



New Forest
DISTRICT COUNCIL

Council Meeting Agenda

26 February 2026



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 Thursday, 26 February 2026 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 are welcome to attend this meeting. The seating capacity of our Council Chamber public gallery is limited under fire regulations to 22.

Members of the public can watch this meeting live, or the subsequent recording, on the [Council's website](#). Live-streaming and recording of meetings is not a statutory requirement and whilst every endeavour will be made to broadcast our meetings, this cannot be guaranteed. Recordings remain available to view for a minimum of 12 months.

Anyone wishing to attend the meeting should contact the name and number shown below.

Enquiries to: Karen Wardle
Email: democratic@nfdc.gov.uk
Tel: 023 8028 5071

AGENDA

Apologies

1. MINUTES (Pages 7 - 30)

To confirm the minutes of the meeting held on 15 December 2025 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. LICENSING FEES AND CHARGES 2026/27 (Pages 31 - 40)

6. TREASURY MANAGEMENT STRATEGY 2026/27 (Pages 41 - 76)

7. INVESTMENT STRATEGY 2026/27 (Pages 77 - 88)

8. PAY POLICY STATEMENT 2026/27 (Pages 89 - 102)

9. REPORT OF CABINET - 4 FEBRUARY 2026 (Pages 103 - 160)

10. REPORT OF CABINET - 18 FEBRUARY 2026 (To Follow)

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

[Agenda for Cabinet on Wednesday, 18th February, 2026, 10.00 am Council Services](#)

11. THE 2026/27 COUNCIL TAX (Pages 161 - 176)

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, Monday, 23 February 2026).

13. APPOINTMENT OF THE STRATEGIC DIRECTOR HOUSING AND COMMUNITIES - REPORT OF THE MEMBER APPOINTMENT PANEL (Pages 177 - 180)

14. AMENDMENT TO THE CONSTITUTION - PROCEDURE FOR REMOVING AND REPLACING THE LEADER OF THE COUNCIL (Pages 181 - 198)

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

15 DECEMBER 2025

NEW FOREST DISTRICT COUNCIL

Minutes of a meeting of the New Forest District Council held on Monday, 15 December 2025

* Cllr John Sleep (Chairman)

* Cllr Dave Penny (Vice-Chairman)

Councillors:

John Adams
* Alan Alvey
* Peter Armstrong
* Geoffrey Blunden
* Hilary Brand
Mark Clark
* Steve Clarke
* Jill Cleary
* Kate Crisell
* Sean Cullen
* Jack Davies
* Steve Davies
* Philip Dowd
* Barry Dunning
* Jacqui England
* Richard Frampton
* Allan Glass
David Harrison
Matthew Hartmann
* David Hawkins
John Haywood
* Jeremy Heron
* Nigel Linford

Councillors:

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

*Present

Officers Attending:

Kate Ryan, Alan Bethune, James Carpenter, Sara Hamilton, Richard Knott, Peter Matthew, Chris Noble, Daniel Reynafarje, Karen Wardle and Matt Wisdom

Apologies

Apologies for absence were received from Cllrs Adams, M Clark, Harrison, Hartmann, Haywood, Osborne and Reid.

51 MINUTES

RESOLVED:

That the minutes of the meetings held on 25 September (Special meeting), 13 October and 3 November 2026 (Special meeting), be confirmed.

52 DECLARATIONS OF INTERESTS

Cllr J Davies declared a pecuniary interest in agenda item 5, Taxi Licensing Policy – Amendments to Appendix B, due his employment by a taxi operator, he reported that he would not comment or vote on this item.

53 CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced with sadness, the passing of the long-standing MP Sir Patrick McNair-Wilson. He had been the MP for the New Forest from 1968 through to 1997. The Chairman acknowledged that he had played a special role for so many at the meeting, representing the New Forest constituents with such commitment. He spoke on behalf of the Council, and placed on record the appreciation for Sir Patrick's service and that thoughts were with his family.

Engagements

The Chairman reported that it had been a busy period since his last update on his civic engagements and spoke on the following:

Minstead Trust Showcase and Award Event

On Thursday 6 November, he had attended Minstead Trust Showcase and Award event which had been well supported by civic heads across Hampshire.

Remembrance Services

He had been honoured to represent the District at the Remembrance Service in Lyndhurst on Sunday, 9 November, along with the Leader, Cllr Jill Cleary. The Vice Chairman, Cllr Dave Penny had represented the District at the Totton Service.

Signing of the Armed Forces Covenant

On Monday 10 November, the Chairman reported he had had the pleasure of welcoming Deputy Lieutenant, Mr. Oliver Crosthwaite-Eyre, to witness the signing of the revised and updated Armed Forces Covenant by himself, the Chief Executive and the Commanding Officer of 17 Port and Maritime Regiment, Lt Col Tom Goodall MBE. Also in attendance were other senior officers from the Regiment along with some of our veterans. The new covenant reaffirmed the commitment to supporting the Armed Forces Community of HQ Solent Station. Special thanks were expressed to Anne-Marie Cranton of HQ Solent Station, whose dedicated support had been vital in maintaining the strong link with the Military at Marchwood.

Armistice Day

The Council held the annual Armistice Day commemoration at Appletree Court on 11 November. The Chairman reported he had attended this along with Cllr Cleary and 17 Port and Maritime Regiment, as well as staff where wreaths were laid at the flagpole. Thanks were expressed to Cllr John Adams for attending in full regalia to play the bagpipes during the event.

Solent Mind Annual Celebration Event

On Thursday 13 November, the Chairman reported he had attended Solent Mind Annual Celebration Event where Dr Lesley Stephens, from Hampshire & Isle of Wight NHS Foundation, gave a speech on the 10-year plan to revolutionise the operations of the NHS and the Voluntary Community and Social Enterprises. This was followed by a presentation from the Chief Executive Officer of Solent Mind, Sally Arscott, where volunteers, who had received support on their life issues, were now helping others. It was a very moving and well-supported event.

New housing development openings

On Tuesday, 18 November, the Chairman reported he had attended the official openings of the new housing developments at White House Way, formally Hythe Hospital and the following week Monday, 24 November, at Compton Road and Old Milton Road, New Milton, formally the offices of the Advertiser and Times. Both were amazing housing projects, and the Council should be immensely proud of them.

Other events attended included the Beaulieu Estate Dinner, at the invitation of Lord & Lady Montague and the Council's long service awards. Cllr Penny had represented the Chairman, at the New Forest Brilliance in Business Awards along with Cllr Tipp, which he understood to be a great success.

Finally, the Chairman reported that the Vice-Chairman and himself had attended several Christmas Carol Services which had put them in the Christmas spirit and wished everyone a lovely Christmas and Happy New Year.

54 LEADER'S ANNOUNCEMENTS

The Leader reported that as the end of 2025 came to an end, the year that local government reorganisation began, she had looked back on some of the updates she had given and acknowledged the excellent work that members and staff had provided to residents.

This included the largest operational change with the new waste and recycling service, new housing developments, the launch of a community lottery, ongoing coastal maintenance, the championing of local businesses and youth skills, awarding essential grants to community organisations, planting hundreds of trees, and continuing the regulatory and enforcement activity that keeps residents safe and protects the Forest environment, this was just a small snapshot.

The Leader was also pleased that the corporate peer challenge revisit, one year on, found that good progress had been made with the improvements identified in the corporate plan. The team had also recognised the commitment of staff and the positive way they were delivering services for our communities. All work highlighted was down to the dedication and resilience of staff, frontline; service-based, and the staff in our corporate services teams who provide vital but often unseen work. She acknowledged that staff would carry this into 2026 and beyond and thanked them for the commitment they bring every day to help improve the district for residents.

And finally, the Leader reported of a special Christmas news story. The Freedom Leisure team would be distributing Christmas presents kindly donated by leisure centre users. This year the presents would be distributed throughout the New Forest to the Handy Trust, St Barbs holidays and activities food programme, Fair

Share food bank, Youth and Families Matter and New Milton Youth Trust. The Leader reported that the fantastic initiative would ensure that a significant number of children would receive presents, who otherwise might not have done so. The Leader expressed her sincere thanks to Freedom Leisure and to the Portfolio Holder, Cllr Dan Poole for leading and supporting the amazing initiative.

55 TAXI LICENSING POLICY – AMENDMENTS TO APPENDIX B

Cllr J Davies declared a pecuniary interest, due his employment by a taxi operator. He reported that he would not comment or vote on this item.

Cllr Tungate introduced the report and moved the recommendations, highlighting that the proposed amendments to the taxi licensing policy were in line with the Institute of Licensing's Suitability Guidance and that no responses had been received through the public consultation.

Cllr Young seconded the motion.

RESOLVED:

That the updated Appendix B of the Taxi Licensing Policy be approved.

56 REPORT OF CABINET - 5 NOVEMBER 2025

PART I – ITEMS RESOLVED BY CABINET

There were no speakers on items 1-2 resolved by Cabinet at its meeting on 5 November 2025.

PART II – RECOMMENDATIONS TO COUNCIL

Item 3 – Financial Monitoring Report (based on performance April – September 2025 inclusive)

Part 1 – Recommendations resolved by Cabinet

A councillor spoke on the recommendations for Cabinet, noting that the report highlighted a shortfall in the projected income for car parking, and that it was expected that the variance would reduce by £29,000. This was due to the increase in fees and charges which would be introduced in January 2026. It was felt that each time the council increased car parking fees and charges, fewer people paid for parking and therefore it was suggested that they not be increased each year.

The Portfolio Holder for Finance and Corporate responded, confirming that the target had not been met, however overall, there had actually been a net increase in income over the previous year. The Portfolio Holder reminded members that the short stay parking clock offered good value for money for car parking and was very popular.

Part II – Recommendation to Council

Cllr Heron introduced the report and moved the recommendations. Cllr S Davies seconded the motion.

RESOLVED:

That £1.5 million is transferred from the Budget Equalisation Reserve to the Local Government Reorganisation Reserve, with the previous approved delegation to cover this increased balance.

57 REPORT OF CABINET - 3 DECEMBER 2025**PART I – ITEMS RESOLVED BY CABINET****Item 1 – Medium Term Financial Plan – General Fund Update**

A councillor referenced the revenue contribution to capital outlay and that the income received from interest rates was likely to be higher than that anticipated. It was felt that consideration should be given to reviewing financial management from a different perspective in light of Local Government Reorganisation and the expected finite future of the District Council.

The Portfolio Holder for Finance and Corporate responded highlighting that the future was uncertain, however there continued to be a need to plan for the long term and of the importance of sound financial management.

Item 2 – Medium Term Financial Plan – Housing Revenue Account

There were no speakers on this item.

Item 3 – Allocation of community infrastructure levy (CIL) to local infrastructure projects

A member sought clarity on whether the District Council or the new unitary authority would determine the bids for the 2027/28 financial year, when applications would be invited in spring 2026. A member highlighted that a two-month window for submission of applications was not a long period of time and it was suggested that officers work and consult with potential applicants to ensure that anyone wishing to apply was able to do so.

Another member expressed the view that as CIL receipts related to developments in the district, that this money should be spent within the district towards projects to benefit the residents of the New Forest, rather than being passed to any new unitary authority.

The Portfolio Holder for Planning and Economy reported that it was the intention for CIL monies to be allocated and spent within the district and that should there be any unspent funds, they would pass to the new unitary authority.

Item 4 – Half Yearly Update Complaints Performance and Service Improvement Report

A councillor highlighted that there had been a discussion at the last Resources and Transformation Overview and Scrutiny Panel meeting regarding the rise in complaints, following the roll-out of phase 1 of the waste and recycling service. This was a single issue and therefore needed to be recognised. The next reporting period for complaints would include the roll-out of phases 2 and 3 of the waste service and that this should also be recognised. One member acknowledged that lessons had been learnt from the first phase of the roll-out.

The Portfolio Holder for Finance and Corporate acknowledged the points made and confirmed that it was important to be careful when looking at the figures, to ensure that a single issue did not skew the report.

PART II – RECOMMENDATIONS TO COUNCIL

Item 5 – Council Tax 2026/2027

Cllr Heron introduced the report and moved the recommendations. Cllr S Davies seconded the motion.

A councillor acknowledged that the report included the number of second homes in the district which had had an impact on the figures. Thanks were expressed to officers for calculating this.

Cllr Heron responded to this, reporting that last year the council tax base had been calculated using an estimate for the number of second homes in the district. The calculation within the report had been based on the actual number of second homes which had made a difference to the tax base outcome.

RESOLVED:

That Council approved:

1. The calculation of the tax base for the year 2026/27 of 74,305.8; and
2. 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 2026/27 as detailed in paragraph 13 of the Cabinet report.

Item 6 – Council Tax Support Scheme, Council Tax Premiums, S13A Policy, Discretionary Housing Payments Policy and Crisis Resilience Fund

Cllr Heron introduced the report and moved the recommendations. Cllr S Davies seconded the motion.

A councillor highlighted that he had asked a question about the number of people who had been disproportionately affected by the last approved changes to the support scheme and payments policy but had not received a full explanation. Cllr Heron reported he would be happy to speak directly with the councillor outside of the meeting to ensure that he was provided with an answer to his query.

RESOLVED:

That Council approved:

1. The current Council Tax Reduction scheme continues from 1 April 2026 with no proposed changes;
2. The current application of Council Tax Premiums continues from 1 April 2026 with no proposed changes;
3. The S13A (1) (C) Policy be approved; and

4. The Discretionary Housing Payments Policy be approved

Item 7 – Lymington and Pennington Neighbourhood Development Plan, Examiner's Report

Cllr Tipp presented the report and moved the recommendations, highlighting that the plan had been nine years in the making and congratulated the hard work of Lymington and Pennington Town Council in developing it.

A few members spoke in support of the recommendations recognising the time and work which had been put into the production of the development plan. They reported they were pleased to see it being taken forward and hoped that it would be supported.

RESOLVED:

That Council:

1. Noted the recommendations made in the Examiner's Report (Appendix 1) into the Lymington and Pennington Neighbourhood Plan (Appendix 2 shows the submission plan);
2. Agreed the Examiner's proposed modifications (including further minor modifications identified by the two planning authorities) and the NFDC responses to them as set out in the Decision Statement (Appendix 3); and
3. Subject to the separate agreement of the New Forest National Park Authority, agree for officers to make the necessary arrangements for the Lymington and Pennington Neighbourhood Plan to proceed to Referendum (the date of the referendum is anticipated to be towards the end of January 2026).

Item 8 – Waste Service Budgetary Position

Cllr Blunden introduced the report and moved the recommendations. Cllr Blunden reported that it detailed the current position on the roll out of the council's new waste collection service and the steps needed to maintain its success. The service had been delivering clear environmental benefits including improved recycling rates and a reduction in littering. It was essential to continue to meet the statutory obligations under the Environment Act 2021.

The Portfolio Holder clarified, there had been an updated confirmation of the bin manufacturing schedules and that the delivery of bins to households in phase 3 would commence in March, with the new service collections for residents commencing in early May 2026. This would see the whole district on a new modernised service which would see increased recycling rates, cleaner streets and be better for the hard-working crews.

The report addressed the operational challenges in the areas of the district where there was free roaming livestock, and it recommended making permanent the behind the gate collection policy for food waste caddies in these areas. The policy had proved effective in reducing animal interactions and safeguarding the reputation of the service. The report also sought the approval of additional funding to maintain the service continuity and the bring sites provision.

The Portfolio Holder reported that the recommendations included a commitment to a full review after the roll-out of phase 3 had been completed, set out in paragraphs 30 and 31 of the report. The review would also allow the consideration of wider approaches to collections in these areas in the future, including the bring sites and would be informed by data, financial modelling and operational experience. The recommendations were clearly financially significant, but they would ensure that the service remained resilient, environmentally responsible and legally compliant, while leaving scope for further consideration of longer-term operations once the service had bedded in.

Cllr S Davies seconded the motion.

Several councillors spoke about the waste hierarchy and the importance of education to reduce the volume of waste collected throughout the district. It was hoped that this could be considered through the proposed review of the service following the roll-out of phase 3.

It was questioned by one member whether the complaints received had been dealt with appropriately, recognising that there had been a back log with the roll-out of phase 1.

A councillor noted that a recommendation was to carry out a review following the roll-out of phase 3 and sought assurance that it would be carried out in a timely matter.

A number of members spoke about the roll-out of phases 1 and 2 and highlighted issues of concern, as well as the success of the roll-out, particularly with the roll-out phase 2 and lessons being learnt from phase 1. It was recognised that more resources had been put into the service and that residents in phase 3 would benefit from this.

A councillor raised concern about fly tipping, and the impact on bring sites, particularly with the next phase of the roll out which might increase the problem further.

A recommendation within the report related to a supplementary budget of £301,000 to support the management of bring sites. Further information was sought by one councillor to ascertain how this would be spent, in particular whether it would try to reduce the waste collected at the bring sites, possibly through education.

Cllr Blunden responded at the end of the debate and agreed with the points made on the importance of educating residents on waste reduction. He confirmed that the complaints received had been responded to. In relation to the review which was proposed to be conducted following the roll-out of phase 3, this would be carried out swiftly and any proposed actions would be implemented in a timely manner. Lessons had been learnt from phase 1 and this had been seen through the roll-out of phase 2 and it would continue in relation to phase 3. The problems around the bring sites and fly tipping were recognised. The data from the materials collected at the bring sites, suggested that they differed from those of fly tipping incidents, often relating to business waste. He reported that he would respond directly to the councillor who had asked for further detail on how the supplementary budget would be spent to support the management of the bring sites.

