose as treasury advisers is to conduct research and suitable due diligence on pooled funds prior to making recommendations to their clients.

Past performance does not guarantee that funds can replicate successful outcomes in future and knowing which funds will perform well is not an exact science. The Council will therefore continue to conduct its own ongoing review and scrutiny of the performance of its pooled fund investments. The Council will also discuss these investments regularly with Arlingclose, who provide advice based on regular meetings with representatives from the pooled funds and their own ongoing due diligence on areas such as performance and investment style, strategy and process.

At the current time, given the medium to long term nature of the investments, it is unlikely that a capital loss would ever be realised, since the Council would avoid selling investments that realised a capital loss. In addition to the risk of realising a capital loss, changes to IFRS 9 mean that capital gains and losses on investments need to be reflected in the revenue account on an annual basis, although there is currently a statutory override in place for local authorities that exempts them from complying with this requirement.

5.7. Investment limits

The maximum that will be lent to any one organisation (other than the UK Government) will be £8 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Limits are also placed on fund managers as shown in Table 3.

Table 3: Investment limits	Cash limit
Any single organisation, except the UK Central Government	£8m each
UK Central Government	Unlimited
Any group of pooled funds under the same management	£20m per manager

5.8. Approved counterparties

The Council may invest its surplus funds with any of the counterparty types in Table 4, subject to the limits shown.

Table 4: Sector and counterparty limits			
Sector	Time limit	Counterparty limit	Sector limit
The UK Government	30 years	Unlimited	N/A
Local authorities & other government entities	25 years	£8m	Unlimited
Secured investments *	25 years	£8m	Unlimited
Banks (unsecured) *	13 months	£4m	Unlimited
Building societies (unsecured) *	13 months	£4m	£8m
Registered providers	5 years	£4m	£20m
Money market funds *	N/A	£8m	Unlimited
Strategic pooled funds	N/A	£8m	£40m
Real estate investment trusts	N/A	£8m	£20m
Other investments *	5 years	£4m	£8m

This table must be read in conjunction with the notes below

5.9. * Minimum credit rating

Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-/A3. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant known factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

5.10. Government

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 30 years.

5.11. Secured investments

Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

5.12. Banks and building societies (unsecured)

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

5.13. Registered providers (unsecured)

Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

5.14. Money market funds

Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

5.15. Strategic pooled funds

Shares or units in diversified investment vehicles consisting of bond, equity and property investments. These funds offer enhanced returns over the longer term but are more volatile in the short term and allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. This sector also includes cash plus funds which are also a type of pooled fund, but are used for short-term funds, with a lower risk appetite. Because strategic pooled funds have no defined maturity date, but are available for withdrawal after a notice period; their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

5.16. Real estate investment trusts (REITs)

Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

5.17. Other investments

This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

5.18. Operational bank accounts

The Council may incur operational exposures, for example through current accounts, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept low. The Council's operational bank account is with Lloyds and aims to keep the overnight balances held in current accounts as positive, and as close to £0 as possible. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

5.19. Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,

- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.20. Other information on the security of investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022 this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will likely lead to investment returns falling but will protect the principal sum invested.

5.21. Reputational aspects

The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

5.22. Liquidity management

The Council has due regard for its future cash flows when determining the maximum period for which funds may prudently be committed. Historic cash flows are analysed in addition to significant future cash

movements, such as payroll, grant income and council tax precept. Limits on long-term investments are set by reference to the Council's medium term financial position (summarised in Table 1) and forecast short-term balances.

The Council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider, except in cases of extreme market stress whereby the Council will be able to invest all of its liquid cash in one provider only, being the Debt Management Office.

6. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

6.1. The Council measures and manages its exposures to treasury management risks using the following indicators.

6.2. Interest rate exposures

The following indicator shows the sensitivity of the Council's current investments and borrowing to a change in interest rates. Fixed rate investments maturing during the year are assumed to be variable for the remainder of the year.

Table 5: Interest rate risk indicator	31 December 2023 £m	Impact of +/-1% interest rate change £m
Sums subject to variable interest rates		
Investment	56.7	+/- 0.6
Borrowing	(4.2)	+/- 0.0

6.3. Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Table 6: Refinancing rate risk indicator	Upper	Lower
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	25%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.4. Principal sums invested for periods longer than a year

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 7: Price risk indicator	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond a year	£20m	£15m	£15m	£10m

7. RELATED MATTERS

7.1. The CIPFA Code requires the Council to include the following in its TMSS.

7.2. Financial derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

7.3. Housing Revenue Account

On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-

term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the bank base rate.

7.4. Markets in Financial Instruments Directive

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the s151 Officer believes this is the most appropriate status.

8. Financial Implications

The budget for investment income in 2024/25 is £1.2m, whilst the budget for debt interest paid in 2024/25 is £5.3m, based on an average debt portfolio of £118m at an average interest rate of 3.34%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different. Interest paid on any new borrowing will depend on the actual level of borrowing necessary and the interest rates obtained on that borrowing.

9. Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in Table 8.

Table 8: Alternative strategies and their implications		
Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related

Table 8: Alternative strategies and their implications		
Alternative	Impact on income and expenditure	Impact on risk management
		defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast - December 2023

Underlying assumptions:

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Quarter 3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

Forecast:

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Quarter 3 2024 to a low of around 3% by early mid 2026.

- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%; PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB HRA Rate (Maturity Loans) = Gilt yield + 0.40%; UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B – Existing Investment & Debt Portfolio Position at 31 December 2023

Treasury investment position

Investments	30/09/2023 Balance £m	Net movement £m	31/12/2023 Balance £m	31/12/2023 Income return %	31/12/2023 Weighted average maturity years
Short term Investments					
Banks and building societies:					
- Unsecured	4.8	-	4.8	4.48	0.01
- Secured	2.8	-	2.8	5.20	0.04
- High quality	1.5	(1.5)	-	N/A	N/A
Money Market Funds	23.4	1.5	24.9	5.33	0.01
Government:					
- Local authorities	4.5	1.5	6.0	5.58	0.33
- UK Treasury bills	1.0	5.0	6.0	5.32	0.18
- Debt Management Office	-	1.1	1.1	5.19	0.01
Cash plus funds	2.0	-	2.0	3.57	0.01
	40.0	7.6	47.6	5.19	0.07
Long term investments					
- Pooled property*	7.6	-	7.6	4.52	N/A
- Pooled equity*	1.5	-	1.5	6.00	N/A
	9.1	-	9.1	4.76	N/A
TOTAL INVESTMENTS	49.1	7.6	56.7	5.12	0.07

* The rates provided for pooled fund investments are reflective of annualised income returns over the year to 31 December 2023 based on the market value of investments 12 months earlier.

Treasury management Position	31/12/2023 Balance £m	31/12/2023 Rate %
External Borrowing		
- PWLB	(118.2)	(3.3)
Investments		
- Investments	56.7	5.1
Net Debt	(61.5)	

Appendix C - Q3 2023/24 Treasury Management Indicators at 31 December 2023

Investment limits	31/12/23 Actual £m	2023/24 Authorised Limit £m	Complied
The UK Government	7.1	Unlimited	✓
Local authorities & other government entities	6.0	Unlimited	✓
Secured investments	2.8	Unlimited	✓
Banks (unsecured)	4.8	Unlimited	✓
Building societies (unsecured)	0.0	£10m	✓
Registered providers	0.0	£10m	✓
Money market funds	24.9	Unlimited	✓
Strategic pooled funds	11.1	£50m	✓
Real estate investment trusts	0.0	£10m	✓
Other investments	0.0	£10m	✓

Debt limits	2023/24 Maximum £m	31/12/23 Actual £m	2023/24 Operational Boundary £m	2023/24 Authorised Limit £m	Complied
Total debt	(118.5)	(118.2)	(207.2)	(225.5)	✓

Refinancing rate risk indicator	31/12/23 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	4%	25%	0%	✓
12 months and within 24 months	3%	25%	0%	✓
24 months and within 5 years	10%	25%	0%	✓
5 years and within 10 years	17%	25%	0%	✓
10 years and above	65%	100%	0%	✓

Long term investments	2023/24 £m	2024/25 £m	2025/26 £m
Actual principal invested beyond a year	9.1	9.1	9.1
Limit on principal invested beyond a year	35	35	35
Complied	✓	✓	✓

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Background Papers:

Treasury Management
Strategy 2024/25

Capital Strategy 2024/25

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COUNCIL – 26 FEBRUARY 2024
AUDIT COMMITTEE – 26 JANUARY 2024

INVESTMENT STRATEGY 2024/25

1. RECOMMENDATION

- 1.1. That the Investment Strategy 2024/25 be approved.

2. INTRODUCTION

- 2.1. The Council currently holds and has approved strategy in place to increase its exposure in a variety of Investments held in part for the purpose of generating additional income to the Council.
- 2.2. By producing this overarching investment strategy report, the Council is following statutory guidance issued by the Government in January 2018.

3. OVERVIEW OF WHAT IS INCLUDED IN THE INVESTMENT STRATEGY

3.1. Treasury Management Investments

The Investment Strategy has regard to the Treasury Management Strategy, which sets out in detail how the Council's treasury service will invest surplus cash, taking into consideration the requirements of the Council's capital programme, and other financing needs. The balance of treasury management investments fluctuates and can exceed £80m at given points during a fiscal period.

3.2. Property Investments

The Property investments section of the strategy brings together properties which have been in NFDC ownership for several years, as well as the accumulation of property investment strategies that have been adopted more recently by this Council. Although the primary purpose of these adopted strategies is to support the economic sustainability and regeneration within the District and provide additional housing to support New Forest residents and communities, the strategies also generate a revenue return, hence being prevalent to this investment strategy.

The strategy considers the contribution made by these investments, the security, the risk assessment process and liquidity.

The strategy sets out various performance indicators, designed to assist readers understand the implications of the Council's investing activities on the general fund, and the forecast yields expected from the differing investment categories.

4. AUDIT COMMITTEE COMMENTS

- 4.1 The Audit Committee considered the Investment Strategy for 2024/25 at its meeting on 26 January 2024 and supported the recommendations as set out in the report.

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Background Papers:

Treasury Management
Strategy 2024/25

Capital Strategy 2024/25

Investment Strategy 2024/25

1.0 Introduction

The Authority invests its money for two broad purposes:

- because it has surplus cash, as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to invest in a sustainable and vibrant New Forest Economy, supporting employment and industry; investment income is also earned (known as **property investments**).

This investment strategy meets the requirements of statutory guidance issued by the Government in January 2018, and predominately focuses on the second of these categories.

2.0 Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments fluctuates and in the past 12 months the Council's investment balance has ranged between £28.9m and £76.5m.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2024/25 for treasury management investments are covered in a separate document; the Treasury Management Strategy.

3.0 Property Investments

Contribution: The Council invests in commercial and residential property with the intention of supporting the New Forest economy and community and returning a net income that will be spent on local public services. The Council has established a £50m fund for the purposes of investment in commercial property, inside or within areas immediately adjacent to, the District boundary, and a £10m fund exists for investment in residential property, inside or within areas immediately adjacent to the District boundary. Both funds have been established to support the local New Forest economy and community and both also generate an income return.

The Council can own commercial property directly and has established a wholly owned group of companies for the purposes of investment in residential property. The Council intends to make equity investments into the group of companies and issue loans, on the

latter of which the Council will receive interest payments. Both strategies have socio-economic benefits, such as stimulation of local economies through investment in commercial premises and growth in the supply of housing throughout the District.

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. Three out of the fourteen investment properties owned by this Council as at 31/03/23 have been in the Council's ownership for well over a decade. The first acquisition under the Council Commercial Property Investment Strategy was completed in December 2017, and acquisitions and developments have continued into 2023/24.

The main risk when making loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans in £millions

Category of borrower	31.3.2023 actual			2024/25
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	3.713	0.000	3.713	8.000
TOTAL	3.713	0.000	3.713	8.000

Table 2: Shares in £millions

Category of company	31.3.2023 actual			2024/25
	Amounts invested	Gains or (losses)	Value in accounts	Approved Limit
Subsidiaries	1.388	(0.021)	1.367	4.000
TOTAL	1.388	(0.021)	1.367	4.000

The figures as included in tables 1 and 2 above are in relation to the wholly owned group of housing companies. The total initial investment made up of debt and equity is to total £10m. The mix of debt and equity will be fluid, and so for the purposes of setting individual limits, the potential maximum in each instance has been shown hence equating to more than £10m.

Table 3: Commercial Property held generating income in £millions

Property	31.3.22	31.3.2023 actual			2023/24
	Value in Accounts	Gains or (losses)	Additions or (Disposals)	Value in accounts	Additions to date
Hythe Marina	2.535	0.018		2.553	
Hardley Industrial Estate	5.600	(0.512)		5.088	
New Forest Enterprise Centre	1.083	0.006		1.089	
New Milton Health Centre	2.543			2.543	
Platinum Jubilee Business Park	4.538		5.014	9.552	0.250
Ampress Car Park	2.143	(0.113)		2.030	
The Parade, Salisbury Road Totton	1.604	(0.005)		1.599	
Queensway, New Milton	1.069	(0.057)		1.012	
Unit 1 Nova Business Park, New Milton	0.539	0.021		0.560	
Starbucks	1.261	0.121		1.382	
27 Salisbury Road	1.903	(0.002)		1.901	
Marks & Spencer New Milton		(0.100)	5.100	5.000	
Rumbridge Street, Totton		(0.027)	0.235	0.208	
Unit 800 Ampress Park		(0.067)	1.971	1.904	
TOTAL	24.818	(0.717)	12.320	36.421	0.250

Note: The table above includes material properties denoted in the accounts as Other Land & Buildings (not used operationally by the Council) and Investment Properties, to reflect different statutory accounting definitions of these assets which all have a wider socio-economic purpose.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding property investments. Market research is undertaken regularly, and potential opportunities objectively evaluated by the in-house estates team, utilising external expertise as and when necessary.

The Authority assesses the risk of loss in its residential holdings before entering into and whilst holding loans through regular communication via the board of directors and the Council. The board has the freedom to engage with specialist consultants as and when required.

Purchases of properties and development opportunities are only completed once a full business case has been prepared and signed off by the investment panel, or board, or by the Council if above delegated financial parameters.

Liquidity: Compared with other investment types, property can be relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The Council will ensure to keep suitable minimum cash balances available, for example to repay capital borrowed.

4.0 Proportionality

The Council is expecting investment activity to assist in achieving a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives of the Authority is dependent on achieving the expected net profit from investments, excluding financing costs, over the lifecycle of the Medium -Term Financial Plan. Should it fail to achieve the expected net profit, the Council will continually review and evaluate its services, and their delivery models, ensuring the most efficient service is provided to the residents of the New Forest. Prudent use of reserves can also be considered as a suitable contingency plan for continuing to provide these services in the short term.

Table 4: Proportionality of non-treasury Investments (£millions)

	2022/23 Actual	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
Gross service expenditure	42.000	43.000	46.000	46.000	46.000
Investment income	1.496	1.829	2.236	2.268	2.268
Proportion	3.6%	4.3%	4.9%	4.9%	4.9%

5.0 Capacity, Skills and Culture

Elected members and statutory officers: Commercial Property investments are made pursuant to the Asset Investment Strategy approved by the Council in 2017, and refresh approved by the Council in 2022. An experienced team formed from the Council’s finance, estates and valuation and legal departments prepare initial assessments and recommendations concerning suitable properties. Prior to entry into a bidding process, approval must be secured from the Portfolio Holder: Finance & Corporate Services, the Monitoring Officer and the section 151 Officer. Prior to entry into binding legal agreements, final approval must be secured from the Chief Executive, the Monitoring Officer and the section 151 Officer in consultation with the Portfolio Holder: Finance & Corporate Services and the Chairman of the Resources and Transformation Overview and Scrutiny Panel for transactions up to £5m, and the approval of Cabinet for transactions above £5m. This detailed and clear process of scrutiny and decision making by key senior officers and members ensures the strategic objectives, risk profiles and overall risk exposure for the Council are considered and fully understood.

Commercial deals: The Cabinet report dated 20th February 2017 is clear (at para 3.8) that the Council will take a prudent approach to the management of financial risk and the assessment of possible investments. The criteria for selecting investment assets set out in the Asset Investment Strategy and the steps for selecting assets set out above accord with prudent investment principles and the key decision makers, including the section 151 Officer, are involved in the process to ensure compliance.

Corporate governance: The Asset Investment Strategy makes express reference (at para 2.1) to the Council’s Corporate Plan 2016 – 2020 and was prepared in the context of seeking to deliver on those priorities. The objectives remain valid in the 2022 refresh and in the context of the updated Community Matters Corporate Plan 2020 – 2024. The process for selecting assets is set out above to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority’s corporate values.

6.0 Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority’s total risk exposure, as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority’s total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2023 Actual	31.03.2024 Forecast	31.03.2025 Budget	31.03.2026 Budget	31.03.2027 Budget
Pooled Fund T M investments	13.60	9.00	9.00	9.00	9.00
Other T M investments	17.90	1.00	1.00	1.00	1.00
Subsidiary investments: Loans	3.71	3.71	3.71	3.71	3.71
Subsidiary investments: Shares	1.36	1.36	1.36	1.36	1.36
Commercial investments: Property	36.42	36.67	36.67	36.67	36.67
TOTAL INVESTMENTS	73.00	51.75	51.75	51.75	51.75
Commitments to lend		-	-	-	-
Guarantees issued on loans		-	-	-	-
TOTAL EXPOSURE	73.00	51.75	51.75	51.75	51.75

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments can be described as being funded by borrowing. The remainder of the Authority’s investments are funded by usable reserves and income received in advance of expenditure.

All investments made to date are funded through internal borrowing. It is anticipated that external borrowing will be required to part fund the programme from 2024/25 onwards, once new investment is reintroduced (currently paused as a result of the high interest rate environment).

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2023 Actual	31.03.2024 Forecast	31.03.2025 Budget	31.03.2026 Budget	31.03.2027 Budget
Subsidiary investments: Loans	3.71	3.71	3.71	3.71	3.71
Commercial investments: Property	22.11	22.31	22.31	22.31	22.31
TOTAL FUNDED BY BORROWING	25.82	26.02	26.02	26.02	26.02

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of external borrowing where appropriate, as a proportion of the sum initially invested.

Table 7: Investment rate of return (net of costs)

Investments net rate of return	2022/23 Actual	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
Treasury management investments	1.03%	2.92%	3.50%	3.50%	3.50%
Subsidiary investments: Weighted Average	3.22%	3.82%	3.82%	3.82%	3.82%
Commercial investments: Property	3.66%	4.46%	5.56%	5.64%	5.65%

Notes to table 7: As cash balances reduce, the overall TM investment earnings in £000's will reduce. However, the funds that are held by the Council will represent required minimum balances and will continue to be placed within medium-longer term strategic funds, which are typically higher yielding.

The general increase in the rate of return for Commercial Property is due to the commencement of expected rental income, principally at the Platinum Jubilee Business Park, for which capital expenditure was previously incurred in advance of rental income being received. As already outlined, the authority does not associate direct borrowing with individual assets. Borrowing will be incurred in the overall context of the Capital Financing Requirement and cash balances.

COUNCIL – 26 FEBRUARY 2024

GENERAL PURPOSES AND LICENSING COMMITTEE – 5 JANUARY 2024

FEES AND CHARGES FOR 2024-2025 - LICENSING SERVICE

1. RECOMMENDATIONS

1.1 That Council:

- i. Approves the proposed fees (with the exception of taxi licence fees) for financial year 2024/25 as set out in Appendix 1;
- ii. Approves the taxi licensing fees as proposed within Appendix 1 if no objections are raised during the public consultation period;
- iii. Delegates authority to General Purposes and Licensing Committee to make the decision as to the level of taxi licensing fees for 2024/25 should objections to the proposed fees be raised during the public consultation period.

2. INTRODUCTION

2.1 As part of the annual review of budgets, decisions are required by the General Purposes and Licensing Committee, to agree any non-statutory licensing fees and charges for the forthcoming financial year.

3. BACKGROUND

3.1 The Council has a statutory responsibility for the administration and enforcement of a wide range of licences, registrations and permits. Many of these allow the Council to set and charge a fee, to cover the costs of the administration and issue of these permissions.

3.2 The key principle for setting licensing fees, is that they should be reasonable and relate to the costs of performing the function, including staffing, administration, testing, inspections, hearings, regulation and appeals.

3.3 The basis in setting these fees is to ensure cost recovery, or as close to it as possible. Legal cases over the years have confirmed that licensing fees may not be used to generate a profit for councils and that fees should be reviewed regularly to ensure that neither a significant surplus nor deficit is created.

3.4 Fees set under the Licensing Act 2003 are set centrally by Government and the Council has no discretion to review or amend these. The current fee structure was set when the Act came into force in November 2005 and the fee regime has not been revised since this date.

3.5 However, the Council is able to set fees for a number of other licence types: taxis and private hire (drivers, vehicles and operators), animal welfare (boarding, home boarding, dog breeding, riding establishments, pet shops and zoos), residential caravan sites, skin piercing (tattooing, acupuncture, electrolysis, cosmetic piercing) and pleasure boats (boatmen and vessels).

4. ISSUES FOR CONSIDERATION

- 4.1 The setting of discretionary fees for licensing, is not a Portfolio Holder decision and fees and charges must be formally approved by the Council's General Purposes and Licensing Committee before they may be applied.
- 4.2 In addition, any proposed increase to taxi licensing fees must be advertised and open to consultation.
- 4.3 The proposed fees for licences and permits have been increased following a detailed review of the cost to deliver each function as well as benchmarking our charges against similar local authorities.

5. TAXI AND PRIVATE HIRE FEES

- 5.1 The proposed amendments to the taxi and private hire fees follow a comprehensive review of the service including officer time taken to process and issue permissions and the increased cost of consumables (vehicle plates, brackets, driver badges etc).
- 5.2 In addition, the review has taken into account the updated Department for Transport Statutory Taxi and Private Hire Vehicle Standards which requires Licensing Authorities to perform additional checks to promote public safety and best practice. These enhanced procedures require additional staff resource and have increased processing costs.
- 5.3 As a result of the Covid 19 pandemic and to support the local trade in recovery, taxi fees had not been increased since April 2017. However, following the review, increasing charges to some of the licensing fees are proposed to address rising costs of consumables and resource to implement processes.

6. IMPLEMENTATION OF ANY FEE CHANGES FOR TAXI LICENSING

- 6.1 Section 70 of the Local Government (Miscellaneous Provisions) Act 1976 requires that any proposed increase to taxi licensing fees must be subject to a 28 day consultation period, following an advertisement.
- 6.2 As delegation for fee setting is given to General Purposes and Licensing Committee, if there are no objections to the proposed taxi and private hire fees, General Purposes and Licensing Committee are asked to recommend approval of the fees and charges to Full Council for implementation on 1 April 2024.
- 6.3 If objections are received to any of the taxi and private hire fees, responses must be considered by the General Purposes and Licensing Committee at the meeting on 8 March 2024, prior to implementation on 1 April 2024.

7. GAMBLING FEES

- 7.1 Gambling premises licence fees are capped, but there is discretion for fee setting up to this level. Permit and lottery fees are fixed under the Gambling Act 2005.

8. ANIMAL WELFARE, CARAVAN SITES AND SKIN PIERCING

- 8.1 Animal welfare, caravan site and skin piercing fees can be charged to recover the cost of providing the service only. These proposed fees in **Appendix 1** have also been set following a full review of the costs of providing the services, as well as benchmarking of fees charged by other local authorities in Hampshire and the area.

9. CONCLUSIONS

- 9.1 The setting of the proposed licensing fees and charges has been through a rigorous process, to cost the delivery of the service to businesses and members of the public.
- 9.2 The increased fees are proposed to take effect from 1 April 2024 with taxi and private hire fees effective from the same date, subject to advertising and consultation.

10. FINANCIAL IMPLICATIONS

- 10.1 Any financial implications have been reported for budgetary control and as part of the financial plan.

11. CRIME & DISORDER AND DATA PROTECTION IMPLICATIONS

- 11.1 There are none.

12. COMMENTS OF THE GENERAL PURPOSES AND LICENSING COMMITTEE

- 12.1 The Committee approved the recommendations to Council. The Committee discussed the increase to some of the fees and charges and acknowledged how the fees and charges were set based on costs estimated to deliver the functions. All fees and charges were benchmarked against other local authorities and some fees and charges, in the case of gambling licences, were below the national cap.

13. APPENDICES

Appendix 1 - Proposed fees for 2024/25

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Background Papers:

None

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APPENDIX 1

ENVIRONMENTAL AND REGULATION-LICENSING SERVICES PROPOSED SCALE OF FEES AND CHARGES FOR 2024/25

Proposed Charges

All annual fees unless stated

Charges

2023/24

£

2024/25

£

HACKNEY CARRIAGE AND PRIVATE HIRE LICENCE FEES

Hackney Carriage / Private Hire Drivers dual licence

New or Renewal (3 year licence)	142.00	162.00
Driver Awareness Test	37.00	50.00
Duplicate driver's badge	12.50	12.50

Private Hire Operator Licence

New or Renewal (5 year licence) (or pro rata if applicable)	509.00	520.00
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Vehicle Licence

Hackney Carriage or Private Hire Vehicle - 1 year licence- (includes vehicle plate)	142.00	167.00
Vehicle test or re-test	55.00	60.00
Vehicle - private plate registration (includes vehicle plate)	63.00	63.00
Vehicle plate - replacement (bracket and insert)	24.00	24.00
Vehicle plate - replacement of insert	12.00	12.00
Vehicle plate - replacement of bracket and fixings	12.00	12.00
Vehicle stepped plate	25.00	30.00
Executive vehicle exemption (includes vehicle plate)		55.00

ANIMAL WELFARE LICENCE FEES

Pet shops (1, 2 or 3 year licence)	301.00	338.00
Dog breeding (plus vet inspection fees) (1, 2 or 3 year licence)	345.00	388.00
Dog/cat boarding (1, 2 or 3 year licence)	322.00	360.00
Home dog boarding (1, 2 or 3 year licence)	246.00	275.00
Dog day care (1, 2 or 3 year licence)	246.00	360.00
Keeping animals for exhibition (3 year licence)	301.00	341.00
Horse riding-0 to 9 horses (plus vet inspection fees) (1, 2 or 3 year licence)	480.00	538.00
Horse riding-10 to 19 horses (plus vet inspection fees) (1, 2 or 3 year licence)	547.00	613.00
Horse riding-20 + (plus vet inspection fees) (1, 2 or 3 year licence)	590.00	660.00
Request for re-rating	205.00	226.00
Variation of licence (plus £40 per hour for additional work as agreed)	40/hr	45/hr
Unsuccessful Appeal brought by applicant	Actual cost	Actual cost
Dangerous Wild Animals Act Licence (plus actual cost of vet fees) (3 year licence)	169.00	190.00
Zoo Licence (6 year licence)	Actual cost	Actual cost

OTHER LICENCE AND REGISTRATION FEES

Sex Shop Licence	Actual cost	Actual cost
Pleasure Boat (1 year licence)	100.00	115.00
Boatman Licences - new and renewal (3 year licence)	104.00	116.00

Skin Piercing (one-off fee)

Registration of Premises	155.00	186.00
Registration of Practitioners	63.00	76.00
Minor Variation - Reissue of registration certificate	19.00	23.00
Application to include additional activities	63.00	76.00

LICENSING ACT 2003

Statutory fees apply

GAMBLING ACT 2005

Permits and Small Society Lottery licences-Statutory fees apply

Bingo Premises

New Application	1,750.00	2,500.00
Annual Fee	500.00	750.00
Provisional Statement New	3,500.00	3,675.00
Premises licence fee for holders of Provisional Statements	600.00	630.00
Variation Fee	875.00	920.00
Transfer Fee	600.00	630.00
Reinstatement of Licence	1,200.00	1,260.00

Betting premises

New Application	1,500.00	1,750.00
Annual Fee	300.00	400.00
Provisional Statement New	1,500.00	1,575.00
Premises licence fee for holders of Provisional Statements	600.00	630.00
Variation Fee	750.00	790.00
Transfer Fee	475.00	550.00
Reinstatement of Licence	600.00	630.00

Adult Gaming Centre (AGC)

New Application	800.00	900.00
Annual Fee	400.00	500.00
Provisional Statement New	800.00	840.00
Premises licence fee for holders of Provisional Statements	480.00	505.00
Variation Fee	400.00	500.00
Transfer Fee	480.00	505.00
Reinstatement of Licence	480.00	505.00

Family Entertainment Centre(FEC)

New Application	800.00	1,000.00
Annual Fee	300.00	500.00
Provisional Statement New	800.00	840.00
Premises licence fee for holders of Provisional Statements	380.00	400.00
Variation Fee	400.00	500.00
Transfer Fee	380.00	400.00
Reinstatement of Licence	380.00	400.00

Track

New Application	1,250.00	1,320.00
Annual Fee	500.00	525.00
Provisional Statement New	1,250.00	1,320.00
Premises licence fee for holders of Provisional Statements	475.00	500.00
Variation Fee	625.00	655.00
Transfer Fee	475.00	500.00
Reinstatement of Licence	475.00	500.00

RELEVANT PROTECTED CARAVAN SITE LICENCE FEES

Application for a new site -single pitch	505.00	565.00
Application for a new multiple licensed site	715.00	800.00
Multiple licensed site - Annual fee for each permitted caravan	12.50	14.00
Transfer of site licence	171.00	192.00
Alteration of conditions attached to an existing site licence	350.00	392.00
Depositing site rules	84.00	94.00
Fit and Proper Person Application	233.00	260.00

Licence Fees are not subject to VAT unless otherwise stated

COUNCIL – 26 FEBRUARY 2024

HR COMMITTEE – 11 JANUARY 2024

PAY POLICY STATEMENT 2024/25

1. RECOMMENDATION

1.1 That the Pay Policy Statement 2024/25 at **Appendix 1** be approved.

2. INTRODUCTION

2.1 The Localism Act 2011 requires the Council to prepare a pay policy statement for each financial year. The statement must be prepared and approved by the end of March each year. A recommended statement for 2024/25 is included at **Appendix 1**. The statement details the policies in place from 1 April 2024.