RESOLVED:

That Council:

- a) Approved an additional £1.500m of annual budget to be added to the Council's Medium Term Financial Plan from 2026/27 onwards to maintain collection service continuity, bring site services and retain the collections of food waste containers from behind gates in areas open to free roaming livestock;
- b) Approved an additional £967,000 to be added to the Council's Capital Programme for 2026/27 to accommodate the purchase of the additional vehicles required to support Cabinet recommendation 1; and
- c) Approved a supplementary budget of £301,000 to 2025/26 to support the continued bring-site service.

58 QUESTIONS

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

- From Cllr Dunning to the Portfolio Holder for Planning and Economy, Cllr Tipp, regarding the development at Lymington Shores in Lymington and the footbridge.
- From Cllr Young to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Poole regarding an update on the progress of the CCTV programme.
- From Cllr Millar to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, regarding requests for smaller and larger bins as part of the waste programme roll-out.
- From Cllr McCarthy to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, regarding the operational implications and the cost of switching to the "behind the gate" collection service to reduce incidents of animal interference with food waste caddies.
- From Cllr M Clark to the Portfolio Holder for Finance and Corporate, Cllr Heron regarding the assumptions within the Medium-Term Financial Plan and the fair funding review.
- From Cllr Rackham to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, regarding the bring sites and modelling work around behaviour change as part of the roll-out of the new waste service.
- From Cllr Cullen to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, regarding assisted collections.
- From Cllr J Davies to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, regarding a timescale for the upgrade of the public conveniences in New Street, Lymington.
- From Cllr A Wade to the Portfolio Holder for Environment and Sustainability, Cllr Blunden, regarding communication with residents in phase 3 of the roll-out of the new waste and recycling service.

59 NOTICE OF MOTION

The Chairman announced that in accordance with Standing Order 42.2 that he would allow the motion to be dealt with at the meeting, as he considered it to be convenient to the despatch of business.

In accordance with Standing Order 21, Cllr M Wade moved the following motion:

This Council Notes Associated British Ports have been holding public consultation meetings on their plans for their Strategic Land Reserve on Dibden Bay.

Dibden Bay has not been identified in this Council's Current statutory planning document, the District Local Plan 2016 -2036, as an allocated site for port expansion. However, a decision on whether port operations can be expanded looks to be taken out of our hands on the basis that it is nationally significant.

This Council believes that the likely local impacts to the environmental sites on Dibden Bay along with being so close to our National Park outweigh the potential economic benefits. Notwithstanding this, the decision should be taken by locally elected Councillors.

Therefore Council resolves to write to the Prime Minister accordingly, urging him to give local people, through their local councillors, the final say and in doing so reminding him of his commitment to localism.

Cllr M Wade in presenting the motion, stated that that localism was the bedrock upon which all local government was founded. Local councillors had been elected by local residents to take decisions on their behalf, they knew the district, their communities and their residents wishes and concerns. Cllr Wade expressed the view that members of the planning committee, armed with their local knowledge, should be able to balance the considerations against the commercial, environmental as well as national and strategic factors as a regulatory body, to decide what was not only best, but legally appropriate for the area.

Cllr Wade explained the geography around Dibden Bay, that it was sited on the edge of the Waterside peninsular with Southampton Water on the east and the National Park on the west, with one road, the A326 running north to south, to South Waterside. Reference the environmental importance of the land on or adjacent to Dibden Bay, in that there were areas of formal conservation designation, a triple SSI on the site itself as well the Solent and Southampton Water SPA and RAMSAR site. It was also on the edge of the New Forest National Park Authority, which needed to be protected.

Cllr Wade spoke of the ABP proposal in 2002 for a container port which had been unsuccessful due to the environmental impact. ABP had since been developing a new proposal for its automotive business and that ABP currently handle over 820,000 vehicles per year. ABP wanted to expand its business at Dibden Bay to be the largest most important vehicle importer and exporter in Europe. It was highlighted that the majority of the vehicles would enter or leave the port by road, therefore increasing the traffic along the A326. Hampshire County Council was proposing a £187 million road improvement project to the A326. This was a complex project taking 3-4 years to be completed which would have a significant impact to traffic and cause delays to journey times.

Cllr Wade recognised the scale of that the proposal at Dibden Bay and that no district councillors would be involved in the decision. The motion sought to request that the application be determined by the district council rather than the government, using local knowledge and experience. Cllr Wade asked members to support the motion.

Cllr Dowd seconded the motion.

Cllr Tipp proposed a number of amendments to the motion. He explained that local councillors could not make a decision on the proposal due to the legislation, in particular the Planning Act 2008, requiring nationally significant developments to be determined by the Secretary of State. Cllr Tipp explained that he did not want wish to ask the Minister to change the law, which would be the only way that the decision could be taken locally.

Cllr Tipp also explained that paragraph 3 of the motion stated that the likely environmental impacts outweigh the potential economic benefits. Given that no environmental assessment had been carried out to date, it was not possible to make a judgement without all the evidence and therefore he proposed that the wording of the motion be amended to reflect this. Cllr Tipp also proposed a number of other the amendments to the motion, set out below. These were circulated to all members by email as well as displayed on the screens in the council chamber, as follows:

This Council Notes Associated British Ports have been holding public consultation meetings on their plans for their Strategic Land Reserve at Dibden Bay.

Dibden Bay has not been identified in this Council's Current statutory planning document, the District Local Plan 2016–2036, as an allocated site for port expansion. However, a decision on whether port operations can be expanded looks to be taken out of our hands on the basis that it is nationally significant.

The Council's current statutory planning document, the District Local Plan 2016–2036, acknowledges Dibden Bay as ABP's Strategic Land Reserve but does not allocate the site for port expansion.

Planning law and our adopted Local Plan make clear that any proposal for port-related development at Dibden Bay would constitute a Nationally Significant Infrastructure Project under the Planning Act 2008 and therefore be determined by the Secretary of State, not this Council.

This Council believes that the likely local impacts to the on internationally designated environmental sites at Dibden Bay, combined with its proximity to the along with being so close to our New Forest National Park, must be fully considered in any decision-making process outweigh the potential economic benefits. Notwithstanding this, the decision should be taken by locally elected Councillors.

Therefore, this Council resolves to write to the Secretary of State and the Prime Minister, accordingly, urging him them to ensure that give local views are given significant weight in the examination process, and people, through their local councillors, the final say and in doing so reminding him them of his their Government's stated commitment to localism.

Cllr S Davies seconded the amendments to the motion.

Those who supported the amendment to the motion expressed that view that it allowed local people to be involved in the process and express their views, whilst remaining within the current legislation. It was felt that the Government should not be asked to change the law and that it was unlikely that any request to make a change would be successful. It was suggested that the amendment, was

achievable, realistic and was the best way to support the local community and the area.

It was felt that the potential environmental impacts were acknowledged within the motion and that the area was recognised as being important and needed to be protected, particularly in relation to wildlife. Furthermore, it was highlighted that the detail of the application and the potential environmental impacts had not been quantified to date and therefore the amendment should be supported.

Those who did not support the amendment expressed that view that it supported the economy and local industry at the detriment of the local environment. Concern was expressed that the Secretary of State would not fully consider the views of the local community and that the district council was best placed to consider local views. Local members would also be able to consider all matters in any future application, including the impact of the development to residents, wildlife, pollution and flooding, for example.

It was felt that the proposed letter, whilst acknowledging that a change in legislation would be required in order for a decision to be taken locally, it was considered to be entirely appropriate and reasonable to ask the Prime Minister to do this. Members opposing the amendment, felt that it watered down the motion and did not support localism.

Put to the vote, the amendment was carried.

Members went on to debate the substantive motion.

In support of the motion, the view was expressed that the Nationally Significant Infrastructure process for decision making guaranteed that there be local engagement and that the decision would be taken considering the views expressed by local people, the needs to the area and the impact on the environment. It was therefore felt that the decision being taken by the Secretary of State addressed the concerns raised at the meeting.

In objection to the motion, it was further highlighted that the decision on any future application should be taken locally and that the motion had been weakened with the amendments. It was also highlighted by a councillor, that the motion had been brought forward having listened to the view of local residents. They had been concerned regarding the degradation of land at Dibden Bay and that there was no clear record on the state of the land at the current time. They were also concerned that their views would not be considered fully if the decision were taken by the government.

RESOLVED:

That the following motion be supported:

This Council Notes Associated British Ports has been holding public consultation meetings on their plans for their Strategic Land Reserve at Dibden Bay.

The Council's current statutory planning document, the District Local Plan 2016–2036, acknowledges Dibden Bay as ABP's Strategic Land Reserve but does not allocate the site for port expansion.

Planning law and our adopted Local Plan make clear that any proposal for port-related development at Dibden Bay would constitute a Nationally Significant Infrastructure Project under the Planning Act 2008 and therefore be determined by the Secretary of State, not this Council.

This Council believes that the likely local impacts on internationally designated environmental sites at Dibden Bay, combined with its proximity to the New Forest National Park, must be fully considered in any decision-making process.

Therefore, this Council resolves to write to the Secretary of State and the Prime Minister, urging them to ensure that local views are given significant weight in the examination process, and reminding them of their Government's stated commitment to localism.

60 ALLOCATION OF SEATS AND APPOINTMENTS TO COMMITTEES AND PANELS

Cllr Cleary presented the report and moved the recommendations. Cllr S Davies seconded the motion.

RESOLVED:

That Council:

1. Considered the allocation of seats to committees and panels in accordance with the principles set out in the report, and in doing so, agreed to the allocation set out in the table in Appendix 1, which proposed no change to the previous position agreed on 13 October; and
2. Appointed councillors to individual committees and panels, as identified in Appendix 2, for the remainder of the four year period ending May 2027.

61 DATE OF NEXT MEETING

RESOLVED:

That the Council Meeting scheduled for 6.30 pm, Monday, 23 February 2026, be moved to 6.30pm, Thursday, 26 February 2026.

CHAIRMAN

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Council – 15 December 2025

Questions Under Standing Order 22

First Questions

Question 1

From Cllr Barry Dunning to the Portfolio Holder for Planning and Economy, Cllr Derek Tipp

Can the Portfolio holder for Planning and Economy, please update the Council on the current position of the ongoing legal dispute between this Council and Redrow/Barratt over the development at Lymington Shores in Lymington and will the footbridge be built or not?

Reply

The Council understands that Redrow and Hampshire County Council are working on resolving matters that are needed to allow for delivery.

From the District Councils perspective, there is a restriction on the sale and occupation of the remaining residential units on the site. This restriction is being complied with, and therefore, and as previously advised, there is no breach of planning control.

I have asked our officers to make enquiries with Redrow, however, with his own County Councillor hat on, perhaps directing enquiries into the County Council to seek their perspective on what is holding up delivery would be something Cllr Dunning could consider.

In response to a supplementary question asking the Portfolio Holder whether he agreed that it was time to resolve the matter and that if there were to be a financial settlement whether the money could go to Lymington. The Portfolio Holder agreed that he felt it was time for the matter to be resolved, but that it was not for him to settle it. He also expressed the view that should there be a financial settlement, he could see no reason why it should not be spent in Lymington.

Question 2

From Cllr Richard Young to the Portfolio Holder for Community, Safety and Wellbeing, Cllr Dan Poole

Could the portfolio holder for Community, Safety and Wellbeing please update us on the progress of the CCTV programme?

Reply

In line with the council's commitment to invest in and enhance the CCTV network across the district, an additional 56 digital cameras have been installed over the past 12 months, with a further four due for completion shortly. Our ongoing commitment to reduce the fear of crime within our communities has been supported by Town and Parish councils, alongside ongoing partnerships with the retail sector. Where appropriate, these positive partnerships have enabled cameras to be mounted on the exterior of retail premises, improving operational coverage while reducing installation costs.

To strengthen system resilience and prepare for future digital upgrades, we will replace the analogue line currently used to transmit images to the control room. Throughout 2026, the remaining analogue cameras will be converted to digital transmission, creating opportunities to expand coverage and deliver long-term cost savings for the service.

Question 3

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

The Phase 2 roll-out of the new waste service has thankfully avoided the significant issues we saw in Phase 1. However, many residents are frustrated by the lack of information and delays around both smaller and larger bin requests. Smaller bins matter for manoeuvrability and where there is limited storage space, while some larger households were promised bigger bins but are still waiting, relying on extra sacks in the meantime, which are often missed by the collecting teams who are focused on wheelie bins.

Can you confirm how many requests for small bins and large bins were made in Phases 1 and 2, how many of these requests have been satisfied, when the outstanding requests will be met, how long the longest wait has been, and what has caused the delays?

Reply

Across phases 1 and 2, 1,114 requests for extra capacity have so far been made, and 89% of these requests have been fulfilled. These requests have been prioritised over requests for smaller bins, as the rationale for the requests often relates to medical needs, children in nappies, and large families.

The 100 or so still awaiting larger bins will receive their extra capacity before Christmas and in the meantime, crews are instructed to collect extra bags. If you are aware of specific locations where this is not happening, please let us know and we can investigate further.

Smaller bins have only have a marginally smaller footprint when compared to standard bins. We are awaiting a restock of recycling containers from the supplier and will resume deliveries once we have these.

We have had a number of residents contacting us to cancel their smaller or larger bin requests as they prefer the containers they were issued in the main rollout. So, residents with an outstanding request for a smaller bin have been contacted to confirm whether the bin is still required, and at the time of writing 296 residents are waiting for smaller bins. While we await new supplies, we continue to collect their waste every week from their existing containers.

In response to a supplementary question regarding concern about wheeled bins blowing over in the wind and whether there were any recommendations to secure bins against gale conditions, the Portfolio Holder reported that he had not been made aware of this being a problem and that he would ask officers whether there was any advice they could provide to help to resolve this problem.

Question 4

From Cllr Colm McCarthy to the Portfolio Holder for Environment and Sustainability, Cllr Geoffrey Blunden

Given that Members and Officers had previously been warned about the likelihood of animal interference with food caddies, why did the Council underestimate both the operational implications and cost of switching “behind the gate” collections – resulting in a £1.5m annual pressure and additional vehicle requirements?

Reply

As detailed in the report discussed at Full Council tonight, the additional resource requirement amounting to £1.5m is not solely down to the issue of "behind the gate" collections. In fact, the full explanation is included in that report, and I don't propose to repeat that information again.

However, I would reiterate the complexity and significance of the service changes being introduced, which is transforming our services for the benefit of residents, staff and the environment. Quarter 2 of this year saw us reach our highest ever recycling rate of 43%, and that has been achieved with only 38% of households using the new service. Food waste tonnages have been higher than most other council areas – showing what a great success the service has been, and I don't shy away from the need to invest in our services to ensure continued progress is maintained.

Question 5

From Cllr Mark Clark to the Portfolio Holder for Finance and Corporate, Cllr Jeremy Heron

The Medium Term Financial Plan had been built on the expectation of new burdens funding for food waste to bring sites and early positive indicators from the fair funding review. Why were these assumptions not stress tested for downside risk, especially given the Government's track record of late changes to distribution formulas?

Reply

First, a point of clarity, the new burdens funding we were promised, time and time again I might add, was in relation to the kerbside food waste collection service, there is no food waste to bring sites service.

I thank Cllr Clark in advance for his support in calling on government to provide a multi year settlement for Local Authorities.

Not only would this empower us with a degree of stability but would further stop us from being at the whim of bold announcements, of additional support, being subsumed into the base grant and leaving us shocked at the negligible impact that it has in our overall funding.

For a myriad of reasons our Medium Term Financial Plan cannot be a fixed or static document, it must be a living organic financial plan that is capable of evolving and adapting to ever changing circumstances.

Perhaps it would help Cllr Clark if I were to read a short snippet from the October MTFP report; And I quote 'the government are currently analysing Fair Funding Review consultation responses, which will include significant representations from authorities who are now forecasting unplanned reductions in their financial settlement position. We cannot therefore be assured of any government backed financial position until the provisional settlement is released during December as illustrated by the potential range in Figure 1'.

The figure 1 as referred to then went on to show a rather nice-looking graph outlining the potential range in government funding, anywhere from £10.8m to as low as £7.1m.

So Cllr Clark, we constantly stress-test the assumptions, and we made it very clear back in October, as we have done now that there is no security around funding until the point that we receive the settlement.

Delaying the incorporation of latest information and knowledge within the MTFP until such time as our settlement is confirmed is simply too late in the financial planning cycle.

Your colleagues regularly accuse this administration of holding reserves that they feel are greater than those required, I wonder how they would react to an announcement that the Council was in line for an additional income of one and a half million pounds and that the Conservative administration had failed to incorporate in its financial planning or budget.

Let me save you the trouble of having to think about that, I know what they would do. They would accuse us of failing our residents and overtaxing them and would then come forward with a myriad of schemes to spend it.

As I said our Medium Term Financial Plan is a living plan available to adapt to the ever changing landscape of Local Government and I will let you into a secret, we are on course to deliver balanced budget for 2026/27.

Note: This question was dealt with in writing in the absence of Cllr M Clark.

Question 6

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

There has been a rise in visits to the recycling centres and other bring-sites with the roll out of limited size wheelie bins. Can I ask what modelling was used to predict this behaviour change and why it wasn't budgeted for?

Reply

The council now provides more capacity for containing recycling on a weekly basis than it used to, under the old sack system. In addition, we offer larger recycling bins for those who need them and will collect small bundles of cardboard when left tidily next to a bin. Larger amounts of cardboard must be taken to local Household Waste Recycling Centres such as those located at Marchwood, Efford and Somerley. Here, there are specialised containers that can adequately deal with large quantities of cardboard. Our bring sites are for small quantities of excess recycling from households. Any businesses using these sites are doing so illegally, and our enforcement teams are working hard to tackle misuse via site visits and new CCTV.

I will accept that the issue at bring sites has been larger than we may have expected – but the overall financial prudence of this authority means that, where there are unexpected consequences, we are well-placed to react quickly and flexibly to prioritise our actions and maintain services.

In response to a supplementary question seeking to understand the reasons for the rise in materials at the bring sites and the modelling used, the Portfolio Holder reported he has already responded to the modelling query. In terms of the bring sites and the large quantities of cardboard which were being deposited, he reported that evidence suggested that this material was being left by businesses, whereas previously it may have been taken away with the domestic collections.

Question 7

From Cllr Sean Cullen to the Portfolio Holder for Environment and Sustainability, Cllr Geoffrey Blunden

How many assisted collections were requested in phases 1 and 2 and did numbers increase during the rollout? How many have been requested for phase 3 and from the experience of phases 1 and 2, how confident are you that you would be able to satisfy the demand?

Reply

Our data on this does not differentiate between a new request, and an annual renewal for an existing assisted collection user. However, I can say that in May 2025 we had a total of 830 assisted collection users, and as of Dec we have 1,613. Of the requests received in this period, which as stated above includes new requests and renewals, 44% were from phase one addresses, 21% from phase two addresses and 35% from phase three addresses.

As of 21 October, this year, the council introduced further checks on assisted collection requests coming in, to ensure that our resources can be focussed on helping those residents in genuine need of this important service.

We are confident that we can accommodate the support required for our residents that genuinely need the additional assistance.

In response to a supplementary question seeking the percentage of assisted collection requests being denied and the reasons for the refusal, the Portfolio Holder reported that he did not have that information available at the meeting and that he would response directly to the councillor.

Question 8

From Cllr Malcolm Wade to the Leader of the Council, Cllr Jill Cleary

In the spirit of devolution and understanding it will take a level of resourcing, transferring assets to the people of the New Forest District will be a positive lasting testament of this authority's legacy. Therefore, will this administration support this council devolving assets to Town and

Parish councils across the district, where they have requested it to do so, where it is practical and sustainable to do so.

Reply

I am supportive of the recent letter that has been sent by officers to Town & Parish clerks setting out very clearly the next steps in our process towards delivering on our Strategic Asset Management Plan. This includes the ability for the Town & Parish councils to advise the district of assets that they would like us to consider for transfer.

Cllr Wade will however be very aware of the significant task ahead of us as Councillors, and of our officers in supporting the establishment of a new authority in just over 2 years' time. I think it's important therefore that we continue to manage expectations and confirm that a large number of asset transfers to town and parish councils will not be feasible. In terms of delivering on our strategic asset management action plan, our priority remains on getting a really clear understanding of our own asset base, making improvements where possible, and building a comprehensive asset list, to include information on where town and parishes have expressed a will to take on any assets, for future consideration by the new unitary authority.

In response to a supplementary question regarding the transfer to assets to town and parish councils, when requested, where it was practical and sustainable to do so in order to leave a positive legacy, the Leader reported that she supported this in theory, but had concerns about how this would take place. She reported she would consult with officers and the relevant Portfolio Holder, as she supported the aspiration to leave a positive legacy to the residents of the New Forest.

Question 9

From Cllr Jack Davies to the Portfolio Holder for Environment and Sustainability, Cllr Geoffrey Blunden

It was good to hear Cllr Heron state at the most recent Resources and Transformation Scrutiny Panel that New Street Public Conveniences in Lymington will be upgraded. Does the Portfolio Holder have a timescale for when these upgrades will be completed?

Reply

I welcome the question, as despite seeing Cllr Davies taking credit for the New Street block being identified as a priority for renovation, it gives me an opportunity to confirm that I have had oversight of the evidence led condition survey process which has resulted in the New Street toilet as being identified as a strong candidate for upgrading. Officers are in the process of devising the detailed programme, which I understand will be included in the Capital Programme for Council consideration and approval in February.

I will welcome Cllr Davies' endorsement of the administration's budget when it comes to this chamber in February to ensure that these improvements can be achieved within the next 2 financial years.

In response to a supplementary question asking that this be a full refurbishment of public conveniences, the Portfolio Holder reported he noted this request.

Question 10

From Cllr Alex Wade to the Portfolio Holder for Environment and Sustainability, Cllr Geoffrey Blunden

Ahead of Phase 3 of the introduction of wheelie bins next year, what review of communication to Residents is being considered to mitigate ongoing concerns such as missed daily collections, and the general consensus of Waterside Residents disappointed by the whole bin bag delivery process? Will Ward Cllrs be included in steering groups and be utilised to assist in updating Residents when required, supporting our hard working operational teams?

Reply

We understand that missed collections are currently at a level typical in an operation of this scale, and none of the data I am seeing in my role as Cabinet member is suggesting a live issue, but I'm happy for Cllr Wade to share any concerns he has with me directly.

In terms of communication, residents will again receive three separate direct communications to their household ahead of the phase 3 go live

date, and all the feedback and evidence we have is that this was both clear and effective in the first two phases.

We acknowledge that our Liberal Democrat colleagues have been very vocally stoking the fear of missing out on free bin bags in the Waterside, whilst we prioritised our legal responsibilities of actually collecting the waste. The good news is that this task is completed and most of these residents will be able to replace their council provided bin bags with a council provided wheelie bin instead once phase 3 is up and running.

We will continue to keep councillors updated through regular emails and planned briefing sessions, and conscious that Cllr Wade and a number of other colleagues were not able to attend the most recent briefing for members by waste officers, on Thursday 27 November, I can of course remind you that there is regular opportunity to engage and a whole host of relevant information already available to him, as a phase three member, on the Members site.

In response to a supplementary question regarding ward members being included in the waste steering group, the Portfolio Holder reported that this had been asked before and reminded members of the regular briefings for all members as well as the weekly updates provided to members to ensure that all were kept informed.

Council – 26 February 2026

Licensing Fees and Charges 2026 – 2027

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report presents the proposed fees and charges for the Council’s licensing functions. They have been reviewed and set at a level calculated to cover the cost of delivering the service.</p> <p>The Council is asked to approve the fees and charges for 2026-27 as listed in Appendix 1 and Appendix 2 following the recommendation by General Purposes and Licensing Committee on 9 January 2026.</p> <p>Taxi fees are not included as objections to the proposed increases were received during the statutory consultation.</p>
Recommendations	<p>That Council:</p> <ol style="list-style-type: none"> 1. approves the proposed fees and charges for the financial year 2026–27 as set out in Appendices 1 and 2, and 2. That the power to set the scale of fees and charges for Hackney Carriage and Private Hire Licences, including to consider the objections made in respect of the proposed fees, be delegated to the General Purposes and Licensing Committee.
Reasons for recommendation(s)	<p>The local authority is able to recover the costs associated with undertaking its licensing functions, where these fees are not statutorily set. The cost of providing these functions has been fully costed, and proposed fees have been adjusted where necessary.</p>
Ward(s)	All
Portfolio Holder(s)	Cllr Dan Poole, Community, Safety and Wellbeing

Strategic Director(s)	Peter Matthew - Strategic Director of Housing & Communities (Interim)
Officer Contact	Joanne McClay Service Manager – Environmental and Regulation 023 8028 5325 joanne.mcclay@nfdc.gov.uk

Introduction

1. As part of the annual review of budgets, decisions are required by Council, to agree any non-statutory licensing fees and charges for the forthcoming financial year.
2. This report details the proposed fees and charges in **Appendix 1** for licences and registrations for 2026 - 2027 for the following work areas -Licensing Act, gambling, pleasure boats, boatmen and pavement licences and in **Appendix 2** for animal welfare licensing, caravan site licensing and skin piercing registrations.

Background

3. 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.
4. The basis in setting these fees is to ensure they are reasonable and cover the costs of performing the functions which includes, administration, officer costs for undertaking inspections, testing and hearings. Costs associated with enforcement activity, for example relating to premises which are operating without a licence, or breach of licence conditions cannot be included in the licence fee.
5. Furthermore, legal cases such as Hemming v Westminster City Council 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.
6. 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.

7. The council is, however, able to set fees for the following licence types:
- taxis and private hire (drivers, vehicles and operators).
 - pavement licences.
 - gambling establishments.
 - pleasure boats (boatmen and vessels)
 - animal welfare (boarding, home boarding, dog breeding, riding establishments, pet shops and zoos).
 - residential caravan sites.
 - skin piercing (tattooing, acupuncture, electrolysis, cosmetic piercing and semi-permanent skin colouring).

Licensing fees and charges

8. The setting of discretionary fees for the licensing of the above matters, must be formally approved by the council's General Purposes and Licensing Committee before they may be applied.
9. A comprehensive review of licensing fees and charges was undertaken in 2024 considering cost to deliver each function and benchmarking against similar and neighbouring local authorities. Fees and charges were increased to ensure full cost recovery for the services without generating a profit.
10. The proposed fees for licences and permits for 2026-27 in **Appendices 1 and 2** have been increased in line with the inflation index figure of September 2025, which was 3.8%.

Taxi licensing fees

11. A new Taxi Licensing Policy was adopted by the Council in 2025 and following implementation of this policy, any new process requirements have been built into the assessment for the future cost recovery of issuing these licences.
12. The proposed amendments to the taxi and private hire fees follow this comprehensive review and include cost recovery for officer time, issue permissions and cost of consumables (vehicle plates, brackets, driver badges, new door signage etc).

Implementation of any fee changes for taxi licensing

13. 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 advertisement.
14. If there were no objections to the proposed taxi and private hire fees following consultation, Council would have been asked to consider approval of the fees and charges, as recommended by the General

Purposes and Licensing Committee, for implementation on 1 April 2026.

15. However, objections were received during the consultation period. The proposal is for these responses to be considered and fees agreed by the General Purposes and Licensing Committee on 6 March 2026, subject to Council delegating the power to set the scale of fees and charges for Hackney Carriage and Private Hire Licences to this Committee.

Gambling fees

16. All permits and lottery fees set under the Gambling Act 2005 are statutorily set, whereas gambling premises licence fees are capped, with the discretion for fee setting up to this level. These gambling premises licences have been increased in line with inflation.

Corporate plan priorities

17. Theme:

Empowering our residents to live healthy, connected and fulfilling lives.

Future New Forest. Transforming tomorrow, together.

18. Corporate Plan Objective:

Protect and improve the health and wellbeing of our communities.

Being financially responsible.

19. Service Objective:

Implementation of the Environmental and Regulation Service Plans.

Consultation undertaken

20. This report has been reviewed by EMT, the Portfolio Holder and considered by the General Purposes and Licensing Committee.

Financial and resource implications

21. There will be no additional costs in adoption of these fees and changes, and the new charges are likely to better offset the costs of the licensing work, therefore increasing income and closing the income-cost gap.

Legal implications

22. The fees and charges review was undertaken in line with legislation and statutory guidance with the aim of ensuring full cost recovery.

Risk Assessment

23. A formal risk assessment is not required.

Environmental / Climate and nature implications

24. There are no direct climate implications.

Equalities implications

25. Under the legislation, councils are permitted to set fees that reflect the actual costs of processing and issuing licences, ensuring that no profit is made. Any changes to fees and charges are communicated to licence holders, and a statutory consultation will be carried out in relation to taxi licensing fees and charges.

Crime and disorder implications

26. There are no direct crime and disorder implications.

Data protection / Information governance / ICT implications

27. There are no direct implications.

Conclusions

28. 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.

29. The increased fees are proposed to take effect from 1 April 2026.

Appendices

Appendix 1 – Proposed fees for 2026/2027 for Licensing Services
Not including Taxi fees

Appendix 2- Proposed fees for 2026/2027 for Environmental Health Licensing

Background Papers:

[Mobile Homes Act 2013: a guide for local authorities on setting licence fees](#)

[Mobile homes: a guide for local authorities on setting fees for the fit and proper person test](#)

[Animal activity licensing process: statutory guidance for local authorities](#)

[LGA guidance on locally set licensing fees | Local Government Association](#)

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LICENSING SERVICES
PROPOSED SCALE OF FEES AND CHARGES FOR 2026/27

	Current charges	Proposed charges
All annual fees unless stated	2025/26	2026/27
	£	£
<u>OTHER LICENCE AND REGISTRATION FEES</u>		
Sex Shop Licence	Actual cost	Actual cost
Pleasure Boat (1 year licence)	£121.00	£126.00
Boatman Licences - new and renewal (3 year licence)	£120.00	£125.00
Pavement licence -New application 2 year licence	£350.00	£363.00
Pavement licence -Renewal application 2 year licence	£250.00	£260.00
<u>LICENSING ACT 2003</u>		
Statutory fees apply		
<u>GAMBLING ACT 2005</u>		
Permits and Small Society Lottery licences-Statutory fees apply		
Bingo Premises		
New Application	£2,575.00	£2,672.00
Annual Fee	£772.00	£800.00
Provisional Statement New	£3,500.00	£3,500.00
Premises licence fee for holders of Provisional Statements	£649.00	£674.00
Variation Fee	£948.00	£984.00
Transfer Fee	£649.00	£674.00
Reinstatement of Licence	£1,200.00	£1,200.00
Betting premises		
New Application	£1,802.00	£1,870.00
Annual Fee	£412.00	£428.00
Provisional Statement New	£1,622.00	£1,684.00
Premises licence fee for holders of Provisional Statements	£649.00	£674.00
Variation Fee	£814.00	£845.00
Transfer Fee	£567.00	£588.00
Reinstatement of Licence	£649.00	£674.00
Adult Gaming Centre (AGC)		
New Application	£927.00	£962.00
Annual Fee	£515.00	£535.00
Provisional Statement New	£865.00	£898.00
Premises licence fee for holders of Provisional Statements	£520.00	£540.00
Variation Fee	£515.00	£534.00
Transfer Fee	£520.00	£540.00
Reinstatement of Licence	£520.00	£540.00
Family Entertainment Centre (FEC)		
New Application	£1,030.00	£1,069.00
Annual Fee	£515.00	£534.00
Provisional Statement New	£865.00	£898.00
Premises licence fee for holders of Provisional Statements	£412.00	£428.00
Variation Fee	£515.00	£535.00
Transfer Fee	£412.00	£428.00
Reinstatement of Licence	£412.00	£428.00
Track		
New Application	£1,373.00	£1,425.00
Annual Fee	£541.00	£562.00
Provisional Statement New	£1,373.00	£1,425.00
Premises licence fee for holders of Provisional Statements	£515.00	£535.00

Variation Fee
Transfer Fee
Reinstatement of Licence

£682.00
£515.00
£515.00

£707.00
£535.00
£535.00

FOOD AND SAFETY TEAM
PROPOSED SCALE OF FEES AND CHARGES FOR 2026/27

All annual fees unless stated	Current	Proposed
	charges	charges
	2025/26	2026/27
	£	£
<u>SKIN PIERCING</u>		
Premises Registration	£196.00	£203.00
Practitioner Registration	£146.00	£152.00
Premises and person	£270.00	£280.00
Addition Practitioner (during main application)	£78.00	£81.00
Additional Activities	£89.00	£92.00
Minor Variation - reissue of certificate	£25.00	£26.00
<u>CARAVANS</u>		
New site (single)	£607.00	£630.00
New site (multiple)	£851.00	£883.00
annual fee per caravan	£14.40	£14.80
Licence Transfer	£215.00	£223.00
Alter Conditions	£404.00	£419.00
Deposit Site Rules	£98.00	£102.00
Fit and proper person	£268.00	£278.00
<u>ANIMAL WELFARE</u>		
Dog Home Boarding	£283.00	£294.00
New Dog Home Boarding	£327.00	£339.00
Dog Day Care	£371.00	£385.00
New Dog Day Care	£444.00	£461.00
Dog/Cat Boarding	£371.00	£385.00
New Dog/Cat Boarding	£444.00	£461.00
Dog breeding	£400.00	£415.00
New Dog Breeding	£481.00	£499.00
Pet Shop	£371.00	£385.00
New Pet Shop	£444.00	£461.00
Animal Exhibition	£351.00	£364.00
New Animal Exhibition	£392.00	£407.00
Hiring Horses (0-9)	£554.00	£575.00
New Hiring Horses (0-9)	£613.00	£636.00
Hiring Horses (10-19)	£635.00	£659.00
New Hiring Horses (10-19)	£699.00	£726.00
Hiring Horses (20+)	£704.00	£730.00
New Hiring Horses (20+)	£768.00	£797.00
Licence Variation	£46.00	£48.00
Re-rating	£233.00	£242.00

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Council – 26 February 2026

Treasury Management Strategy 2026/27

Purpose	For Decision
Classification	Public
Executive Summary	<p>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 2026/27 to 2028/29. The day-to-day treasury management function and the limitations on activity through treasury indicators are also set out in the statement.</p>
Recommendations	<p>It is recommended that Council approve:</p> <ol style="list-style-type: none"> 1) the Treasury Management Strategy 2026/27 to 2028/29 including the Annual Treasury Management Investment Strategy for 2026/27 (and the remainder of 2025/26), and the Treasury Indicators contained within, as provided in Appendix 1 be approved; and 2) that authority is delegated to the Section 151 Officer, who in turn delegates to Hampshire County Council’s 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.
Reasons for recommendation(s)	<p>To comply with the statutory guidance issued by the Government in January 2018 and the CIPFA 2021 Prudential and Treasury Management Codes requiring all local authorities to approve a Treasury Management Strategy Statement (TMSS) before the start of each financial year.</p>

	This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources (Section 151 Officer)
Officer Contact	Daniel O'Rourke Corporate Accountant, Hampshire County Council 0370 779 1728 Daniel.O'Rourke@hants.gov.uk

Introduction and background

1. The Treasury Management Strategy is a high-level document, giving an overview of how the Council manages and invests its surplus cash and its associated investment assets.
2. 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.
3. 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.

4. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

Policies and approvals required

Treasury Management Strategy Statement

5. 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 2026/27 to 2028/29. The day-to-day treasury management function and the limitations on activity through treasury indicators are also set out in the statement.
6. This report has been prepared prior to the adoption of the Capital Programme for 2026/27 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.
7. Any adjustments to the treasury management limits will be reported.

Treasury Management Investment Strategy

8. 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.
9. The Treasury Management investment strategy sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.
10. These criteria are shown in Appendix A in Section 5.
11. The policies and parameters included in this report provide an approved framework within which officers undertake the day-to-day treasury activities.
12. 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.

Corporate plan priorities

13. Management of the Council's cash flows, borrowing and investments, and the associated risks ensures we are being financially responsible which underpins the delivery of all our priorities.

Options appraisal

14. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the 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 1.

Table 1: 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 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	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising

Table 1: Alternative strategies and their implications

Alternative	Impact on income and expenditure	Impact on risk management
instead of long-term fixed rates		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

Consultation undertaken

15. This report has been produced in consultation with Hampshire County Council’s Investments & Borrowing team.
16. The Audit Committee considered the Treasury Management Strategy Report 2026/27 at its meeting on 13 February 2026 and supported the recommendations set out in the report.

Financial and resource implications

17. Hampshire County Council’s Investments and Borrowing Team carry out the day-to-day management of the Council’s cash balances and investments. The council’s in-house finance team undertake the accounting, and the Section 151 Officer retains responsibility for strategic pooled fund investment and long-term borrowing decisions.
18. This is a financial report with any additional implications already detailed and considered in the main body of the report and appendices.

Legal implications

19. To comply with the statutory guidance issued by the Government in January 2018 and the CIPFA 2021 Prudential and Treasury Management Codes requiring all local authorities

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.

20. The Council's Treasury Management Strategy Statement follows the latest codes of practice and the MHCLG and CIPFA guidance.
21. With effect from February 2014 Hampshire County Council (HCC) and New Forest District Council ("the Council") established arrangements for the joint discharge of functions under Section (101) (1) and (5) of the Local Government Act 1972 and Section 9EA and 9EB Local Government Act 2000. Under this arrangement, HCC's Investments and Borrowing Team provide a Treasury Service which includes the management of the Council's cash balances and investment of surplus cash or sourcing of borrowing in accordance with the agreed Treasury Management Strategy Statement.

Environmental / climate and nature implications

22. There are no environmental implications arising directly from this report.

Equalities implications

23. There are no equality implications arising directly from this report.

Crime and disorder implications

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

Data protection / information governance / ICT implications

25. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Treasury Management Strategy 2026/27 – 2028/29

Background Papers:

None

TREASURY MANAGEMENT STRATEGY 2026/27 – 2028/29

1. INTRODUCTION

- 1.1. 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.
- 1.2. 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.
- 1.3. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

2. EXTERNAL CONTEXT

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

Economic background

- 1.5. The impact on the UK from the government's Autumn Budget will influence the Council's treasury management strategy for 2026/27. Other influences will include lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and ongoing geopolitical issues.
- 1.6. The Bank of England's Monetary Policy Committee (MPC) voted to cut Bank Rate by 25 basis points, from 4.00% to 3.75%, in December 2025.

Credit outlook

- 1.7. Credit Default Swap (CDS) prices, which are used as an indicator of credit risk where higher premiums indicate higher perceived risks, spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, and have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly in October 2025, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.
- 1.8. While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on Arlingclose's (the Council's treasury management advisor) counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

Interest rate forecast (December 2025)

- 1.9. Arlingclose forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate through 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications.
- 1.10. Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments
- 1.11. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

3. BALANCE SHEET SUMMARY AND FORECAST

1.12. On 31 December 2025, the Council held £129.9m of borrowing and £47.1m 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 2.

Table 2: Balance Sheet Summary and Forecast	31/03/25 Actual £m	31/03/26 Estimate £m	31/03/27 Forecast £m	31/03/28 Forecast £m	31/03/29 Forecast £m
General Fund CFR	27.3	34.5	34.7	32.9	33.5
Housing Revenue Account CFR	27.4	37.9	52.4	69.6	87.8
HRA Settlement	109.9	105.8	101.7	97.6	93.5
Total CFR	164.6	178.2	188.7	200.0	214.9
Less: Other debt liabilities *					
- Leases	2.9	2.9	2.9	2.9	2.9
Loans CFR	167.4	181.1	191.6	202.9	217.7
Less: External borrowing ***	(132.9)	(115.8)	(109.2)	(102.6)	(96.0)
Internal borrowing	34.5	65.3	82.4	100.3	121.7
Less: Balance sheet resources	(66.9)	(53.8)	(43.9)	(36.8)	(35.6)
New borrowing or Treasury investments (-)	(32.4)	11.5	38.5	63.5	86.1

* Leases liabilities that form part of the Council's debt

** IFRS 16 requires the Council to change how it recognises its leases from 1 April 2024

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

1.13. 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.

1.14. 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 Housing Energy Improvements, Planned Maintenance and the current Housing Development Programme. Table 1 demonstrates that the Council will be internally borrowed beyond the resources available for investment. At this point, an external borrowing position 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.

1.15. 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 2 shows that the Council expects to comply with this recommendation.

1.16. **Liability benchmark**

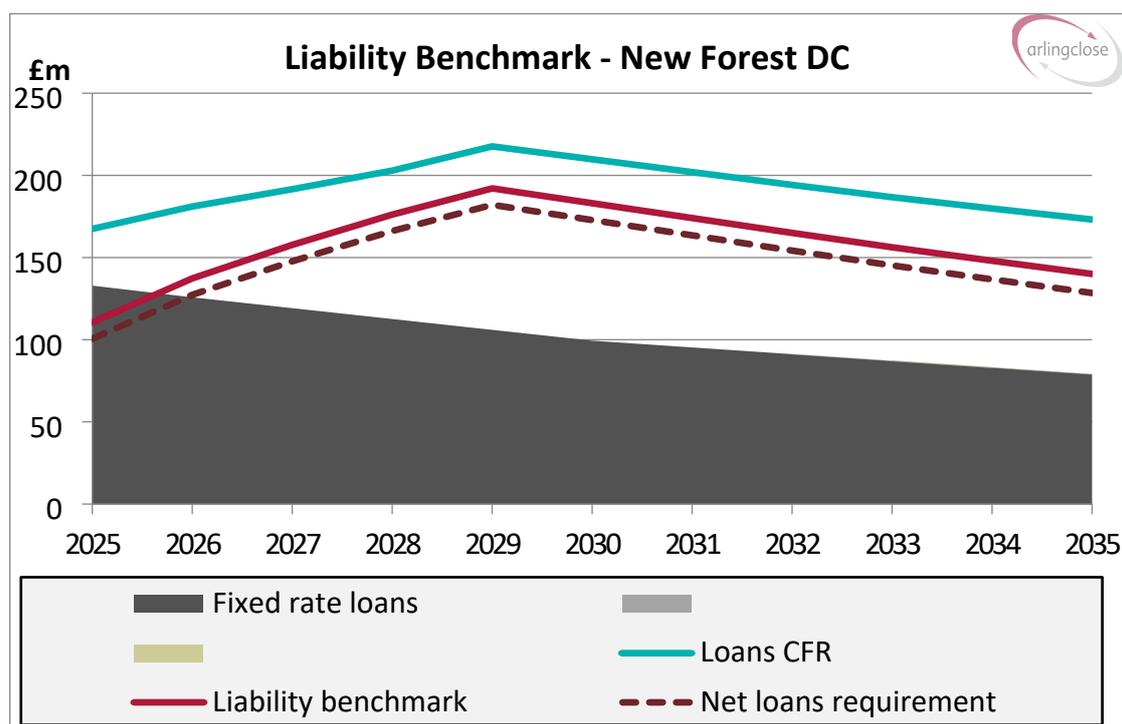
1.17. To compare the Council's actual borrowing against an alternative strategy, CIPFA requires that a liability benchmark is calculated to show the lowest risk level of borrowing. This assumes the same forecasts as Table 2 but that cash and liquid investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

1.18. 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 3: Liability benchmark	31/03/25 Actual £m	31/03/26 Estimate £m	31/03/27 Forecast £m	31/03/28 Forecast £m	31/03/29 Forecast £m
Loans CFR	167.4	181.1	191.6	202.9	217.7
Less: Balance sheet resources	(66.9)	(53.8)	(43.9)	(36.8)	(35.6)
Net loans requirement	100.5	127.3	147.7	166.1	182.1
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	110.5	137.3	157.7	176.1	192.1

1.19. At the start of the period, 31 March 2025, the Council had a Loans CFR of £167.4 million, external borrowing of £132.9m, balance sheet resources of £66.9m and a liability benchmark of £110.5m. The difference of £34.5m 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



The full 50-year liability benchmark is available at Appendix D to this report.

- 1.20. 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 2028/29, which is a very unlikely scenario but a reflection of the current horizon for capital expenditure forecasts.
- 1.21. 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.
- 1.22. The chart shows that 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.

1.23. Unfortunately, a limitation of liability benchmarking is that the further out the forecast, the less it can be relied upon (particularly after 2028/29 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

1.24. The Council currently holds £129.9m of loans. The balance sheet forecast in Table 1 shows that the Council is forecast to maintain a net borrowing position and so may need to borrow to fund capital expenditure to maintain its long-term and minimum level of investments. The Council may also borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £236.7m.

Objectives

1.25. 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.

Strategy

1.26. 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 higher than in the recent past but are expected to fall in the coming year 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.

- 1.27. 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 2026/27 with a view to keeping future costs low, even if this causes additional cost in the short-term.
- 1.28. 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.
- 1.29. The Council may also arrange forward starting loans during 2026/27, 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. The council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money.
- 1.30. In addition, the Council may borrow short-term loans (normally for up to one month) to cover unplanned cash flow shortages.

Sources of borrowing

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
- any institution approved for investments
- any other bank, building society or insurance company 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
- special purpose companies created to enable local authority bond issues

Other sources of debt finance

1.32. 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 (PFI)
- sale and leaseback
- similar asset-backed finance

Short-term and variable rate loans

1.33. 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.

Debt rescheduling

1.34. 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 could arise and the opportunity to reschedule is kept under review.

5. TREASURY INVESTMENT STRATEGY

1.35. 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 £27.9m and £82.4m.

Objectives

1.36. 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.

Strategy

1.37. 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.

Environmental, social and governance factors

1.38. 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 strategic pooled funds, the Council will prioritise 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.

Business models

- 1.39. 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.

Investments in pooled funds

- 1.40. 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.
- 1.41. 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 pooled funds that specialise in providing income returns to support the revenue budget. As a result of their income focus these funds may not achieve the same capital growth and therefore total return, as other more general investment funds, however they are likely to deliver good income returns for the longer term.

- 1.42. 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.
- 1.43. 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 on a regular basis, including the active decisions of continuing to invest or redeem these investments, particularly with the requirement to take on additional borrowing approaching. 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.
- 1.44. The Council is aware of the risks involved with investing in pooled funds that hold underlying investments in equities and property. When the Council began to specifically target higher returns from a proportion of its investments, it also established a Treasury Management Reserve to mitigate the risk of an irrecoverable fall in the value of these investments. The balance held in this reserve is currently £0.300m.
- 1.45. At the current time, the Council's pooled fund investments are valued with an unrealised capital loss of £0.336m. To date, the statutory override in place of IFRS 9 for local authorities exempts the Council from taking this unrealised loss to the Comprehensive Income and Expenditure Statement (CIES). This override has been extended to 31 March 2028 for investments made before 1 April 2024, at which time the Council will be expected to reflect any gains and losses in the CIES.

Investment limits

- 1.46. The maximum that will be lent to any one organisation (other than the UK Government) will be £7m. Over the longer term it is expected that the Council's cash balances will reduce, and new external borrowing will

need to be taken. This limit allows the flexibility to ensure that all of the Council's cash can be invested in accordance with this TMSS.

1.47. 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 4.

Table 4: Investment limits	Cash limit
Any single organisation, except the UK Central Government	£7m each
UK Central Government	Unlimited
Any group of pooled funds under the same management	£17.5m per manager

Approved counterparties

1.48. The Council may invest its surplus funds with any of the counterparty types in Table 5, subject to the limits shown.

Table 5: Sector and counterparty limits			
Sector	Time limit	Counterparty limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£7m	Unlimited
Secured investments - government collateral	3 years	£7m	Unlimited
Secured investments - other collateral*	3 years	£7m	Unlimited
Banks (unsecured) *	13 months	£3.5m	Unlimited
Building societies (unsecured) *	13 months	£3.5m	£7m
Registered providers	3 years	£3.5m	£17.5m
Money market funds *	n/a	£7m	Unlimited
Strategic pooled funds	n/a	£7m	£35m

Real estate investment trusts	n/a	£7m	£17.5m
Other investments *	5 years	£3.5m	£7m

This table must be read in conjunction with the notes below

Time limit

1.49. Borrowing to invest primarily for financial return is in contravention of the CIPFA Treasury Management Code. To reflect the expectation that long-term borrowing will be a requirement for the Council, time limits for investment have therefore been shortened to a maximum of 3 years.

*** Minimum credit rating**

1.50. 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.

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

UK Government

1.52. Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 3 years.

Local authorities and other government entities

- 1.53. Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities, supranational banks 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.
- 1.54. The counterparty limit for loans to local authorities will be increased to an unlimited amount where (a) the government has announced that the Council will merge with the borrowing authority and (b) the loan is scheduled to be repaid after the expected date of the merger.

Secured investments

- 1.55. 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. A higher limit applies for investments fully secured on UK or other government collateral.

Banks and building societies (unsecured)

- 1.56. 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.

Registered providers (unsecured)

- 1.57. 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.

Money market funds

- 1.58. 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.

Strategic pooled funds

- 1.59. Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Other investments

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

Operational bank accounts

1.61. 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.

Risk assessment and credit ratings

1.62. 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.

1.63. 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.

Other information on the security of investments

1.64. 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.

- 1.65. 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.

Liquidity management

- 1.66. 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.
- 1.67. The Council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds), of which at least two will be UK domiciled, 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

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

Interest rate exposures

1.69. The following table 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 6: Interest rate exposures	31 December 2025	Impact of +/- 1% interest rate change
	£m	£m
Sums subject to variable interest rates		
Investment	47.1	+/- 0.5
Borrowing	(2.5)	+/- (0.0)

Maturity structure of borrowing

1.70. 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 7: 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	35%	0%
10 years and above	100%	0%

1.71. 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.

Principal sums invested for periods longer than a year

1.72. 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 8: Price risk indicator	2026/27	2027/28	2028/29	No fixed date
Limit on principal invested beyond a year	£15m	£10m	£5m	£10m

1.73. Long-term investments with no fixed maturity date include strategic pooled funds but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

1.74. In effect, the annual limit and the no fixed date limit would be added together to reach the total limit on principal invested beyond year end.

7. RELATED MATTERS

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

Financial derivatives

1.76. 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).

1.77. 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.

- 1.78. 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.
- 1.79. 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.

Housing Revenue Account

- 1.80. 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 of England base rate (Bank Rate).

Investment of money borrowed in advance of need

- 1.81. The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may

change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

Markets in Financial Instruments Directive

1.82. 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

1.83. The budget for investment income in 2026/27 is £1.7m, whilst the budget for debt interest paid in 2026/27 is £5.7m, based on an average debt portfolio of £150.8m at an average interest rate of 3.77%. 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.

Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2025

Underlying assumptions:

- The Budget signalled further fiscal (tax/spend) tightening across this parliament. Most tax changes take effect from 2028, while welfare and spending start from April 2026. Taken together, the timing of these announcements means the fiscal stance is likely to be slightly looser than expected for the next two years (with increased government spending), before tightening sharply from 2028 (with large tax rises).
- Despite the near-term looser fiscal stance, the new policies add little support for activity in 2026. Even before the Budget, economic data was pointing to a slower growth outlook. Meanwhile, disinflation has been evident and planned government actions on train fares and energy bills will also dampen inflation next year.
- The close vote in November to keep Bank Rate at 4% reflected pre-Budget uncertainty. With no major growth or inflation boosts in the Budget, a cut to 3.75% in December took place.
- Inflation fell to 3.6% in October. Business surveys point to weaker pricing power and household inflation expectations are easing, although they remain high. Wage growth is moderating amid rising unemployment, and overall activity is flat. Confidence has been hit by the run-up to the Budget, and a strong rebound seems improbable in the near term.
- Weak growth and softer inflation strengthen the case for dovish MPC members to push for further Bank Rate cuts, while undermining arguments of more hawkish members. There will still be questions over whether Government can deliver the fiscal tightening it set out, given a history of U-turns, and timing ahead of the next General Election. The December meeting will offer a clearer view of how divided the MPC really is.

- Risks to the growth and inflation outlook lie to the downside, which if crystallised may ultimately deliver lower Bank Rate than our central case.
- Lower inflation expectations and a tighter fiscal stance have helped bring down gilt yields, especially at the long end. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- Bank Rate was cut by 0.25% in December to 3.75%.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will be eased to stimulate activity ahead of incoming fiscal tightening post-2028.
- Arlingclose now expects Bank Rate to be cut to 3.25% by Q2 2026, with risks weighted to the downside.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility and global uncertainty. These issues may not be resolved quickly, and we expect yields to remain higher than would normally be consistent with Bank Rate expectations.
- However, the lower path for Bank Rate maintains the downside risks to Arlingclose's gilt yield forecasts.