2.2 Appendix 1 reflects the nationally agreed Pay Award for 2023/4 for Chief Executives, Chief Officers and those covered by the Green book (which covers NFDC employees).

3. BACKGROUND

3.1 A pay policy statement must set out the authority's policies for the financial year relating to:

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between –
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

3.2 The statement must state –

- (a) The definition of “lowest paid employees” adopted by the authority for the purposes of the statement, and
- (b) The authority's reasons for adopting that definition

3.3 The pay policy for 2024/25 has been set up on the basis of the new organisational structure (the Strategic Director and Assistant Director model).

4. NATIONAL PAY AWARD FOR 2023/24

4.1 The Pay Award for 2023/24 has now been agreed for Chief Executives, Chief Officers and Local Government Services (green Book) employees. As a result, all Spinal Column Points up to 47 have been increased by £1,925. Those above scp 47 had an increase of 3.88%. Chief Officer and Chief Executive pay increased by 3.5%.

4.2 As a result of the national pay award and the changes made to the Council's pay spine in October 2022, the lowest pay point on the council's pay structure is now £11.70. The updated pay structure is shown in **Appendix 2**.

5. HR COMMITTEE COMMENTS

- 5.1 The HR Committee considered the matter on 11 January 2024 and supported the Policy for approval.

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Background Papers:

Appendix 1 – Pay Policy Statement
Appendix 2 – Pay scales April 23

New Forest District Council

Pay Policy Statement Financial year 2024-25

Background

1. The purpose of this Pay Policy Statement (“Pay Statement”) is to set out New Forest District Council’s pay policies relating to its workforce for the financial year 2024-25, including the remuneration of its Chief Officers and that of its lowest paid employees. Once the Pay Award for 2024-25 has been agreed the Pay levels in this document will be amended accordingly.
2. The functions of appointment, dismissal and related matters for all employees below Chief Officer Level shall be dealt with by the Chief Executive and Strategic Directors, or such other employees as may be authorised. Standing Orders for General Procedures deal with procedures for appointing and dismissing employees at Chief Officer Level.
3. With the exception of apprentices on the National Minimum Wage, pay for all staff, including Chief Officers, is formally discussed and consulted upon at the Employee Side Liaison Panel before recommendations are taken forward to the HR Committee who will make recommendations to Council.
4. For the purposes of this Pay Statement and in accordance with the Localism Act 2011 (“Localism Act”), staff employed by the Council have been separated into two groups:
 - (a) Chief Officers as defined by the Localism Act
 - (b) Employees who are not Chief Officers as defined by the Localism Act
5. An “employee who is not a Chief Officer” refers to all staff that are not covered within the “Chief Officer” group as outlined below. This includes the “lowest paid employees”. In the context of the Council, the “lowest paid employees” are those employed at Band 1 on the District Council’s pay structure (this is appended as Appendix 2 to the report).
6. Section 43(2) of the Localism Act defines Chief Officers for the purposes of the Localism Act. The following roles within the Council fall within the definition “Chief Officers”: -
 - (a) Head of Paid Service (Chief Executive)
 - (b) Monitoring Officer
 - (c) Section 151 (Chief Finance) Officer
 - (d) Non-Statutory Chief Officers (Strategic Directors)
 - (e) Officers reporting directly to those officers falling within (a), (b), (c) and (d) above (Deputy Monitoring Officer and Deputy S151 Chief Finance Officer)

Chief Officers as defined by the Localism Act 2011

7. The Chief Executive’s pay is set in comparison with other district councils. The Chief Officers below the Chief Executive are paid on Band 13 of the Council’s pay structure (the Band for each role is determined by a consistent job evaluation process), Chief Officer current salaries are outlined as follows:

8. The Head of Paid Service salary range is detailed below;

Spinal points	Salary
CX1	£121,961
CX2	£125,672
CX3	£129,496
CX4	£133,002
CX5	£137,504

CX4 and CX5 are available for exceptional performance.

9. The Council has a duty to appoint a Returning Officer responsible for local government elections and has decided that this role be carried out by the Chief Executive. The Returning Officer fees are regarded as a special responsibility payment in relation to independent duties carried out.
10. The fees and charges for European, UK Parliamentary and Police Commissioner elections and National Referendums are set by external bodies. The scale of fees and expenses for County, District, Parish and Town Council elections will be set in partnership with the County Council and other Hampshire local authorities to ensure uniformity and will be submitted to General Purposes and Licensing Committee.
11. The Strategic Directors¹ salary range (Band 13) is detailed below:

Spinal points	Salary
74	£94,331
75	£97,049
76	£99,887
77	£102,840
78	£105,863

77 and 78 are available for exceptional performance.

12. The Assistant Directors salary range (Band 12) is detailed below:

Spinal points	Salary
66	£75,968
67	£78,041
68	£80,208
69	£82,452
70	£84,575

69 and 70 are available for exceptional performance.

¹ This band currently contains the Section 151 Officer and Monitoring Officer. The Council retains the right to amend the placement of these posts in line with structural changes, as required from time to time.

13. The Service Managers² salary range (Band 11) is detailed below;

Spinal points	Salary
58	£62,799
59	£64,075
60	£65,354
61	£66,727
62	£68,460
63	£70,217

62 and 63 are available for exceptional performance.

14. The salary range for officers in Band 10 is detailed below;

Spinal points	Salary
52	£56,277
53	£57,341
54	£58,383
55	£59,434
56	£60,494
57	£61,532

56 and 57 are available for exceptional performance.

15. The salary range for officers in Band 9 is detailed below;

Spinal points	Salary
46	£50,240
47	£51,316
48	£52,388
49	£53,457
50	£54,500
51	£55,538

50 and 51 are available for exceptional performance.

16. The salary range for officers on Band 8 is detailed below;

Spinal points	Salary
39	£42,800
40	£44,854
41	£44,876
42	£45,930
43	£46,925

43 is available for exceptional performance

² This band currently contains the Deputy Section 151 Officer and Deputy Monitoring Officer. The Council retains the right to amend the placement of these posts in line with structural changes, as required from time to time.

17. Not all employees placed in bands 8 and 9 meet the definition of a 'Chief Officer' as defined by the Localism Act 2011, but a small number of officers in these bands do report directly to a Chief Officer according to definitions a, b, c and d in paragraph 6, hence these bands being included above.
18. The Council reviews its terms and conditions and pay levels regularly. The Strategic Director pay was reviewed in 2022.
19. Other changes to pay were implemented in October 2022. This included the raised adjustment of Band 1 pay, the removal of bottom points from bands 2,5, 6, 7 and 8 and the increase by one Spinal Column points to Band 4 and 5. Band 12 was also repositioned within the salary structure. Performance points were introduced into Bands 7 and 8 for exceptional performance.
20. Pay awards are considered annually for all staff including Chief Officers. At the Council, Chief Officers for the purpose of pay award implementation are regarded as the Strategic Directors. The outcome of the national consultations by the Local Government Employers in negotiation with the Trade Unions is applied unless this distorts the councils local pay structure.
21. The Chief Executive, Chief Officers' and Service Managers' performance and pay progression is reviewed annually on the achievement of clear organisational objectives. Incremental progression does not apply to these roles. The Chief Executives' annual review is undertaken by a member panel (comprising of the Leader of the Council, plus three other Portfolio Holders to be determined by the Leader).
22. The Council recognises that Chief Officers sometimes incur necessary expenditure in carrying out their responsibilities e.g. travel costs. Chief Officers will be reimbursed for reasonable expenses incurred on council business in accordance with local Terms and Conditions.
23. Chief Officers as a result of their employment are eligible to join the Local Government Pension Scheme in the same way as other employees. The pension's policy statement is appended as item 2 to this statement applies to all employees including chief officers.
24. All employees including Chief Officers with more than 2 years continuous service will be entitled to a redundancy payment. If employees are aged at least 55 they are also automatically entitled to the immediate payment of pension benefits if they are retired on the grounds of redundancy. The redundancy payments are based on actual weekly pay. The number of weeks individuals are entitled to is based on the statutory redundancy grid which provides for a maximum of 30 weeks. A multiplier of 1.5 is used to support efficient organisational change. The Council scheme therefore provides for an entitlement of up to a maximum of 45 weeks based on length of service and age. The Council operates one redundancy scheme for both voluntary and compulsory redundancies. All redundancies are subject to a full Business case which requires a maximum financial payback of 3 years.
25. The Council practice is not to re-employ Chief Officers who have received a redundancy or severance package on leaving the council. any request to do so would require specific approval from the Chief Executive and Leader of the Council. If it relates to the appointment of a Chief Executive then this needs to have approval through full council.

26. In accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, pay and benefits information for staff paid over £58,200 are published. This information is contained on 'Transparency and Open Government' pages on the Council's external website.

Employees who are not Chief Officers as defined by the Localism Act

27. These employees are all paid on the Council's pay structure on Bands 1-9. Each employee will be on one of the 9 Bands based on the job evaluation of their role. Each Band consists of between 1 and 6 spinal points. Pay progression within the Band is subject always to good performance.
28. Each "lowest paid employee" is paid within the salary range for Band 1. All other employees are paid within the salary range for the Band of their role i.e. (2-9). In very exceptional cases individuals are paid a pay supplement. Bands 7 to 9 include Performance Points which can be used for exceptional performance.
29. Employees new to the Council will normally be appointed to the first spinal point of the salary range for their Band. Where the candidate's current employment package would make the first spinal point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different spinal point in starting salary may be considered by the recruiting manager. This will be within the salary range for the Band. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.
30. Employees' performance during the year is reviewed within the Council's performance management arrangements and pay progression within the Band is subject always to good performance.
31. Pay awards are considered annually for staff. For all staff up to and including the Chief Executive the outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.
32. The Council believes in rewarding outstanding performance. It operates this through a system of bonus payments which are designed to reward outstanding performance at the time it occurs. The size of the award paid to an employee will be commensurate with the work being rewarded. All bonuses are subject to approval of the relevant Executive Head.
33. The Council recognises that employees sometimes incur necessary expenditure in carrying out their responsibilities, for example travel costs. Employees will be reimbursed for reasonable expenses incurred on Council business in accordance with the Council's local Terms and Conditions.
34. The Essential User allowance only applies to jobs that are visiting officers or jobs that manage across more than one site (average of 2,500 miles per annum) and agreed by the Service Manager. This should be reviewed regularly to ensure the criteria is still met.

35. All employees as a result of their employment are eligible to join the Local Government Pension Scheme. Details of the Council's pension policy are appended as item 2 of this Pay Statement.
36. The Council's redundancy scheme is detailed in paragraphs 21 and this applies to all employees.
37. The Council practice is not to re-employ staff who have received a redundancy or severance package on leaving the Council; any request to do so would require specific approval from the appropriate Executive Head.
38. In accordance with The Local Government Association guidance on the Government's requirement for reporting remuneration relationships (the ratio between the highest paid employee and the median average earnings across the organisation as a multiple). Based on current salaries for 1st April 2023 this has been calculated as follows:

Chief Executive Remuneration	£129,496
Employees Median average remuneration	£28,140
Ratio	4.6

Pension Policy Statement

Under the Local Government Pension Scheme, the Council is required to publish a written statement of policy in relation to pensions.

Any decision that has a financial impact will be subject to a Business Case, where a payback period of no more than three years, is achievable.

The statutory provisions governing exit payments to local government workers are in the process of reform including the Local Government Pension Scheme Regulations.

1. Regulation 16 (2e)(4d) Shared cost additional pension contributions

Discretion not exercised. (Decision at Council July 2014)

2. Regulation 30(6) Power to allow flexible retirement

Discretion exercised in line with Policy agreed from 1 May 2015 (Decision at Council April 2015)

3. Regulation 30 (8) Waiving of actuarial reductions on compassionate grounds

Discretion exercised provided there is no cost to the Council (Decision at Council July 2014)

4. Regulation 31 Power to award additional pension

Discretion not exercised. (Decision at Council July 2014)

5. (LGPS Regulations 2014 (Transitional provisions, savings and amendments – paragraph 2 (2) of schedule 2)) – Switching on the 85 year rule

Discretion not exercised (Decision at Council July 2014)

6. Regulation B30(2)(5)B30A(3)(5) Post – 31 March 2008 /pre – 1 April 2014 leavers early payment of pension

Discretion not exercised (Decision at Council July 2014)

7. Membership aggregation Regulation 22 (7)(b), (8)(b)

Discretion not exercised (Decision at Council July 2014)

8. Transfers of Pension Rights (Administration Regulation 100 (6))

Discretion not exercised (Decision at Council July 2014)

9. Pension Contribution Bands (Regulations 9 and 10 of LGPS Regulations 2013)

Discretion is exercised (Decision at Council July 2014) - The Council's policy is to review an employee's contributions band when there is a contractual change to the member's salary or hours at some point during the year, when the change is permanent. Any changes in variable pay (i.e. overtime) will only be reviewed once on 1st April each year.

10. Assumed Pensionable Pay and 'regular lump sum' (regulations 21(4)(a), 21(4)(b) and 21(5) of the LGPS Regulations 2013)

Discretion not exercised (Decision at Council July 2014)

11. Election of Early Payment of Benefits

The Council's Early Retirement Policy came into effect from 1 July 2009 and applies to all employees at least 55 and over. Early Retirement can only occur in the following circumstances:

REDUNDANCY – for employees where employment is terminated for reasons of redundancy.

EFFICIENCY - for employees where early retirement is in the interests of the efficiency of the service.

APPENDIX 2

New Forest District Council - November 2023 (pay award backdated to April 2023)

Leave Days	April 2023	Hourly Rate Apr 2023	SCP	BAND 1	BAND 2	BAND 3	BAND 4	BAND 5	BAND 6	BAND 7	BAND 8	BAND 9	BAND 10	BAND 11	BAND 12	BAND 13	Chief Exec (CX)
28	£137,504	£71.27	CX5														137,504
28	£133,002	£68.94	CX4														133,002
28	£129,496	£67.12	CX3														129,496
28	£125,672	£65.14	CX2														125,672
28	£121,961	£63.22	CX1														121,961
28	£115,491	£59.86	81														
28	£112,190	£58.15	80														
28	£108,979	£56.49	79														
28	£105,863	£54.87	78													105,863	
28	£102,840	£53.30	77													102,840	
28	£99,887	£51.77	76													99,887	
28	£97,049	£50.30	75													97,049	
28	£94,331	£48.89	74													94,331	
28	£92,039	£47.71	73														
28	£89,472	£46.38	72														
28	£86,977	£45.08	71														
28	£84,575	£43.84	70												84,575		
28	£82,452	£42.74	69												82,452		
28	£80,208	£41.57	68												80,208		
28	£78,041	£40.45	67												78,041		
28	£75,968	£39.38	66												75,968		
28	£73,968	£38.34	65														
28	£72,051	£37.35	64														
28	£70,217	£36.40	63												70,217		
28	£68,460	£35.48	62												68,460		
28	£66,727	£34.59	61												66,727		
28	£65,354	£33.87	60												65,354		
28	£64,075	£33.21	59												64,075		
28	£62,799	£32.55	58												62,799		
28	£61,532	£31.89	57										61,532				
28	£60,494	£31.36	56										60,494				
28	£59,434	£30.81	55										59,434				
28	£58,383	£30.26	54										58,383				
28	£57,341	£29.72	53										57,341				
28	£56,277	£29.17	52										56,277				
28	£55,538	£28.79	51										55,538				
28	£54,500	£28.25	50										54,500				
28	£53,457	£27.71	49										53,457				
28	£52,388	£27.15	48										52,388				
28	£51,316	£26.60	47										51,316				
28	£50,240	£26.04	46										50,240				
28	£49,001	£25.40	45														
28	£47,925	£24.84	44														
28	£46,925	£24.32	43														
27	£45,930	£23.81	42														
27	£44,876	£23.26	41														
27	£43,854	£22.73	40														
27	£42,810	£22.19	39														
27	£41,803	£21.67	38														
27	£40,605	£21.05	37														
27	£39,544	£20.50	36														
27	£38,545	£19.98	35														
27	£37,638	£19.51	34														
27	£36,955	£19.15	33														
27	£36,025	£18.67	32														
27	£35,092	£18.19	31														
26	£34,197	£17.73	30														
26	£33,251	£17.23	29														
26	£32,289	£16.74	28														
25	£31,196	£16.17	27														
25	£30,581	£15.85	26														
25	£29,731	£15.41	25														
24	£28,905	£14.98	24														
24	£28,140	£14.59	23														
24	£27,470	£14.24	22														
24	£26,445	£13.71	21														
23	£25,783	£13.36	20														
23	£25,241	£13.08	19														
23	£24,519	£12.71	18														
23	£23,914	£12.40	17														
23	£23,326	£12.09	16														
23	£22,757	£11.80	15														
23	£22,567	£11.70	14														
				22,567													
Employee Notice Period				1 Month				Two Months				Three Months					

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COUNCIL – 26 FEBRUARY 2024

REPORT OF CABINET – [7 FEBRUARY 2024](#)

PART I – ITEMS RESOLVED BY CABINET

1. FINANCIAL MONITORING REPORT (BASED ON PERFORMANCE APRIL TO DECEMBER 2023 INCLUSIVE)

PORTFOLIO – FINANCE AND CORPORATE / ALL

CABINET RESOLUTION:

That Cabinet:-

- (a) notes the latest budget forecasts of the General Fund (section 5), Capital (section 6), and HRA (section 7), and;
- (b) supports the proposed approach (outlined in para 5.11) to utilise the additional investment income and one-off VAT refund to increase the Revenue Contribution to Capital Programme financing, in order to support a reduction in capital financing costs over the medium term.

CABINET DISCUSSION:

The Portfolio Holder for Finance and Corporate introduced the Financial Monitoring Report. He stated that there had been challenges, some variations but also some positives to report. The Strategic Director of Corporate Resources and S151 Officer explained that Senior Officers were being proactive in identifying, addressing and reporting variations as they occurred within the service budgets. Regarding the General Fund, the two variations of note were the interest earning position and the VAT reclaim. Work with colleagues in the treasury team at Hampshire County Council and with NFDC's third party treasury advisors continued and, as the Council was a net investor for the majority of the year, the high base rate had been a positive in terms of investment earnings. Given the Council's large capital programme, the additional earnings would be put to good effect and support the financing of the capital programme delaying the timing of external borrowing required to ultimately finance that programme. There was less spend on homelessness than had been forecast, however this was countered with the additional budget requirements in the private sector leasing scheme. There was also a carry forward of £560,000 of government grant into 2024/2025 to spend on ongoing support to Ukrainian families located within the District. There were relatively minor variations being reported with the HRA at this time. There was £1.5m of rephasing into 2024/2025 for the Hardley Depot project, which was now underway with foundations being laid and steels being erected this month.

A non-executive member outlined that whilst appreciating the prudent financial management, more money should be spent by the Council on revenue projects that benefitted the residents, however the Portfolio Holder explained that all money spent by the Council was undertaken to benefit the residents of the District. With inflation hitting most costs associated with Council expenditure it was prudent not to make financial commitments that could not be met.

PART II – RECOMMENDATIONS TO COUNCIL

2. ASSET MAINTENANCE AND REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2024/2025

PORTFOLIO – FINANCE AND CORPORATE

RECOMMENDED:

That Council approve:-

- (a) The schedule of projects, as included at Appendix 1 and 2 of the Cabinet report, within the 2024/25 budget, noting this commits the Council to expenditure beyond 2024/25 whereby a project commences in 2024/25 and extends into future years.
- (b) The Vehicle & Plant replacement programme, for a 2-year period, covering purchases due in 2024/25 and 2025/26.

CABINET DISCUSSION:

The Portfolio Holder for Finance and Corporate introduced the report for the Asset Maintenance & Replacement Programme and General Fund Capital Programme Cabinet 2024/25. He explained that it was vital to ensure all capital assets are maintained and kept fit for purpose. The Strategic Director Corporate Resources and Transformation / S151 Officer explained that the report confirmed the process to come up with the proposed list of projects for both the revenue funded planned maintenance and cyclical replacement of assets, and the proposed general fund capital programme for 2024/25 through to 2026/27. The proposed Revenue programme aligned to the resources available and set aside a modest contingency to support any variations or additional projects that may arise throughout the year. One item of note was the £300,000 increase to the leisure centre maintenance budget, facilitated by the additional contractual income from Freedom Leisure. This meant that the Council would be able to continue to deliver on its landlord maintenance responsibilities for the centres. It was explained that for the capital programme, the funding was confirmed as either wholly or partly NFDC funded or delivered by the Council but wholly third party funded. It was believed that the Council had a good mix of required projects, and an appropriate and proportionate maintenance and capital programme set out. A non-executive member raised a question on the £1.8m funding from Government for the Waste Strategy. The Portfolio Holder explained that this funding would unlikely cover all of the required costs related to the relevant aspect of the Waste Strategy implementation.

Attachments – Appendix 1 – Background Report to Cabinet

3. CAPITAL STRATEGY 2024/2025

PORTFOLIO – FINANCE AND CORPORATE

RECOMMENDED:

That the Council approve the Capital Strategy 2024/25, including the adoption of the MRP statement.

CABINET DISCUSSION:

The Portfolio Holder for Finance and Corporate introduced the Capital Strategy 2024/25 report. The report detailed the proposals for the strategy and outlined how the strategy would be delivered and funded.

The Strategic Director Corporate Resources and Transformation / S151 Officer explained that the report brings together the General Fund programme, and HRA programme and confirms the overall programme financing, and relationship that financing has with the projected cash balances, and cost of financing to both the general fund and HRA.

It was explained that the Council had a fairly large programme, with around £128 million forecast to be spent over the next 3 years.

Up to the current year, the Council had supported the financing of the capital programme through internal cash balances, a process known as internal borrowing, and had been repaying this internal borrowing through a charge through the revenue accounts known as Minimum Revenue Provision. The report also outlined the continuation of the MRP statement and approach into 2024/25, which is required under CIPFFA rules.

External borrowing was required to finance the programme. This was always anticipated when the Council adopted its commercial and residential strategies, and the 2018 housing delivery strategy, with an expectation of spending of over £100m by 2026, with around 50% to be financed through external borrowing.

It was heard that the current and forecast levels of debt fall well within the debt boundaries as set in the report, and the financing costs remain affordable over the medium term.

A non-executive member questioned whether the £1.8m Government grant would reduce the CFR figure. The Strategic Director Corporate Resources and Transformation / S151 Officer explained that the grant will reduce the CFR figure however this was a high-level strategy with £128m expenditure over three years and although the £1.8m grant was a substantial figure, it was minor in the context of the entire strategy's funding.

Attachments – Appendix 2 – Background Report to Cabinet

4. COMMUNITY GRANTS 2024/2025

PORTFOLIO – COMMUNITY, SAFETY AND WELLBEING

RECOMMENDED:

That Council approve:-

- (a) The Community Grant awards, totalling £130,000 in revenue grants and £96,040 in capital grants, as set out in Appendix 1 (of the report to Cabinet), and in more detail in Appendix 2, be approved for inclusion in the Medium-Term Financial Plan and proposed budget for 2024/25;

- (b) The proposed recommendations as set out in section 4.2 of the report to Cabinet.
- (c) The Community Transport grants totalling £51,100, as set out in section 5.5 of the report to Cabinet along with the recommendation to respond to the HCC consultation, as detailed in 5.7.

CABINET DISCUSSION:

The Portfolio Holder for Community, Safety and Wellbeing introduced the report on Community Grants 2024/25. The report detailed the annual Community Grants process and the proposed grant allocations, as set out in the report.

The Service Manager, Revenue, Benefits and Customer Services explained that this was an annual process and that the Task and Finish Group had considered and assessed 43 applicants. £617,000 had been applied for in total in revenue grant applications. The Housing and Communities Panel had supported the recommendations of the Task and Finish Group. Support would continue for the three Community Transport Schemes as well, with a response to HCC being sent shortly offering the Council's support for the continuation of the schemes beyond 31 March 2025.

Although a prudent approach was encouraged for all Council expenditure, the Leader was pleased that the Council was able to award grants local organisations and community groups that support our residents. Both Executive and Non-Executive members offered their thanks for all of the hard work and time that Officers and Task and Finish Group members had put into the process. Members expressed that it was pleasing to see smaller, community projects being supported for another year.

Attachments – Appendix 3 – Background Report to Cabinet

5. LOCAL PLAN REVIEW

PORTFOLIO – PLANNING AND ECONOMY

RECOMMENDED:

That Council agree to:-

- (a) Commence a full review of the adopted Local Plan, to include Local Plan Part 1: Planning Strategy 2020 and policies saved from earlier local plans, and the preparation of a Design Code(s) for the Plan Area;
- (b) Publish the updated Local Development Scheme work programme at appendix one, initially to cover financial years 2024/25 and 2025/26;
- (c) Approve an initial Local Plan budget covering the next two financial years of £700,000, noting that £370,000 is currently allocated in a specific reserve, and that statutory increases in planning fees are expected to yield an additional income of £265,000 over this initial two year period to further contribute towards the cost to complete the full review;
- (d) Approve a budget of £200,000 to cover the preparation of a Design Code(s) for the Plan Area;

- (e) Agree to update the Statement of Community Involvement to set out how the public and other interested parties will be consulted and can participate in the Local Plan review; and
- (f) Agree to the formation of a cross-party working group to provide wider Member engagement, oversight and scrutiny into the preparation of the Local Plan.

CABINET DISCUSSION:

The Portfolio Holder for Planning and Economy introduced the report on the Local Plan Review. The report addressed the need to review the Local Plan and how it was vital in setting the vision and key objectives for the New Forest District. Given the wider challenges and opportunities that the Council will face, particularly the matter of housing supply, commencing work on a full review of the Local Plan, as a single comprehensive document, is recommended.

The Acting Assistant Director of Place Development explained how the different sections of the report, namely the options available to Council as well as the need for a new Design Code.

There would be an outlay of £700,000 over the next two financial years to progress the preparation and full evidence base/ independent examination of the local plan. This cost implication, along with a further £200,000 on development of the Design Guide, would be vital in creating a tool that would encourage investment and development across the District.

It was suggested by non-executive members that new housing and development should be both sustainable and bold in design.

It was explained that the Government requires local authorities to review their local plans every 5 years and therefore it is prudent to make budget provision. The extent to which the plan is reviewed is at the discretion of the authority.

It was explained that a cross-party Task & Finish Group would be created to ensure wider Member engagement in the oversight and scrutiny of the Local Plan and encourage ownership of the process and outcomes when considered by full Council.

Attachments – Appendix 4 – Background Report to Cabinet

6. TENANT ENGAGEMENT STRATEGY

PORTFOLIO – HOUSING AND HOMELESSNESS

RECOMMENDED:

That Council approve and adopt the Tenant Engagement Strategy.

CABINET DISCUSSION:

The Portfolio Holder for Housing and Homelessness introduced the report on the Tenant Engagement Strategy, restating the Council's intention to engage with all tenants and to learn the needs and desires of tenants across the District. Unfortunately, the response rate to the consultation was low, however the feedback received was useful and it was acknowledged how the delivery of this strategy, and the wide-ranging commitments within

it, was a key element in improving engagement across the district, over the course of the strategy period.

The Tenant Engagement Manager explained that the proposed strategy followed a stakeholder consultation and met the requirements of the Social Housing Regulation Act, proposed Consumer Standards and the expectations of the District's Council Housing tenants. Referencing paragraphs 4 and 5 of the report, it was explained that a number of positive steps had been identified to increase engagement between tenants, other providers in our locality and the Council. It was stated that the proposed strategy was supported by Officers and Tenants of the Council.

A non-executive member expressed disappointment in the lack of response to the consultation. In the past, some tenants had found it hard to engage with the Council, but it was acknowledged that this strategy would seek to resolve this. Monitoring of the strategy's effectiveness would take place via the new suite of 22 Tenant Satisfaction Measures, particularly the 12 new perception measures, which will measure tenants' satisfaction with the Council on areas such as how well the Council listens to views and acts upon them. Of the 18 respondents to the consultation, feedback was positive on the proposed strategy. A Cabinet member expressed that low feedback was not always a negative and that it could reflect the fact that many are content with the current level of engagement and the Council's offering.

It was explained that one of the actions within the strategy was to engage with other landlords who the Council work with locally in order for the benefits of community engagement to be wide reaching.

Feedback from housing tenants and those tenants of association housing would be collated and logged in a national league table, ranking landlords across the country.