Appendix A

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.90	3.65	3.50	3.40	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.92	3.90	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.48	4.40	4.35	4.30	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.30	4.30
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.13	4.90	4.85	4.80	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.80	4.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.73	4.50	4.50	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.50	4.50
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Appendix B – Existing Investment & Debt Portfolio Position at 31 December 2025

Treasury investment position

Investments	30/09/25 Balance £m	Net moveme nt £m	31/12/25 Balance £m	31/12/25 Income return %	31/12/25 Weighted average maturity years
Short term Investments					
Banks and building societies:					
- Unsecured	6.0	4.2	10.2	3.95	0.04
Money Market Funds	7.1	9.7	16.8	3.94	0.00
Government:					
- Debt Management Office	0.0	7.0	7.0	3.76	0.13
- UK Treasury Bills	5.0	(3.0)	2.0	3.82	0.10
Cash plus funds	2.0	0.0	2.0	4.02	0.01
	20.1	17.9	38.0	3.91	0.03
Long term investments					
- Pooled property*	7.6	0.0	7.6	4.46	N/A
- Pooled equity*	1.5	0.0	1.5	7.60	N/A
	9.1	0.0	9.1	4.98	N/A
TOTAL INVESTMENTS	29.2	17.9	47.1	4.11	0.03

* The rates provided for pooled fund investments are reflective of annualised income returns over the year to 31 December 2025 based on the market value of investments 12 months earlier.

Treasury management position	31/12/2025 Balance £m	31/12/2025 Rate %
External borrowing		
- PWLB	(129.9)	3.55
Other long-term liabilities		
- Leases	0	
Investments		
- Investments	47.1	4.11
Net Debt	(82.9)	

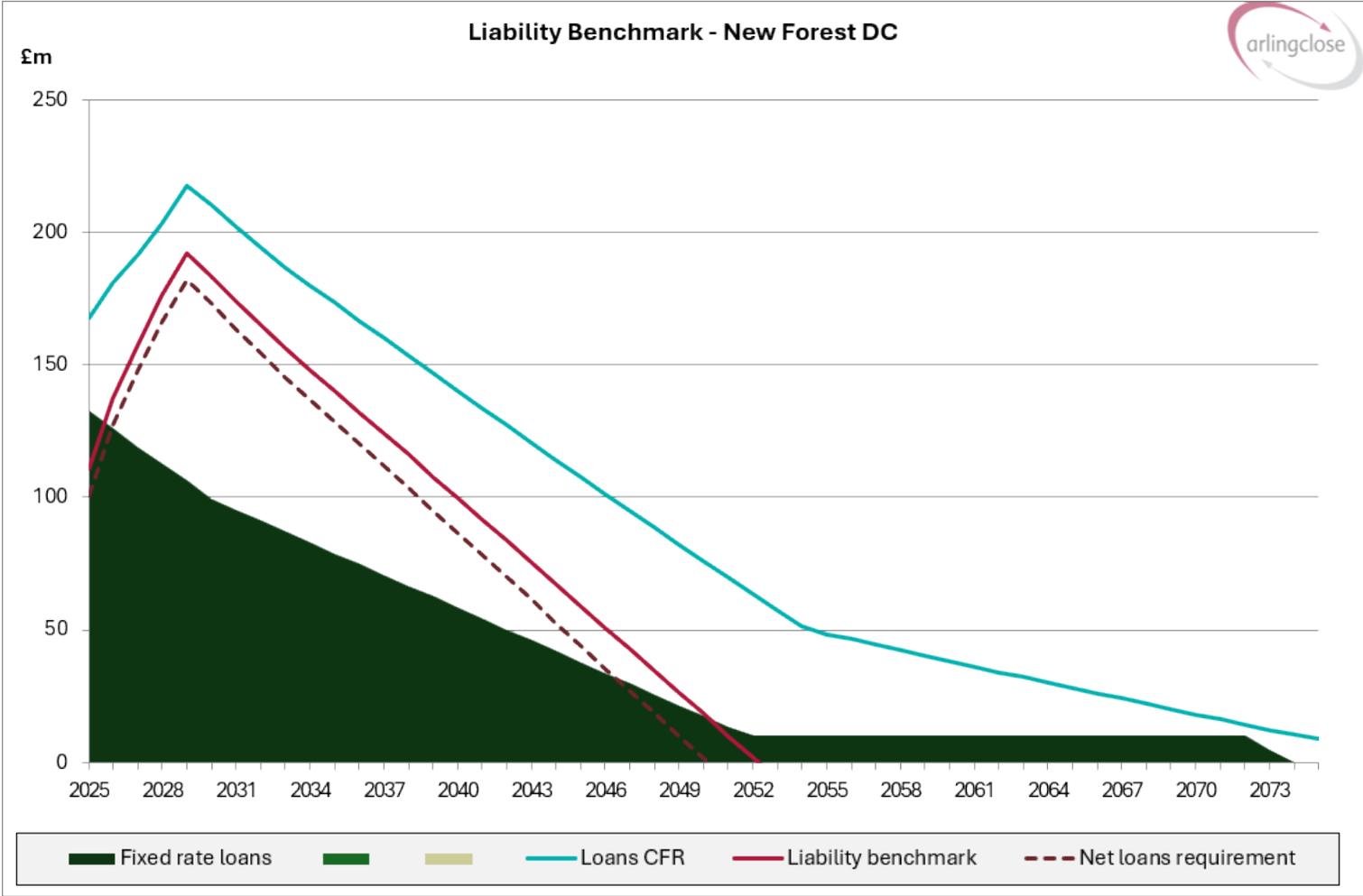
Appendix C - Q3 2025/26 Treasury Management Indicators at 31 December 2025

Debt limits	2024/25 Maximum £m	31/12/24 Actual £m	2024/25 Operational Boundary £m	2024/25 Authorised Limit £m	Complied
Total debt	(134.9)	(129.9)	(213.9)	(233.5)	✓

Refinancing rate risk indicator	31/12/25 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	5%	25%	0%	✓
12 months and within 24 months	5%	25%	0%	✓
24 months and within 5 years	13%	25%	0%	✓
5 years and within 10 years	16%	35%	0%	✓
10 years and above	61%	100%	0%	✓

Price risk indicator	2025/26 £m	2026/27 £m	2027/28 £m	No fixed date
Actual principal invested beyond a year	-	-	-	£9.1m
Limit on principal invested beyond a year	£15m	£15m	£10m	£10m
Complied	✓	✓	✓	✓

Appendix D – 50-year Liability Benchmark graph



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Council – 26 February 2026

Investment Strategy 2026/27

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the council's proposed investment strategy for 2026/27.</p> <p>It provides a high-level overview of how the Council manages and invests its surplus cash and its associated investment assets.</p>
Recommendation(s)	<p>It is recommended that Council:</p> <p>1) approve the Investment Strategy 2026/27 provided at Appendix 1.</p>
Reasons for recommendation(s)	To comply with the statutory guidance issued by the Government in January 2018.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources (Section 151 Officer)
Officer Contact	<p>Paul Whittles</p> <p>Assistant Director - Finance</p> <p>02380 285766</p> <p>paul.whittles@nfdc.gov.uk</p>

Introduction and background

1. The Investment Strategy provided in Appendix 1 is a high-level document, giving an overview of how the Council manages and invests its surplus cash and its associated investment assets.
2. 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.

3. By producing this overarching investment strategy report, the Council is following statutory guidance issued by the Government in January 2018.

Overview of the Investment Strategy contents

Treasury Management Investments

4. 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.
5. The balance of treasury management investments fluctuates and can exceed £80m at given points during a fiscal period. However, it is worth noting that overall, the Council's cash balances have been reducing and the need to borrow in order to continue supporting the Council's priorities has increased.

Property Investments

6. 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.
7. The strategy considers the contribution made by these investments, the security, the risk assessment process, and liquidity.
8. 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.
9. Table 3 lists all commercial properties covered by this strategy. The New Forest Enterprise Centre, Totton and Queensway, New Milton assets have been reclassified since last year's update, due to changes in accounting treatment and operational use respectively. Consequently, they do not form part of the 2026/27 portfolio.

Corporate plan priorities

10. Regular monitoring and reporting of our financial activity including treasury management, ensures we are being financially responsible and supports our Future New Forest transformation programme which underpins the delivery of all our priorities.

Options appraisal

11. None undertaken.

Consultation undertaken

12. Consultation between our external advisors and internal finance officers, service managers and budget holders has determined the forecast data presented in the report.
13. The Executive Management Team were presented with the report in the lead up to being presented to the Audit Committee, and supported the Strategy as presented.
14. The Audit Committee considered the Investment Strategy 2026/27 at its meeting 13 February 2026 and supported the recommendations as set out in the report.

Financial and resource implications

15. There are none arising for consideration as this is a financially focussed report, and so implications are covered throughout the report.

Legal implications

16. There are no legal implications arising directly from this report.

Risk assessment

17. None undertaken, although the absence of an up-to-date investment strategy would hinder the Council's ability to maximise its investment returns from both treasury and non-treasury activity.

Environmental / Climate and nature implications

18. There are no environmental implications arising directly from this report.

Equalities implications

19. There are no equality implications arising directly from this report.

Crime and disorder implications

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

Data protection / Information governance / ICT implications

21. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Investment Strategy
2026/27

Background Papers:

Treasury Management Strategy
2026/27

Capital Strategy 2026/27

Investment Strategy 2026/27

Introduction

1. The Authority invests its money for two broad purposes:
 - a. 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),
 - b. to invest in a sustainable and vibrant New Forest Economy, supporting employment and industry; investment income is also earned (known as property investments).
2. 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.

Treasury Management Investments

3. 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 £27.9 million and £82.4 million.
4. **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
5. **Further details:** Full details of the Authority's policies and its plan for 2026/27 for treasury management investments are covered in a separate document; the Treasury Management Strategy.

Property Investments

6. **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 £50 million fund for the purposes of investment in commercial property, inside or within areas immediately adjacent to, the District boundary, and a

£10 million 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.

7. 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 socioeconomic benefits, such as stimulation of local economies through investment in commercial premises and growth in the supply of housing throughout the District.
8. **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 31/03/25 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 increased thereafter.
9. 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:
10. Table 1: Loans in £millions

Category of borrower	31.3.2025 actual			2025/26
	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

11. Table 2: Shares in £millions

Category of company	31.3.2025 actual			2025/26
	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

12. 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 £10 million. 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 £10 million.

13. Table 3: Commercial Property held generating income in £millions

Property	31.3.24	31.3.2025 actual			2026/27
	Value in Accounts	Gains or (losses)	Additions or (Disposals)	Value in accounts	Additions to date
Hythe Marina	2.798	0.147	0.000	2.945	0.000
Hardley Industrial Estate	5.138	1.250	0.000	6.388	0.000
New Milton Health Centre	2.489	0.000	0.000	2.489	0.000
Platinum Jubilee Business Park	8.550	-0.396	0.000	8.154	0.000
Ampress Car Park, Lymington	2.141	-0.215	0.000	1.926	0.000
The Parade, Salisbury Road Totton	1.511	-0.001	0.000	1.510	0.000
Unit 1 Nova Business Park, New Milton	0.548	0.006	0.000	0.554	0.000
Drive-Thru Unit, Totton	1.372	0.033	0.000	1.405	0.000
27 Salisbury Road, Totton	1.900	-0.059	0.000	1.841	0.000
Station Road, New Milton	5.000	0.000	0.000	5.000	0.000
1b Junction Road, Totton	0.127	0.011	0.000	0.138	0.000
Unit 800 Ampress Park, Lymington	1.903	-0.001	0.000	1.902	0.000
TOTAL	33.477	0.775	0.000	34.252	0.000

14. 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 socioeconomic purpose.

15. 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.
16. 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.
17. 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.
18. **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.

Proportionality

19. 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.
20. Table 4: Proportionality of non-treasury Investments (£millions)

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Gross service expenditure	47.000	53.000	56.000	58.000	60.000
Investment income	2.025	2.027	2.106	2.106	2.106
Proportion	4.3%	3.8%	3.8%	3.6%	3.5%

Capacity, Skills and Culture

21. **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 £5 million, and the approval of Cabinet for transactions above £5 million. 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.
22. **Commercial deals:** 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.
23. **Corporate governance:** The Asset Investment Strategy originally created in 2017 and updated in 2022 makes express reference (at paragraph 2.1) to the Council's Corporate Plan 2020-2024 and was prepared in the context of seeking to deliver on those priorities. The objectives remain valid in the context of the updated Corporate Plan 2024 – 2028 and the Council's new priorities. The process for selecting assets is set out in the Asset Investment Strategy to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values. Consideration is given to the ongoing performance of assets to ensure they are delivering against the criteria. This provides an opportunity to challenge the ongoing retention of assets held and where appropriate may lead to a recommendation for an asset disposal.

Investment Indicators

24. 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.
25. **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.
26. Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2025 Actual	31.03.2026 Forecast	31.03.2027 Budget	31.03.2028 Budget	31.03.2029 Budget
Pooled Fund T M investments	9.10	9.10	9.10	9.10	9.10
Other T M investments	23.30	10.00	10.00	10.00	10.00
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	34.25	34.25	34.25	34.25	34.25
TOTAL INVESTMENTS	71.73	58.43	58.43	58.43	58.43
Commitments to lend	0.00	0.00	0.00	0.00	0.00
Guarantees issued on loans	0.00	0.00	0.00	0.00	0.00
TOTAL EXPOSURE	71.73	58.43	58.43	58.43	58.43

27. **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.
28. All investments made to date are funded through internal borrowing. It is anticipated that external borrowing will be required to part fund the programme in the future, once new investment is reintroduced (currently paused as a result of the high interest rate environment).

29. Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2025 Actual	31.03.2026 Forecast	31.03.2027 Budget	31.03.2028 Budget	31.03.2029 Budget
Subsidiary investments: Loans	3.71	3.71	3.71	3.71	3.71
Commercial investments: Property	21.43	21.43	21.43	21.43	21.43
TOTAL FUNDED BY BORROWING	25.14	25.14	25.14	25.14	25.14

30. **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.

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

Investments net rate of return	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Treasury management investments	4.76%	4.11%	3.98%	3.77%	3.57%
Subsidiary investments: Weighted Average	3.82%	3.82%	3.82%	3.82%	3.82%
Commercial investments: Property	5.34%	5.35%	5.57%	5.57%	5.57%

32. **Notes to table 7:** As cash balances reduce, the overall treasury management 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.

33. The general increase in the rate of return for Commercial Property is due to the growth of rental income, principally at the Platinum Jubilee Business Park. 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.

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Council – 26 February 2026

Pay Policy Statement 2026/27

Purpose	For Decision
Classification	Public
Executive Summary	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.
Recommendation(s)	That the Council approves: a) The changes outlined to Bands 1 and 2 with effect from 1st April 26; and b) the Pay Policy Statement 2026/27
Reasons for recommendation(s)	We are required to have a pay policy statement in place which sets out the authority's policies for the financial year relating to: The remuneration of its chief officers, The remuneration of its lowest-paid employees, and The relationship between – (i) the remuneration of its chief officers, and (ii) the remuneration of its employees who are not chief officers.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and S151.
Officer Contact	Heleana Aylett Service Manager – Human Resources 02380 285662 Heleana.aylett@nfdc.gov.uk

Introduction

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 2026/27 is included at **Appendix 1**. The statement details the policies in place from 1 April 2026.
2. Appendix 2 reflects the nationally agreed Pay Award for 2025/26 for Chief Executives, Chief Officers and those covered by the NJC 'Green book' (which covers NFDC employees), and the changes for bands 1, 2 and 3 as set out in point 18 of the Pay Policy Statement.

Background

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

The remuneration of its chief officers,

The remuneration of its lowest-paid employees, and

The relationship between –

(i) the remuneration of its chief officers, and

(ii) the remuneration of its employees who are not chief officers.

4. The statement must state –

The definition of "lowest paid employees" adopted by the authority for the purposes of the statement, and

The authority's reasons for adopting that definition

5. The pay policy for 2026/27 has been set up on the basis of the organisational structure (the CX, COO, Strategic Director and Assistant Director model).

National Pay Award for 2025/26

6. The Pay Award for 2025/26 has now been agreed for Chief Executives, Chief Officers and NJC Local Government Services (Green Book) employees. As a result, all NFDC Spinal Column Points up to and including the Chief Executive have been increased by 3.2%.
7. As a result of the national pay award and the changes made to the Council's pay spine in April 2026, the lowest pay point on the council's pay structure is now £12.96 per hour. The updated pay structure is shown in **Appendix 2**.

HR Committee Comments

8. The HR Committee will consider the matter on 8 January 2026. The Committee's comments will be reported to the Council in due course.

Corporate plan priorities

9. The pay policy statement is in support of the council's ambition to be an Employer of Choice.

Options appraisal

10. Not applicable

Consultation undertaken

11. Following review and approval by EMT, the Pay Policy Statement had been considered and supported by the HR Committee.

Financial and resource implications

12. The national pay award and incremental progression are both accounted for within budgets and within the Council Medium-Term Financial Plan.
13. The changes made to support our lowest paid staff in bands 1 and 2 will cost approximately £83,000 per annum and will be accounted for within the Council's budget planning.

Legal implications

13. The Localism Act 2011 requires the Council to prepare a pay policy statement for each financial year.

Risk assessment

14. Not required

Environmental / Climate and nature implications

15. None

Equalities implications

16. The proposed changes set out at point 18 of the Pay Policy Statement are to be unilaterally applied to employees of all genders.