Attachments – Appendix 5 – Background Report to Cabinet

7. MEMBERS' ALLOWNCES – SCHEME TO APPLY FROM 1 APRIL 2024

PORTFOLIO – N/A

RECOMMENDED:

- (a) That Council agree that the current scheme of members' allowances be made as the scheme to apply from 1 April 2024; and
- (b) That officers be requested to make the necessary arrangements for a meeting of the Independent Remuneration Panel in Autumn this year, to review and make recommendations on the Council's Members' Allowances Scheme in the light of 12 months' operation under the new 48 Member Council structure.

CABINET DISCUSSION:

The Service Manager, Democratic and Support Services introduced the report for the Members' Allowances Scheme to apply from 1 April 2024. It was explained that the current scheme was adopted in July 2022 following a review by the Independent Remuneration Panel. The scheme remains unchanged. If there is an employee's national pay award for 2024/2025 agreed it will, under the terms of the Scheme, be back dated to April 1, 2024. Arrangements were approved for two reviews of the Council's Members' Allowances scheme: during 2022/23 and from 2024 onwards.

The second review, taking place in Autumn 2024, will reflect on the commencement of the new 48 Member Council structure and associated governance arrangements following the local election in 2023.

Attachments – Appendix 6 – Background Report to Cabinet

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ASSET MAINTENANCE & REPLACEMENT PROGRAMME AND GENERAL FUND CAPITAL PROGRAMME 2024/25

1. RECOMMENDATIONS

1.1 That the Cabinet approve and recommend to Full Council that:

1.1.1 The schedule of projects, as included at Appendix 1 and 2 be approved within the 2024/25 budget, noting this commits the Council to expenditure beyond 2024/25 whereby a project commences in 2024/25 and extends into future years.

1.1.2 The Vehicle & Plant replacement programme be approved for a 2 year period, covering purchases due in 2024/25 and 2025/26.

2. PURPOSE OF THE REPORT

2.1 This report provides the proposed revenue funded Asset Maintenance & Replacement programme (AMR) and General Fund Capital programme for 2024/25 and outline budgets to 2026/27.

3. BACKGROUND

3.1 The Council's revenue budget includes large sums for the maintenance and cyclical replacement of Council owned assets. The AMR programme budget for 2023/24 totalled £2.050 million to the General Fund and £340,000 to the HRA (£2.390 million total shown within appendix 1), with a further £725,000 of requirements funded by the General Fund and HRA for the ICT Digital Strategy (£625,000) and Community Grants (£100,000).

3.2 The December 2023 Medium Term Financial Plan included a revenue budget allowance to cover the AMR programme for 2024/25 of £2.500 million for the General Fund and £350,000 to the HRA (total £2.850 million). The increase from 2023/24 related to inflationary pressures with regards to the Vehicle and Plant replacement programme, as well as an uplift to the Health & Leisure Maintenance budget facilitated by the increased contractual income position with Freedom Leisure. There are currently no further planned adjustments to the overall programme budget over the period covered by the current Medium Term Financial Plan.

3.3 Service Managers were asked to come up with their proposed projects for 2024/25 with a strong brief that the programme had to consist of essential items and be realistic in terms of timeframes and deliverability. The programme sums now being proposed matches the funding allocated, after work was required to reprioritise projects to align to the sums available.

3.4 The proposed General Fund Capital Programme for 2024/25 totals £16.579 million. Projects are funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL. This programme total does not include the Asset Investment Strategy, due to uncertainty in the timing of the purchases.

4. PROPOSED ASSET MAINTENANCE AND REPLACEMENT PROGRAMME 2024/25

4.1 The bid categories for the submitted programme for 2024/25 were:

- 1 – Protect & Maintain Front Line Service Delivery
- 2 – Efficiency / Savings / Income Generation
- 3 – Improve / Enhance Value of Asset

4.2 The summary programme covering 2024/25 – 2027/28 is included as appendix 1. The budget is monitored at this overall summary level to allow for sufficient flexibility should more urgent projects come to light during the financial year.

4.3 Further Information Relating to Projects

4.3.1 Health & Leisure Centres Annual Maintenance Programme £750,000

During 2019, a full condition survey of the Council's 5 Leisure Centres was procured by the Council and carried out by a third-party specialist. The resultant report identified a works schedule covering a 15 year period to maintain the centres at the current standard/condition. Annually, this report will be reviewed and will inform the necessary maintenance required at the Leisure Centres. Due to the contractual income increase from contract year 2 to contract year 3, the maintenance budget can be increased by £300,000, with £50,000 reserved for resource to enable project delivery, and £250,000 placed in the maintenance budget. The prioritised programme of works, which will include the cyclical replacement of end-of-life plant with newer more efficient alternatives, will be agreed with the Strategic Director for Corporate Resources & Transformation.

4.3.2 Offices and Depots £170,000 (Plus £45,000 rephasing from 2023/24)

- ATC North Wing Externals and Roof (aborted scheme in 2023/24 due to the detection of bats). The project will include guttering, loose tiles, fascias, soffits, windows repointing.
- Marsh Lane Depot Vehicle Workshop Steels - Structural steel supports at front of vehicle workshop building require stripping and treating. Column bases also need breaking out and re-laying.

4.3.3 Cemeteries Footpaths £40,000

Budget provision of £40,000 is being set aside within the programme to;

- remove and dispose of low traffic paths which are beyond repair and to make good, to ensure safe access.
- create safe compound spaces containing tap and disposal area.
- repair defect, failed paths and operations access routes, which are creating a safety hazard, to ensure safe access.
- ensure the cemetery integrity and appropriate access.

4.3.4 Eling Experience £40,000

Budget provision of £40,000 is being set aside within the programme to carry out works identified from the Toll Bridge and Quayside condition surveys. Feasibility

surveys on required works related to the deuteriation of the undercroft wall and ground beams that support the machinery at the Tide Mill are on-going. A follow up project bid may be made during the financial year to carry out further works.

4.3.5 Water Safety £21,000

The budget will fund the undertaking of appropriate risk assessments to fully understand and identify the risks to users and to ensure adequate mitigation measures are put in place. This bid is to enable a competent authority to be employed to undertake this work, along with an expected replacement/updating of some signage and public rescue equipment.

4.3.6 Public Convenience - Minor works £28,000

The Public Convenience maintenance budget requires additional funding to adequately maintain and repair the conveniences located throughout the District.

4.3.7 ICT Equipment Replacement Programme £150,000

The Council invested significantly in new devices over the period 2017-2019. Some of the devices will reach beyond their 4 year suggested useful life during 2023/24, and so a cyclical replacement programme will need to continue during the period covered by this Medium Term Financial Plan.

4.3.8 Vehicles & Plant Replacement Programme £1,650,000

Members will note that the replacement of Vehicles & Plant (V&P) occurs on both the revenue AMR programme and the Capital Programme. The Council's policy is to capitalise individual items with a value greater than £10k and then depreciate these over their estimated useful life. The capital programme therefore includes the cash amount required to purchase the V&P, and the revenue programme includes the depreciation charge. The depreciation charge to revenue then makes a direct contribution towards the capital cost through a charge known as the Minimum Revenue Provision (MRP). The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.

The 2024/25 programme includes cyclical replacement of 'standard' fleet vehicles and plant, as well as the costs associated with the roll out of the waste strategy, including the estimated cost of containers. The £1.650 million budget here does not relate to the additional vehicles or the capitalisation of the containers, on the assumption that new burdens funding and EPR income will offset the costs of these. Further separate reporting will cover this matter in more detail, pending forthcoming clarity on the funding support from central government.

4.3.9 Programme Contingency £41,000

To provide cover for inevitable project variations as they arise, a programme contingency of £41,000 has been allowed for.

- 4.4 The programme as outlined above totals £2.890 million. Of this total, approximately £390,000 is rechargeable to the HRA leaving £2.500 million to be funded via the General Fund. The increase to the HRA will be accommodated within the detailed budget planning for 24/25.

4.5 Projects that didn't make it through to the final prioritised programme were as follows:

1. Marsh Lane Depot Fuel Tank Replacement – will be picked up in a broader review of the depot to include necessary infrastructure requirements aligned to a new fleet strategy (in development throughout 2024/25)
2. Cemeteries Footpaths – a phased approach will be required pertaining to 1 project a year.
3. ICT Equipment Replacement – the amount requested was £30,000 more than resources available, so additional prioritisation will be required to fit the replacement programme in with the funding available.

4.6 Other One-Off Funded Programmes

4.6.1 Budget provision of £625,000 has been provided for projects in the ICT Digital Strategy. This cost is allocated c75% to the General Fund and c25% to the HRA.

4.6.2 The Community Grants Panel have been given a maximum budget of £100,000 for one-off construction grant applications for 2023/24. The Panel are aware this is a financial ceiling, and not a target. Currently the recommendation from the Task and Finish group to the Community, Partnerships and Wellbeing Overview and Scrutiny Panel is £96,040.

	General Fund £'000	HRA £'000	TOTAL £'000
ICT Strategy	500	125	625
Community Grants	96		96
	596	125	721

4.6.3 The above will require financial resources, funded by the revenue budget or reserves and will be included on the Medium - Term Financial Planning Reports through Cabinet.

5. GENERAL FUND CAPITAL PROGRAMME 2024/25

5.1 The capital programme consists of projects funded by NFDC resources (capital reserve and receipts received), various grants / funds and Developer Contributions / CIL.

5.2 The proposed programme for 2024/25 totalling £16.579 million including the outline financing is included as appendix 2. The project proposals for a 3 year period have been included for overall context. Where a project commences (or continues into) in 24/25 and spans several financial years, a commitment to start in 24/25 is a commitment to approve the funding required to complete over the period of the programme. Where a sum is included in future years, it is not requiring approval now, but is included for completeness and overall programme context; approval for these items will come at the appropriate point in the budget setting cycle for the year in question. Due to the lead in time of the Vehicles and Plant Acquisition programme, the programme sums for 24/25 and 25/26 will be approved now to enable necessary work to commence in the year prior to when the new V&P will actually be delivered.

5.3 Further Information Relating to NFDC Funded Projects

5.3.1 Sustainability and Climate Action £250,000

The Council has committed an annual budget of £250,000 to support the Climate Strategy and action plan.

5.3.2 Milford Sea Wall £100,000

The funding will be used for a combination of rock revetment and beach recharge.

5.3.3 New Depot Site £4.372 million for 24/25 and £104,000 for 25/26

Total funding of £7.8 million has been approved over the period of this capital programme for the new depot project at Hardley Industrial Estate, as a replacement for the Claymeadow depot. This scheme has commenced and is scheduled to complete in the winter of 2024.

5.3.4 Ringwood Depot: Extension and Works £250,000

Discussions are ongoing with the County Council around an extension of the leased space that the Council occupies at the Ringwood Depot site. When new terms are agreed, it is likely that the Council will need to facilitate improvement works to the site to take full advantage that the additional space will give to NFDC operations.

5.3.5 Vehicles & Plant £2.102 million for 24/25 and £996,000 for 25/26

The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models. For 24/25 the replacement programme for the refuse and recycling part of the fleet focuses in the main on vehicles which can be utilised on our current service, whilst also being suitable for a future service, albeit in some cases with some retrospective modifications likely.

5.3.6 Vehicles and Plant – New Waste Strategy Vehicles £885,000 for 2024/25 and £3.730 million for 2025/26

Preparations are underway for the commencement of the new wheeled bin Waste Service to go live from 2025.

5.3.7 Vehicles and Plant – New Waste Strategy Containers £1.025 million for 2024/25 and £4.550 million for 2025/26

The procurement of wheeled bins and food caddies has commenced, with costs falling in both 2024/25 and 2025/26.

5.3.8 Asset Modernisation Programme £300,000

The standard sum of £300,000 has been allowed for within the Capital Programme towards asset modernisation. The asset to be allocated funding in 2024/25 is the Hurst Road Public Convenience at Milford-on-Sea.

5.4 Further Information Relating to Part or Non-NFDC Funded Projects

5.4.1 UK Shared Prosperity Fund £208,000

The Council was awarded £1 million from the UK SPF. An investment plan was approved by the Council and project delivery is underway.

NFDC Capital Contribution: £nil

5.4.2 Rural England Prosperity Fund £300,000

The Council was awarded £540,115 as a top-up to the UK Shared Prosperity Fund. Fuller information related to this scheme was reported to the Cabinet in December 2023.

NFDC Capital Contribution: £nil

5.4.3 Disabled Facilities Grants £1.5 million PA

The Council facilitates the delivery of Disabled Facility Adaptations each year, using central government 'Better Care Fund' to pay for said adaptations. The Council's contribution is in the staffing resource to deliver the adaptations.

NFDC Capital Contribution: £nil

5.4.4 South-East Strategic Coastal Monitoring £2.667 million / £2.829 million / £2.216 million

This project is the continuation of the regional coastal monitoring programme, for the next phase that will go through to 2027. The figures above are for the full approval for the SE region as managed and co-ordinated by NFDC.

NFDC Capital Contribution: £nil

5.4.5 Barton Horizontal Directional Drilling Trials £260,000

Works expected to take the form of test drainage trials to determine suitability and effectiveness of the system. The aim being to control and manage groundwater levels to reduce erosion risk.

Regular monitoring will be required post completion of the project.

NFDC Capital Contribution: £120,000

5.4.6 Hurst Spit Shingle Source Study £100,000 / £58,000

The existing Hurst Spit Beach Management Plan (BMP) has been in existence since 1996. The plan requires updating to consider additional data, past performance of the Spit and future management operations. This study will enable this work to be undertaken, enabling the BMP to be updated in line with current practices.

NFDC Capital Contribution: £nil

5.4.7 Milford-On-Sea Beach and Cliff Study £100,000 / £180,000

This project is a follow on from the Westover urgent works undertaken during 2020. The expected scope and coastal frontage will be broadened to consider the wider defended Milford frontage.

The commencement and delivery of this project will be subject to the outcomes of the Christchurch Bay Strategy Study.

NFDC Capital Contribution: £nil 24/25 / £50,000 25/26

5.4.8 ATC East Wing Boiler Replacement £160,000

The Council has submitted a bid to the Public Sector Decarbonisation scheme for a project to replace an end-of-life boiler with a more energy efficient alternative (Air Source Heat Pump). We will know if our bid is successful in March 2024.

NFDC Capital Contribution: £62,000

5.4.9 Developer Contributions / CIL £2.0 million / £1.0 million / 1.0 million

A separate report will confirm the proposed projects, with the Capital Programme at this stage setting aside a gross overall budget to be set for drawdown for individual project delivery.

NFDC Capital Contribution: £nil

6. CRIME & DISORDER / EQUALITY & DIVERSITY / ENVIRONMENTAL IMPLICATIONS

- 6.1 As the Council invests in the maintenance and replacement of its assets, it will do so ensuring environmental implications are considered and where it can, the delivery of energy efficiencies, whether that be in lighting / heating or in more economic vehicles, will be at the forefront of the Council's spending decisions.

7. CONCLUSION

- 7.1 The AMR programme represents a significant element of the Council's annual net expenditure. The prioritised General Fund programme matches the budget outlined for 2024/25 at £2.500 million and the HRA proportion at £390,000 will be accommodated within the detailed budget planning.
- 7.2 The Council is committed to the continuation of its investment in ICT and the financial implications to deliver the strategy will be included in the appropriate Medium Term Financial Planning Reports through Cabinet.
- 7.3 The General fund Capital programme is funded in several ways, and the net NFDC funding requirement for 2024/25 after internal borrowing is taken into account is £5.454 million.

8. OVERVIEW AND SCRUTINY PANEL COMMENTS

- 8.1 The Resources and Transformation Overview and Scrutiny Panel at their meeting on 18 January 2024 supported both programmes for approval.

9. PORTFOLIO HOLDER COMMENTS

- 9.1 With the recent rises in inflation the delivery of the Asset Maintenance and Capital Programme has been challenging, however I am confident that we are, within this forward looking programme, striking the right balance between maximising the resources we have available across our priority areas.

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Background Papers

Published Papers

ASSET MAINTENANCE AND REPLACEMENT PROGRAMME

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Health & Leisure Centres	500	750		
Offices, Depots and Outlying Buildings	200	170		
Feasibility Surveys	10			
Deployable CCTV Cameras	15			
Programme Contingency	65	41		
Cemeteries Footpaths		40		
Eling Experience		40		
Water Safety		21		
Public Conveniences		28		
	790	1,090	1,090	1,090
ICT Replacement Programme	150	150	150	150
Vehicles and Plant (Depreciation / MRP)	1,450	1,650	1,650	1,650
	2,390	2,890	2,890	2,890
Less: Proportion allocated to HRA	-340	-390	-390	-390
TOTAL GENERAL FUND PROGRAMME	2,050	2,500	2,500	2,500

MEDIUM TERM FINANCIAL PLAN 2023-2027

CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

Portfolio

UK Shared Prosperity Fund LEADER / ALL
Rural England Prosperity Fund LEADER

Disabled Facilities Grants HOU (GF)

Sustainability Fund - Unallocated ENV & SUSTAIN
Strategic Regional Coastal Monitoring (22-27) ENV & SUSTAIN

Barton Horizontal Directional Drilling Trials ENV & SUSTAIN
Hurst Spit Beach Shingle Source Study ENV & SUSTAIN
Milford Beach and Cliff Study ENV & SUSTAIN
Milford - Sea Wall Construction Works ENV & SUSTAIN

New Depot Site: Hardley FIN & CORP
Ringwood Depot: Extension and Works FIN & CORP
V&P; Replacement Programme FIN & CORP
V&P; Replacement Programme - Waste Strategy Vehicles FIN & CORP
V&P; Replacement Programme - Waste Strategy Containe FIN & CORP
Asset Modernisation Programme FIN & CORP

ATC East Wing Boiler Replacement FIN & CORP

Mitigation Schemes PLAN & ECON
Infrastructure Projects PLAN & ECON

TOTAL GENERAL FUND CAPITAL PROGRAMME

LOAN FINANCED

RESIDUAL NFDC RESOURCES

PROJECT REQUIREMENTS £			ORIGINAL 2024/25 PROJECT FINANCING £			
2024/25	2025/26	2026/27	NFDC Resources / Loan	Better Care Fund	Grant / Income	DC / CIL
208,000					208,000	
300,000					300,000	
1,500,000	1,500,000	1,500,000		1,500,000		
250,000	250,000	250,000	250,000			
2,667,000	2,829,000	2,216,000			2,667,000	
260,000			120,000		140,000	
100,000	58,000				100,000	
100,000	180,000				100,000	
100,000			100,000			
4,372,000	104,000		4,372,000			
250,000			250,000			
2,102,000	996,000	1,000,000	2,102,000			
885,000	3,730,000	453,000	885,000			
1,025,000	4,550,000		1,025,000			
300,000	300,000	300,000	300,000			
160,000			62,000		98,000	
1,000,000	1,000,000	1,000,000				1,000,000
1,000,000						1,000,000
16,579,000	15,497,000	6,719,000	9,466,000	1,500,000	3,613,000	2,000,000
						16,579,000
			Vehicles & Plant	-4,012,000		
				5,454,000		

CAPITAL STRATEGY 2024/25**1. RECOMMENDATIONS**

- 1.1. That the Cabinet recommend to Full Council that the Capital Strategy 2024/25 be approved, including the adoption of the MRP statement.

2. INTRODUCTION

- 2.1. The Capital Strategy is a high-level document, giving an overview of how capital expenditure, capital financing and treasury management come together, with an overview of current activities and the implications for future financial sustainability.
- 2.2. By producing this strategy report, the Council is following statutory guidance issued by the Government in January 2018.

3. OVERVIEW OF WHAT IS INCLUDED IN THE CAPITAL STRATEGY

- 3.1. The Capital Strategy confirms at high level what the Council is intending to spend its money on over the medium term and how it intends to finance this expenditure. Over the period covered by 2024/25 to 2026/27, total capital expenditure is forecast at around £128 million.
- 3.2. As demonstrated throughout the report, the Council is initially intending to utilise the cash balances it has accrued to deliver the various adopted strategies, including the acquisition and development of Commercial Property, which aims to provide a sustainable and buoyant economy within the New Forest and present options for regeneration, Residential Property Ownership and additional Council owned Housing.
- 3.3. The Council will supplement internal resources, when necessary, with external borrowing and in accordance with advice it receives from its contracted Treasury Management experts. Based on the current set of prudential indicators, external borrowing will be required each year from 2023/24.
- 3.4. It is vitally important that the Council has regard to the relationship between the financing costs of the capital programme and the revenue General Fund, and Housing Revenue Account. This is covered within the report by the prudential indicators.
- 3.5. This Council has established a sound level of governance surrounding its capital investments and employs suitably qualified personnel in order to fulfil the objectives of the Strategy. External support and expertise is sought where necessary, and officers have the ability to communicate openly and freely with members of the Cabinet.

4. MINIMUM REVENUE PROVISION

- 4.1. Where General Fund capital spend has been financed by loan (including internal borrowing) and has increased the Capital Financing Requirement (CFR), the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year and is based on the expected economic use period related to the capital expenditure.

- 4.2. Full Council is required to approve an MRP statement in advance of each financial year. The Council is recommended to approve the following MRP statement:

“For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP policy for expenditure other than that incurred on investment property and dwellings, shall be to charge revenue an amount equal to the depreciation of any asset financed by loan. The MRP policy specific to investment properties and dwellings financed by loan, shall be to charge revenue an amount equivalent to the sum of borrowing utilised, over a repayment period of 50 years.”

5. ENVIRONMENTAL / CRIME AND DISORDER IMPLICATIONS

- 5.1. There are no implications arising from this report.

6. OVERVIEW AND SCRUTINY PANEL COMMENTS

- 6.1 The Resources and Transformation Overview and Scrutiny Panel at their meeting on 18 January 2024 supported the Capital Strategy 2024/25 for approval.

7. PORTFOLIO HOLDER COMMENTS

- 7.1 This gives a broad outline for the capital expenditure over the coming year, providing direction for the prudent use of resources and ensuring that any requirement for outside funding is maintained at an affordable level. I am pleased that the Council has managed to maintain its mandatory (as a result of government legislation) borrowing position for as long as it has, despite significant investment in property supporting the New Forest Economy and in new housing, to support the most vulnerable within our district. The Strategy supports a proportionate capital programme, and affordable costs of finance over the medium term.

For further information please contact:

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Background Papers:

Capital Strategy 2024/25

1.0 Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The report also includes the prudential indicators, as required by the Prudential Code.

2.0 Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are generally not capitalised and are charged to revenue in year.

In 2024/25, the Council is planning capital expenditure of £49.459 million as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
General Fund services	6.682	13.654	17.079	16.297	7.169
Council housing (HRA)	22.077	28.095	32.380	27.400	27.380
Capital investments	13.203	0.250	0.000	0.000	0.000
TOTAL	41.962	41.999	49.459	43.697	34.549

The General Fund capital programme includes the cyclical replacement of vehicles and plant, the new depot facility at Hardley and containers/vehicles for the new Waste Strategy. A couple of additional projects have been allowed for within the capital strategy, but are not included within the Capital programme at this time, as they are subject to further feasibility work and will require approval through specific business cases in due course. Due to the recent increase in interest rates, no further expenditure on commercial and residential properties is assumed at this time (save for exceptional opportunities).

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised by, other local services. HRA capital expenditure is therefore recorded separately and includes the maintenance and decarbonisation of existing stock and the building and acquisition of new homes over the forecast period, in line with the Housing strategy.

Governance: Service managers bid annually in the early Autumn to include projects in the Council’s capital programme. Bids are collated by the Chief Finance Officer and reviewed collectively by the Executive Management Team. The Resources and Transformation Overview and Scrutiny Panel appraises the proposed programme and makes recommendations to the Cabinet. The final capital programme is then presented to Cabinet and to Council in February each year.

- Full details of the Council’s capital programme are available within the Feb 2024 Cabinet papers (Medium Term Financial Plan / Annual Budget 2024/25)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
External sources (Grants / DC's)	4.543	10.469	15.620	10.998	7.391
Capital Receipts	3.977	3.000	3.381	2.000	2.000
Capital Reserves	3.640	5.474	6.666	2.444	2.555
Revenue Contributions	11.946	10.360	10.700	10.700	10.700
Debt / Loan	17.856	12.696	13.092	17.555	11.903
TOTAL	41.962	41.999	49.459	43.697	34.549

Prior to 2023/24 any borrowing required to meet the Council’s capital expenditure was met by using cash held in reserves rather than raising loans. This action is known as internal borrowing. Internal borrowing is replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP, explained further below). Alternatively, additional (beyond those already anticipated within the financing as shown within table 2) proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and debt repayment are as follows:

Table 3: Replacement of debt finance in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Capital Expenditure Financed by Debt / Loan	17.856	12.696	13.092	17.555	11.903
Own resources - Debt Repayment	-4.100	-2.749	-4.100	-4.100	-4.100
Own resources - MRP Provision	-1.615	-2.210	-2.746	-3.259	-3.798
Movement in CFR	12.141	7.737	6.246	10.196	4.005

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, debt repayments and capital receipts used to replace debt. The CFR is expected to increase by £6.246 million during 2024/25. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
General Fund services	6.105	7.721	7.988	13.887	12.858
Council housing (HRA)	128.846	135.082	141.495	146.228	151.696
Capital investments	21.400	21.285	20.850	20.415	19.980
Total CFR at Year End	156.351	164.087	170.333	180.530	184.534
Movement in CFR from one year to the next	12.141	7.737	6.246	10.196	4.005

Minimum Revenue Provision: Where General Fund capital spend has been financed by loan (internal borrowing), and has increased the CFR, the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year and is based on the expected economic use period related to the capital expenditure.

Full Council is required to approve an MRP statement in advance of each financial year. The Council is recommended to approve the following MRP statement:

“For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP policy for expenditure other than that incurred on investment property and dwellings, shall be to charge revenue an amount equal to the depreciation of any asset financed by loan. The MRP policy specific to investment properties and dwellings financed by loan, shall be to charge revenue an amount equivalent to the sum of borrowing utilised, over a repayment period of 50 years.”

For Council Housing and the refinancing settlement of 2012, the Council approved a business plan that charged amounts to revenue to ensure that any borrowings are reduced in accordance with the maturity of the debt outstanding. The proposed 2024/25 HRA budget confirms that new borrowing is required to provide the necessary finance to the Capital Programme.

Asset management: Service Managers from across the Council manage assets in their service delivery areas. The Council’s Service Manager for Estates and Valuation has overall responsibility for the management of the Council’s property estate records, including liaising with the Council’s Accountancy department on statutory annual financial reporting. To ensure that property assets continue to be of long-term use, the Council will be producing an overarching Accommodation Strategy.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds (capital receipts), can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. Council dwelling sales through the Right to Buy scheme also generate capital receipts. The Council plans to receive £2.3 million of capital receipts in the coming financial year as follows:

Table 5: Capital receipts in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Asset sales	4.293	2.400	2.000	2.000	2.000
Loans repaid	0.451	0.301	0.300	0.000	0.000
TOTAL	4.744	2.701	2.300	2.000	2.000

- The majority of forecast asset disposals relate to Right to Buy receipts.
- In 2014, the Council arranged £2m of prudential borrowing on behalf Lymington Harbour Commissioner. This is being repaid annually, with the final payment in 2023/24.
- In 2022/23, the Council provided a loan facility to the New Forest Enterprise Centre to finance planned maintenance works. The outstanding loan value at the end of 2023/24 is expected to be £300,000, with full repayment due by 31/3/2025.

3.0 Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent¹ but will become cash poor in

¹ ‘spent’ in this context also includes the payment of collected council tax to the relevant precepting authorities

the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

At the last balance sheet date (31/03/23), the Council had £118.3 million borrowing at an average interest rate of 3.32% (due principally to the HRA refinancing settlement in 2012) and held £31.50 million treasury investments (including sums received from Central government for redistribution) earning an average rate of 3.77%.

Borrowing strategy: The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Council’s total outstanding debt are shown in table 6 below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Debt - HRA Settlement	118.1	114.0	109.9	105.8	101.7
Debt - Capital Programme	0.2	7.4	25.1	41.5	52.2
Total Debt	118.3	121.4	135.0	147.3	153.9
Capital Financing Requirement	156.4	164.1	170.3	180.5	184.5

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this for the duration of the current programme.

The figures shown in the Debt – Capital Programme row highlight the amount of external borrowing that is anticipated to be needed from 31 March 2024, but this will be managed against actual overall cash balances, as part of the Treasury Strategy.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £millions

	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit – total external debt	202.9	229.9	230.5	231.1	231.8
Operational boundary – total external debt	185.1	211.5	211.5	211.5	211.5

- Further details on borrowing are included within the treasury management strategy.

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Near-term investments	17.9	1.1	1.1	1.0	1.0
Longer-term investments	13.6	9.0	9.0	9.0	9.0
TOTAL	31.5	10.1	10.1	10.0	10.0

- Further details on treasury investments are included within the treasury management strategy

Table 8 highlights that the majority of the Council's cash will be utilised over the period through internal borrowing to fund the needs of the Council's capital programme, until minimum balances reach £10 million. Use of cash for capital programme financing will then be supplemented through external borrowing, when required. The Council should expect to retain a minimum level of cash, known as the **Liability Benchmark**. The General Fund balance reserve at £3 million and the HRA reserve at £1 million are an absolute minimum, with further headroom added to set where the Council's basic benchmark should be (**£10 million** in total).

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by Council. A mid-year and an outturn report on treasury management activity are presented to the audit committee. The audit committee is responsible for scrutinising treasury management decisions.