However, for transparency of the changes and impact across genders, the current gender split within bands 1,2 and 3 are shown in the table below:

	Female	Male	Female %	Male %
Band 1	11	7	61.1%	38.9%
Band 2	7	104	6.3%	93.7%
Band 3	31	62	33.3%	66.7%

Crime and disorder implications

17. None

Data protection / Information governance / ICT implications

18. None

Appendices:

Appendix 1 – Pay Policy Statement
 Appendix 2 – Pay Structure

Background Papers:

None

New Forest District Council

Pay Policy Statement Financial year 2026-27

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 2026-27, including the remuneration of its Chief Officers and that of its lowest paid employees. The pay levels in this document include the settlement of the Pay Award for 2025-26.
2. The functions of appointment, dismissal and related matters for all employees below Chief Officer Level shall be dealt with by the Chief Executive, Chief Operations Officer 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 item 1).
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 (Chief Operations Officer and 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	£129,010
CX2	£132,935
CX3	£136,980
CX4	£140,689
CX5	£145,451

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 Chief Operations Officer/Deputy Chief Executive and Strategic Directors¹ salary range (Band 13) is detailed below:

Spinal points	Salary
74	£99,783
75	£102,658
76	£105,660
77	£108,784
78	£111,982

77 and 78 are available for exceptional performance.

The Chief Operations Officer is paid an additional payment of £7,500 per annum for fulfilling the role of Deputy Chief Executive.

12. The Assistant Directors² salary range (Band 12) is detailed below:

Spinal points	Salary
66	£80,359
67	£82,552
68	£84,844
69	£87,217
70	£89,463

69 and 70 are available for exceptional performance.

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

² This band currently contains the Monitoring Officer and Deputy Section 151 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 Managers³ salary range (Band 11) is detailed below;

Spinal points	Salary
58	£66,429
59	£67,779
60	£69,132
61	£70,584
62	£72,418
63	£74,276

62 and 63 are available for exceptional performance.

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

Spinal points	Salary
52	£59,530
53	£60,656
54	£61,757
55	£62,869
56	£63,990
57	£65,089

56 and 57 are available for exceptional performance.

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

Spinal points	Salary
46	£53,179
47	£54,289
48	£55,416
49	£56,546
50	£57,650
51	£58,748

50 and 51 are available for exceptional performance.

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

Spinal points	Salary
39	£45,511
40	£46,589
41	£47,643
42	£48,731
43	£49,758

43 is available for exceptional performance

³ This band currently contains the Deputy Monitoring Officer. The Council retains the right to amend the placement of this post 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. From April 2026 changes have been introduced for our lowest paid workers on Bands 1 and 2. This has resulted in the deletion of scp 14 from our pay scale and a realignment of scp 15 to be £12.96. This will be our new Band 1 and give an annual full time salary of £25,002. Band 2 will consist of scp 16 and 17, and Band 3 will also have two spine points – 18 and 19. See item 1.
19. 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 and the Chief Operations Officer/Deputy Chief Executive. 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.
20. 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).
21. 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.
22. 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.
23. 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. Any payments made specifically as a retention aid, are not included in any redundancy calculation.
24. 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.

25. 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

26. 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.
27. 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.
28. 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.
29. 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.
30. 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.
31. 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 Strategic Director or Assistant Director where appropriate.
32. 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.
33. The Travel Policy was updated in 2024/5. One change introduced was the criteria for receiving the Essential User Car allowance. From 1st April 2025 the criteria will be; posts that require a vehicle to be always available or are regarded as visiting officers and require

the ability to access all areas of the district on a regular basis. This should be reviewed regularly to ensure the criteria is still met.

34. 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.
35. The Council's redundancy scheme is detailed in paragraphs 21 and this applies to all employees.
36. 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 Strategic Director.
37. In accordance with The Local Government Association guidance on the Government's requirement for reporting remuneration relationships (the ratio between the top of the ordinary pay range of the highest paid employee and the median average earnings across the organisation as a multiple). Based on current salaries for 1st April 2025 this has been calculated as follows:

Chief Executive Remuneration	£136,980
Employees Median average remuneration	£30,372
Ratio	4.51

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.

New Forest District Council - April 2026																	
Leave Days	April 2026	Hourly Rate Apr 2026	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	£145,451	£75.39	CX5														145,451
28	£140,689	£72.92	CX4														140,689
28	£136,980	£71.00	CX3														136,980
28	£132,935	£68.90	CX2														132,935
28	£129,010	£66.87	CX1														129,010
28	£122,166	£63.32	81														
28	£118,675	£61.51	80														
28	£115,277	£59.75	79														
28	£111,982	£58.04	78													111,982	
28	£108,784	£56.39	77													108,784	
28	£105,660	£54.77	76													105,660	
28	£102,658	£53.21	75													102,658	
28	£99,783	£51.72	74													99,783	
28	£97,359	£50.46	73														
28	£94,643	£49.06	72														
28	£92,004	£47.69	71														
28	£89,463	£46.37	70												89,463		
28	£87,217	£45.21	69												87,217		
28	£84,844	£43.98	68												84,844		
28	£82,552	£42.79	67												82,552		
28	£80,359	£41.65	66												80,359		
28	£78,243	£40.56	65														
28	£76,215	£39.50	64														
28	£74,276	£38.50	63												74,276		
28	£72,418	£37.54	62												72,418		
28	£70,584	£36.59	61												70,584		
28	£69,132	£35.83	60												69,132		
28	£67,779	£35.13	59												67,779		
28	£66,429	£34.43	58												66,429		
28	£65,089	£33.74	57										65,089				
28	£63,990	£33.17	56										63,990				
28	£62,869	£32.59	55										62,869				
28	£61,757	£32.01	54										61,757				
28	£60,656	£31.44	53										60,656				
28	£59,530	£30.86	52										59,530				
28	£58,748	£30.45	51									58,748					
28	£57,650	£29.88	50									57,650					
28	£56,546	£29.31	49									56,546			Performance Points		
28	£55,416	£28.72	48									55,416					
28	£54,289	£28.14	47									54,289					
28	£53,179	£27.56	46									53,179					
28	£51,900	£26.90	45														
28	£50,790	£26.33	44														
28	£49,758	£25.79	43									49,758					
27	£48,731	£25.26	42									48,731					
27	£47,643	£24.69	41									47,643					
27	£46,589	£24.15	40									46,589					
27	£45,511	£23.59	39									45,511					
27	£44,472	£23.05	38									44,472					
27	£43,236	£22.41	37									43,236					
27	£42,141	£21.84	36									42,141					
27	£41,110	£21.31	35									41,110					
27	£40,174	£20.82	34									40,174					
27	£39,469	£20.46	33									39,469					
27	£38,509	£19.96	32									38,509					
27	£37,546	£19.46	31									37,546					
26	£36,623	£18.98	30									36,623					
26	£35,646	£18.48	29									35,646					
26	£34,654	£17.96	28									34,654					
25	£33,526	£17.38	27									33,526					
25	£32,891	£17.05	26									32,891					
25	£32,014	£16.59	25									32,014					
24	£31,161	£16.15	24									31,161					
24	£30,372	£15.74	23									30,372					
24	£29,680	£15.38	22									29,680					
24	£28,623	£14.84	21									28,623					
23	£27,939	£14.48	20									27,939					
23	£27,380	£14.19	19									27,380					
23	£26,635	£13.81	18									26,635					
23	£26,011	£13.48	17									26,011					
23	£25,404	£13.17	16									25,404					
23	£25,002	£12.96	15									25,002					
Employee Notice Period				1 Month				Two Months				Three Months					

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Council – 26 February 2026

Report of Cabinet – [4 February 2026](#)

Part I – Items Resolved by Cabinet

1. Corporate peer challenge feedback visit final report

Portfolio – Leader

Cabinet Resolution:

That the LGA's feedback reported be noted.

Cabinet Discussion:

The Leader introduced the report. She reflected on the positive progress made by the Council given scale of change and uncertainty facing it with Local Government Reorganisation (LGR).

It was noted that the Peer Team had highlighted the Council's important achievements such as the new waste service rollout, preparations for housing regulation inspections and the adoption of the new People Strategy.

The Leader explained that this report brought the corporate peer challenge process to a close, but reassured Cabinet that the Council would continue to focus on the areas identified within the review where further attention was needed.

The Leader thanked the peer review partners, members and staff for their contribution to and engagement with the process, which made it the review genuinely valuable.

The Assistant Director of Transformation stated that the final report would be published on the Council's website.

A non-executive member acknowledged the positives of the report and requested that the needs of the New Forest's residents be supported going forward into LGR.

2. Local Plan Review – Approval of spatial options and policy direction document

Portfolio – Planning and Economy

Cabinet Resolution:

That Cabinet:

1. Approved the Regulation 18 Spatial Options and Policy Direction document for public consultation;
2. Delegated authority to the Strategic Director for Place, Operations and Sustainability, in consultation with the Portfolio Holder, to make any final editorial or formatting changes prior to publication; and
3. Noted that there will be an emerging evidence base published alongside the consultation, as referenced in the Regulation 18 document.

Cabinet Discussion:

The Portfolio Holder for Planning and Economy introduced the report. He explained that the Spatial Options and Policy Direction Document was an important milestone in the overall process of the Local Plan Review. This part of the review builds on the Issues and Scope consultation and the call for sites process of 2025. Since then, Officers had continued to develop the strategy with input from stakeholders, partners and the member working group. It was explained that the Government's ongoing planning reforms included revisions to the National Planning Policy Framework and placed a greater emphasis on housing development, economic growth and higher density development. It was important that NFDC developed a plan swiftly, with a focus on local issues and needs, rather than defaulting to the Government's national policy requirements. Officers had been proactive, engaging with statutory consultees and infrastructure providers whilst also working with partners in MHCLG and the Planning Inspectorate. This engagement was invaluable to the process and enabled Officers to understand the implications facing NFDC amidst national reforms. To enable the plan to be examined under the current regulations it must be submitted to the Secretary of State by December 2026.

The Portfolio Holder explained that as part of the Regulation 18 Document, 15 Strategic Development Growth Options (SDGOs) had been identified to test the various elements that the Plan requires, such as housing, economic growth, climate change and infrastructure. It was

stressed that the SDGOs were not confirmed site designations but instead formed the basis of the consultation, which would enable the Council to test the deliverability of housing and gather public and stakeholder views ahead of the draft Regulation 19 Plan, to be submitted by the end of the year.

It was reported that even if every identified SDGO was carried forward to a site allocation, there remained a significant gap between the Government's standardised method of calculation for housing need and the amount of housing that could feasibly be delivered. The Council must now openly engage with its communities on this issue. Cabinet heard that the public consultation would be hosted online and NFDC would be holding numerous in-person events across the district, which would be widely publicised in the local press and on social media. These sessions would enable all stakeholders to participate and provide strong, local focus on the issues and challenges facing the district.

The Planning Policy Infrastructure and Delivery Service Manager listed the ten in-person sessions that were being hosted across the district. They also stated this process of consulting on site options was the same process that was carried out at this stage in the last Local Plan review in 2016. It was confirmed that letters had been sent to all Town and Parish Council clerks who would inform their Councillors of this latest update and of the in-person sessions being held.

The Leader implored all residents and stakeholders to respond to the consultation.

The Portfolio Holder for Finance and Corporate acknowledged the challenges facing NFDC given the various and significant constraints across the district. For example, the designated land used for backup grazing, the New Forest National Park and the Cranborne Chase National Landscape. He explained that there was also the expectation that the Council would provide greenspace to new housing developments too, which was also a significant challenge.

A non-executive member stressed the importance of a strategic approach to the challenges facing the district. He highlighted that infrastructure was limited in many areas of the New Forest and that this would need to be factored into any considered developments.

The Chairman of the Local Plan Review Working Group thanked officers and Members for their time and work on producing the incredible amount of data, research and information that enabled the Council to navigate through both the process of the review and the Government's policy changes. The comprehensively developed

document would not please every person in the New Forest, but it had been developed rigorously and robustly using evidence and local focus. He urged all members of the public to read whole document and to draw their conclusions based on the strategic detail.

A non-executive member also recognised the scale of work that had gone into this latest document. They reiterated their concerns on limited infrastructure and emphasised the need to protect the character of the New Forest's various towns and villages. It was suggested that the information around the document could be made easy to understand, given the level of detail involved.

Some non-executive members were disappointed with the development options proposed in the document and raised concerns over the potential scale of development identified for the Plan Area. Issues with transport and travel were highlighted alongside the disappointment that the current allocation at Fawley Waterside would likely no longer be for housing.

The Assistant Director of Place Development reassured members that the focus had been on creating a robust and evidenced plan that drew upon the local knowledge and expertise of NFDC members and staff, in consultation with local communities, so that they could present a convincing plan the Planning Inspectorate that told the narrative of the New Forest and explained the issues and challenges facing the Council in balancing the needs of both housing and economic development alongside the planning constraints and unique natural elements of the Forest. The specific proposed allocation of strategic sites for development would come at a later point of the year, in the Regulation 19 Document, following public consultation on the Spatial Options and Policy Direction Document.

The Portfolio Holder for Planning and Economy reassured Cabinet that all members of NFDC would have the opportunity to make comments at Full Council, following the results of the Regulation 18 consultation.

3. Draft New Forest creative and cultural framework

Portfolio: Community, Safety and Wellbeing

Cabinet Resolution:

That Cabinet approved the draft Creative and Cultural Framework for public consultation.

Cabinet Discussion:

The Portfolio Holder Community, Safety and Wellbeing presented the report, explaining that he was very pleased with the draft framework document.

The Service Manager – Environmental and Regulation explained that the document detailed the shared vision for culture across the New Forest for all of its communities, businesses, practitioners and partners. The document identified the strengths in collaboration and partnership through learning and shared knowledge for maximum benefit. Strengths and opportunities within the Forest were identified through consultation and workshops with members, the creative sector, partners, officers and the public, a collection of priority themes were established including health and wellbeing, economic growth, skills, environment and place. Actionable measures would be implemented through the action plan which would be managed by Creative Forest. An impact report would be used to monitor and evaluate the action plan by a stakeholder steering group. The Council was now seeking to consult on the draft framework so that it could continue to shape the future of the New Forest.

A non-executive member stated their support for the document. They wanted more information on how Culture in Common would fit within the document. They raised questions on funding availability for the ambitions and the difficulty in supporting projects across the whole District due to the different needs within the district and how this challenge could be overcome.

It was recognised that creativity and culture had important wellbeing effects and the promotion of this through the LGR was encouraged to ensure that the new organisation would support culture in the Forest going forward.

A non-executive member commented on the framework strengthening the existing relationships and enable culture and creativity to thrive.

The Service Manager – Environmental and Regulation reassured Cabinet that Arts Council England had engaged with the process and had provided funding to Creative Forest to help manage and progress the strategy. The Creative Forest steering group would contain stakeholders who would review and monitor delivery against the ambitions.

All feedback through the consultation was welcomed.

4. Corporate Plan: Key performance data for quarter 2 2025-2026

Portfolio: Leader / All

Cabinet Resolution:

That Cabinet:

1. Approved the Q2 2025-2026 dashboard; and
2. Considered any matters arising from the Overview and Scrutiny Panels.

Cabinet Discussion:

The Leader presented the report and reminded Cabinet that the Key Performance Indicators (KPIs) were an important tool for ensuring the delivery of the Council's Corporate Plan commitments. It was explained that the Quarter 2 report had been considered by each of the Council's Scrutiny Panels. Commentary and monitoring of the KPIs that were below target was important, and the Council would keep these measures under review.

The Performance and Insight Manager explained that there were 30 KPIs in the dashboards. He highlighted that the KPIs had undergone extensive discussion by the Scrutiny Panels.

A non-executive member acknowledged the positive data within the dashboards and appreciated that there were many measures that would not be fully understood until the end of the year. He raised concerns over the issue of fly-tipping and it was discussed how work was ongoing with partners and that although the issue affected many residents across the Forest, that NFDC did not have a remit in many of the incidents.

A query was raised on the performance of the number of households in external emergency accommodation. The Portfolio Holder for Housing and Homelessness explained that positive progress had been made over the past two months as a significant number of new social rent dwellings had been created and that many households had been moved from temporary accommodation into the new social rent dwellings in New Milton and Hythe. This in turn had freed up temporary accommodation which enabled the Council to move some households out of emergency to temporary accommodation. Therefore, the Portfolio Holder reported that the numbers of households in external emergency accommodation had declined dramatically.

5. Community grant funding 2026/27

Portfolio: Leader / All

Cabinet Resolution:

As recommended by the Task & Finish Group and Housing and Communities Overview and Scrutiny Panel, Cabinet approved the following:

1. Community grants totalling £157,500 in revenue grants and £97,949 in capital grants, as detailed in Appendix 1, be included in the Medium-Term Financial Plan and proposed budget for 2026/27;
2. The proposals, as detailed in paragraph 19;
3. The Community Transport grants totalling £44,359, as set out in paragraph 25; and
4. A procedural change to award Band A organisations a rolling 3-year award, if agreed by the Task & Finish Group, and for any further procedural changes brought about by LGR to be considered by the Task & Finish Group and agreed through the PFH for Community, Safety and Wellbeing.

Cabinet Discussion:

The Portfolio Holder for Community, Safety and Wellbeing was pleased to present the report and recognise all of the community groups and charities that the Council supports. He noted the time and work undertaken by Officers and the Community Grants Task and Finish Group in reviewing each application.

The Service Manager of Revenues Benefits and Customer Services provided further information on the report. He explained that this was the annual community grant programme, which this year had received a record number of applications, with 42 revenue grant applications and 24 capital grant applications. The Council already had a 3 year funding agreement with five organisations. They were currently underway in year one of its three-year agreement. The Task and Finish Group received 28 presentations for revenue grants, most of which were in person, and many of whom had applied for the first time. During the process, the Task and Finish Group provided applicants with additional information and advice, for example fundraising, which was well received.