4.0 Commercial Activities for the Purpose of Economic Sustainability, Regeneration and Income

The Council has invested in commercial and residential property to support a sustainable local economy within the New Forest and encourage regeneration projects. The Council will invest in and will lend to its Wholly Owned Trading Company and will in return receive an income. Investment properties were valued at £30.7 million on the Council's balance sheet as at 31/03/23 and long terms loans to the WOC totalled £3.713 million as at the same date.

To support the wider objective of economic sustainability and regeneration the Council accepts higher risk on commercial and residential investment than with treasury investments. The principal risk exposures include vacancies and falls in capital values. These risks in relation to commercial property are managed by predominantly targeting acquisitions with existing medium-long term tenancies in place and being sensible about the purchase price in relation to the Council's desire to promote and sustain employment sites within the district, and the income yields achievable. In order that commercial investments remain proportionate to the size of the authority, these are currently subject to an overall maximum investment limit of £50 million. Residential property investments are currently subject to an overall investment limit of £10 million.

Expenditure on these approved strategies is currently paused due to the increased interest return that can currently be received on cash balances, and as the Council is now in an external borrowing position, the interest charges are currently too high to satisfy the financial parameters of the business case requirements.

Governance: Decisions on commercial investments are made by an investment panel in line with the criteria and limits approved by Council in the Commercial Property Investment strategy. Decisions on residential investments are taken by the Board of Directors of the wholly owned company, in line with the criteria and limits approved by Council in the Residential Property Strategy. Property and most other commercial investments are also capital expenditure and purchases have therefore also been pre-approved as part of the capital programme.

- Further details, including the risk management on commercial and residential investments are outlined in these respective strategy documents;
 - [Commercial Property Investment Strategy - 2022](#)
 - [Residential Property Investment Strategy](#)

5.0 Other Liabilities

In addition to debt of £118.3 million detailed above, the Council is committed to making future payments to cover its pension fund liability (valued at £21 million as at 31/03/23), It has also set aside £4.5 million in provisions, with £4 million of this to cover risks of business rate appeals.

Governance: Decisions on incurring new discretionary liabilities are taken by the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by Accountancy and reported when necessary.

- Further details on liabilities are shown within the Council's draft balance sheet on page 18 of the 2022/23 draft Annual Financial Report, further supported by notes to the accounts:
 - [Annual Financial Report - 2022-23](#)

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable². The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants for the General fund, and the income receivable from rents within the HRA.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
General Fund; Financing costs (£m)	0.31	0.31	0.85	1.63	2.12
General Fund; Proportion of net revenue stream	1.5%	1.4%	3.6%	7.0%	9.6%
HRA; Financing costs (£m)	4.2	4.1	4.9	5.6	6.4
HRA; Proportion of net revenue stream	13.8%	12.4%	13.6%	15.4%	17.2%

The Financing costs of both the General Fund and HRA are set to increase as a result of the required Capital Financing Requirement, reducing cash balances (and assumed interest rates) for investment and costs of external borrowing. Financing costs for the General Fund will increase from 23/24 to 24/25 principally as a result of increased prices of Vehicles and Plant, the application of MRP to the new Platinum Jubilee Business Park and the allowance for borrowing charges as a result of the Capital Financing Requirement. The further increase to 31/3/27 is principally down to expected reductions in treasury management earnings and the capital expenditure requirements associated with the roll out of the new waste strategy, and the MRP / financing thereof. There is a working assumption that

² In relation to the finance costs incurred within the General Fund, the income to be generated from Commercial and Residential property will exceed the additional MRP and interest charges, but as this income is to be used to directly contribute towards the funding of services, the income is not netted off against the finance costs within the table 9.

reduced service costs, as a result of the collection methodology change will counter this increase, and that the additional revenue costs associated with regards to Food Waste collection will be supported with government funding.

Financial Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Chief Finance Officer is satisfied that the proposed capital programme is appropriate according to required projects aligned to service delivery. The medium-long term affordability remains reliant on service change savings being delivered, and government transitional support (with regards to the waste strategy roll-out & the large decarbonisation requirements within the HRA).

6.0 Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer, the Finance Service Manager and the Council's Principal Corporate Accountant are all qualified accountants with several years' experience between them. The Service Manager for Estates, Valuation & Facilities is highly experienced in commercial property transactions and facilities management and is supported by experienced and professionally qualified surveyors and valuers (members of the Royal Institution of Chartered Surveyors).

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and has a Service Level Agreement with Hampshire County Council's Treasury Management department for day-to-day treasury management activities. The Council instructs external surveyors, valuers, architects and quantity surveyors to provide specialist advice on specific projects, where required. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

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COMMUNITY GRANTS

1. RECOMMENDATIONS

1.1 Cabinet recommend that Council approve:

- a) Community Grant awards, totalling £130,000 in revenue grants and £96,040 in capital grants, as set out in Appendix 1, and in more detail in Appendix 2, be approved for inclusion in the Medium-Term Financial Plan and proposed budget for 2024/25.
- b) The proposed recommendations as set out in section 4.2
- c) The Community Transport grants totalling £51,100, as set out in section 5.5 along with the recommendation to respond to the HCC consultation, as detailed in 5.7.

2. BACKGROUND

- 2.1 Following previous encouragement to promote the community grants, the Task and Finish Group were pleased to see many applications from new organisations, supporting a range of groups and that covered the whole district.
- 2.2 On 27, 28, 29 and 30 November 2023 the Community Grants Task and Finish Group met to consider the Revenue Community Grant applications received for the 2024/25 financial year. We received 43 applications from a range of organisations, including many new organisations. Due to the number of Revenue Grant applications, the Task and Finish Group met on 15 December 2023. We received 15 Capital Community Grants applications.
- 2.3 The value of Revenue grant applications totalled £617,199, (£249,430 in 2022) and Capital grant applications totalled £243,640 (£161,400 in 2022).
- 2.4 The recommended Revenue Community Grant amount includes £35,000 awarded to Community First Wessex as part of a two-year funding agreement which ends on 31 March 2025. Quarterly meetings are held to provide updates on activities undertaken as detailed in the agreement.
- 2.5 Due to the number and value of applications the Group sought to prioritise those that support our most vulnerable residents and communities and provided the most community benefit.
- 2.6 Applicants each gave a presentation to the Task & Finish Group and answered questions. The Task and Finish Group comprised Cllrs, Alvey (Chairman), Armstrong, Crisell, Dowd, Dunning (Vice Chairman), McCarthy and O'Sullivan, with input from key Council Officers.

3. PROCESS

- 3.1 Applications were reviewed by Officers, with clarification sought where there were queries with the application, for example the amount applied for, the organisations

status or the type of project seeking funding. Following the review some applications did not progress and were notified accordingly.

- 3.2 All Community Grant applicants were asked to present to the Task and Finish Group and provide details of their accounts, and how their application would meet the needs of, and benefit or support, residents in the district. Applicants were also asked to explain how their funding request linked to the priorities set out in the Council's Corporate Plan and their outcomes and key deliverables.
- 3.3 Following the presentations, the Task and Finish Group thoroughly discussed and reviewed the information submitted with the applications and presented at interview and responses to the Groups specific questions. In formulating a recommendation for each grant request, members considered the agreed criteria, the Council's Corporate Plan priorities, the value for money being offered, or if supported us in delivering our services. Due to the number and value of applications the Group had to make difficult decisions and in a number of instances the Group recommended grants of less than the amount being requested so as to support as many groups as possible and to recognise the benefits of the individual grant applications. Consideration was also given to sustaining organisations over expansions.
- 3.4 The recommendations, with reasons, of each of the grant requests, are summarised in **Appendix 1** and in further detail in **Appendix 2**. Some applicants, where a grant is not recommended, have been given advice and information to support their organisation, including alternative funding streams, details of other organisations that can offer support, such as Community First Wessex, and invitations to join the New Forest partnership meetings where they can network and understand what other organisations are doing across the district.

4. REVIEW OF THE PROCESS

- 4.1 After completing the interviews, the Task and Group reviewed the overall grants process. Whilst acknowledging the considerable administration and time involved, especially this year due to the increased number of applicants, the Group were very supportive of the Community Grants programme which supports the Council's aims and objectives. However, with the increased number of applications, which is likely to increase further in the future as the need for funding is great, it does mean that a significant amount of officers' time is spent on the scheme administration, including responding to enquiries, arranging appointments, five days' worth of meetings and listening to applicants and subsequent report writing and ongoing administration.
- 4.2 On reviewing the Community Grants process the Task and Finish Group recommend:
 - a) For applications for the 2025/26 year, that the minimum revenue grant application amount be increased from £1,000 to £3,000 and that a maximum revenue grant award is set at £20,000
 - b) That any unspent Councillor Engagement Grant at year end is transferred to the Revenue Community Grant budget
 - c) That the Capital Grant scheme is reviewed to consider aligning with the Community Infrastructure Levy (CIL) funding

- d) That the Revenue Grant scheme is fully reviewed to consider whether alternative processes could be used to simplify administration, and to ensure awards match the Council's emerging Corporate Plan priorities.

5. COMMUNITY TRANSPORT GRANTS

5.1 The Task and Finish Group also considered community transport grants. There are 3 Service Level Agreements with Hampshire County Council for transportation projects all funded from the overall budget for Community Grants. Community First Wessex administer the three schemes.

- Wheels to work – This is a moped loan service which aims to help people between 16 and 25 with no access to suitable transport get to work, apprenticeships, training, or job interviews.

Current NFDC grant funding is £7,396.21 match funded by HCC. The contract is being extended for a further year so that it now ends on 31 March 2025.

- Call and Go – This is a bookable community transport service for anyone whose transport needs are not met by public bus services to go, for example, shopping, to visit a library or to see family and friends. Drivers will assist with carrying shopping and wheelchair accessible minibuses collect users from their home at a pre-arranged time. The cost will vary according to the distance travelled.

Current NFDC funding is £28,675.21 match funded by HCC. The contract is being extended for a further year so that it now ends on 31 March 2025.

- Group Hire – This scheme provides affordable wheelchair accessible minibuses to hire for voluntary or charitable organisations for a period of 3 hours to 1 week. The cost of hire depends on the distance travelled and duration of hire period.

Current NFDC grant funding is £13,671.32 match funded by HCC. The contract is being extended for a further year so that it now ends on 31 March 2025.

5.2 The total current funding for the three community transport schemes is £49,742.74.

5.3 Following an HCC review and subsequent consultation due to the need to reduce budgets, the savings programme to 2023 (SP23) was agreed by HCC Cabinet in October 2021. HCC will be undertaking a review of the Community Transport Schemes, as part of their wider budgetary review, with a decision expected to be made in July 2024 on their future.

5.4 The Group reviewed the numbers using the three schemes, which are recovering following the pandemic, and the impact of the options on service provision.

5.5 The Group was of the view that NFDC should maintain the same level of funding to support our communities, especially those in rural areas with limited transport links. Therefore, The Group recommend the following:

- Funding for Call & Go for 2024/25 to be £29,409.99
- Funding for Group Hire for 2024/25 to be £14,080.04
- Funding for Wheels to Work for 2024/25 to be £7,609.87

5.6 The recommended support funding is within the annual budget available.

5.7 The Group were very supportive of the schemes and written confirmation will be sent to HCC through their current public Future Services consultation to confirm our commitment and support to these schemes and encouragement for their funding to continue beyond 31 March 2025. On HCC making their decision we will give due consideration and discuss and agree our response, however, we will not be in a position to fund any HCC reductions in grant funding.

6. FINANCIAL IMPLICATIONS

6.1 The Task and Finish Group were advised that the Council's Medium-Term Financial Plan had allowed for up to £130,000 to be awarded on Revenue Grants and up to £100,000 for Capital Grants.

6.2 The proposals, as set out in Appendix 1, total £130,000 of Revenue grants (£129,600 in 2023/24), which includes the £35,000 grant to Community First Wessex, and £96,040 for Capital grants (£92,000 in 2023/24).

6.3 The proposed budget for 2024/25 for the Community Transport Service Level Agreements, as outlined in section 5 of this report, is £51,100.

7. CRIME & DISORDER IMPLICATIONS / ENVIRONMENTAL IMPLICATIONS / DATA PROTECTION IMPLICATIONS

7.1 Community Grants have been awarded to support groups with capital projects to become more energy efficient.

8. EQUALITY & DIVERSITY IMPLICATIONS

8.1 Our Community Grants programme continues to support a wide range of organisations across the district that support, engage and benefit our diverse communities and residents, including those with mental health and disabilities, and vulnerable households.

9. HOUSING AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL COMMENTS

9.1 The Panel considered the Community Grants report and expressed their support to the proposed recommendations for Cabinet approval. It was recognised that a large number of organisations had applied for funding, and that the total value of capital and revenue applications far exceeded the budget allocation. Members recognised that there were a number of worthwhile organisations which had not been recommended to receive any funding and questioned whether it would be possible to consider an increase to the level of funding available to support such organisations in future years. Members noted that a review would be carried out of the Community Grant scheme and that this would align with the Corporate Plan priorities.

9.2 The Panel thanked members of the Task and Finish Group and officers for the work which had been involved in considering the grant applications and forming recommendations.

10. PORTFOLIO HOLDER COMMENTS

10.1 The Council is committed to continually supporting our annual Community Grants programme and the valued contributions this has to our communities. Decisions were particularly difficult, due to the increased number and value of applications received, and I am very pleased at the wide range of the grants awarded that will benefit our communities and support the emerging priorities of the Council. The grants cover all areas of the New Forest and include grants that promote and support physical and social activity and sports, arts and culture, and to local charities and organisations that support our communities and our most vulnerable residents, for example mental health. Considering the administration involved and the expected increase in demand, it is right we review the community grants scheme.

10.2 We are also continuing our support to the three Community Transport schemes, which benefit many of our residents, and we will respond to Hampshire County Council's consultation to confirm our support of their continuation beyond 31 March 2025.

Further information:

Ryan Stevens
Service Manager – Revenue, Benefits and
Customer services
Tel: 023 8028 5693
ryan.stevens@nfdc.gov.uk

Background Papers:

Community Grants Appendix 1 and 2

COMMUNITY GRANT APPLICATIONS: SUMMARY OF APPLICATIONS

Appendix 1

A. REVENUE GRANTS

ITEM	APPLICANT	AMOUNT REQUESTED	RECOMMENDATION	2023/24 AWARD
1	Applemore Waterside Swimming Club	2,000	0	N/A
2	Aquaponics	28,000	0	N/A
3	Avon Valley Community	25,000	0	N/A
4	Avon Valley Shed	6,200	0	N/A
5	Eling Tidemill Experience	25,000	0	N/A
6	Families Matter	5,000	5,000	N/A
7	Flutterby Fund	5,000	0	N/A
8	Forest Forge	15,000	7,000	10,000
9	Hammersley Homes	15,000	4,000	5,000
10	Hampshire Cultural Trust (Forest Arts)	15,000	7,500	10,000
11	Headway	12,000	0	N/A
12	Helping Older people	35,000	0	N/A
13	Honeypot Childrens Charity	10,000	5,000	N/A
14	Living After Loss	30,000	0	N/A
15	Lyndhurst and District Community Association	30,000	0	N/A
16	Marchwood Men's Shed	1,200	0	0
17	Memory Box	3,500	0	N/A
18	New Forest Baseball	5,000	0	N/A
19	New Forest Basics Bank	20,000	5,000	N/A
20	New Forest Bike Project	10,000	1,000	2,000
21	New Forest Cricket Association	5,000	0	N/A
22	New Forest Disability Info Services	28,500	17,000	18,500
23	New Forest Heritage Trust	10,000	0	0
24	New Forest Mencap	10,000	5,000	N/A
25	New Forest Pride	5,000	0	0
26	Parkinson UK	2,500	1,000	N/A
27	PEDALL	10,000	0	N/A
28	Positive Path	15,000	5,000	N/A
29	Ringwood Veterans Club	5,484	0	N/A
30	Solent Mind	24,000	0	N/A
31	SPUD	15,000	5,000	10,000
32	St Barbe	12,000	5,000	10,000
33	St Wins Church	18,733	0	N/A
34	Stepping Stones Pre School	12,000	0	N/A
35	The Crossings	10,000	8,000	5,000
36	The Green Gram	24,720	0	0
37	The Handy Trust	8,000	5,000	7,000
38	Totton and Eling Community Association	26,362	0	N/A
39	Totton Sharks Basketball Club	1,000	0	N/A
40	Wessex Cancer Trust	21,000	0	N/A
41	WetWheels	10,000	0	N/A
42	Woodlands Pre School	35,000	0	N/A
43	Youth and Families Matter	10,000	9,500	10,000
Total		£617,199	£95,000	
	Community First Wessex - SLA		35,000	35,000
Total			£130,000	

B. CAPITAL GRANTS

ITEM	APPLICANT	AMOUNT REQUESTED	RECOMMENDATION
1	Boldre Parish Council	18,500	9,000
2	Brockenhurst Cricket Club	40,000	0
3	Burley Cricket Club	1,600	2,000
4	Fawley Parish Council	15,000	15,000
5	Fordingbridge Town Council	25,000	0
6	Foxies Future	20,000	10,000
7	Lymington Community Association	26,000	7,500
8	Lymington Cricket Club	1,500	1,000
9	Lyndhurst Drama and Music Society	25,000	15,000
10	Lyndhurst Drama and Music Society	5,500	2,500
11	Ringwood Community Association	10,615	10,615
12	Ringwood Round Table	5,915	5,915
13	Sway Cricket Club	15,000	7,500
14	Sway Parish Council	10,000	10,000
15	Totton Town Council	24,000	0
Total		£243,640	£96,040

A. REVENUE GRANTS

APPENDIX 2

1	APPLICANT	SUMMARY
	Applemore Waterside Swimming Club	The club, which has been running for 40 years, provides swimming lessons via qualified instructors, with a current membership of 130

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£ 2,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group were supportive of the club but since the application the club have improved their financial stability. It was considered that alternative funding sources could be explored, including Councillor Community Engagement grants. Although the Group support the promotion of physical activity, it considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

2	APPLICANT	SUMMARY
	Aquaponics	New Forest Aquaponics CIC is the UK's first regenerative aquaponics farm. Aquaponics is a nutrient-rich, chemical-free way of 'companion farming' in a system of interconnected tanks where fish and plants grow and nurture each other, providing healthy food in a regenerative and waste-free way. They also support the community with clothes swap, a repair café, and distribute food waste from supermarkets.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£28,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group recognised the work of Aquaponics, which is a new organisation, but had concerns over their focus and undertaking several activities, some of which may be being done elsewhere by other organisations, and that limited fundraising had been applied for and obtained.

3	APPLICANT	SUMMARY
	Avon Valley Partnership Youth & Community Trust	Avon Valley Partnership is based in a charity shop in Fordingbridge and is an outreach arm of Avon Valley churches with the aim of supporting the local community.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£25,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group acknowledged the work of the Avon Valley Partnership, but the grant requested was to employ someone for two years which the Group could not commit to, and there are organisations in the locality providing similar activities. Therefore, when considering the number of grant applications received, often working directly with vulnerable groups, the Group considered that this is regrettably not a current priority at this time.

4	APPLICANT	SUMMARY
	Avon Valley Shed	The Avon Valley Shed brings people together in a social setting, to improve mental health, reduce isolation, give a sense of purpose, and to educate and share skills. The Group has 40 members, being open to all, with member involvement on running activities. The Group is a member of UK Association of Men's Shed and is applying for charitable status.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£6,200

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group were supportive of Avon Valley Shed but considered that more could be done to generate funding, including seeking donations from work undertaken and Councillor Community Engagement grants. Therefore, when considering the number of grant applications received, often working directly with vulnerable groups, the Group considered that this is regrettably not a current priority at this time.

5	APPLICANT	SUMMARY
	Eling Tide Mill Experience	Eling Tide Mill is a water mill with visitor centre and activity room with plans to employ a Community Worker to engage with residents from a hub setting.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£25,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group considered that the Town Council could provide financial support to the project, and had concerns about longer term funding for the project, and that there was already similar provision already in Totton.

6	APPLICANT	SUMMARY
	Families Matter	Families Matter is a small local charity based in Hythe which helps families in need in the Waterside area. They support parents through parenting classes and groups for parents and children with special

		needs, autism and mental health, and through a crisis, i.e. separation, domestic violence, behavioural problems. They work closely with local schools, supporting children and also run groups for people with dementia and their carers and for families with drug and/or alcohol addictions.
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Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£5,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The organisation contributes to the Council's priorities through assisting wellbeing of those in the District, working with vulnerable children and young people and parents. Families Matter work in partnership with other organisations, run parenting courses to those families struggling with their child's extreme angry behaviour, support elderly people with dementia, and their carers, with monthly groups. With an increasing demand, the grant would be used to continue this work in the context of general grant reduction from other organisations.

7	APPLICANT	SUMMARY
	Flutterby Fund	Based in Cadnam, Flutterby Fund provide equine therapy to children with special needs aged between 0 to 18.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£5,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group recognised the benefits of equine therapy but considered that although the grant would support 10 children with therapy sessions this was a relatively small number of beneficiaries compared to other applications when considering the grant amount requested, and that more could be done to generate income. Therefore, when considering the number of grant applications received, often working directly with vulnerable groups, the Group considered that this is regrettably not a current priority at this time.

8	APPLICANT	SUMMARY
	Forest Forge Theatre Company	Forest Forge is theatre that provides creative learning and outreach activities and tours to communities and schools across the New Forest with an emphasis on creative learning and using theatre to tackle wider social issues such as bullying and mental health. The organisation encourages participation in a variety of activities such as workshops; work experience and targeted outreach projects (e.g., teenagers).

Last Year's Request	Last Year's Award	Request
£30,000	£10,000	£15,000

RECOMMENDATION:

That a grant of £7,000 be given.

REASON FOR DECISION:

Forest Forge provides creative learning activities across the district and contributes to community cohesion and wellbeing. It supports local business and provides experience for young people's employability and seeks to be fully inclusive by engaging with all communities. It works in schools, tours a production about mental health, has set-up a youth theatre with over 100 attending and a trans youth theatre.

9	APPLICANT	SUMMARY
	Hammersley Homes	Hammersley Homes apply a person centred approach to provide emotional and practical support for people with mental health and aims to provide supported living accommodation for vulnerable adults so that they can live independently. They provide an outreach programme and aim to keep people out of hospital by providing support in their own home.

Last Year's Request	Last Year's Award	Request
£20,000	£5,000	£15,000

RECOMMENDATION:

That a grant of £4,000 be given.

REASON FOR DECISION:

The Group supported Hammersley Homes ambitions and aims and the importance of the work they do with supporting vulnerable people, focusing on those with mental illness and their families, and that the funding will enable them to increase their programme to support more people as demand is expected to increase.

10	APPLICANT	SUMMARY
	Hampshire Cultural Trust (Forest Arts Centre)	Forest Arts Centre is part of FOLIO, a collaboration of arts and heritage organisations, and provides a leading venue for quality live music, comedy, theatre, arts, activities, and events based in New Milton and has an extensive outreach programme. The Centre's priorities include providing high quality cultural programming and community benefit and targets working with schools, including Greenwood, adults with learning disabilities, and older people with dementia or Parkinson's disease.

Last Year's Request	Last Year's Award	Request
£15,000	£10,000	£15,000

RECOMMENDATION:

That a grant of £7,500 be given.

REASON FOR DECISION:

Forest Arts contributes to the Council's priorities by helping local business grow by supporting artists and attracting visitors to the area, and service outcomes for the community with events, activities, and projects. The venue also seeks to provide accessible and affordable space for hire, e.g., Hampshire Autism, host activities and events, offering opportunities to showcase

artistic output at affordable process. Forest Arts seeks to improve mental and physical wellbeing, for example Dance for Parkinson's, and seeks to develop outreach work, as well as a LGBTQ+ youth drop-in. The grant is ring-fenced to the Centre and the work in the district, ensuring our residents benefit, and the Group recommended exploring business sponsorship to increase fundraising income.

11	APPLICANT	SUMMARY
	Headway	Headway are based in Totton and support people and their families affected by brain injuries

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£12,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group were supportive of the work Headway do but considered that they are currently well funded and that the NHS should be providing support. Therefore, when considering the number of grant applications received, the Group considered that this is regrettably not a current priority at this time.

12	APPLICANT	SUMMARY
	Helping Older People	Helping Older People provide free support, advice and befriending services as well as running two charity shops.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£35,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The application was to expand service provision, and although the Group acknowledge their work, with limited funding available priority is given to sustaining organisations. The Group considered that therefore, when considering the number of grant applications received, the Group considered that this is regrettably not a current priority at this time.

13	APPLICANT	SUMMARY
	Honeypot Childrens Charity	Honeypot Childrens Charity support young carers aged between 5 and 12, including offering respite breaks at their home

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£10,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Group were supportive of Honeypot and their plans to reach out to more young carers, a cohort who have very limited support available from other sources.

14	APPLICANT	SUMMARY
	Living After Loss	Living After Loss provide counselling sessions to those affected by a bereavement and are seeking a permanent location for drop-in sessions.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£30,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group were supportive of the application, it was considered that an application to secure a permanent building space could be resolved with partnership working with other organisations.

15	APPLICANT	SUMMARY
	Lyndhurst and District Community Association	Lyndhurst and District Community Centre has halls, meeting rooms and a charity shop that serve the local community and plan on recruiting a Centre Manager to manage the hall and generate income.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£30,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group recognise the value of community buildings, it considered that funding a centre manager was not a priority, when considering other grant applicants, and that the position could be self-financing with initial support from other organisations.

16	APPLICANT	SUMMARY
	Marchwood Men's Shed	The Men's Shed has recently formed with the purpose being to bring people together in a social setting, to improve mental health, reduce isolation, give a sense of purpose, and to educate and share skills. The Group has 20 members, being open to all, with member involvement on running activities. It intends to make links with the community, already undertaking a bird box and planter project. The Group is a member of UK Association of Men's Shed and is applying for charitable status.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£1,2000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group fully supported the project, and recognise its benefits, it was considered the group could do more to be self-sustaining, for example membership fees like other Men's Sheds, and apply for alternative grant funding. When considering this, and the membership numbers, the Group did not consider a grant appropriate when considering other priorities.

17	APPLICANT	SUMMARY
	Memory Box	Memory Box are based in Southampton and aim to combat loneliness and social isolation for those aged 50 plus, working in Ringwood and Fordingbridge libraries, through their "Memories, me and tea" project.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£3,500

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group considered the limited funding available, the number of grant applications received, and considered that this is regrettably not a current priority at this time.

18	APPLICANT	SUMMARY
	New Forest Baseball	New Forest Baseball are a club seeking to promote and expand participation of baseball in the area, including having their own maintained pitch

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£5,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the promotion of physical activity, it considered that the group could seek alternative funding and sponsorship, and with the limited funding available, the number of grant applications received, often working directly with vulnerable groups, it considered that this is regrettably not a current priority at this time.

19	APPLICANT	SUMMARY
	New Forest Basics Bank	New Forest Basics Bank operate a Food Bank from Lymington which supports the surrounding areas, including schools and community hubs.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£20,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Group recognised the support given to vulnerable families, especially with the cost of living, and the work New Forest Basics Bank do with schools and supporting the Food Larders, along with the reduction in donations and increasing demand resulting in having to purchase items.

20	APPLICANT	SUMMARY
	New Forest Bike Project	New Forest Bike Project (NFBP) is a Not for profit Community Interest Company and re-cycles bikes and sells them at reduced rates, benefiting residents by offering an affordable source of bikes and parts, especially to those on a low income, to keep people on the road, fit and healthy, reducing the need for car journeys and the impact on the environment. It provides opportunities and a place to help those with issues in their lives improve their confidence, self-esteem, practical and social skills.

Last Year's Request	Last Year's Award	Current request
£5,000	£2,000	£10,000

RECOMMENDATION:

That a grant of £1,000 be given.

REASON FOR DECISION:

The Group support the work of this project, especially as part of the greener agenda and to encourage recycling and cycling, providing more affordable access to bicycles for households struggling with the cost of transport, as well as providing volunteering opportunities and training.

21	APPLICANT	SUMMARY
	New Forest Cricket Association	New Forest Cricket Association support the local village and town cricket teams, who are members, and runs competitions and promotes the game.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£5,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the promotion of physical activity, it considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

22	APPLICANT	SUMMARY
	New Forest Disability Information Service	New Forest Disability Information Service (NFDIS) provides specialised, free, impartial, and confidential disability related information, advice, and guidance to anyone with a disability who lives or works within the New Forest area. NFDIS are the only organisation within the New

		Forest that support and represent the most vulnerable disabled clients at welfare benefit tribunals. NFDIS specialise in providing mobility aids and equipment, and collaborate with community and other organisations to help people maximise their wellbeing and live safely and as independently as possible in their own home.
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Last Year's Request	Last Year's Award	Request
£18,500	£18,500	£28,500

RECOMMENDATION:

That a grant of £17,000 be given

REASON FOR DECISION:

NFDIS is the only organisation of its kind in the district and provides an essential service to the vulnerable in the face of ever-increasing demand and supports the council in many ways, including with the Just Got Home, working from Lymington and Fordingbridge hospital, and Independence Matters projects. The Group acknowledged the great work of NFDIS in supporting vulnerable and disabled residents.

23	APPLICANT	SUMMARY
	New Forest Heritage Centre	The free entry New Forest Heritage Centre is the only museum dedicated to the social and natural history of the New Forest. Their aim is to inspire visitors to explore and value the New Forest by collecting, conserving, and interpreting collections and by providing educational activities and information to children, young people and adults visiting the Forest and living in the community. The Centre includes an accredited Museum, Reference Library, which preserves historical artefacts, shop, and Exhibition Gallery.

Last Year's Request	Last Year's Award	Request
£5,000	£0	£10,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group took into consideration the work of the Heritage Trust, but considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

	APPLICANT	SUMMARY
24	New Forest Mencap	New Forest Mencap support residents with disabilities, including through sessions, and their families, and operate a charity shop.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£10,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Group recognised the work Mencap do to support those with learning disabilities and the work with partner organisations.

25	APPLICANT	SUMMARY
	New Forest Pride	New Forest Pride (NFP) is a registered charity which supports the LGBTQ+ community. NFP aim to host another free event in Lymington, with an estimate of between 5,000 and 6,000 attending, after the first Pride festival which took place there in 2023.

Last Year's Request	Last Year's Award	Current request
£1,500	£0	£1,500

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Whilst the Group supported the aims of NFP, it considered that funding for one-off events are not within the scope of the Community Grants. The Group wished NFP well for the event and stated that the Council is keen to work with the group on future projects and provide information on other grants available.

26	APPLICANT	SUMMARY
	Parkinson's UK New Forest Branch	Parkinson's UK New Forest Branch support those living with Parkinson's and their families, and host coffee mornings and meetings, seminars and events.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£2,500

RECOMMENDATION:

That a grant of £1,000 be given.

REASON FOR DECISION:

The Group were supportive of the tailored and specialist work Parkinson's UK New Forest do across the district to support those affected by Parkinson's

27	APPLICANT	SUMMARY
	PEDALL	PEDALL provide inclusive cycling opportunities for all ages and abilities and needs

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£10,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the promotion of physical activity, it considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

28	APPLICANT	SUMMARY
	Positive Path	Positive Path provides mentoring, support and advice to people with mental health issues

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£15,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Group acknowledged the hard work of Positive Path and the impact it has on the lives of people that it has supported, along with the work with partner organisations to maximise the benefits with their limited resources.

29	APPLICANT	SUMMARY
	Ringwood Veterans Club	Ringwood Veteran Club support veterans with a group meetings to provide a social environment to reduce isolation

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£5,484

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the group, it considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

30	APPLICANT	SUMMARY
	Solent Mind	Solent Mind is an independent charity covering Hampshire providing help, support, advice and information to those with mental health issues, and works with partner organisations.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£24,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group were supportive of the work Solent Mind does to help those suffering with mental health, it considered that this work should be funded by alternative means through the National Health Service or Public Health.

31	APPLICANT	SUMMARY
	SPUD	SPUD is an arts and education charity that creates opportunities for people to creatively engage with art, architecture, design, and the environment. SPUD supports people works with and support various groups including, youth, disabled, autism, LGBTQ+ and dementia.

Last Year's Request	Last Year's Award	Request
£15,000	£10,000	£15,000

RECOMMENDATION:

That a grant of £5,000 be given

REASON FOR DECISION:

The Group support the work SPUD does with vulnerable groups, which aligns closely with the 'Culture in Common' programme that the Council is involved in delivering across the district. SPUD's work with residents with dementia and with young people to support their mental wellbeing was noted, as was their outreach programme that builds on the community partnerships. The Group supports the work SPUD does, acknowledging the increase in utility costs, and was impressed with the impact of SPUD. With limited funding, the Group unfortunately could not support the full grant request.

32	APPLICANT	SUMMARY
	St Barbe Museum and Art Gallery	St Barbe is a museum and art gallery providing a cultural hub and educational facilities on the heritage, culture, history, and character of the New Forest. It is part of FOLIO, and provides learning services for schools and interest groups, including workshops, exhibitions, and curriculum-based activities. St Barbe also has a coffee shop which is used to support groups, e.g., an Elderly Programme for "memories" and works with low-income families, e.g. holiday workshops and activities and Food programme and outreach work.

Last Year's Request	Last Year's Award	Request
£16,000	£10,000	£12,000

RECOMMENDATION:

That a grant of £10,000 be given.

REASON FOR DECISION:

St Barbe supports NFDC priorities through assisting with the wellbeing of those in the district, as well as attracting visitors. St Barbe provide a wide range of activities, for all ages, and is a vibrant community hub, working with schools, disabled groups, those suffering with dementia or autism, holiday programmes, and a Young Curator group, as well as working with apprentices as part of the government Kickstart programme. The Group were very supportive of the outreach programmes and the summer camps for children eligible for free school meals. Whilst the Group

fully supported its work, regrettably pressures and limitations on budgets meant that it was not able to recommend meeting the grant request in full.

33	APPLICANT	SUMMARY
	St Wins Church	St Wins Church is based in Totton and runs various community projects from the church, including Tots and Toddlers group, café and warm space and youth group.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£18,733

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the work of the church, it considered as the application was not separated from church and any grant would be used to support church activities and aims it was not within scope of the grants scheme.

34	APPLICANT	SUMMARY
	Stepping Stones Pre-school	Stepping Stones pre-school is a pre-school based in Fordingbridge for 2 to 5 years olds.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£12,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group acknowledge the importance of pre-schools it did not consider that subsidising a lack of government funding was within the community grants scheme.

35	APPLICANT	SUMMARY
	The Crossings	The Crossings offer support and help to homeless people and those at risk of homelessness and marginalised in the Waterside area. They operate three drop-in centres which provide a welcoming, non-judgemental space in which people can feel safe to discuss their current issues, which can be multiple and complex. The Crossings support people to make Homesearch, Universal Credit or other benefits applications, some of whom struggle with literacy or numeracy, or they are digitally excluded, and provide signposting advice and information.

Last Year's Request	Last Year's Award	Current request
£15,000	£5,000	£15,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Group recognised the valuable work done to support vulnerable people and the joined up working with our Homelessness Teams where there is joint attendance and collaboration at drop-ins. The grant will enable The Crossings to continue their drop-in and expand their home visits capacity. The longer-term plan is for The Crossings to expand beyond the Waterside and The Group fully support this.

36	APPLICANT	SUMMARY
	The Green Gram	The Green Gram is a community refill shop in Fordingbridge which enables residents to purchase everyday food and household supplies without single use packaging and reusing their own containers. The Green Gram aim to reduce food waste, increase recycling and reducing the environmental impact.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£24,720

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group were supportive of the Green Gram's vision and environmental impact but did not feel able to support the application and this was for a two year post which could not be committed too.

37	APPLICANT	SUMMARY
	The Handy Trust	The Handy Trust provides full youth support services to children and young people aged up to 25. They work in the Waterside area offering a 24/7 service at home, in schools, providing drop-ins and advice and support on relationship, sex and drug issues, as well as in the community with supporting families, and provide holiday clubs and run youth clubs.

Last Year's Request	Last Year's Award	Current request
£7,000	£7,000	£8,000

RECOMMENDATION:

That a grant of £5,000 be given.

REASON FOR DECISION:

The Group recognised the value of the grant and the huge work and outcomes achieved by The Handy Trust in supporting young people, families and support to those in crisis.

38	APPLICANT	SUMMARY
	Totton and Eling Community Association	Totton and Eling Community Association rent a building from Totton Town Council to provide space for services and groups to meet

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£26,362

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the promotion of activities at the community centre, it considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

39	APPLICANT	SUMMARY
	Totton Sharks Basketball Club	Totton Sharks Basketball club provide opportunities for juniors and adults to play basketball

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£1,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the promotion of physical activity, it considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

40	APPLICANT	SUMMARY
	Wessex Cancer Trust	Wessex Cancer Trust provide emotional support to people, and their families, affected by cancer, including counselling, therapy, support groups and a befriending service.

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£21,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

The Group were not presented with financial information relating to the New Forest and the application was to expand existing service provision. Although the Group support their work it considered the limited funding available, the number of grant applications received, and considered that at this time. priority is given to sustaining organisations.

41	APPLICANT	SUMMARY
	Wetwheels	Wetwheels are based in Hamble and provide boating experiences for people with disabilities

Last Year's Request	Last Year's Award	Request
£N/A	£N/A	£10,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group were supportive of Wetwheels, it is not fully established in the district and needs to develop this further before considering a grant. The Group considered the limited funding available, the number of grant applications received, often working directly with vulnerable groups, and considered that this is regrettably not a current priority at this time.

42	APPLICANT	SUMMARY
	Woodlands Pre School	Woodlands pre-school is a pre-school based in Netley Marsh.

Last Year's Request	Last Year's Award	Request
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£N/A	£N/A	£35,000
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RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group acknowledge the importance of pre-schools it did not consider that subsidising a lack of government funding was within the community grants scheme.

43	APPLICANT	SUMMARY
	Youth & Families Matter	Youth and Families Matter (YFM) is a small charity that works in Totton to improve the health and wellbeing of children, young people, and families whose lives are complex and impacted by many forms of disadvantage, mental illness, serious illness, addiction, or abuse.

Last Year's Request	Last Year's Award	Request
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£10,000	£10,000	£10,000
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RECOMMENDATION:

That a grant of £9,500 be given.

REASON FOR DECISION:

YFM met the Council's objectives by assisting in the wellbeing of local people and supporting families, through working with young people and vulnerable families at risk by a combination of support sessions and groups. YFM actively work with many partner organisations, run a foodbank supports the Food Larder, with 30-40 households being supported each week, as well as providing a warm space this winter and works with the Council as part of the Cost of Living Steering Group.

B. CAPITAL GRANTS

1	APPLICANT	SUMMARY
	Boldre Parish Council	To renovate the recreation ground and play area, providing facilities for all ages to a rural and surrounding community

Total Cost	Other Funding	Request
£18,000	£4,000	£18,000

RECOMMENDATION:

That a grant of £9,000 be given.

REASON FOR DECISION:

The Group were supportive of regenerating the play area in a rural area with a range of equipment, which was done in consultation with local residents, where opportunities for recreation are limited.

2	APPLICANT	SUMMARY
	Brockenhurst Cricket Club	To build a new club pavilion which is accessible, safe, secure, sustainable, and fit for purpose for a growing club.

Total Cost	Other Funding	Request
£175,000	£70,000	£40,000

RECOMMENDATION:

That no grant be given.

REASON FOR DECISION:

Although the Group support the project, there were concerns as planning permission had not been granted and that the costings of the project needed further exploration. A future application is encouraged once these issues are resolved.

3	APPLICANT	SUMMARY
	Burley Cricket Club	To replace the existing nets which need replacing due to wear and tear and the unavailability of spare parts.

Total Cost	Other Funding	Request
£3,200	£1,600	£1,600

RECOMMENDATION:

That a grant of £2,000 be given.

REASON FOR DECISION:

The Group were supportive of the project and recommended a higher grant award to ensure better quality and more robust nets could be purchased to ensure a greater return on the investment given the unique challenges of playing on the open forest.

4	APPLICANT	SUMMARY
	Fawley Parish Council	To purchase new equipment of a Thera trainer to support people with their rehabilitation and to replace the existing lift to ensure compliance with safety standards.

Total Cost	Other Funding	Request
£35,185	£20,185	£15,000

RECOMMENDATION:

That a grant of £15,000 be given.

REASON FOR DECISION:

The Group were complementary of the work done to ensure opportunities for disabled residents to be active and supportive of the provision of additional services and the lift replacement project to ensure the building could be used and accessible for all and to ensure wider community use.

5	APPLICANT	SUMMARY
	Fordingbridge Town Council	To create a 5km circular path to be used by a new Park Run and improve accessibility for residents.

Total Cost	Other Funding	Request
£100,000	£75,000	£25,000

RECOMMENDATION:

That no grant is given.

REASON FOR DECISION:

The Group were supportive of encouraging physical activity but concerns were raised that approval had not been confirmed from relevant governing bodies that changes to pitches and layout met standards and that no negative impacts will be incurred on the site.

6	APPLICANT	SUMMARY
	Foxies Future	To purchase the Girl Guiding activity centre at Foxlease to ensure it is retained for Girl Guides and other groups and organisations to use.

Total Cost	Other Funding	Request
£3,134,000	£830,000	£20,000

RECOMMENDATION:

That a grant of £10,000 be given.

REASON FOR DECISION:

The Group recognised the value and benefit of the activity centre to the community and were encouraged by the plans for wider usage and funding secured to date. It was considered that a grant from the Council would demonstrate the Council's support for the facility and help leverage other grant funding.

7	APPLICANT	SUMMARY
	Lymington Community Association	To renew and renovate the café to include improving access, kitchen and bar facilities, a courtyard garden and the installation of solar panels.

Total Cost	Other Funding	Request
£52,413	£26,413	£26,000

RECOMMENDATION:

That a grant of £7,500 be given.

REASON FOR DECISION:

The Group recognise the Lymington Community Centre is a community asset with wide and extensive community use of the building which would be enhanced by the project and the environmental benefits, which would also support the financial sustainability of the building.

8	APPLICANT	SUMMARY
	Lymington Cricket Club	To purchase a bowling machine for practice by club members.

Total Cost	Other Funding	Request
£3,000	£1,000	£1,500

RECOMMENDATION:

That a grant of £1,000 be given.

REASON FOR DECISION:

The Group were supportive of the project to support a vibrant club with their cricketing activities for all sections of the local community.

9 and 10	APPLICANT	SUMMARY
	Lyndhurst Drama and Musical Society	The project is twofold, firstly, to improve the existing changing facilities, toilets, kitchen, and bar and secondly to undertake electrical works to ensure safe and regulations met.

Total Cost	Other Funding	Request
£61,000	£22,500	£25,000 and £5,500

RECOMMENDATION:

That a grant of £15,000 and £2,500 be given.

REASON FOR DECISION:

The Group were supportive of the project to support a community building which would be used by more groups across the community and support further work and funding applications, such as Arts Council England.

11	APPLICANT	SUMMARY
	Ringwood Community Association	To replace the wooden flooring which is 60 years old which is damaged and unsafe

Total Cost	Other Funding	Request
£21,251	£10,636	£10,615

RECOMMENDATION:

That a grant of £10,615 be given.

REASON FOR DECISION:

The Group were supportive of the project to support a community building which is used by many groups which benefits the local community.

12	APPLICANT	SUMMARY
	Ringwood Round Table	To build a new skate ramp in Poulner

Total Cost	Other Funding	Request
£11,830	£1,020	£5,915

RECOMMENDATION:

That a grant of £5,915 be given.

REASON FOR DECISION:

The Group were supportive of the project to improve physical activity in the area which has been identified by the Town Council as lacking through consultation with local young people. The Group were impressed with the fundraising efforts to date and that consideration had been given to the impacts of the project and materials to be used.

13	APPLICANT	SUMMARY
	Sway Cricket Club	To replace the existing nets which need replacing due to wear and tear and the unavailability of spare parts with a permanent structure.

Total Cost	Other Funding	Request
£30,000	£15,000	£15,000

RECOMMENDATION:

That a grant of £7,500 be given.

REASON FOR DECISION:

The Group were supportive of the project which will enable promotion of junior cricket and promote physical activity.

14	APPLICANT	SUMMARY
	Sway Parish Council	To replace and improve the playground equipment which is over 20 years old to provide a bigger, safe, inclusive and more challenging facility for the community.

Total Cost	Other Funding	Request
£70,000	£60,000	£10,000

RECOMMENDATION:

That a grant of £10,000 be given.

REASON FOR DECISION:

The Group were supportive of improving the playground to provide facilities for all ages, and which are accessible, safe and used by many local residents.

15	APPLICANT	SUMMARY
	Totton Town Council	To enhance the space available for community events

Total Cost	Other Funding	Request
£48,000	£6,000	£24,000

RECOMMENDATION:

That no grant is given.

REASON FOR DECISION:

The Group considered that there are already venues within Totton and Eling which provide space for community events, which have access and are suitable and have capacity.

LOCAL PLAN REVIEW

1. RECOMMENDATIONS

1.1 That the Cabinet recommends that the Council agree to:

- (a) commence a full review of the adopted Local Plan, to include *Local Plan Part 1: Planning Strategy 2020* and policies saved from earlier local plans, and the preparation of a Design Code(s) for the Plan Area;
- (b) publish the updated *Local Development Scheme* work programme at appendix one, initially to cover financial years 2024/25 and 2025/26;
- (c) approve an initial Local Plan budget covering the next two financial years of £700,000, noting that £370,000 is currently allocated in a specific reserve, and that statutory increases in planning fees are expected to yield an additional income of £265,000 over this initial two year period to further contribute towards the cost to complete the full review;
- (d) approve a budget of £200,000 to cover the preparation of a Design Code(s) for the Plan Area;
- (e) agree to update the *Statement of Community Involvement* to set out how the public and other interested parties will be consulted and can participate in the Local Plan review; and
- (f) agree to the formation of a cross-party working group to provide wider Member engagement, oversight and scrutiny into the preparation of the Local Plan.

2. INTRODUCTION

- 2.1 Local plans are important as they shape how places across the New Forest District (outside of the National Park¹) will change in the future. They set a vision and key objectives for our area and provide a spatial strategy for how, when and where communities' needs will be addressed. They also typically contain planning policies on a range of matters, including supporting economic growth, protecting and enhancing our natural environment and valued landscapes, addressing and adapting to the impacts of climate change and ensuring that people's health and wellbeing are protected and enhanced through new development and its associated infrastructure.
- 2.2 When finalised, local plans are adopted as part of the statutory 'Development Plan'. It is the Development Plan that planning applications are then assessed against (along with any other material planning considerations). An adopted local plan also provides an investment framework for national government, infrastructure providers and other stakeholders.

¹ Responsibilities for the preparation of a Local Plan for the New Forest National Park rests with the New Forest National Park Authority

3. BACKGROUND

- 3.1 The full Development Plan for New Forest District (outside of the National Park) (hereafter 'Plan Area') presently comprises:
- The *Local Plan Part 1: Planning Strategy* (2020);
 - A limited number of policies that are 'saved' from previous local plans including the *New Forest District Local Plan First Alteration* (2005), *Core Strategy* (2009) and the *Local Plan Part Two: Sites and Development Management* (2014). Saved policies remain relevant and continue to be formally applied to planning application decisions. Saved policies are listed in appendix A of the *Local Plan Part 1 Planning Strategy* (2020);
 - 'Made' (adopted) Neighbourhood Development Plans (currently in place for New Milton and Hythe & Dibden parishes), which would remain 'made' and are outside the scope of this report; and
 - The *Hampshire Minerals and Waste Plan* (2013), which is prepared and updated by Hampshire County Council and is also outside the scope of this report.
- 3.2 It is a statutory requirement that councils should prepare a local plan and keep it up-to-date². Regulations require that it must be reviewed every five years³.
- 3.3 The Council's Local Plan Part 1 (2020) sets out the Council's vision and strategy for accommodating future growth within the Plan Area and key policies to shape its communities and to protect and enhance its environment. Amongst its provisions, it identifies a requirement for 10,420 additional homes within the Plan Area during 2016-2036, of which 9,600 were specifically provided for through existing commitments and new allocated sites. It was intended that this would be followed by a Local Plan Part 2 covering development management policies and smaller-scale development sites (to provide at least 800 additional homes).
- 3.4 The month after the adoption of the Local Plan Part 1 by the Council, the government published the 'Planning for the Future' White Paper proposing significant changes to the planning system including for plan-making. This was followed by the passing through Parliament of the Levelling Up and Regeneration Act (Royal Assent in October 2023), and a number of changes to the National Planning Policy Framework (NPPF), the most recent of which was published in December 2023⁴.
- 3.5 As a consequence of this lack of clarity, as well as other factors including the impact of Covid-19, the Local Plan Part 2 has not been progressed in accordance with the timetable previously committed to by the Council in its Local Development Scheme (LDS) 2021.
- 3.6 During this period, the construction and supply of new homes has fallen significantly below previous forecasts, for a range of reasons. This included water nutrient issues delaying the issuing of planning permissions and the impacts of the Covid-19 pandemic. The consequence of this is that the Council is currently only able to demonstrate about 3 years of supply of land for homes. This scale of shortfall represents a significant challenge to address.

² Planning and Compulsory Purchase Act, 2004 as amended.

³ The Town and Country Planning (Local Planning)(England) Regulations 2012, as amended.

⁴ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>, updated December 2023.

4. OPTIONS TO CONSIDER

4.1 It is considered that there are three options available to the Council in response to the issues raised, with a recommendation that the third option be pursued for the reasons set out in section 5.

- Option 1: Continue to pause work on a Local Plan until July 2025
- Option 2: Progress work on a Local Plan Part Two
- Option 3: Commence a formal review of the Development Plan

5. DISCUSSION

Option 1: Continue to pause work on a Local Plan until July 2025

5.1 Technically, a review of the Development Plan isn't required until July 2025 (five years after adoption of the Local Plan Part 1, 2020). Delaying a review until closer to July 2025 for the remaining details of the reforms to be clarified has some merit in ensuring that the limited resources available to the Council are not potentially focussed on matters that get superseded by possible future events and further changes to the planning system.

5.2 However, a delay in commencing a full review at this time would have the effect of extending the period post July 2025 where the Council would not have an up-to-date Local Plan. This is likely to include a need to review the locations and standards for future housing development, and taking a more pro-active lead on key policy areas such as the climate and nature emergency which the current Local Plan only partially addresses. Opportunities for our District resulting from the designation of the Solent Freeport since the adoption of the current Local Plan is a further consideration.

Option 2: Progress work on a Local Plan Part 2

5.3 A Local Plan Part 2 could be prepared more quickly than a full review, identifying smaller sites (less than 100 homes) across the Plan Area which could help to address some of the shortfalls in housing land supply, whilst also updating Development Management policies to ensure compliance with the NPPF.

5.4 The scope of a Local Plan Part 2 is limited by the provisions of the Part 1 Local Plan. It could not fully address the climate and nature emergency, and the figure of an additional 800 homes is not now sufficient to fully address shortfalls in housing land supply from that originally expected. The Part 1 Local Plan, including its housing target, is also becoming increasingly dated as it was prepared under a superseded 2012 version of the NPPF (see below).

5.5 Taken together this means that there is a significant risk that a Local Plan Part 2 would not be found sound at independent examination. Even if it was found sound, the benefits of a Part 2 Local Plan would be partial and short-lived compared to those of a full Local Plan review, suggesting that Council resources should not be committed on this approach.

Option 3: Commence a full formal review of the Development Plan

5.6 The adopted Local Plan Part 1 (2020), inter alia, sets out the key spatial planning strategy for meeting identified development needs and is considered out-of-date in some key respects:

- **Compliance with latest NPPF** – It does not fully address the requirements of the current NPPF, notably for housing provision, as it was prepared under an earlier (2012) version. Further significant changes to the NPPF were published in December 2023 which indicate that the Local Plan Part 1 is becoming further out of date. A plan that is compliant with the most recent NPPF will ensure it is more resilient to any future changes in national policy.
- **Lower than expected housing delivery** – Housing delivery has fallen significantly behind the Local Plan Part 1 trajectory and the existing planning policies are, on balance, not likely to be capable of fully addressing this shortfall in the period up to 2036. A new Local Plan would provide the most appropriate option to addressing the future housing needs of the Plan Area.
- **Climate change and nature recovery** - The Local Plan Part 1 precedes and therefore does not fully address or reflect the implications of the Council's Climate and Nature Emergency declaration and accompanying strategy. Nor does it address changes in national policy and regulations, including those provided for in the Environment Act 2022 addressing local nature recovery and biodiversity net gain.

5.7 In addition, there are a number of the policies saved from earlier local plans that are likely to be no longer relevant or require significant updating, or that may be superseded by standard national development management policies. It will also be helpful to future users to bring all local plan policies into a single document, which is also the advice of national policy.

5.8 There are also a number of wider challenges and opportunities that the Council should be responding to including:

- **Demography** - the 2021 Census records that the New Forest District population is both shrinking, which is almost unheard of, and ageing further (more so than Hampshire and England averages). A new Local Plan needs to be informed by those demographic trends and will need to consider the implications of its age profile upon the type and location of development.
- **Freeport** – designation of parts of the Waterside as a Freeport took place after the adoption of the Local Plan Part 1 so were not directly reflected in the Plan. Its designation is anticipated to stimulate economic growth and provide longer term benefits and opportunities. A review of the Local Plan would help to ensure that these opportunities are sustainable and secured in the long term and that appropriate planning policies to manage development proposals are in place.
- **Transport** - proposals including proposed A326 widening and the possible re-opening of the Waterside Rail to passenger traffic could transform the accessibility and potential of parts of the Waterside area.
- **Transport policy** - the emerging Hampshire Local Transport Plan (LTP4) is due for adoption by the County Council in 2024. It represents a shift in transport policy towards planning for movements focused on people and places, as well as reflecting national transport policy priorities such as decarbonising the transport system, reducing reliance on private car travel, supporting sustainable economic development regeneration and promoting active lifestyles.
- **Covid-19 implications** – the pandemic changed the way many people live, work and shop, with significant implications for town centres, high streets, goods

movement and some employment areas. These changes in turn create policy challenges and opportunities best considered through a Local Plan review.

- 5.9 For the reasons as set out above, commencing work on a full review of the Local Plan is recommended, as a single comprehensive document. This would provide an opportunity to set a new vision and framework for the Plan Area which provides for the sustainable development of high-quality, well-planned places and environments that address housing need and economic opportunity.
- 5.10 An updated Local Plan would also provide a better starting point for neighbourhood plan preparation or provide a trigger to update those plans that are already 'made'. Given neighbourhood plans become part of the Development Plan when they are made, alongside the Local Plan, there may be scope to work flexibly or collaboratively with designated neighbourhood areas working on neighbourhood plans to formulate planning policies for these areas.

6. THE NEED FOR A DESIGN CODE

- 6.1 Design Codes (or Guides) provide a local framework for creating beautiful and distinctive places with a consistent and high-quality standard of design. A requirement to produce them is set out in the most recent version of the NPPF (para 133). This provision is also reflected in the Levelling up and Regeneration Act where a legal responsibility will be placed on local planning authorities to produce Design Code(s) for their area. The Levelling up and Regeneration Act gives design codes equivalent weight to the Development Plan for planning decisions.
- 6.2 Design Codes can be produced either alongside the Development Plan or as a supplementary plan outside the plan making process. Codes should be based on effective community engagement from the initial stages and reflect local aspirations for managing change in their area. They should cover the full Plan Area, with the option to provide additional coverage or separate codes/typologies for specific areas or sites.
- 6.3 The government's emerging planning reforms propose that existing supplementary planning documents/guidance would cease to apply by no later than 2027. There are 16 general and area-specific design-related supplementary planning documents in current NFDC use for development management purposes. Much of their content remains relevant and useful, and to be retained it would need to be re-expressed or updated within the Design Code. This is a substantial piece of work, some of which could take place over a longer timeframe than the Local Plan review. The process might for example involve collaborative working with town and parish councils engaged in neighbourhood plan preparation, or with the promoters of sites allocated in future local plans. The expected cost of producing a Design Code for the New Forest Planning Area is £200,000. This is based on the emerging experiences of recent Pathfinder' Design Code pilot projects⁵.
- 6.4 The recommended approach is to begin work on a Plan Area wide Design Code as part of the Development Plan review. This will include exploring the best approach to area specific design coding in the form of place specific character area assessments which define distinctive design guidance to help manage change in areas where new development is coming forward.

⁵ <https://www.gov.uk/government/news/communities-empowered-to-shape-design-of-neighbourhoods>

6.5 If (as expected) it is completed earlier than the Local Plan, there is the potential to adopt the Plan Area wide Design Code as a supplementary planning document, to provide some beneficial influence on development that may come forward before the Local Plan is adopted.

7. PROPOSED WORK PROGRAMME

7.1 At commencement of a formal review of the Local Plan, there is a regulatory requirement to publish a work programme, known as the Local Development Scheme (LDS)⁶. This must specify (among other matters) the documents (i.e. Local Plans) which, when prepared, will comprise the Development Plan for the area.

7.2 Regulations⁷ also set out that local plans must have at least:

- i. An initial, high-level informal public consultation (under Regulation 18) on the issues and scope of the plan, typically identifying the broad options available to address the identified issues; and
- ii. A final formal public consultation (under Regulation 19) on the preferred option of the plan, after a meeting of the full Council has agreed it should be submitted to the Secretary of State for independent examination. Any substantive changes thereafter would be as recommended by a planning inspector appointed by the Secretary of State.

7.3 For full local plan reviews, it is good practice for councils to have an additional informal public consultation on a draft plan in near-final form prior to finalising the plan. This was the approach taken in the last NFDC Local Plan review.

7.4 If a full Local Plan review is pursued, it is recommended that a two-stage informal consultation is undertaken on the basis that this provides communities and stakeholders the opportunity to see and comment on the full draft plan before a finalised version is submitted to examination. This maximises the opportunities to ensure that the Plan is robust and that communities views are taken into account at each stage of plan preparation.

7.5 The process of reviewing and preparing plans must be undertaken in accordance with the provisions of the planning system, including relevant acts and regulations. This is ever complex, noting the ongoing position set out at paragraph 3.4. It is also noted that with a national election due to be held no later than January 2025 there remains the prospect of further change in either policy or direction.