Cabinet heard that the recommendations were for the approval of revenue grants of £85,000 to 23 applications and capital grants of £97,949 to 10 organisations. In total, 38 organisations would benefit from the community grants programme with the total grants awarded of just over £255,000. The community grants programme continued to support a wide range of organisations which supported residents across the New Forest, ranging from organisations focused on mental health, disabilities, carers, arts, culture, sports and environmental issues among others. The report recommended the continued support for two community transport schemes that were run in partnership with Hampshire County Council and Community First Wessex. These supported vulnerable residents, particularly in the Forest's rural areas. Positive feedback had been received from organisations about the grants programme as most of the grants which were currently available were project based and not to support the ongoing running costs.

Part II – Recommendations to Council

6. Financial Monitoring Report (based on performance April – December 2025 inclusive)

Portfolio – Finance and Corporate

Cabinet Resolution:

That Cabinet:

1. noted the latest budget forecasts of the General Fund, HRA, and Capital; and
2. approved net changes to the Capital Programme totalling £787,000

Recommended:

That the General Fund Corporate Priority Reserve is increased by £1.296 million.

Cabinet Discussion:

The Portfolio Holder Finance and Corporate introduced the report and explained that the third quarter saw fairly minor budget variations and picked up previously resolved additional expenditure on bring-banks which had become more popular during the changes to the waste service. It was expected that the usage of these sites would settle down over time, but as it was currently an important service, additional funding had been allocated to enable its smooth operation. The report provided clarity on the Extended Producer Responsibility and the additional funding received towards the Refuse and Recycling service.

The Strategic Director Corporate Resources and S151 Officer provided some further information on the report. He highlighted that there had been some reduction in the interest charges for the Housing Revenue Account (HRA) which was a positive change and meant that the Council could repay some additional loan principal. The Council was in the final stages of its budget preparations for the 2026/2027 financial year and that it would take into account the variations throughout the planning process.

A non-executive member was pleased that NFDC had seen matched funding become available to support improvement to Hythe Promenade as part of the investment supported by the UK Shared Prosperity Fund.

Appendix 1 – Background report to Cabinet

7. Asset maintenance and replacement programme and General Fund capital programme 2026/27

Portfolio – Finance and Corporate

Cabinet Resolution:

That Cabinet:

- a) endorsed the schedule of projects, as included within the report and summarised via Appendix 1 and Appendix 2, noting that final approval will come through Council consideration of the 2026/27 budget; and
- b) noted that this programme commits the Council to expenditure beyond 2026/27 whereby a project commences in 2026/27 and extends into future years; and

Recommended:

That the Vehicle and Plant replacement programme be approved for a 2-year period, covering purchases due in 2026/27 and 2027/28.

Cabinet Discussion:

The Portfolio Holder Finance and Corporate introduced the report and explained that the programmes enabled the Council to maintain and replace assets where needed. He reported that there had been an increase of £210,000 into the overall budget for the year which brought the total to £3.1million, of which £500,000 relates to the HRA.

The programme concerns the assets that enable the Council to deliver their essential services to residents. The Portfolio Holder explained that much of the programme would be unseen by the public but was pleased to report that the Eling Tide Mill major works was an example of a visible project that had recently benefitted from NFDC funding and support to bring it back into use, with further works required and so included within the proposed programme. Much of the programs' efforts were on maintaining the leisure centres and replacing waste carts. The Portfolio Holder explained that despite financial pressures on Local Government, NFDC were still able to secure funding to support these projects.

The Strategic Director Corporate Resources and S151 Officer confirmed that the process had been rigorous and that the report had been considered and discussed by the Resources and Transformation Overview and Scrutiny Panel. He explained that there was a new Project Management Office in place which would provide oversight of the prioritised programme over next year.

A non-executive member commented on public convenience refurbishment across the district and highlighted the issue of additional facilities for people with disabilities. He reported that he had had productive and positive conversations with Officers and encouraged Cabinet to continue to add these facilities, given that the great benefit to many New Forest residents. The Portfolio Holder recognised the importance of these facilities and explained that the Council had installed additional, specialist pods for disabled residents.

A non-executive member thanked the Council for supporting the industrial heritage asset of the Eling Tide Mill which was deemed unique asset type that had widespread support.

Appendix 2 – Background report to Cabinet

8. Capital Strategy 2026/27

Portfolio: Finance and Corporate

Recommended:

That the Capital Strategy 2026/27 be approved, including the adoption of the Minimum Revenue Payment (MRP) statement.

Cabinet Discussion:

The Portfolio Holder Finance and Corporate introduced the report. He explained that the Council was required to confirm its approach to Minimum Revenue Provision payments on an annual basis to ensure compliance with the regulations.

The Strategic Director Corporate Resources and S151 Officer explained that the report concerned the Council's annual adoption of its Capital Strategy and detailed the proposed program and financing for the next three years. The report explains the combined general fund programme and HRA programme, with a total of over £143million over the three-year period. The report also contains the relevant prudential indicators in accordance with the prudential code to show that the funding was in place and was proportionate for the size of NFDC. He

reported that there was nothing in the indicators that caused him concern. He reaffirmed that it was in NFDC's interest to set a programme that was deliverable.

Appendix 3 – Background report to Cabinet

9. Members' allowances – Scheme to apply from 1 April 2026

Portfolio: Leader

Recommended:

That the current scheme of members' allowances be made as the scheme to apply from 1 April 2026.

Cabinet Discussion:

The Monitoring Officer explained that this was an annual and routine report whereby Council was required to set a members' allowance scheme. The last full review had been implemented in the last financial year. It was heard that no changes could be made unless a fresh set of recommendations was brought forward by an independent panel. The recommendation before Cabinet was to adopt the current scheme for the year ahead.

Appendix 4 – Background report to Cabinet

Cabinet – 4 February 2026

Financial Monitoring Report (based on performance April to December 2025 inclusive)

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the latest budget forecasts for the General Fund, Housing Revenue Account (HRA) and capital programme for the 2025/26 financial year, based on the third quarter performance from April 2025 to December 2025 inclusive.</p> <p>It shows:</p> <ul style="list-style-type: none"> a. a balanced budget in the General Fund. b. a balanced budget in the Housing Revenue Account (HRA) and; c. a net reduction in the capital programme for 2025/26 of £787,000.
Recommendation(s)	<p>That Cabinet:</p> <ul style="list-style-type: none"> 1) note the latest budget forecasts of the General Fund, HRA, and Capital; 2) approve net changes to the Capital Programme totalling £787,000; and 3) Recommend to Council that the General Fund Corporate Priority Reserve is increased by £1.296 million.
Reasons for recommendation(s)	<p>To comply with accounting codes of practice and best practice which requires councils to regularly monitor the annual budget position and take any action to support the sustainability of the council's financial position ensuring we are being financially responsible.</p>

	To comply with the council's financial regulations regarding budget virements and supplementary budget requests.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron - Finance and Corporate
Strategic Director(s)	Alan Bethune - Strategic Director Corporate Resources (Section 151 Officer)
Officer Contact	Paul Whittles Assistant Director - Finance 02380 285766 paul.whittles@nfdc.gov.uk

Introduction and background

1. Following the approval of the Original Budget for 2025/26 in February 2025, this report provides a further update on the General Fund, Housing Revenue Account and Capital budgets, adjusting for any budget changes now required and recommended.
2. Financial Monitoring is an important feature in the management of the council's finances as it gives an opportunity to reflect on variations as against the latest set budget and reflect on the impact that these variations may have over the period covered by the council's Medium Term Financial Plan (MTFP).

General Fund revised projection

3. Appendix 1 sets out the General Fund budget of £25.509 million for 2025/26 as agreed by council in February 2025 (£28.719 million at Portfolio analysis level, with other budget elements reducing this to this lower General Fund budget figure).
4. The quarter one monitoring report to September Cabinet and the quarter two monitoring report to November Cabinet identified total additional budget requirements of £459,000 (£258,000 and £201,000 respectively) with the full amount being offset by an improvement in interest earnings against budget.
5. The latest budget variations reported include net nil expenditure and income variations. In addition to internal virements between portfolios, major variations are detailed below (ordered in

accordance with **Appendix 1**), with full variations listed in **Appendix 2**.

Environment and Sustainability (Place, Operations and Sustainability)

6. **Bring Site Review (£301,000)** – As detailed and agreed in the Waste Service Budget Position report to Cabinet in December, this supplementary budget shall enable the service to operate effectively following the roll out of the new waste collection service which resulted in behaviour changes and a significant increase in the amount of material being brought to bring sites.
7. **Extended Producer Responsibility (EPR) (-£1.226 million)** - Relating to the Refuse and Recycling service £1.201 million has been received to date for Q1 and Q2 of 2025/26, with a further £1.200 million expected regarding the second half of the financial year (total £2.401 million), therefore providing us with an additional £1.226 million against the £1.175 million budget.

Finance and Corporate (Corporate Resources and Transformation)

8. **Information Governance and Compliance (£39,000)** – Agency staff costs totalling £69,000, partly offset by unused substantive £30,000 salary budget.
9. **Revenues and Benefits (-£40,000)** – net saving due to staff cost variances including vacancies.
10. **ICT Work Programme (-£295,000)** – Timing regarding the deliverability of the ICT transformation work programme means some aspects shall now be undertaken in 2026/27.

Planning and Economy (Place, Operations and Sustainability)

11. **Staffing restructure (-£45,000)** – Changes to the Land Charges and Policy teams have resulted in a £45,000 reduction in expenditure compared to budget.
12. **Appeal costs (£40,000)** – Unbudgeted costs of ongoing planning appeal.
13. **Building Control, Community Infrastructure Levy (CIL) Administration and Planning income (-£70,000)** – Collectively forecasting greater than budgeted income.
14. The revised General Fund Budget for 2025/26 can be seen at Appendix 1, with further details on the variations being reported included within Appendix 2.

Other Financial Matters of note

15. **Bed and Breakfast** – spend to date remains ahead of the profiled budget, whilst these increases in expenditure shall be mitigated in part by an increase in benefit subsidy received, and likely smaller positive budget variances within the service, the council remains watchful of this evolving situation as it could lead to an in-year budget pressure.
16. **Hardley Depot** – An incident at the depot has resulted in the need to replenish stolen equipment plus additional security improvement expenditure. An insurance claim is still pending and once concluded any financial consequences shall be declared as necessary.
17. Due to the overall improvement in funding, effectively providing a forecast surplus, the report contains a recommendation to increase the council's **Corporate Priority Reserve** by £1.296 million. This can be used to support the council's priorities, with the current balance (before this recommendation takes effect) of £1.846m as at 31/3/2025 allocated to support the delivery of the transformation programme, the waste roll out and the delivery of the Strategic Asset Management Plan, including the investment in improvements to Public Conveniences across the district.

Housing Revenue Account Revised Projection

18. A break-even HRA budget for 2025/26 was agreed in February 2025, with a Revenue Account contribution of £10.200 million supporting the financing of the £30.820 million HRA Capital Programme.
19. The quarter one monitoring report to September Cabinet and the quarter two monitoring report to November Cabinet identified total additional budget requirements of £208,000 (£60,000 funded from earmarked reserve and £148,000 respectively).
20. The latest budget variations are reported below:
21. **Non-Dwelling Rents (£60,000)** - Income has reduced due to an increase in the number of void garages, largely due to the ongoing project to review options for all sites.
22. **Interest Earnings (-£20,000)** – Interest income will be higher due to higher year end opening and closing reserve balances, offset by lower average interest rates than originally predicted.

23. **General Management (-£85,000)** - Timing regarding the deliverability of the ICT transformation work programme means some aspects shall now be undertaken in 2026/27.
24. **Capital Financing Costs – Interest (-£436,000)** - Interest costs are anticipated to be £436,000 less than budget due to a smaller borrowing requirement than originally expected in both 2024/25 and 2025/26, partly due to higher-than-normal capital receipts (£6 million received in year to date) and lower interest rates on actual borrowing taken out during 2025/26.
25. **Capital Financing Costs – Principal (£333,000)** – When setting the original budget this was reduced to act as a balancing figure and therefore is now being increased to reduce the loan re-financing requirement.
26. The updated balanced HRA budget can be seen at Appendix 3.

Capital Expenditure (General Fund and Housing Revenue Account)

27. A Capital Programme budget of £50.231 million for 2025/26 was agreed by council in February 2025.
28. Principally due to rephasing from 2024/25, the budget was increased by £2.093 million to £52.324 million in the September Cabinet report.
29. The quarter two monitoring report identified net programme changes totalling £154,000 which results in an updated 2025/26 Capital Programme Budget of £52.478 million (Appendix 4).
30. The latest forecast confirms a net reduction to the programme totalling £787,000 which results in an updated 2025/26 Capital Programme Budget of £51.691 million (Appendix 4).
31. Details of the significant changes are provided below:
32. **Leader / Finance & Corporate (£26,000)** – NFDC matched funding has been made available to support improvement to Hythe Promenade as part of the investment supported by the UK Shared Prosperity Fund.
33. **Environment and Sustainability (£37,000)** – Additional resources to support the Hurst Spit Beach Management Plan (BMP) work, fully funded by external grant.
34. **Housing Revenue Account (-£850,000)** – £850,000 of Fire Risk Assessment Works have been rephased into 2026/27, due to the complexity of scope of work, preparation of tender documents and

planning/building control regulation approvals. This rescheduling has not increased the risk, as the scope of work is intended to support fire safety improvements as a betterment to those in place at the time of construction, and which are already compliant with Building Regulations. Any urgent work to deal with risk mitigation has already taken place.

Corporate plan priorities

35. Regular monitoring and reporting of our financial activity including adjusting budgets whilst maintaining a balanced medium term financial plan (MFTP), ensures we are being financially responsible and supports our Future New Forest transformation programme which underpins the delivery of all our priorities.

Options appraisal

36. Members could choose to reallocate some or all of the additional forecast surplus differently rather than increase the Corporate Priority Reserve.

Consultation undertaken

37. Internal consultation between finance officers, service managers and budget holders has determined the forecast data presented in the report.

Financial and resource implications

38. This is a financial report with budget implications already detailed and considered in the main body of the report.

Legal implications

39. The Council will have a legal requirement to play a role in ensuring that the new Sovereign Authority created through a structural change order in due course, is 'Safe and Legal' on vesting day. Sound financial stewardship will support this.

Risk assessment

40. The projected forecast is prepared based on estimates and assumptions in consultation with services. There are key risks in the projections across all service areas and both revenue and capital activity.

Environmental / Climate and nature implications

41. There are no environmental implications arising directly from this report.

Equalities implications

42. There are no equality implications arising directly from this report.

Crime and disorder implications

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

Data protection / Information governance / ICT implications

44. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Revised General Fund Budget 2025/26

Appendix 2 – Variation Analysis General Fund 2025/26

Appendix 3 – Revised Housing Revenue Account Budget 2025/26

Appendix 4 – Revised Capital Programme 2025/26

Background Papers:

[Cabinet 5 November 2025](#)

Financial Monitoring Report (based on performance April to September 2025 inclusive)

[Cabinet 3 September 2025](#)

Financial Monitoring Report (based on performance April to June 2025 inclusive)

[Cabinet 19 February 2025 – Budget Reports 2025/26](#)

Housing Revenue Account Budget and the Housing Public Sector Capital Expenditure Programme 2025/26

Medium Term Financial Plan and Annual Budget 2025/26

FINANCIAL MONITORING 2025/26							
REVISED GENERAL FUND BUDGET 2025/26	Feb-25	Nov-25	February-26				
	2025/26 £'000's Original Budget	2025/26 £'000's Latest Budget	2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Income	2025/26 £'000's New Variations Rephasings	2025/26 £'000's Updated Budget	
PORTFOLIO REQUIREMENTS							
Community, Safety and Wellbeing	3,389	3,530	15	-15	0	3,530	
Environment and Sustainability	11,747	12,392	301	0	0	12,693	
Finance and Corporate	3,710	3,762	-24	0	0	3,738	
Housing and Homelessness	3,652	3,686	0	0	0	3,686	
Leader	2,243	2,277	23	0	0	2,300	
Planning and Economy	3,978	4,494	-5	-70	0	4,419	
Multi Portfolio adjustments - To be allocated	0	-43	-295	0	0	-338	
	28,719	30,098	15	-85	0	30,028	
Reversal of Depreciation	-2,768	-2,768				-2,768	
Contribution (from) / to Earmarked Revenue Reserves	-1,645	-2,565	-15	1,311	0	-1,269	
NET PORTFOLIO REQUIREMENTS	24,306	24,765	0	1,226	0	25,991	
Minimum Revenue Provision	2,512	2,512				2,512	
Contribution to Capital Programme Financing (RCCO)	1,100	1,100				1,100	
Interest Costs	206	206				206	
Interest Earnings	-1,432	-1,891				-1,891	
Waste Services Grant	-1,175	-1,175		-1,226		-2,401	
Other Grants	-8	-8				-8	
GENERAL FUND NET BUDGET REQUIREMENTS	25,509	25,509	0	0	0	25,509	
COUNCIL TAX CALCULATION							
Budget Requirement	25,509	25,509	0	0	0	25,509	
Less: Settlement Funding Assessment							
Lower Tier Service Grant	0	0				0	
Services Grant / Revenue Support Grant	-1	-1				-1	
New Homes Bonus	-36	-36				-36	
Employers National Insurance Grant	-155	-155				-155	
Guarantee Grant (MHCLG)	-676	-676				-676	
Business Rates Baseline	-4,378	-4,378				-4,378	
	-5,246	-5,246	0	0	0	-5,246	
Locally Retained Business Rates	-5,007	-5,007				-5,007	
Estimated Collection Fund (Surplus)/Deficit Business Rates	-192	-192				-192	
Estimated Collection Fund (Surplus)/Deficit Council Tax	-162	-162				-162	
Contribution from Business Rates Equalisation Reserve	192	192				192	
Contribution to/ from(-) Variation Reserves	0	0	0	0	0	0	
COUNCIL TAX	15,094	15,094	0	0	0	15,094	
TAX BASE NUMBER OF PROPERTIES	73,355.00	73,355.00				73,355.00	
COUNCIL TAX PER BAND D PROPERTY	205.77	205.77				205.77	
GENERAL FUND BALANCE 31 MARCH	3,000	3,000				3,000	