7.6 Whilst this makes for an uncertain context for Local Plan review timetable setting it is noted that the three largest political parties all support the need for additional housing provision, and it is important to make progress to deliver the homes that people need. To address this element of uncertainty the Local Development Scheme sets an initial timetable for financial years 2024/25 and 2025/26, covering the production of a full draft Local Plan. The main stages are set out in the table below, with the details provided in the full Local Development Scheme document at Appendix One.

⁶ PPG Paragraph: 003 Reference ID: 61-003-20190315: A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended).

⁷ The Town and Country Planning (Local Planning) (England) Regulations 2012, as amended.

- 7.7 The timetable also has regard to the government’s view that the plan-making process changes set out in the Levelling-up and Regeneration Act may enable Local Plans reviews to be prepared in a 30-month period.

Local Plan review key milestones

Dates	Activities and milestones
Spring 2024	Review inception, options testing and evidence base preparation, preparation of an updated Statement of Community Involvement.
Summer 2024	High level informal consultation on the scope of the Local Plan review and the issues that it should cover, indicating the broad options available to address these issues. This stage would not include specific sites or targets but would include an open invitation to propose development sites for future consideration. Consultation in parallel on an updated Statement of Community Involvement
Autumn 2024 – Summer 2025	Prepare a full draft Local Plan and evidence base
Summer - Autumn 2025	Agree and informally consult on a full draft Local Plan

- 7.8 When the outcome of potential planning system reforms becomes clearer the Local Development Scheme would need to be updated to set out the additional steps to finalise and submit the Local Plan for examination, and to take it through the examination process to adoption. Indicatively, should future plan-making arrangements remain similar to those currently in place, the final Local Plan and evidence base would be agreed by the Council and submitted for examination later in 2026. The timetable thereafter is at the discretion of the planning inspector appointed by the Secretary of State, but Local Plan adoption is typically at least 12 months thereafter.

8. MEMBERS’ CROSS-PARTY WORKING GROUP

- 8.1 The Local Plan review is a major corporate project that will affect many aspects of the Council’s activities, including as a vehicle to help to deliver wider Council objectives for the management and improvement of the Plan Area’s communities, environment, economy and infrastructure. It requires the Council to act collectively to meet its statutory and legal responsibilities and will require the Council to plan positively and proactively, for amongst other things, the location of new homes.
- 8.2 Ultimately the Local Plan must be agreed by the Council before it is submitted to the Government for independent examination, and again when it is adopted in final form after the examination process. It is therefore important to ensure that there is wider Member engagement in, and oversight and scrutiny of, the Local Plan preparation

process to maintain ownership and buy in. The formation of a cross-party Local Plan working group is recommended to help achieve this holistic and joined up approach.

9. CONSULTATION / ENGAGEMENT ARRANGEMENTS AND THE STATEMENT OF COMMUNITY INVOLVEMENT (SCI)

- 9.1 The Council is required to produce a Statement of Community Involvement (SCI) and to update it every five years⁸. The SCI is a statutory document which sets out the consultation and engagement methods that the Council, as a minimum, will use to involve interested residents, groups, organisations, businesses and other representatives and individuals in the planning process. It explains who will be consulted, when and how.
- 9.2 The current SCI was adopted in October 2020 after Covid-related updating but requires further updating in relation to consultation arrangements for plan-making. Since 2020 national planning policy has been updated to stipulate that local plans should be ‘accessible through the use of digital tools to assist public involvement and policy presentation’⁸.
- 9.3 The SCI, whilst a required statutory document, is also a public statement of the Council’s commitment to the involvement of the community in planning matters. Residents in turn are increasingly interested in the place shaping agenda. In the light of national policy updates on using technology to boost public engagement and this Council’s commitment to better digital engagement, it is important that the document is reviewed to bring it up to date. There are ways in which the Council can improve engagement through better use of existing groups and networks.
- 9.4 The Council will work particularly closely with partner organisations, such as the National Park Authority and Hampshire County Council, to ensure the Local Plan review is strategic in its outlook and establishes a robust basis for delivering sustainable development which puts place making at its heart, across the New Forest Plan Area.
- 9.5 The intention is that the SCI is updated to facilitate improved engagement and consultation techniques, and to ensure that a broad range of views from different sectors of the community are heard and considered. Subject to Cabinet’s decision on the Local Plan review, an updated SCI could be published alongside the Local Plan review Issues and Scope public consultation.

10. DEVELOPING AN EVIDENCE BASE AND BUDGETS

- 10.1 A full up-to-date, technical, and robust evidence base will need to be produced to demonstrate that future policies, targets and requirements are justified and deliverable. As well as taking in to account the recent changes referred to in this report such as the Freeport designation and changes to demographics, there are a number of factors to take into account when preparing such an evidence base through this Local Plan review:
- Environmental, social and economic changes since the last Local Plan was prepared.

⁸ The Town and Country Planning (Local Planning) (England) Regulations 2012 (legislation.gov.uk)

- The larger scope and length of time since the preparation of the Local Plan Part 1 is likely to mean that most existing evidence studies will need revisiting and updating, or to be prepared for the first time.
 - The need to undertake this at comparative speed to meet the possible introduction of a 30-month timescale as noted in paragraph 7.7.
- 10.2 A range of technical expertise will need to be procured or recruited to prepare this evidence, for which a budget will need to be agreed.
- 10.3 Along with the cost of preparing the evidence, the examination process alone is likely to be a significant future cost that may include legal advice in support.
- 10.4 A total figure of £700,000 should be budgeted for the next two financial years, to progress preparation of the full evidence base and towards independently examining the Local Plan. Spend will be monitored regularly and reported at least annually against this figure, that will in turn inform the budget for the remainder of the Local Plan review, anticipated to take a further 1 – 2 years. Further detail on the financial implications is provided in Section 12 of this report.

11. CONCLUSIONS

- 11.1 The report sets out clear reasons why a move to a full Local Plan review is considered to be the best approach at this time and is more appropriate than the alternatives identified. A full review of the Local Plan:
- Is the only effective way to address key Council priorities and issues such as the declared climate and nature emergency, the current housing delivery shortfall and how best to optimise opportunities such as the Freeport, regeneration benefits and new transport infrastructure for our communities;
 - Provides longer term benefits and policy certainty, at lower risk, than progressing the Local Plan Part 2; and
 - In conjunction with design coding, provides the best mechanism to embed a design-led ‘placemaking’ approach to ensure that the future development needed is both aspirational and deliverable, and that it is shaped by early engagement with communities and local organisations and businesses, as well as with infrastructure providers and operators and statutory consultees.
- 11.2 The full review will undertake work to understand what policies can remain and which will need updating, replacing with new policies or deleting.
- 11.3 The Local Plan review will be supported by the new requirement to prepare a Design Code that will place significant emphasis on embedding good design in new development.

12. FINANCIAL IMPLICATIONS

- 12.1 The Local Plan review will require a significant budget over a number of years and will impact and inform financial planning and budget setting by the Council for the time frame of the Local Plan preparation process.

- 12.2 The Council will require a budgeted sum of around £700,000 to initially progress the preparation of the Local Plan review in the next two financial years, noting the complete review will likely require a further 1 – 2 years to complete.
- 12.3 The Council currently has a Local Plan provision of £370,000. This amount had previously been earmarked for the Part 2 review, and this amount is broadly sufficient to progress the initial stages of the Local Plan review. A further, as yet unbudgeted, figure of around £330,000 is likely to be required to progress the preparation of the evidence base and towards independently examining the Local Plan over the next two financial years.
- 12.4 Statutory increases in planning fees applicable from the 6th December 2023 will generate additional yield to the Council, with this yield being used to help finance the costs of the Local Plan review. Over the initial period 2024/25 – 2025/26, the yield should result in an income contribution towards the cost of the plan of circa £265,000.
- 12.5 On an indicative basis at this stage the profile of potential expenditure and funding amounts in each financial year is as follows:

Financial year	2024/25	2025/26
Indicative cost	£350,000	£350,000
Provision	(£155,000)	(£215,000)
Income Yield	(£130,000)	(£135,000)
Funding Shortfall ⁹	£65,000	£nil

- 12.6 The indicative cost figure represents a high-level estimate and will be subject to future inflationary pressures. However, in line with financial regulations no contingency has been added to this, instead there will be a regular review process to monitor costs and spending. This will be reported to the Council through the annual performance process, with additional financial updates as required. This review process will also inform the budget for the remaining period 2026/27 – 2027/28.
- 12.7 Separately, a further £200,000 is sought now to cover the preparation of a Design Code for the Plan Area during the period 2024-2027.
- 12.8 Whilst noting the substantial upfront costs, the Local Plan review will identify the funding and other delivery mechanisms required to secure the provision of any community services and benefits, green and built infrastructure required to ensure that planned development can be delivered in a sustainable manner. In this way, development has contributed several £millions in recent years through developer contributions and Community Infrastructure Levy for targeted investment in the local area by the Council and receiving town and parish councils in areas where there has been development.
- 12.9 The Local Plan can also be seen as an investment document for the Plan Area, identifying locations and quantum for future housing and employment growth, the associated annual rates thereafter generated, and the wider social, environmental and

⁹ The £65,000 funding shortfall will be factored into the Council's final budget planning for the 2024/25 financial year.

economic benefits generated from things such as more homes, increased jobs and habitat enhancement and creation as examples.

13. CRIME & DISORDER IMPLICATIONS, ENVIRONMENTAL IMPLICATIONS, EQUALITY & DIVERSITY IMPLICATIONS

- 13.1 None arising from the report recommendations. The consideration of equality, social, environmental and other e.g. economic considerations is an integral part of the Local Plan preparation process, as is seeking and reconciling or balancing differing views on their relative importance.

14. DATA PROTECTION IMPLICATIONS

- 14.1 Local Plan engagement including public consultation requires the collection and processing of some personal information in a manner compliant with GDPR.

15. PLACE & SUSTAINABILITY OVERVIEW & SCRUTINY PANEL COMMENTS

- 15.1 The Panel endorsed all of the recommendations contained within the report. The Panel discussed the report and highlighted their support for Option 3: to Commence a formal review of the Development Plan. Some Members questioned whether there would be the opportunity, during the process, to review and change certain planning policies in order to give the Council greater flexibility in achieving the desired planning outcomes for the Plan Area. Ensuring the Local Plan can encourage and facilitate the development of appropriate levels of housing across the Plan Area was highlighted as another key aim of the review.

16. PORTFOLIO HOLDER COMMENTS

- 16.1 I support the review of the Local Plan and the proposed recommendations to Council contained within this report. Ensuring our Council has an up-to-date plan is essential so that our communities' needs are clearly planned for in a way which delivers high quality development in sustainable locations. As the Freeport proposals progress, the Local Plan Review will ensure that these potential opportunities can be properly managed and secured in the long term. This review will also enable us to properly plan for the necessary infrastructure (including transport) for our communities.

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Background Papers:

None

New Forest District (Outside the National Park)

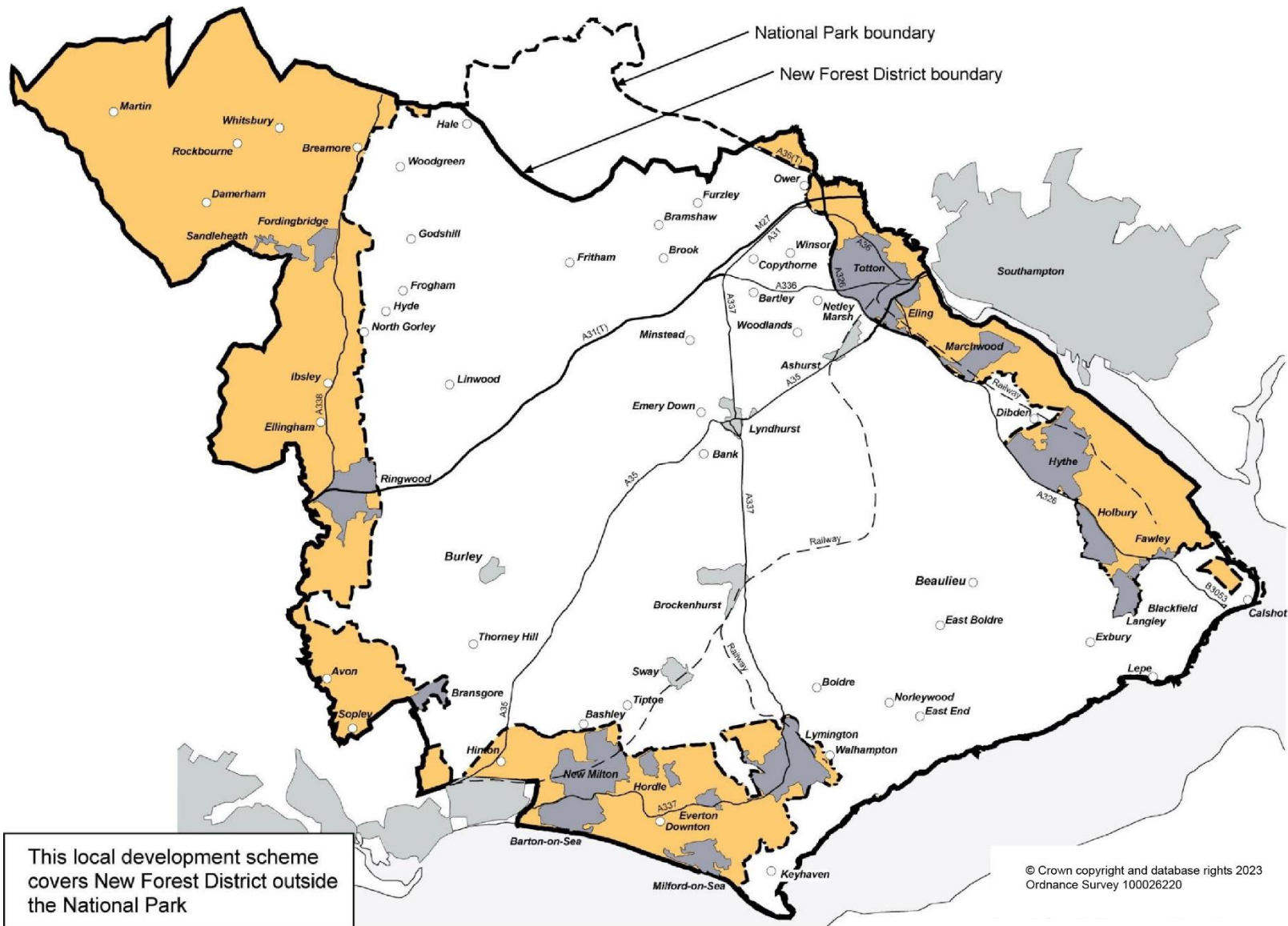
Local Development Scheme

DRAFT February 2024



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1. Introduction

1.1. The Local Development Scheme provides information about the production of the New Forest District Local Plan for the area outside the New Forest National Park (see Map on page 2, areas in orange and settlements in dark grey) hereafter referred to as the 'plan area'. The National Park Authority is responsible for producing the Local Plan for the National Park area.

1.2. The Local Development Scheme (LDS) sets out the work programme for the Local Plan review and identifies when the public and other interested parties can get involved in the process of plan-making. It includes information about the content and production timetable for the Local Plan review, superseding the previous 2021 version which addressed preparation of the Local Plan Part 2 2016-2036. The Local Plan Part 2 is no longer being progressed, work undertaken so far will be included within the full Local Plan review.

1.3. The Local Plan is the most important part of the Development Plan for the plan area. The Development Plan is the statutory basis for deciding planning applications, provided that it is up to date. As at February 2024 the Development Plan for New Forest District (outside the National Park) comprises the following:

- the [Local Plan 2016-2036 Part 1: Planning Strategy](#) adopted July 2020
- Saved policies from the following earlier Local Plans as listed in Appendix A of the Local Plan Part 1: Planning Strategy (2020)
 - the [Local Plan Part 1: Core Strategy](#) adopted in October 2009
 - the [Local Plan Part 2: Sites and Development Management](#) adopted in April 2014
 - Policy DW-E12: Protection of Landscape Features - saved from the [Local Plan First Review](#) (2005).
- the [Hampshire Minerals and Waste Local Plan](#) adopted by the Hampshire Minerals and Waste authorities in October 2013
- 'Made' (Adopted by a supportive local referendum, after review by an independent examiner) [Neighbourhood Development Plans](#) - as at February 2024 [Hythe & Dibden](#) and [New Milton](#) Town or Parish Council areas.

1.4. As at February 2024 Neighbourhood Plans are being prepared by [Totton & Eling](#), [Lyminster and Pennington](#), and [Ringwood](#) Town Councils. If 'made' these Neighbourhood Plans would also become part of the Local Development Plan. [Fordingbridge](#) is designated as Neighbourhood Area for the purposes of preparing a Neighbourhood Plan but as yet no plans have been drafted or published.

2. Context for the Local Development Scheme (LDS) update

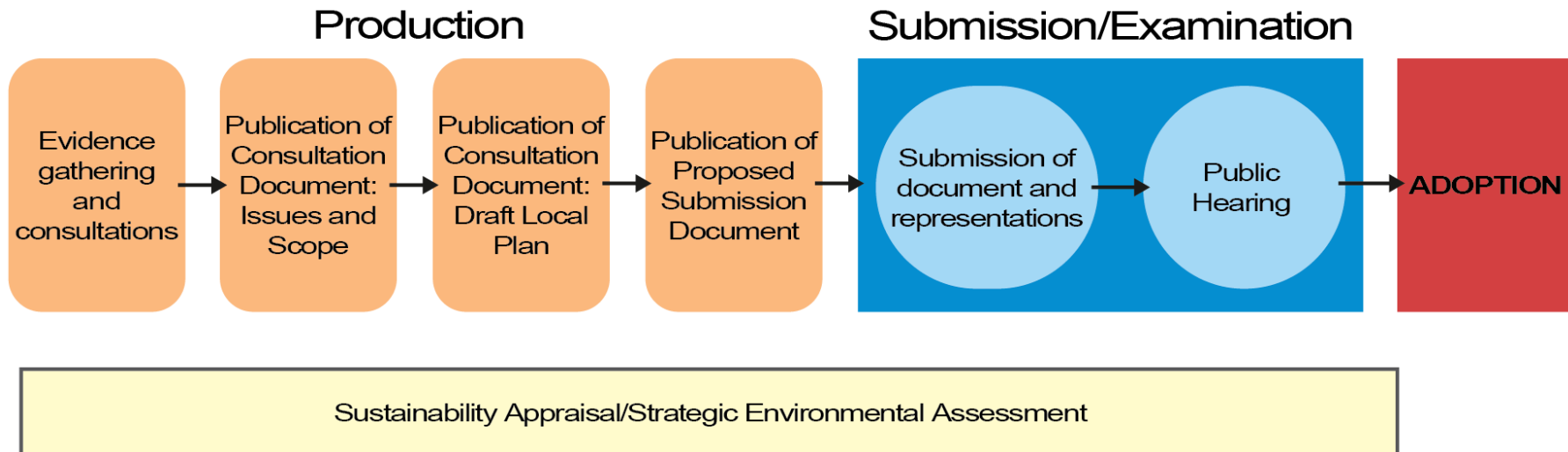
2.1. [The Local Plan 2016-2036 Part 1](#) was adopted in July 2020. It was prepared in a period of national planning policy transition, notably in respect of calculating housing need and the setting of housing targets. The Plan was found sound (subject to agreed modifications) with no requirement for early review in the light of the new planning guidance in place at the time of Local Plan examination.

2.2. Shortly after the adoption of the Local Plan 2016-2036 Part 1 in 2020 the government consulted on wide-ranging changes to the planning system and the plan-making process. The Council paused work on the Local Plan Part 2 until it became clearer whether further work on it would be overtaken by events.

2.3. The Levelling Up and Regeneration Act (2023) makes revisions to the plan-making process, requiring local plans to be focussed on locally distinctive matters (including identifying land for development and other needs), and that they should be contained in a single document. Subsequent changes to the National Planning Policy Framework (NPPF) were published in December 2023. Further planned changes to the planning system are expected, including introducing national development management policies for the first time.

3. Local Plan review approach and programme

3.1. [Regulations](#) set out the main requirements for preparing a local plan. The general process followed is shown in the illustration below, this may evolve as further planning reforms details are introduced.



3.2. The next Local Plan review will comprise a single document, replacing the Local Plan 2016-2036 Part 1 and all policies 'saved' from earlier Local Plans.

3.3. There can be more than one public consultation before the Local Plan review is published in final 'submission' form (when it is open for further public consultation to inform the examination process). Prior to the final submission stage of public consultation, the Council intends to hold an early consultation in summer 2024 on the issues the Local Plan review should cover and its scope. This will be followed by consultation on a full draft of the Local Plan review in Summer/Autumn 2025.

3.4. A timetable and programme for financial years 2024/25 and 2025/26 is provided at Annex 1, covering the period up to publication of a full draft Local Plan review for public consultation. A programme for the additional stages through to examination and adoption will be agreed and published at a later date, once the full details and scope of planning system reforms are available. Any minor timetable adjustments prior to this update will be published on the 'Local Development Scheme' section of our [development plan page](#).

3.5. For areas where a Neighbourhood Plan is being actively prepared and positive progress is being made, the scope and content of the Local Plan review will be considered in the light of community-led planning objectives. The aim will be to ensure the timely progression of a sufficient and consistent planning framework for the plan area as a whole, whilst avoiding unnecessary duplication.

4. Documents supporting the Local Plan

4.1. A full evidence base will be prepared to support the exploration and testing of key issues and feasible policy options for the Local Plan review.

4.2. A range of existing Supplementary Planning Documents (SPD) and other supplementary guidance supports the adopted Local Plan 2016-2036, although these are expected to cease to apply from 2027 under the provisions of the Levelling Up and Regeneration Act (2023). Further details on supplementary guidance can be found on our [Planning Policy guidance page](#).

4.3. The Levelling Up and Regeneration Act (2023) requires that a Design Code (or Codes) be prepared to cover the full local plan area. This work would replace, in whole or part, existing SPD or supplementary guidance documents that provide guidance on local design and character. A plan area-wide Design Code will be prepared alongside the Local Plan review. Further Design Codes for specific communities, sites or types of development will be considered.

Annex 1: Initial programme for 2024/25 and 2025/26 and for the preparation of the Local Plan review

New Forest District (outside the National Park) Local Plan Review programme

Local Plan Review		2024				2025				
		Winter	Spring	Summer	Autumn	Winter	Spring	Summer	Autumn	Winter
Initial evidence base scoping and commissioning										
Preparation of an Issues and Scope public consultation document										
Public consultation on the Local Plan Issues and Scope ('Regulation 18') (including a 'call for sites')										
Consultation review, evidence base development, option testing, Local Plan drafting										
Public Consultation on a full Draft Local Plan ('Regulation 18')										
Consultation review, further testing and refinement										
Public Consultation on Published Plan (regulation 19)										
Examination period ¹	Submit published local plan for independent examination (regulation 22)									
	Examination hearing									
	In-examination Modifications and consultation, if recommended by the Inspector									
	Inspector's report									
Adoption										

To be published at a later date once planning reforms in progress are finalised.

1. The timing and duration of the examination period is at the discretion of the Planning Inspectorate. Modifications of some form may be required. These may affect the final Local Plan adoption date.

TENANT ENGAGEMENT STRATEGY

1. RECOMMENDATIONS

- 1.1 That Cabinet approve the current draft of the Tenant Engagement Strategy, before being presented to Council on 26 February for final approval and adoption by the Council.

2. INTRODUCTION

- 2.1 This report presents the Council's draft Tenant Engagement Strategy. This is a new Strategy, produced in response to The Charter for Social Housing Residents – Social Housing White Paper in 2020, and the Social Housing Regulation Act 2023. Due regard has also been given to latest guidance and best practice, and it has been co-produced with housing practitioners and tenants. The proposed Strategy is attached at Appendix 1.
- 2.2 The original draft Tenant Engagement Strategy has been reviewed by the Tenant Involvement Group, the Executive Management Team, the Housing and Communities Overview and Scrutiny Panel, and Cabinet in October 2023, to seek approval to launch a formal four-week consultation process.
- 2.3 Consultation is now concluded, and the Strategy has been designed with an aim for the Cabinet/Council to formally agree and adopt the Strategy in 2024.

3. BACKGROUND

- 3.1 The Charter for Social Housing Residents – Social Housing White Paper published in 2020 set out the Government's clear expectations for social housing providers, with 7 clear priorities:
- i. To be safe in your home.
 - ii. To know how your landlord is performing.
 - iii. To have your complaints dealt with promptly and fairly.
 - iv. To be treated with respect.
 - v. To have your voice heard by your landlord.
 - vi. To have a good quality home and neighbourhood to live in.
 - vii. To be supported to take your first step to ownership.
- 3.2 The Regulator for Social Housing has received greater powers to ensure that the highest standards of social housing services are delivered. This is supplemented further by the requirements of the Social Housing Regulation Act 2023, including a revised set of Consumer Standards currently being consulted on, and anticipated to be finalised later in 2023, which sets out the detailed regulatory expectations of landlords. The Regulator of Social Housing has also been clear that landlords' focus should not only be on meeting prescribed standards, but also on doing the right thing for their tenants.
- 3.3 The Housing Ombudsman has highlighted the need to 'know your tenants' to provide and tailor services important to individuals and communities. The Council needs to

ensure that it is reviewing the data it needs to collect and hold relating to its tenants and their household makeup. There is also a need to ensure that information is relevant to the Council's tenants and services and is easily accessible to enable transparency and accountability.

- 3.4 The Council currently has a traditional model of tenant engagement, based around formal engagement with a central group of tenants making up the Tenant Involvement Group (TIG). This group have been able to influence many aspects of what the Council do, and their work is greatly valued. They understand there is more to do to engage with the wider housing communities and enable a wider tenants' voice to influence and inform the Council's Housing Services. The Council need to make available a range of options for tenants to interact with the Council's housing services, in ways that suit them, and which recognises their diversity.
- 3.5 The Housing Service is committed to improving outward facing communication and provision of information, and ensuring engagement takes place in a way that represents the needs of all tenants, with a data collection exercise informing the design of the engagement approach and future service reviews.
- 3.6 It is clear in the current wider housing landscape, registered providers need to do more to ensure that tenants have a voice that is heard not only by their front-line housing services, but also across all levels, including within the governance structures of their respective bodies. That 'tenant voice' needs to be representative of the Council tenant population, and the communities in which they live.
- 3.7 The effectiveness of the Strategy will depend on good communication between tenants and the Council. There is a need to have a wide range of communication methods and the ability for tenants to hear about how Housing Services are performing and what is important to them. The Council needs to make it easy for tenants to feed into the key housing activities that affect their lives and feel genuinely involved in a partnership with the Council.

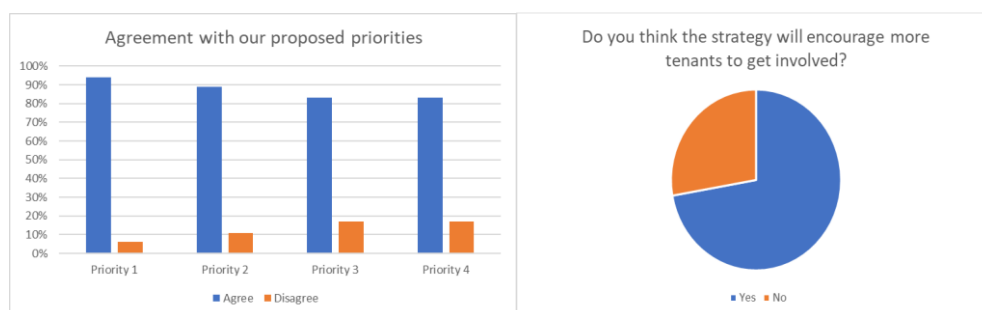
4. KEY COMPONENTS OF THE STRATEGY

- 4.1 The Council are proposing to build a vision and strategy on 4 strategic priorities as follows:-
 - 4.1.1 **Priority One: Listening to our Tenants.** Tenants are best placed to tell the Council what is working well and what can be done better. A wide and diverse range of tenants must have opportunities to have their voices heard regarding the services they receive and any significant changes the Council wishes to implement, with a clear line of sight to the governance structures within the Council.
 - 4.1.2 **Priority Two: Putting Tenants First.** The Council will work with employees to reinforce accountability at all levels of the housing service. The Council wants to work in partnership with tenants to collectively improve services and outcomes for both tenants and teams working within the housing services.
 - 4.1.3 **Priority Three: Knowing our Tenants and supporting engagement.** Record keeping and data management is a crucial part of the Strategy and the Council's tenant engagement approach. The Council needs to know its tenants in order to provide services that are important to them and be able to respond based on the needs of those tenants. The Council also needs to ensure compliance with the requirements of the regulator and Housing Ombudsman expectations.

4.1.4 **Priority Four: How we Communicate with Tenants.** Effective communication is key to the success, not only of the strategy, but for Tenant engagement and employee buy-in. The Council needs to make it easier for tenants to hold the housing services to account and make the information they are looking for easy to find and transparent.

5. CONSULTATION DETAILS AND OUTCOMES

- 5.1 Consultation ran from 16 October 2023 to 20 November 2023 (a total of 5 weeks) and was promoted via a mix of social media campaigning (3 rounds of posts on Facebook and LinkedIn); posters put up at schemes and distributed via the Tenancy Management Team and online promotion of the ways to take part via our online participation platform, Citizen Lab. We also took the opportunity to actively speak with people at the hubs and encouraging participation via word of mouth.
- 5.2 Tenants, practitioners and stakeholders were all invited to take part in the consultation and were enabled to do so in person at each of our 5 hubs, digitally on Citizen Lab, by phone and email. A total of 18 people took part in the consultation (13 online & 5 in person).
- 5.3 The majority of those that took part in the consultation either strongly agreed or slightly agreed with each of the Councils four proposed priorities, and 72% felt the Strategy would encourage more tenants to get involved with the Councils Housing Services, as shown in the charts below:



- 5.4 General feedback via comments was either positive, or focussed on existing performance dissatisfaction, which this Strategy aims to address. However, general comments noted:

“I feel the tenants would engage more, as they would feel they are being listened to and especially if we put the strategy in place and do follows up and ask for feedback”.

“More actual interactions face to face NFDC to be in attendance at events and carnivals and perhaps drop in options around the New Forest”.

“This strategy is full of good ideas, but the practicalities will show if it works. It will need successful measurements and a want to build trust”.

“Rubbish title - would prefer 'tenants have your say'. Also need to make sure that individuals don't dominate tenant involvement, and become overpowering”.

“This will be good once in place but people struggle with online/zoom etc. so email or phone calls are better in my opinion. This is all very well in theory. It will be good to be implemented”.

“Amazing strategy. Hopefully it gets into action so tenants can see and feel they are involved and listened to”.

6. CONCLUSIONS

- 6.1 The proposed Tenant Engagement Strategy supports the Council to deliver on new regulatory requirements and expected consumer standards arising from the Social Housing Regulation Act. This will place the tenant, their needs, and importantly their voice at the heart of the Council’s Housing Service.
- 6.2 Following recommendations from EMT, the Strategy has been amended to:
 - 6.2.1 Include an earlier reference to the four strategic priorities (within the Foreword).
 - 6.2.2 Give more deliverable timescales within the annexed action plan.
- 6.3 The Housing and Communities Overview and Scrutiny Panel fully supported the Tenant Engagement Strategy for approval following public consultation. It was noted that there had been a limited response to the consultation on the Strategy, but the responses received had been very supportive. The Tenant Involvement Group had also been consulted.
- 6.4 It is proposed that the Strategy now be adopted without further amendments given the support it has received from Involved Tenants, Members, and staff, alongside the positive feedback from the consultation exercise.
- 6.5 If supported, the proposed Strategy will be presented to the Council on 26 February 2024 for final approval and adoption.

7. FINANCIAL IMPLICATIONS

- 7.1 Budgets for the Tenant Satisfaction Surveys and the data collection survey have been approved previously by EMT and Cabinet/Council in 22/23.
- 7.2 There is a likelihood for future implications on existing budgets within the Housing Revenue Account due to an increase in tenant engagement and the Council’s response to feedback. However, any changes, service redesign and introduction of new and additional processes will be actioned within existing budgets as natural efficiencies are created.

8. CRIME & DISORDER IMPLICATIONS

- 8.1 Whilst there are no direct crime and disorder implications arising from this Strategy, it is anticipated there will be potential indirect and positive impacts on the Council’s tenants and neighbourhoods.
- 8.2 Through successful implementation of this Strategy, the Council will see an improvement in partnership working with Tenants and local partners, such as the Council’s Community Safety Team and the Police in the reporting, investigation and resolution of Anti-Social Behaviour in local communities.
- 8.3 Increased feedback and communication mechanisms may also highlight new and emerging issues relating to crime and disorder which will allow the Council to plan and respond appropriately.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 There are limited implications and environmental impact arising from this strategy. However, employees will give due regard to positive impacts on the environment when conducting activities that require travel. The introduction of digital engagement methods will reduce travel, production of mail and other publications.
- 9.2 Environment and sustainability will be considered alongside any specific Tenant Engagement project or activity.
- 9.3 Improvements in neighbourhood and community appearance would also be expected as a result of this strategy. Increased engagement and understanding what is important to tenants should lead to estate improvement ideas being raised, considered and implemented – ‘placemaking’ and estate improvement being a tangible outcome that can be measured.

10. EQUALITY & DIVERSITY IMPLICATIONS

- 10.1 There are several actions in the strategy which relate to diversity. The Council is not currently in a fully informed position as to the personal characteristics of its tenants and their household members. Therefore, a key action is to undertake a full personal data survey of tenants to better understand who is occupying the Council’s homes. This survey will also capture additional needs and support required by the Council’s tenants.
- 10.2 This information will be used to better understand the needs of the Council’s tenants and how services should be designed in future to meet these needs and to ensure services and engagement is fully accessible to all.
- 10.3 With full accessibility in mind the strategy supports establishing several methods of tenant communication and engagement. This will include an assessment of fully accessible methods of communication which are available to tenants with disabilities and other characteristics which require barriers to be removed to allow access.

11. DATA PROTECTION IMPLICATIONS

- 11.1 The collection, retention and deletion of Tenant data is governed by GDPR and associated guidance. The Housing Ombudsman has also given a clear direction on expectations for data collection and data handling. There are clear and legitimate reasons for the Council to hold and process data and sensitive data relating to tenants to enable delivery of the services that are provided. However, all data will be collected and maintained in line with the required legislation.

12. HOUSING AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL COMMENTS

- 12.1 The Panel fully supported the proposed draft Tenant Engagement Strategy for approval by Cabinet.

13. PORTFOLIO HOLDER COMMENTS

- 13.1 I am delighted to welcome the consultation for the new Tenant Engagement Strategy. The Strategy represents a huge step forward for our relationship with our tenants which is important and highly valued.

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Background Papers:

[The Charter for Social Housing Residents](#)

Published documents



Tenant Engagement Strategy

2024-2028



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Joint foreword

A joint foreword by Cllr Steve Davies, Alex Elliot, and Alaine Willis.



Cllr Steve Davies, Portfolio Holder for Housing and Homelessness, says:

I very much know from my own role as a New Forest District Councillor that the emphasis on engagement and co-creation of strategies, services and policy design with tenants has changed significantly over the last few years, quite rightly culminating with the Charter for Social Housing Residents 2022 and the subsequent Social Housing Regulation Act 2023.

I am very keen that this new legislation, not only bolsters our Tenant Engagement Strategy, but renews the Council's commitment to delivering positive engagement, in all forms, with our tenants, leaseholders, staff and other stakeholders.

The housing sector has had to learn the hard way from both tragedy, and the feedback of tenants across the country. We have always been ambitious and passionate about a continuous journey of improvement for our housing service, so I am very supportive of a clear strategy that sets the tone of a renewed engagement approach and is a real driver for cultural change in delivering on our strategic promises, in partnership with our tenants.

This strategy aims to put our tenants at the very heart of our Housing Services, setting out how they will have a clear role in engaging with, shaping, and scrutinising our services – holding us to account and ensuring the best outcomes for our tenants, the communities in which they live, and for the Council's housing services.

I am pleased that our strategic priorities of **'listening to our tenants'**, **'putting tenants first'**, **'knowing our tenants'**, and **'how we communicate with tenants'**, have been co-produced with tenants, and our staff, to ensure everything we aim to achieve is supported by the tenants' voice, and those who will implement the actions.

In my role as Portfolio Holder for Housing and Homelessness, I am excited to see how we encourage new tenants to get involved, what new feedback we receive and how we use that feedback to continually improve our service. An exciting journey lies ahead.



Alex Elliot, member of Tenant Involvement, says:

Staff at NFDC work day in, and day out to deliver good, high quality housing services to tenants who live within our district. However, in the past tenants haven't always had a big enough say in how the council delivered those services. I'm excited this published tenant engagement strategy shows how seriously NFDC takes what their tenants have to say and to put them on an equal footing alongside staff members. Social housing regulations are changing all the time, but tenants and their voice will continue to be needed to be heard, no matter what changes, so I would urge any of my fellow tenants to get involved.



Alaine Willis, member of Tenant Involvement, says:

It's great to be part of the effort New Forest District Council makes to engage with their tenants in a respectful and caring manner. Whilst many things have changed over the years, this has always been for the better and I feel that now is another opportunity to continue our journey, with tenants being involved in implementing the changes. As we used to say.... We have a voice... and it is good to know that we have been heard.



National context

National Housing regulations and nationally responsible bodies such as the Regulator of Social Housing and Housing Ombudsman prescribe that a decent and safe home for tenants, receiving quality services that are important to them and their communities should be at the core of any social housing service. Yet, over the last few years national news headlines have prominently featured many tragic cases of those living in Social Housing experiencing apathy and, in the very worst cases, fatal consequences of poor housing conditions, or a failure to act on critically important feedback or a call to action from tenants.

As a result, there has been intense scrutiny and resulting government policy, guidance and legislation that are all relevant to this strategy and beyond. Fire safety, damp and mould, social housing stigma, inequality and racism, lack of engagement, skills and experience, and traditional and unhelpful views on what it means to be a 'social housing tenant' have all been called out in recent years, highlighting a need to change, to do better, and to evolve with a modern and diverse world.

Via the Regulator of Social Housing the Government took charge, publishing 'The Charter for Social Housing Residents – Social Housing White Paper' in 2020 which set out the Government's clear expectations for social housing providers.

In it they set out 7 clear priorities:

1. **To be safe in your home.** We will work with industry and landlords to ensure every home is safe and secure.
2. **To know how your landlord is performing,** including on repairs, complaints, and safety, and how it spends its money, so you can hold it to account.
3. **To have your complaints dealt with promptly and fairly,** with access to a strong ombudsman who will give you swift and fair redress when needed.
4. **To be treated with respect,** backed by a strong consumer regulator and improved consumer standards for tenants.
5. **To have your voice heard by your landlord,** for example through regular meetings, scrutiny panels or being on its Board. The government will provide help, if you want it, to give you the tools to ensure your landlord listens.
6. To have a good quality home and neighbourhood to live in, with your landlord keeping your home in good repair.
7. **To be supported to take your first step to ownership,** so it is a ladder to other opportunities, should your circumstances allow.

The Regulator has received greater powers to ensure the highest standards of housing and services are delivered, which are further bolstered by the Social Housing Regulation Act 2023, and a revised set of Consumer Standards to be finalised later in 2023 setting out the detailed regulatory expectations of landlords and revised electrical and Decent Homes Standards, along with the legal requirement to have senior decision-making officers qualified to designated levels.

The Housing Ombudsman Service has also strengthened their approach and now their responses to failings and best practice feature prominently. The stronger relationship they have with the regulator closes feedback loops, with failings identified by the Ombudsman leading to real change expected by the Regulator.

The introduction of a new Tenant Satisfaction regime from April 2023 requires data collection against 10 management performance measures, and surveying of tenants for their views against 12 perception measures. Tenants will be asked about how well landlords engage, listen, and respond to them.

Landlord performance data will be published in the Autumn of 2024 in national league tables allowing for meaningful comparisons to be made across the sector for the first time.

However, The Regulator of Social Housing has been clear, our focus should not only be on meeting prescribed standards— it remains firm on landlords doing the right things for their tenants.



Local context

Our tenants and the communities they live are an ongoing priority for this council, which is supported by the themes in our new Corporate Plan 2024-2028. We are keen to promote opportunities to gather feedback from our tenants as we look to continually improve and evolve our services.

We have previously operated a very traditional model of tenant engagement, based around a formal engagement with a central group of tenants, which is in need of review and a refresh. Through a very narrowly focussed offer to become involved with the Council our tenants may be unaware of the possibilities and opportunities to get involved, so we need to ensure we make available, and publish, a range of options for tenants to interact with us, in ways that suit them and make them want to work with us.

The Housing Ombudsman has highlighted the need to 'know our tenants', to truly provide and tailor services important to individuals and communities.

Whilst we need to improve our outward facing communication and information, we also need to ensure we engage with tenants who represent the diversity of all of our tenant needs and backgrounds, with a data collection exercise informing the design of our engagement approach and future service reviews.

NFDC already have an engaged, enthusiastic, and well represented Tenant Involvement

Group (TIG). However, the members of the TIG have told us that there is more to do to engage with our wider housing communities and enable a wider tenants voice to influence and inform our Housing Services.

Alongside this, it is clear in the current wider housing landscape, we can do more to ensure that our tenants have a voice that is heard not only by all our front-line housing services, but also across all levels, including in the governance structures, of the Service. That 'tenant voice' must be representative of the NFDC tenant population, and the communities in which they live.

Both the Ombudsman and Regulator make it clear that one of our priorities needs to be focused on knowledge and information management. Not only do we need to review the data we need to collect and hold, concerning our tenants and their household makeup (to enable a true understanding of our tenants, and ensure services are accessible and meet their needs) - but we also need to ensure that information is relevant to our tenants and services, and is easily accessible to enable transparency and accountability. It is important to stress that NFDC do not need to hold information that is not relevant – however, data which can inform our community makeup, will help drive and build better services for our tenants, and will enable us to measure the success of engaging with those communities to ensure fair and transparent representation.

In turn, this will enable effective communication between our tenants and teams, acknowledging that times and expectations have changed. We need to have a wide range of communication methods and the ability for tenants to hear about how we're performing and what's important to them. We need to make it easy for tenants to tell us about those important subjects, feed into our key activities that affect their lives, and feel genuinely involved in a partnership with NFDC.

The following key priorities will influence our approach to tenant engagement over the next 4 years and will be measured for success based on the 'key measures of success' highlighted on page 25 – reviewed annually (and periodically during each year).

Our vision and strategy are built on 4 strategic priorities.

These priorities are aiming for real, meaningful impact for both tenants and NFDC services. Our priorities will be reviewed regularly/annually by both tenant and colleagues to make sure we're on the right track and can be dialled up and down depending on what our tenants tell us as we progress with implementation.

Every tenant will be enabled to have a voice – but not every tenant wants to be part of a focus group or give up their time. We'll make it easy for our tenants to work with us,

whatever their circumstances or needs. Enabling tenants to shape and improve our services through effective implementation of our priorities.

Within this strategy references to 'tenants' includes general rented and leaseholders. And for the avoidance of doubt, this strategy is specifically for the tenants of New Forest District Council, as a landlord, and their communities.

Achievements to date

The Social Housing Regulator made it very clear not to wait for the SHR Bill to become law before acting on the changes required. Equally the Council has not waited for the implementation of this strategy before embarking on the delivery of key actions, which have been:

- a renewed focus on Scrutiny of our services, with the Tenant Involvement Group (TIG) being able to challenge and review our services through a monthly Service Manager's update.
- the introduction of a new Tenant Engagement Manager role to continue to drive a focus on the tenant voice and support New Forest District Council to meet the requirements of the Social Housing Regulation Act.
- a Governance and Scrutiny Review completed by the TIG, feeding directly into the proposals within this strategy.
- implementation of a new Housing Management system – allowing us to better record and report on our customer data.
- all housing teams given regular briefings on the Tenant Satisfaction Measures and new regulatory regime – to increase awareness and in preparation for renewed focus.
- the procurement of a digital platform that will allow digital participation and consultation on NFDCs project. Enabling and supporting co-production and to support listening to tenants' views.
- a group of our involved tenants participated in the consultation on both the proposed Tenant Satisfaction Measures and Decent Homes Standard review.
- tenants helped us review our Void Standards and policy, plus monitored our progress against the policy by carrying out spot checks of our empty homes.
- tenants helped us review our new Mobility Scooter Policy.
- established new surveys to obtain tenant satisfaction with the handover of properties and completion of repairs.
- supported one of our TIG members join the national Social Housing Quality Residents' Panel.
- ensured leaseholders are consulted regarding the procurement of contractors ahead of maintenance schemes taking place in their respective buildings.

- introduced 3 new Building Safety Officer roles to provide a renewed focus on the upkeep of blocks of flats, whilst allowing for tenant feedback on safety issues to be recorded.
- developed a dissatisfaction and tenant feedback process using the new housing management process.
- published our self-assessment against the Housing Ombudsman Complaints Code.
- developed a range of performance and budget information to be published in an annual report.
- improved the level of safety information provided to tenants.
- increased the use of social media and press releases to make our residents aware of housing service initiatives.
- ensured tenants received effective engagement during major works projects, involving decanting to alternative accommodation at Compton House, Sarum House and Robertshaw House, as well as during the installation of 120 Air Source Heat Pumps.



Strategy priority 1

Listening to our tenants

Our tenants are best placed to tell us what's working well and what we can do better. A wide and diverse range of tenants must have opportunities to have their voices heard regarding the services they receive and any significant changes we wish to implement, with a clear line of sight to the Governance structures of the Council.

We will establish a clear offer to tenants on how their voice can be heard, by establishing a menu of engagement opportunities to encourage a diverse set of feedback. This will include:

- establishing a structure for Individual tenants, groups, or tenant associations to feed into formal scrutiny and decision-making processes.
- a review of the functions of our operational teams to ensure we have a presence in our communities and neighbourhoods.
- neighbourhood, rural and community outreach sessions.
- street and village meets.

- activities that support breaking down barriers and provide community cohesion, whilst providing opportunities to capture tenant feedback as a secondary aspect to the event.
- digital forums and surveys.
- transactional surveys, for example following a repair completion, or closure of an ASB case.

We will also:

- establish a protocol for appointed tenants to work alongside the Portfolio Holder, appointed Members of the Housing & Communities Overview & Scrutiny Panel, and senior officers to support co-creation, scrutiny, and feedback on performance.
- ensure tenants are aware of their local Councillors and Portfolio Holder for Housing and Communities and their ability to raise issues with them regarding the services they receive.
- implement a clear structure for active tenant accountability and feedback, with recruitment of specialised project groups to scrutinise and co-produce/co-create policies and strategies.
- establish tenant involvement in the procurement of housing services and contractors that affect tenants and ensure the same principles of tenant engagement are embedded and monitored within those procured services.
- encourage a diverse and well represented collective tenant voice.
- ensure service feedback and dissatisfaction provided by tenants is recorded electronically and escalated appropriately for action and long-term change.
- ensure information to support tenants to make corporate complaints and report repairs and ASB is easily accessible.



Strategy priority 2

Putting tenants first

We will work with our employees to reinforce accountability at all levels of our service. We want to work in partnership with tenants to collectively improve services and outcomes for both tenants and our teams.

We will:

- encourage ownership and accountability of services and actions required by our employees - from the top down – ensuring this is a focus for Members and Directors/Service Managers through the design of strategies and policies, regular briefings, and the inclusion of feedback in service design.
- ensure that tenant feedback is a standard agenda item for tenant facing services (through team meetings, toolbox talks and 1:1 meetings).
- ensure the tenant engagement team are involved in projects and policy/service re-design that will affect tenants.
- provide regular training, webinars and/or briefings to staff, to ensure good practice and relevant legislation is embedded within our Housing Services.

- continue to drive a culture of equality and fairness through data driven feedback, policy design, staff inductions and training. We will challenge negative perceptions and prejudice through education and highlighting 'the lived experience' of engaged tenants.
- establish a partnership approach with tenants where we actively build relationships and empower tenants, our staff, and Council Members to work together and pro-actively challenge poor service.
- build on a culture of collective accountability by encouraging cross-department working.
- establish partnerships with key agencies in the district who will support us deliver key priorities and deliver on their own strategic priorities for the benefit of our tenants.



Strategy priority 3

Knowing our tenants and supporting engagement

Record keeping and data management is a crucial part of listening, understanding, and responding to our tenants, whilst also informing service design. When we get this right, our tenants will receive a quality service that will be trusted. We need to know our tenants to provide services that are important to them and be able to respond based on the needs of those tenants. Without quality data, we can neither respond well, nor can we develop a truly tenant first approach – and at worst, risk being non-compliant with several regulatory expectations.

We will:

- undertake an initial review of our customer data, making sure it is both up to date and relevant - recording data on protected characteristics and housing needs.
- undertake a survey of tenants and their households to collect information relevant to future service design, including personal characteristics and household needs.
- only collect data that is meaningful, up to date, and relevant. To this end, we will periodically review the data we hold, and complete data cleansing exercises where needed.

- embed a data integrity ethos with customer facing teams, which also follows data retention schedules.
- ensure our performance framework adopts the ability for service and tenant feedback to help shape improvements and outcomes for tenants.
- aim to focus engagement activities in community areas and on specific services where needed.
- ensure that all customers have equal access to engagement opportunities and having their voice heard.
- understand the needs of both our own tenants, and other residents in our neighbourhoods and communities to help shape improvements that matter to them and in the places where our tenants live.
- embed how tenant characteristic data and performance data feeds back into service design and improvement.
- make it easy for our teams to use, share and update data that is relevant to their roles, to support effective customer service.



Strategy priority 4

How we communicate with tenants

We know that effective communication is key to the success of not only this strategy, but for tenant engagement and the effective delivery of our services and compliance against regulations. If we do not make it easy for tenants to hold us to account, or make the information they are looking for easy to find and transparent, or we make it difficult for our employees to close feedback loops – then we will be challenged to make any of our tenant engagement priorities work.

We will engage a range of communication methods that meet customer need including:

- outreach in our communities, such as community hubs.
- a digital platform to increase the number of consultation opportunities, project engagement and feedback.
- online communication channels via social media/Digital communication.
- increased access to customer facing teams through an increased presence of staff in our communities, neighbourhoods, and buildings.
- invitations to feedback on services received, such as reactive repairs.

- annual surveys and Tenant Satisfaction Measure perception surveys.
- improved website information and self service.
- publications and subject related guides and leaflets.
- this will include an assessment of fully accessible methods of communication which are available to tenants with disabilities and other characteristics which require barriers to be removed to allow access.

We will also:

- be consistent with our communication style/brand. This will be non-judgemental or 'stigma creating', that promotes equality, diversity and inclusion.
- keep tenants updated on the services that are important to them, using channels that tenants have told us works for them.
- promote positive outcomes and good practice, including positive tenant feedback – building trust with our tenants and teams.
- agree customer standards for response times to phone calls, email, and other feedback.
- acknowledge complaints and tenant correspondence within specified targets and keep tenants informed on the progress of their enquiries.
- communicate relevant Health and Safety information, tenant responsibility and building specific information to the residents that live there.
- communicate effectively with new tenants before they become our tenants and early on in their tenancy to ensure expectations are understood and tenancy support identified.
- ensure our services are responsive to communicating new and emerging issues, for example damp and mould.
- where issues arise or things go wrong e.g., communal boiler breakdowns, contact all affected tenants following a new agreed response and feedback plan.
- ensure that all Leasehold Section 20 consultations are undertaken where required, and that these are effective and compliant both legislatively and following best practice.

- communicate effectively with elected Members and/or other advocates working on behalf of tenants to help resolve matters raised. Where it is not possible to meet their expectations, we will explore alternative options and be honest with what we can achieve or provide.



Implementation and delivery

To meet these four priorities, we will take a flexible approach to tenant engagement – with a range of options to engage that can flex based on customer need. We will outline our formal approach to meeting these priorities in our action plan in Annexe 1. We will implement this with a mix of proactive, responsive, and structured engagement to achieve ‘diversity of voice’, and we’ll make it easy to engage however and whenever suits our tenants.

Proactive engagement

- Outreach
- Surveys
- Online consultation
- Service reviews
- Day to day Housing activities

Responsive engagement

- Complaints

- Dissatisfaction
- Tenant or Community specific issues

Structured engagement

- Tenant Advisory Board/Tenant Gateway
- Panels
- Groups
- Performance reporting
- Partnerships with communities and other agencies

Outcomes and actions

Our engagement activities and commitments in Priority 1 – Listening to Tenants will raise an increased level of feedback from tenants, leaseholders, residents, partner agencies, staff, and Members. It will be important to collate this feedback and ensure this learning is used to continually evaluate services and the actions within this strategy.

As a landlord the Council will be held accountable for its positive contribution to local neighbourhoods. It is therefore important that this strategy not only commits to engagement with tenants, but also residents, other landlords and agencies with a responsibility in local communities, such as the Police, Community Safety and the County Council.

In line with our values, we aim to deliver the following outcomes against the Council's values by the end of the strategy term:

We trust each other & reinforce this with mutual respect - our tenants will trust us and will work with us to inform and improve our services, and we will put things right when they go wrong. We know how important our tenants' homes and communities are - we're in this together and for a common goal of quality homes and services.

Communication is key & your voice will be heard - we will talk, listen, and understand each other. We will make it easy to hear each other and respond to things that matter. Our aim is to ensure an equitable tenant voice, with no group or individual being underrepresented or excluded (no one's opinion/thoughts is amplified over others) - every tenant has a voice if you want or need to be heard.

Measure of success

Monitoring and governance: key measurements of success

The outcomes of the strategy and the work programme will be under continual monitoring and review. Updates to Members and the Council's Executive Management Team will be provided at least annually.

The tenant perception surveys carried out each year will provide valuable insight in to how satisfied our tenants are. It is accepted that there are some quick wins that can be implemented, whilst other changes will take time. Annex 1 allows us to flex our approach and timescales, but the aim will always be to achieve the priorities in this strategy before the end of 2028. The priorities that our tenants tell us mean the most to them will be our focus.

Our key measures of success will be quantitative:

- Improved satisfaction performance year on year following on from the initial set of Tenant Satisfaction Survey Perception Surveys in 23/24.
- Improved satisfaction performance from service surveys year in year.
- Reduction in the number of stage 1 and 2 complaints received from tenants compared with the 23/24 financial year.
- Reduction in the number of disrepair claims compared with the 23/24 financial year.

Our key measures of success will also be qualitative:

- By December 2028 there will be a clear direct line of sight from tenants to the Portfolio Holder for Housing. Tenants will tell us that they are able to directly influence and scrutinise our services (measured by feedback from our Tenant Governance Structure and tenant surveys).
- Tenants will have access to/be provided with accessible meaningful data to judge our performance.
- Our teams and tenants will tell us our tenant data is up to date and accurate.
- Learning from complaints will be embedded into service design and re-design.
- Tenant feedback will tell us where we are not getting things right. Our aim will always be to listen, understand and resolve complaints though to a mutually agreeable outcome.

- We will see and be able to demonstrate a diverse mix of proactively engaged tenants which represents our wider tenant makeup. If part of a formal group, we will be able to measure this via our tenant data and tenant population. However, we will also accept anecdotal feedback (for example if we are completing an online consultation and tenants are not required to provide specific personal data).
- Customer facing teams will tell us/be able to demonstrate improved services or tangible outcomes from tenant engagement activities – be that individual, or community based.
- We will be able to publish success stories and positive feedback from tenants (you said, we listened).
- Tenants will have access to digital portals to give and receive feedback. This may include our own website or a hosted site. The measurement of success will be take-up, engagement in projects, or website ‘footfall’.
- Streamlined processes, reduced incoming queries – better operational quality will be demonstrable.

Annexe 1: Strategy Action Plan

Priority 1, listening to our tenants.

Create our offer to tenants, our engagement structure.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team, TIG.

Target date

March 2026.

Establish 'outreach' programme or face to face engagement.

Lead officers:

Tenant Engagement Manager, Tenant Engagement Team

Target date

March 2025.

Establish protocol for appointment and terms of reference for tenants and governance.

Lead officers

Tenant Engagement Team.

Target date

March 2025.

Recruitment of 'Involved Tenants'.

Lead officers

Tenant Engagement Team.

Target date

March 2025.

Creation of panels (such as procurement, complaints, ASB, neighbourhoods)

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

March 2026.

Priority 2, putting tenants first.

Produce a programme of manager and councillor briefings - agree rollout.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

August 2024.

Ongoing – Tenant Engagement Manager update at monthly meetings or toolbox talks.

Lead officers

Tenant Engagement Manager

Target date

Ongoing.

Consider and implement Engaged Tenant shadowing opportunities.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

March 2025.

Plan and implement Tenant Engagement Roadshow opportunities with other partners or stakeholders.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

March 2026.

Priority 3, knowing our tenants and supporting engagement.

Initial data review and data collection project to ensure current tenant data is up to date and accurate.

Lead officers

Tenant Engagement Manager

Target date

April 2024.

Data review programme - ongoing programme for front line teams and services.

Lead officers

Tenant Engagement Manager, Housing Business and Customer Manager.

Target date

April 2024 and ongoing.

Review and act of feedback – rolling programme.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

Ongoing.

Establish measures for success through feedback.

Lead officers

Tenant Engagement Manager

Target date

December 2028.

Priority 4, how we communicate with tenants.

Promote our visibility on estates.

Lead officers

Tenant Engagement Manager, Housing Estates Manager.

Target date

March 2025.

Utilise and report on the success of Citizen Lab.

Lead officers

Tenant Engagement Manager, Greener Housing Manager

Target date

April 2024.

Review and create a Tenant Engagement page on our website and consider increasing social media presence.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

September 2023 and ongoing.

Review Hometalk – ensure relevant.

Lead officers

Tenant Engagement Team

Target date

Summer 2024.

Create feedback culture – set up pulse surveys for services.

Lead officers

Tenant Engagement Manager

Target date

March 2025.

Priorities 1, 2, 3, and 4.

Tenant perception surveys – collection and reporting.

Lead officers

Tenant Engagement Manager

Target date

April 2024.

Review new Consumer Standards and complete gap analysis.

Lead officers

Tenant Engagement Manager, Tenant Engagement Team

Target date

April 2024.

Ensuring scrutiny through involved tenants.

Lead officers

Tenant Engagement Manager, heads of service, managers.

Target date

December 2028.

Priorities 1 and 4.

Organise an attractive and fun event(s) to encourage tenants to participate alongside neighbours or fellow tenants and celebrate being a NFDC tenant.

Lead officers

Tenant Engagement team.

Target date

Summer 2025 and potentially ongoing.

CABINET – 7 FEBRUARY 2024

MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2024

1. RECOMMENDATIONS

- 1.1 That the Cabinet recommend to Full Council that the current scheme of members' allowances be made as the scheme to apply from 1 April 2024.
- 1.2 That officers be requested to make the necessary arrangements for a meeting of the Independent Remuneration Panel in Autumn this year, to review and make recommendations on the Council's Members' Allowances Scheme in the light of 12 months' operation under the new 48 Member Council structure.

2. INTRODUCTION

- 2.1 Allowances paid to members of the Council are set out in the Members' Allowances Scheme. The Council is required annually to make a scheme of members' allowances, which must be published. The current scheme is available to view [here](#). The current scheme was adopted in July 2022 following a review by the Independent Remuneration Panel.

3. CURRENT SCHEME

- 3.1 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.
- 3.2 The employee's national pay award for 2024/25 is still being negotiated. If an award is made it will automatically, under the terms of the Scheme, be backdated to 1 April 2024. 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 – MEETING IN AUTUMN 2024

- 4.1 When the Council commissioned the current Independent Remuneration Panel in February 2022, arrangements were approved for two reviews of the Council's Members' Allowances scheme; during 2022/23 and from 2024 onwards.
- 4.2 The review from 2024 onwards provides the opportunity to reflect on the commencement of the new, 48 Member Council structure and associated governance arrangements, following the quadrennial District Council elections in May 2023. An Autumn 2024 review provides for a review in light of 12 months of operation under this new structure.

5. FINANCIAL IMPLICATIONS

- 5.1 Provision has been made in the draft 2024/25 budget.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 The continued adoption of a Members' Allowances Scheme with provision for Parental Leave and a Dependent Carers' Allowance has positive implications by ensuring potential candidates are not deterred from standing for election, taking into account a range of personal circumstances.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 The continued adoption of a Members' Allowances Scheme with provision for electric vehicles, bicycles and public transport, promotes the use of sustainable travel for Council business.

8. CRIME AND DISORDER AND DATA PROTECTION IMPLICATIONS

- 8.1 There are none arising directly from this report.

Further information:

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Background Papers:

Published documents
[Cabinet Report – 6 July 2022](#)

COUNCIL – 26 FEBRUARY 2024

THE 2024/25 COUNCIL TAX

1. RECOMMENDATIONS

The Council is recommended to resolve:

- 1.1 That it be noted that on 11 December 2023 the Council calculated the Council Tax Base for the year 2024/25:
 - (a) for the whole Council area as 72,371.50 [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the “Act”)]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix 3.
- 1.2 To calculate that the Council Tax requirement for the Council’s own purposes for 2024/25 (excluding Parish Precepts) is £14,459,100.
- 1.3 That the following amounts be calculated for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 as amended by the Localism Act 2011: -
 - (a) £159,537,437 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £136,689,920 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £22,847,517 being the amount by which the aggregate at 1.3(a) above exceeds the aggregate at 1.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act).
 - (d) £315.70 being the amount at 1.3(c) above (Item R), all divided by the Council Tax Base, Item T (1.1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £8,388,417 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix 3).

(f) £199.79 being the amount at 1.3(d) above less the result given by dividing the amount at 1.3(e) above by Item T (1.1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year specifically for the District Council. There are no non-parished areas.

(g)

LOCAL COUNCIL AREA

	£
ASHURST & COLBURY	260.33
BEAULIEU	236.98
BOLDRE	231.08
BRAMSHAW	229.39
BRANSGORE	309.22
BREAMORE	229.76
BROCKENHURST	270.58
BURLEY	223.95
COPYTHORNE	221.69
DAMERHAM	245.21
DENNY LODGE	238.43
EAST BOLDRE	242.71
ELLINGHAM HARBRIDGE & IBSLEY	237.76
EXBURY & LEPE	199.79
FAWLEY	355.07
FORDINGBRIDGE	338.41
GODSHILL	259.32
HALE	250.97
HORDLE	270.45
HYDE	231.34
HYTHE & DIBDEN	353.19
LYMINGTON & PENNINGTON	330.30
LYNDHURST	280.95
MARCHWOOD	358.55
MARTIN	254.34
MILFORD-ON-SEA	272.85
MINSTEAD	238.25
NETLEY MARSH	227.40
NEW MILTON	324.60
RINGWOOD	316.76
ROCKBOURNE	288.01
SANDLEHEATH	232.51
SOPLEY	291.53
SWAY	253.95
TOTTON & ELING	365.01
WHITSBURY	220.80
WOODGREEN	241.62

being the amounts given by adding to the amount at 1.3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) These are the District plus Town/Parish Council elements only. See below and page 5 for the full amounts of Council Tax.

LOCAL COUNCIL AREA	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
ASHURST & COLBURY	173.55	202.48	231.40	260.33	318.18	376.03	433.88	520.66
BEAULIEU	157.98	184.32	210.64	236.98	289.64	342.31	394.96	473.96
BOLDRE	154.05	179.73	205.40	231.08	282.43	333.78	385.13	462.16
BRAMSHAW	152.92	178.41	203.90	229.39	280.37	331.34	382.31	458.78
BRANSGORE	206.14	240.50	274.86	309.22	377.94	446.65	515.36	618.44
BREAMORE	153.17	178.70	204.23	229.76	280.82	331.88	382.93	459.52
BROCKENHURST	180.38	210.45	240.51	270.58	330.71	390.84	450.96	541.16
BURLEY	149.29	174.18	199.06	223.95	273.72	323.49	373.24	447.90
COPYTHORNE	147.79	172.42	197.05	221.69	270.96	320.22	369.48	443.38
DAMERHAM	163.47	190.72	217.96	245.21	299.70	354.19	408.68	490.42
DENNY LODGE	158.95	185.44	211.93	238.43	291.42	344.40	397.38	476.86
EAST BOLDRE	161.80	188.77	215.74	242.71	296.65	350.58	404.51	485.42
ELLINGHAM HARBRIDGE & IBSLEY	158.50	184.92	211.34	237.76	290.60	343.43	396.26	475.52
EXBURY & LEPE	133.19	155.39	177.59	199.79	244.19	288.59	332.98	399.58
FAWLEY	236.71	276.16	315.61	355.07	433.98	512.88	591.78	710.14
FORDINGBRIDGE	225.60	263.21	300.80	338.41	413.61	488.82	564.01	676.82
GODSHILL	172.87	201.69	230.50	259.32	316.95	374.58	432.19	518.64
HALE	167.31	195.20	223.08	250.97	306.74	362.51	418.28	501.94
HORDLE	180.29	210.35	240.39	270.45	330.55	390.65	450.74	540.90
HYDE	154.22	179.93	205.63	231.34	282.75	334.16	385.56	462.68
HYTHE & DIBDEN	235.45	274.70	313.94	353.19	431.68	510.17	588.64	706.38
LYMINGTON & PENNINGTON	220.19	256.90	293.59	330.30	403.70	477.10	550.49	660.60
LYNDHURST	187.29	218.52	249.73	280.95	343.38	405.82	468.24	561.90
MARCHWOOD	239.03	278.87	318.71	358.55	438.23	517.91	597.58	717.10
MARTIN	169.55	197.82	226.07	254.34	310.86	367.38	423.89	508.68
MILFORD-ON-SEA	181.89	212.22	242.53	272.85	333.48	394.12	454.74	545.70
MINSTEAD	158.83	185.30	211.79	238.25	291.20	344.14	397.08	476.50
NETLEY MARSH	151.59	176.87	202.13	227.40	277.93	328.47	378.99	454.80
NEW MILTON	216.39	252.47	288.53	324.60	396.73	468.87	540.99	649.20
RINGWOOD	211.17	246.37	281.56	316.76	387.15	457.54	527.93	633.52
ROCKBOURNE	192.00	224.01	256.00	288.01	352.01	416.02	480.01	576.02
SANDLEHEATH	155.00	180.84	206.67	232.51	284.18	335.85	387.51	465.02

LOCAL COUNCIL AREA	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
SOPLEY	194.35	226.74	259.13	291.53	356.32	421.10	485.88	583.06
SWAY	169.29	197.52	225.73	253.95	310.38	366.82	423.24	507.90
TOTTON & ELING	243.33	283.90	324.45	365.01	446.12	527.24	608.34	730.02
WHITSBURY	147.19	171.73	196.26	220.80	269.87	318.94	367.99	441.60
WOODGREEN	161.07	187.93	214.77	241.62	295.31	349.01	402.69	483.24

being the amounts given by multiplying the amounts at 1.3(g) above by the number which, in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 1.4 That it be noted that Hampshire County Council (including Adult Social Care), the Police and Crime Commissioner for Hampshire and Isle of Wight and the Hampshire and Isle of Wight Fire and Rescue Service have issued precepts for 2024/25 to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below:

PRECEPTING AUTHORITY

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ordinary	874.88	1,020.69	1,166.51	1,312.32	1,603.95	1,895.57	2,187.20	2,624.64
Adult Social Care	147.28	171.83	196.37	220.92	270.01	319.11	368.20	441.84
HAMPSHIRE COUNTY COUNCIL	1,022.16	1,192.52	1,362.88	1,533.24	1,873.96	2,214.68	2,555.40	3,066.48
HAMPSHIRE AND ISLE OF WIGHT:-								
POLICE AND CRIME COMMISSIONER	174.31	203.36	232.41	261.46	319.56	377.66	435.77	522.92
FIRE AND RESCUE SERVICE	55.23	64.43	73.64	82.84	101.25	119.66	138.07	165.68
	1,251.70	1,460.31	1,668.93	1,877.54	2,294.77	2,712.00	3,129.24	3,755.08

- 1.5 That the Section 151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire County Council and the Hampshire and Isle of Wight Fire and Rescue Service precepts.
- 1.6 That, having calculated the aggregate in each case of the amounts at 1.3(h) and 1.4 above, the Council, in accordance with Section 30 of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each part of its area and for each of the categories of dwellings shown on the next page:-

LOCAL COUNCIL AREA	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
ASHURST & COLBURY	1,425.25	1,662.79	1,900.33	2,137.87	2,612.95	3,088.03	3,563.12	4,275.74
BEAULIEU	1,409.68	1,644.63	1,879.57	2,114.52	2,584.41	3,054.31	3,524.20	4,229.04
BOLDRE	1,405.75	1,640.04	1,874.33	2,108.62	2,577.20	3,045.78	3,514.37	4,217.24
BRAMSHAW	1,404.62	1,638.72	1,872.83	2,106.93	2,575.14	3,043.34	3,511.55	4,213.86
BRANSGORE	1,457.84	1,700.81	1,943.79	2,186.76	2,672.71	3,158.65	3,644.60	4,373.52
BREAMORE	1,404.87	1,639.01	1,873.16	2,107.30	2,575.59	3,043.88	3,512.17	4,214.60
BROCKENHURST	1,432.08	1,670.76	1,909.44	2,148.12	2,625.48	3,102.84	3,580.20	4,296.24
BURLEY	1,400.99	1,634.49	1,867.99	2,101.49	2,568.49	3,035.49	3,502.48	4,202.98
COPYTHORNE	1,399.49	1,632.73	1,865.98	2,099.23	2,565.73	3,032.22	3,498.72	4,198.46
DAMERHAM	1,415.17	1,651.03	1,886.89	2,122.75	2,594.47	3,066.19	3,537.92	4,245.50
DENNY LODGE	1,410.65	1,645.75	1,880.86	2,115.97	2,586.19	3,056.40	3,526.62	4,231.94
EAST BOLDRE	1,413.50	1,649.08	1,884.67	2,120.25	2,591.42	3,062.58	3,533.75	4,240.50
ELLINGHAM HARBRIDGE & IBSLEY	1,410.20	1,645.23	1,880.27	2,115.30	2,585.37	3,055.43	3,525.50	4,230.60
EXBURY & LEPE	1,384.89	1,615.70	1,846.52	2,077.33	2,538.96	3,000.59	3,462.22	4,154.66
FAWLEY	1,488.41	1,736.47	1,984.54	2,232.61	2,728.75	3,224.88	3,721.02	4,465.22
FORDINGBRIDGE	1,477.30	1,723.52	1,969.73	2,215.95	2,708.38	3,200.82	3,693.25	4,431.90
GODSHILL	1,424.57	1,662.00	1,899.43	2,136.86	2,611.72	3,086.58	3,561.43	4,273.72
HALE	1,419.01	1,655.51	1,892.01	2,128.51	2,601.51	3,074.51	3,547.52	4,257.02
HORDLE	1,431.99	1,670.66	1,909.32	2,147.99	2,625.32	3,102.65	3,579.98	4,295.98
HYDE	1,405.92	1,640.24	1,874.56	2,108.88	2,577.52	3,046.16	3,514.80	4,217.76
HYPHE & DIBDEN	1,487.15	1,735.01	1,982.87	2,230.73	2,726.45	3,222.17	3,717.88	4,461.46
LYMINGTON & PENNINGTON	1,471.89	1,717.21	1,962.52	2,207.84	2,698.47	3,189.10	3,679.73	4,415.68
LYNDHURST	1,438.99	1,678.83	1,918.66	2,158.49	2,638.15	3,117.82	3,597.48	4,316.98
MARCHWOOD	1,490.73	1,739.18	1,987.64	2,236.09	2,733.00	3,229.91	3,726.82	4,472.18
MARTIN	1,421.25	1,658.13	1,895.00	2,131.88	2,605.63	3,079.38	3,553.13	4,263.76
MILFORD-ON-SEA	1,433.59	1,672.53	1,911.46	2,150.39	2,628.25	3,106.12	3,583.98	4,300.78
MINSTEAD	1,410.53	1,645.61	1,880.70	2,115.79	2,585.97	3,056.14	3,526.32	4,231.58
NETLEY MARSH	1,403.29	1,637.18	1,871.06	2,104.94	2,572.70	3,040.47	3,508.23	4,209.88
NEW MILTON	1,468.09	1,712.78	1,957.46	2,202.14	2,691.50	3,180.87	3,670.23	4,404.28
RINGWOOD	1,462.87	1,706.68	1,950.49	2,194.30	2,681.92	3,169.54	3,657.17	4,388.60
ROCKBOURNE	1,443.70	1,684.32	1,924.93	2,165.55	2,646.78	3,128.02	3,609.25	4,331.10
SANDLEHEATH	1,406.70	1,641.15	1,875.60	2,110.05	2,578.95	3,047.85	3,516.75	4,220.10
SOPLEY	1,446.05	1,687.05	1,928.06	2,169.07	2,651.09	3,133.10	3,615.12	4,338.14
SWAY	1,420.99	1,657.83	1,894.66	2,131.49	2,605.15	3,078.82	3,552.48	4,262.98
TOTTON & ELING	1,495.03	1,744.21	1,993.38	2,242.55	2,740.89	3,239.24	3,737.58	4,485.10
WHITSBURY	1,398.89	1,632.04	1,865.19	2,098.34	2,564.64	3,030.94	3,497.23	4,196.68
WOODGREEN	1,412.77	1,648.24	1,883.70	2,119.16	2,590.08	3,061.01	3,531.93	4,238.32

2. INTRODUCTION

2.1 Members are required to calculate and set the Council Tax for 2024/25.

2.2 The level of tax is determined by the spending needs of this Council, Hampshire County Council, the Police and Crime Commissioner for Hampshire and Isle of Wight, Hampshire and Isle of Wight Fire and Rescue Service and the Town and Parish Councils. Although the District Council has no control over the expenditure of the other organisations, it has to ensure that the Council Tax is set at the right level to meet the combined budgets.

- 2.3 Members will have considered earlier in this agenda the recommended General Fund revenue budget for 2024/25, which is outlined in Section 4 below. Any changes made at that stage could change the Council Tax figures shown in this report.
- 2.4 The recommended Council Tax for every District Council area is shown in paragraph 1.6 of this report.
- # 2.5 Appendix 1 attached to this report supplements the prescribed layout of the recommendations by showing how the figures used in paragraph 1.3 have been arrived at.

3. THE 2024/25 COUNCIL TAX BILL

- 3.1 This report recommends a Council Tax level of £2,193.24 for 2024/25. This is an average figure based on a band 'D' property and is an increase of £102.68 (4.91%) over the equivalent figure for 2023/24.
- # 3.2 Each dwelling falls into one of eight valuation bands (A to H) for tax purposes. More details are given in Appendix 2.
- 3.3 The tax level is based upon the 2024/25 budgets of all precepting authorities in this area. The District, County Council, Police and Crime Commissioner and Fire and Rescue Service elements of the total tax bill are the same throughout the area but the Town/Parish Councils each determine their own tax levels. There are 8 bands of Council Tax for each of the 37 Town/Parish areas, giving 296 separate tax figures.
- 3.4 If the recommendations in this report are accepted there will be a range of Band D Council Tax levies from £2,077.33 to £2,242.55. The average figures are as follows :-

	2023/24	2024/25	INCREASE	
	AVERAGE £	AVERAGE £	£	%
New Forest District Council	193.99	199.79	5.80	2.99
Ordinary	1,268.53	1,312.32	43.79	3.45
Adult Social Care	191.72	220.92	29.20	15.23
Hampshire County Council	1,460.25	1,533.24	72.99	5.00
Hampshire and Isle of Wight:-				
Police and Crime Commissioner	251.46	261.46	10.00	3.98
Fire and Rescue Service	80.43	82.84	2.41	3.00
	1,986.13	2,077.33	91.20	4.59
Parish/Town Councils	104.43	115.91	11.48	10.99
	2,090.56	2,193.24	102.68	4.91

- 3.5 The proposed 2024/25 Council Tax for all areas is shown in paragraph 1.6 of this report.
- 3.6 There is a discount of 25% where only one adult lives in a dwelling, reductions for disabled persons whose homes have certain facilities, and a Council Tax Reduction scheme for persons with low incomes.
- 3.7 Council Tax bills can be payable by instalments from 1 April. The date of the first instalment only may have to be delayed slightly to ensure that there is a statutory period of 14 days between the date the bills are issued and the date the first payment becomes due.
- 3.8 More detailed information on the Council Tax, including a summary of how it is spent is available on our website: www.newforest.gov.uk/counciltax.

4. NEW FOREST DISTRICT COUNCIL

- 4.1 The proposed 2024/25 General Fund budget requirement, elsewhere on this agenda, totals £24,513,250. After deducting retained Business Rates, Government support and collection fund adjustments of £10,054,150, the District Council needs to raise £14,459,100 through Council Tax. This requires a District Council Tax of £199.79 for a Band D property, which means there is an increase of £5.80 (2.99%) over the equivalent figure for 2023/24.

5. HAMPSHIRE COUNTY COUNCIL

- 5.1 Hampshire County Council met on the 22 February 2024 and set its precept upon this Council at £110,962,879 (including the precept element relating to Adult Social Care). This results in a Band D Council Tax of £1,533.24 (£1,312.32 'ordinary' precept, and £220.92 Adult Social Care precept), which represents an overall increase of £72.99 (5.00%) over the equivalent 2023/24 figure.

6. POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE AND ISLE OF WIGHT

- 6.1 The Police and Crime Commissioner for Hampshire and Isle of Wight set a precept of £18,922,252 upon this Council. This results in a Band D Council Tax of £261.46, which represents an increase of £10.00 (3.98%) over the equivalent 2023/24 figure.

7. HAMPSHIRE AND ISLE OF WIGHT FIRE AND RESCUE SERVICE

- 7.1 Hampshire and Isle of Wight Fire and Rescue Service will meet on the 27 February 2024 and set its precept upon this Council at £5,995,255. This results in a Band D Council Tax of £82.84, which represents an increase of £2.41 (3.00%) over the equivalent 2023/24 figure.

8. TOWN AND PARISH COUNCILS

- # 8.1 The Town and Parish Council precepts (Council Tax Requirements) for 2024/25 are detailed in Appendix 3 and total £8,388,417. This is an increase of £840,870 from 2023/24 and results in an average Band D Council Tax for 2024/25 of £115.91, an increase of £11.48 (10.99%) from 2023/24.

For Further Information:

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Background Papers

Published Documents

APPENDIX 1

SOURCE OF FIGURES SHOWN IN PARAGRAPH 1.3 OF THE REPORT

(a) (b) (c)

For the purposes of the recommendation, the estimated total net revenue expenditure of the Council for 2024/25 has to be shown i.e. including General Fund and Housing Revenue Account (HRA) budgets and Town/Parish Council precepts: -

	Expenditure	Income	Council Tax Requirement
	£	£	£
General Fund	114,962,380	100,503,280	14,459,100
HRA	36,186,640	36,186,640	0
Town/Parish Precept	8,388,417	0	8,388,417
	159,537,437	136,689,920	22,847,517
	(a)	(b)	(c)

(d) This is the combined District Council and Town/Parish Council Tax at Band D: -

	£
District	199.79
Average Town/Parish	115.91
	315.70

(e) £8,388,417 is the total of the Town/Parish Council precepts as shown in Appendix 3.

(f) £199.79 is the District Council Tax at Band D. The sequence of figures in 1.3 (a) to (f) is intended to start from estimated total net 2024/25 expenditure, deduct grants and precepts and arrive at the net District Council Tax figure.

(g) This shows the Combined District and Town/Parish Council Tax for each area at Band D.

(h) Shows the figures in (g) for each valuation band.

VALUATION BANDS

All dwellings have been valued by the Inland Revenue for the purpose of Council Tax. Valuations are based on property prices at April 1991. There are eight valuation bands and each dwelling has been placed into one of these bands according to its assessed value at that time. Band A is the lowest. The higher the band, the higher the charge will be. See the table below: -

BAND	RANGE OF VALUES	PROPORTION
A	Values not exceeding £40,000	£1.00
B	Values exceeding £40,000 but not exceeding £52,000	£1.17
C	Values exceeding £52,000 but not exceeding £68,000	£1.33
D	Values exceeding £68,000 but not exceeding £88,000	£1.50
E	Values exceeding £88,000 but not exceeding £120,000	£1.83
F	Values exceeding £120,000 but not exceeding £160,000	£2.17
G	Values exceeding £160,000 but not exceeding £320,000	£2.50
H	Values exceeding £320,000	£3.00

For every £1.00 of Council Tax for a band 'A' property, a band 'B' property will be charged £1.17 - and so on. Any discounts and reductions would make the difference less than this.

Taxpayers in band 'A' who fulfil the criteria for a reduction under the Disability Reduction Regulations will receive a reduction on their bill equivalent to the difference between the band 'A' and band 'B' charge.

APPENDIX 3

SUMMARY OF LOCAL COUNCIL REQUIREMENTS

LOCAL COUNCIL	2024/25			
	COUNCIL	TAX BASE	COUNCIL	COUNCIL
	TAX		TAX PER	TAX
	REQUIREMENT		BAND D	INC. / (-) DEC.
	£	PROPERTIES	£	FROM
				2023/24
				£
ASHURST AND COLBURY	56,903	939.90	60.54	5.35
BEAULIEU	19,036	511.90	37.19	13.93
BOLDRE	33,390	1,067.00	31.29	2.51
BRAMSHAW	10,000	337.80	29.60	0.48
BRANSGORE	202,094	1,846.80	109.43	41.58
BREAMORE	5,566	185.70	29.97	-0.23
BROCKENHURST	135,281	1,911.10	70.79	28.30
BURLEY	19,554	809.20	24.16	3.88
COPYTHORNE	27,059	1,235.70	21.90	0.77
DAMERHAM	11,279	248.30	45.42	3.07
DENNY LODGE	6,152	159.20	38.64	2.02
EAST BOLDRE	16,500	384.40	42.92	1.11
ELLINGHAM HARBRIDGE AND IBSLEY	24,000	632.00	37.97	7.63
EXBURY AND LEPE	0	116.30	0.00	0.00
FAWLEY	719,636	4,634.50	155.28	10.63
FORDINGBRIDGE	335,981	2,423.80	138.62	7.58
GODSHILL	13,394	225.00	59.53	3.42
HALE	13,700	267.70	51.18	0.06
HORDLE	172,000	2,434.20	70.66	5.91
HYDE	16,400	519.80	31.55	8.60
HYTHE AND DIBDEN	1,147,850	7,482.50	153.40	22.03
LYMINGTON AND PENNINGTON	982,689	7,529.60	130.51	12.82
LYNDHURST	120,000	1,478.50	81.16	6.86
MARCHWOOD	329,463	2,075.20	158.76	19.92
MARTIN	10,926	200.30	54.55	6.86
MILFORD-ON-SEA	214,700	2,938.70	73.06	11.76
MINSTEAD	14,400	374.40	38.46	6.66
NETLEY MARSH	22,584	818.00	27.61	1.13
NEW MILTON	1,325,429	10,619.40	124.81	7.49
RINGWOOD	643,525	5,501.60	116.97	5.47
ROCKBOURNE	14,988	169.90	88.22	1.61
SANDLEHEATH	9,804	299.60	32.72	1.31
SOPLEY	36,000	392.40	91.74	5.54
SWAY	93,794	1,731.80	54.16	4.67
TOTTON AND ELING	1,571,560	9,511.70	165.22	12.46
WHITSBURY	2,200	104.70	21.01	-0.37
WOODGREEN	10,580	252.90	41.83	1.47
	8,388,417	72,371.50	115.91	

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COUNCIL – 26 FEBRUARY 2024

SENIOR LEADERSHIP APPOINTMENTS

1. APPOINTMENT OF STRATEGIC DIRECTOR – HOUSING AND COMMUNITIES

- 1.1. By virtue of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) ('the Regulations'), approval of appointment of a Chief Officer of the District Council is required to be made by the full Council.
- 1.2. Solace, who provide an Executive Recruitment and Search service, were commissioned. Initial long listing was carried out and a report on the suggested shortlist candidates was provided to the Chief Executive and the Service Manager for Human Resources and an initial shortlist of twelve candidates was agreed.
- 1.3. On 2nd January an appointment panel consisting of the Leader of the Council, the Deputy Leader of the Council, the Leader of the Main Opposition Group and the Chief Executive met and a final shortlist of four candidates was agreed.
- 1.4. The four short listed candidates were then put through a rigorous assessment centre which included two psychometric assessments, a technical interview, and three separate exercises designed to look at problem solving, strategic awareness and political awareness. The outcome of the exercises were reported to the interview panel as part of the interview process.
- 1.5. Shortlisted candidates were interviewed by a Member Appointment Panel on 8th January 2024. There were three external candidates and one internal candidate. The candidates also met with lead officers from relevant services, and the other two Strategic Directors. Due to unforeseen circumstances the Chief Executive was unable to attend the interviews on this date.
- 1.6. The two preferred candidates from this process were then invited back for a further interview with the Chief Executive and the Leader of the Council on 19th January.
- 1.7. The Member Appointment Panel unanimously agreed that their preferred candidate was Richard Knott the internal candidate, currently Assistant Director of Housing.
- 1.8. Richard joined the Council in 2018 and has undertaken a range of management roles for both statutory and landlord services in the housing service, more recently taking on the role of Assistant Director where he has been leading on the wide-ranging changes required in response to the Social Housing Regulation Act 2023. Before this Richard worked for Christchurch and East Dorset Councils and for South Derbyshire District Council, where he successfully undertook his housing degree.
- 1.9. By virtue of the requirements of the Regulations and the Council's Standing Orders, following selection of a preferred candidate, Cabinet is required to be notified as to details of the proposed appointment, and not to have any objection to the recommendation of the Members' Appointment Panel. Cabinet has accordingly been informed as to the details of the preferred candidate and has no objection to the appointment.

1.10. In accordance with the Regulations and Standing Orders the Council is now required to approve the appointment.

2. APPOINTMENT OF MONITORING OFFICER (SUBSTANTIVE POST – ASSISTANT DIRECTOR – GOVERNANCE)

2.1. The Assistant Director – Governance role is also the Council’s Monitoring Officer.

2.2. Advice was sought from Solace on the recruitment market and process and following this an internal recruitment exercise has been undertaken with interviews held on 7th February. A member interview panel consisted of the Leader of the Council, Cllr Janet Richards, Cllr Mark Clark and Cllr Joe Reilly, along with the Chief Executive.

2.3. Separate interview/discussions were also held with the Strategic Directors as part of the overall process.

2.4. The Member Appointment Panel unanimously agreed that their preferred candidate was the internal candidate, Tanya Coulter, currently the Council’s Legal Services Manager.

2.5. Tanya has been with the Council since summer 2023 as Legal Services Manager. Tanya worked as a solicitor in the private sector and in-house for a housing association before moving into local government over 20 years ago where she worked as a solicitor before moving into various management roles. This included the role of Monitoring Officer for Bournemouth and Poole councils managing the elections, legal, democratic and information governance services for those councils up to and through the period of local government reorganisation.

2.6. By virtue of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) (‘the Regulations’), approval of appointment of a Chief Officer of the District Council is required to be made by the full Council. This includes the post of Monitoring Officer.

RECOMMENDED:

(a) That the Council approves the appointment of Richard Knott as Strategic Director – Housing and Communities of New Forest District Council.

(b) That the Council approves the appointment of Tanya Coulter as Monitoring Officer of New Forest District Council (substantive post – Assistant Director – Governance).

Heleana Aylett
Service Manager – Human Resources