FINANCIAL MONITORING 2025/26				
VARIATION ANALYSIS GENERAL FUND 2025/26				
Nov-25 2025/26 £'000's Latest Budget	February-26			
	2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Income	2025/26 £'000's New Variations Rephasings	2025/26 £'000's Updated Budget
PORTFOLIO ADJUSTMENTS				
Community, Safety and Wellbeing				
Previously Reported September Cabinet;				
Implications of the 25/26 pay award	27			
Grants - Rephasings	29			
CCTV Expansion - Rephasing - part £300k	51			
Community Safety - grant	34			
New Items;				
Sports & Comm Dev - Grant receipt		15	-15	
	141	15	-15	0
			0	0
Environment and Sustainability				
Previously Reported September Cabinet;				
Implications of the 25/26 pay award	126			
Cemeteries - Sway & New Milton AMR schemes into 25/26	47			
Foreshores - Coastal Water Safety AMR scheme into 25/26	21			
Open Spaces - Scheme virement to Contingency (Finance & Corporate)	-30			
Operational Restructure - budget movement to Finance & Corporate	-36			
Refuse & Recycling- additional Grant re New Service Roll Out	-151			
Operations Administration - service change workload and sickness temporary cover	25			
Refuse & Recycling - New Drivers to be appointed earlier than budgeted	67			
Refuse & Recycling - Narrow Access Round	59			
Waste Transition - Recruitment of additional waste advisers	46			
Waste Transition - Additional Customer Services	20			
Waste Transition - Additional Programme Support	22			
Public Conveniences - Cleaners pay adjustments/StreetScene income	26			
Refuse & Recycling/StreetScene - Drivers pay to reflect market supplement (Contingency)	116			
Refuse & Recycling - Behind Gates Collection trial	150			
Refuse & Recycling - New Waste Supervisor	19			
Previously Reported November Cabinet;				
Car Parking - projected income shortfall, new F&C's 2026 (clocks/meter)	65			
Keyhaven River - projected income shortfall, new F&C's 2026 (mooring fees)	29			
Public Conveniences - survey costs	24			
New Items;				
Bring Site Review - Waste and StreetScene implications (as per CN EMT report 11/11/25)		301		
	645	301	0	0
			0	301
Finance and Corporate				
Previously Reported September Cabinet;				
Implications of the 25/26 pay award	65			
Pay award 25/26 implications funded by Contingency	-316			
Additional Pay award 25/26 implications funded by Contingency - Drivers	-116			
Contingency - Scheme virement from Open Spaces (Env. & Sustain.)	30			
Operational Restructure - budget movement from Env. & Sustain.	36			
People Strategy - budget movement to Transformation (Leader)	-50			
Lymington Town Hall Site - Residual HCC Grant into 25/26	16			
Commercial Inv. Property - Salisbury Road, Totton Scheme into 25/26	157			
Corporate Management - Fleet & Infrastructure Strategy into 25/26	80			
Previously Reported November Cabinet;				
Revenues Service - Vacancy Salary Savings / reduced court cost income	0			
Pension Increase Act - Added Years	30			
Commercial Inv. Property - Platinum Jubilee Business Park	120			
New Items;				
Elections - virement from AMR Contingency - Booths etc		-23		
Salary vacancy savings within Info Gov & Com		-30		
Agency costs within Info Gov & Com		69		
Council Tax - CAB Grant		15		
Revenues Service - Vacancy Salary Savings		-55		
	52	-24	0	0
			0	-24
Housing and Homelessness				
Previously Reported September Cabinet;				
Implications of the 25/26 pay award	34			
New Items;				
None				
	34	0	0	0
		0	0	0

FINANCIAL MONITORING 2025/26				
VARIATION ANALYSIS GENERAL FUND 2025/26				
Nov-25 2025/26 £'000's Latest Budget	February-26			
	2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Income	2025/26 £'000's New Variations Rephasings	2025/26 £'000's Updated Budget
PORTFOLIO ADJUSTMENTS				
Leader				
Previously Reported September Cabinet;				
Implications of the 25/26 pay award	9			
Resident Insight Survey - remove budget	-25			
People Strategy - budget movement from Corp. Management (Finance)	50			
Previously Reported November Cabinet;				
UK Shared Prosperity Fund budget transfer from Revenue to Capital	0			
New Items;				
Elections - virement from AMR Contingency - Booths etc		23		
	34	23	0	23
Planning and Economy				
Previously Reported September Cabinet;				
Implications of the 25/26 pay award	55			
Local Plan - Local Plan Grant rephasing & Green Belt grant	298			
Policy - Improve Digital Planning Grant	63			
Economic Development - budget for Totton Masterplan	100			
New Items;				
Building Control - Income shortfall		40		
Policy -Additional CIL Admin Income		-40		
Policy - Salary savings restructure	-70			
Land Charges - salary overspends restructure	25			
Planning DM - Additional fee income		-70		
Planning DM - Appeal costs due	40			
	516	-5	-70	-75
Portfolio adjustments - Non Direct				
Previously Reported November Cabinet;				
Corporate Administration - Vacancy Salary Savings	-43			
New Items;				
ICT Work Programme		-295		
	-43	-295	0	-295
TOTAL PORTFOLIO ADJUSTMENTS				
	1,379	15	-85	0
NON-PORTFOLIO ADJUSTMENTS				
Interest Earnings				
Central Government Grants	0	-1,226	0	
Contribution to/from(-) Earmarked Reserves	-920	-15	1,311	0
Interest earnings	-459			
TOTAL NON-PORTFOLIO ADJUSTMENTS				
	-1,379	-15	85	70
GRAND TOTAL ADJUSTMENTS (Credited to (-) / Debited from (+) Budget Reserves)				
	0	0	0	0

FINANCIAL MONITORING 2025/26				
REVISED HOUSING REVENUE ACCOUNT BUDGET				
2025/26	Feb-25	Nov-25	February-26	
	2025/26	2025/26	2025/26	2025/26
	£'000's	£'000's	£'000's	£'000's
	Original	Latest	New	Updated
	Budget	Budget	Variations	Budget
INCOME				
Dwelling Rents	-34,230	-34,230		-34,230
Non Dwelling Rents	-735	-735	60	-675
Charges for Services & Facilities	-1,142	-1,142		-1,142
Contributions towards Expenditure	-277	-277		-277
Interest Receivable	-418	-418	-20	-438
Sales Administration Recharge	-33	-33		-33
Shared Amenities Contribution	-361	-361		-361
TOTAL INCOME	-37,196	-37,196	40	-37,156
EXPENDITURE				
Repairs & Maintenance				
Cyclical Maintenance	2,234	2,390		2,390
Reactive Maintenance - General	3,520	3,546		3,546
Reactive Maintenance - Voids	1,886	1,896		1,896
Supervision & Management				
General Management	8,288	8,295	-85	8,210
Grounds Maintenance and Trees	1,087	1,094		1,094
Older Person and Temporary Accommodation	1,199	1,201		1,201
Rents, Rates, Taxes and Other Charges		0		0
Provision for Bad Debt	150	150		150
Capital Financing Costs - Interest/Debt Management	5,608	5,608	-436	5,172
Capital Financing Costs - Internal Borrowing		0		0
TOTAL EXPENDITURE	23,972	24,180	-521	23,659
HRA OPERATING SURPLUS(-)	-13,224	-13,016	-481	-13,497
Contribution to Capital - supporting Housing Strategy	10,200	10,200		10,200
Capital Financing Costs - Principal	3,174	3,174	333	3,507
HRA Total Annual Surplus(-) / Deficit	150	358	-148	210
Contribution to/from(-) Earmarked Reserves	-150	-210		-210
HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT	0	148	-148	0

FINANCIAL MONITORING 2025/26		Feb-25	Nov-25	February-26		
REVISED CAPITAL PROGRAMME 2025/26		2025/26 £'000's Original Budget	2025/26 £'000's Latest Budget	2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Rephasing	2025/26 £'000's Updated Budget
Portfolio						
UK Shared Prosperity Fund	LEADER/ALL	60	113	26		139
Rural England Prosperity Fund	LEADER/ALL		162			162
Disabled Facilities Grants	HSG (GF)	1,500	1,000			1,000
Sustainability Fund - Unallocated	ENV & SUSTAIN	100	100			100
Strategic Regional Coastal Monitoring (22-27)	ENV & SUSTAIN	2,829	3,009			3,009
Barton Horizontal Directional Drilling Trials	ENV & SUSTAIN	135	238			238
Hurst Spit Beach Shingle Source Study	ENV & SUSTAIN	75	90			90
Milford Beach and Cliff Study	ENV & SUSTAIN	230	230			230
Hurst Spit BMP Works	ENV & SUSTAIN			37		37
Waste Strategy Container Roll Out	ENV & SUSTAIN	4,550	4,593			4,593
Asset Modernisation Programme - Public Convenience	ENV & SUSTAIN		58			58
Car Parking - new land purchase	ENV & SUSTAIN					
Eling Tide Mill Urgent Repair Works	FIN & CORP	200	200			200
Eling Toll Bridge and Quayside Repairs	FIN & CORP	60	100			100
New Depot Site: Hardley	FIN & CORP					
Commercial Property - Queensway - addit.works	FIN & CORP		323			323
ATC Accommodation Refurbishment	FIN & CORP	200	200			200
Ringwood Depot: Extension and Works	FIN & CORP		248			248
V&P; Replacement Programme	FIN & CORP	2,463	2,516			2,516
V&P; Replacement Programme - Waste Strategy Vehicles	FIN & CORP	3,709	4,405			4,405
Mitigation Schemes	PLAN & ECON	1,000	1,000			1,000
Infrastructure Projects	PLAN & ECON	1,000	1,000			1,000
Strategic Infrastructure Projects	PLAN & ECON	1,000	1,000			1,000
Arts & Culture Projects	PLAN & ECON	300	300			300
TOTAL GENERAL FUND CAPITAL PROGRAMME		19,411	20,885	63		20,948
Fire Risk Assessment Works	HRA	1,500	1,500		-850	650
Major Structural Refurbishments	HRA		921			921
HRA - Major Repairs	HRA	11,100	10,752			10,752
Decarbonisation	HRA	1,870	2,070			2,070
Estate Improvements	HRA	200	200			200
Council Dwellings - Strategy Delivery	HRA	15,200	15,200			15,200
Disabled Facilities Grants	HRA	950	950			950
TOTAL HRA CAPITAL PROGRAMME		30,820	31,593		-850	30,743
GRAND TOTAL CAPITAL PROGRAMME		50,231	52,478	63	-850	51,691

Cabinet – 4 February 2026

Asset Maintenance and Replacement Programme and General Fund Capital Programme 2026/27

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the council’s proposed revenue funded Asset Maintenance and Replacement programme (AMR) and General Fund Capital programme for 2026/27 and outline budgets to 2027/28.</p> <p>This includes a £210,000 increase to the overall AMR budget, now totalling £3.1 million (£2.6 million General Fund investment after accounting for a £500,000 allocation to the Housing Revenue Account).</p> <p>The General Fund Capital programme for 2026/27 totals £14.646 million with approximately two thirds (£9.717 million) being financed from external third-party funding.</p>
Recommendation(s)	<p>It is recommended that Cabinet:</p> <p>a) endorse the schedule of projects, as included within the report and summarised via Appendix 1 and Appendix 2, noting that final approval will come through Council consideration of the 2026/27 budget;</p> <p>b) notes that this programme commits the Council to expenditure beyond 2026/27 whereby a project commences in 2026/27 and extends into future years; and</p> <p>c) recommend to Council that the Vehicle and Plant replacement programme be approved for a 2-year period, covering purchases due in 2026/27 and 2027/28.</p>

Reasons for recommendation(s)	To support the council setting an annual balanced budget and presenting how its financial resources are to be allocated and utilised. To ensure the council continues to invest in and maintain its assets in order to carry out its duties and minimise risk.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources (Section 151 Officer)
Officer Contact	Paul Whittles Assistant Director - Finance 02380 285766 paul.whittles@nfdc.gov.uk

Introduction and background

1. This report provides the proposed revenue funded Asset Maintenance & Replacement programme (AMR) and General Fund Capital programme for 2026/27 and outline budgets to 2027/28.
2. The December 2025 Medium Term Financial Plan included a revenue budget allowance to cover the AMR programme for 2026/27 of £2.500 million for the General Fund and £390,000 for the HRA (total £2.890 million). The proposals contained in this report have increased the General Fund budget to £2.600 million and the HRA to £500,000 (total £3.100 million). Separately, there is a £610,000 budget relating to waste vehicles following the implementation of the new waste service. This enhances the level of investment previously provided in 2025/26 and there are currently no further planned or approved adjustments to the overall programme budget over the period covered by the current Medium Term Financial Plan.
3. Service Managers were asked to come up with their proposed projects for 2026/27, whilst being realistic in terms of timeframes and deliverability. The programme amounts now being proposed matches the funding allocated, following work by the Capital Board (CB) which prioritised projects to align to the budgets available, with priority given to statutory and health and safety items.
4. The proposed General Fund Capital Programme for 2026/27 totals £14.646 million. Projects are funded by a range of resources,

including NFDC reserves (capital reserve and receipts received), various grants, funds and Developer Contributions including the Community Infrastructure Levy (CIL) and external borrowing as required. Full financing detail is covered in the Council's Capital Strategy.

5. The council's Strategic Asset Management Plan (SAMP) was approved in July 2025. The plan allows the Council to set out longer-term goals in respect of its property assets, thereby aligning property to key corporate priorities. The development of the plan also aligns with the recommendations of the Corporate Peer Challenge report (December 2024) and supports the preparedness for Local Government Reorganisation (LGR). Specific activity regarding the proposed £2 million improvements to Public Conveniences are included within this report.

Proposed Asset Maintenance and Replacement Programme 2026/27

6. The summary programme covering 2026/27 – 2028/29 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.

Further Information Relating to Projects

Health & Leisure Centres Annual Maintenance Programme £750,000

7. In 2019, the Council commissioned a comprehensive condition survey of its five Leisure Centres, undertaken by an independent specialist. The resulting report set out a 15-year programme of works to maintain the centres at their current standard. This programme is reviewed annually to ensure it remains relevant and informs the required maintenance activities. For 2026/2027 and beyond, the prioritised works schedule will continue to focus on lifecycle replacements and upgrades, including the phased replacement of end-of-life plant with modern, energy-efficient alternatives. All proposed works will be agreed in consultation with the Strategic Director for Corporate Resources to ensure alignment with corporate priorities and sustainability objectives.

Offices and Commercial Premises £265,000

8. £175,000 is required to replace the roof at Salisbury Road Arcade supporting our tenants and in turn our associated income streams.
9. £50,000 has been provided to repair the Appletree Court East Wing second floor roof and a further £25,000 has been allocated regarding the East Wing Tower Access.

10. £15,000 has been included to allow for an air conditioning upgrade to the server room at Lymington Town Hall to reduce the risk of systems overheating leading to unplanned shutdowns.

ICT Equipment Replacement Programme £190,000

11. The Council has a cyclical replacement programme in place to ensure IT equipment remains fit for purpose. An annual budget of £190,000 is in place throughout the period covered by this Medium Term Financial Plan.

Vehicles & Plant Replacement Programme £1,790,000

12. 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 £10,000 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.
13. The 2026/27 programme includes cyclical replacement of 'standard' fleet vehicles and plant. The £1.790 million budget here does not relate to the additional vehicles, or the capitalisation of the containers associated with the roll out of the waste strategy which is shown separately and totals £610,000.

Other

14. £48,000 is proposed to support work across NFDC managed cemeteries to ensure all memorials are safe.
15. In addition to a £15,000 base revenue budget, this AMR budget proposes a £12,500 top-up to the budget for works at Hythe Promenade. This enables the continuation of maintenance works following the conclusion of critical safety work during Phase 1 and will lead to further improvements of the decking to keep it a safe space.
16. The overall AMR programme includes a £45,000 contingency to help managing any unforeseen changes to the items proposed or any urgent emerging items.

17. The programme as outlined above totals £3.100 million. Of this total, approximately £500,000 is rechargeable to the HRA leaving £2.600 million to be funded via the General Fund, in keeping with the amount currently provided for in the MTFP. The recharge to the HRA will be accommodated within the detailed budget planning for 2026/27.

Projects that did not make it through to the final prioritised AMR programme were as follows:

18. ATC South Wing Toilet Refurbishment deprioritised, but to be potentially funded from Appletree Court works budget contingency, should resources allow following the completion of other schemes.
19. Lymington Town Hall drainage run (£15,000) to be funded from existing revenue maintenance budgets.
20. Salisbury Road Office refurbishments (£70,000) to be funded from the Commercial Property Sinking Fund.

Other One-Off Funded Programmes

21. The Community Grants programme has a maximum budget of £100,000 for one-off capital grant applications for 2026/27. The Panel are aware this is a financial ceiling, and not a target. In 2026/27 the recommendation from the Task and Finish group to the Housing and Communities Overview and Scrutiny Panel was to award grants totalling £97,950.
22. This one-off item will require financial resources, funded by the revenue budget or reserves and will be included on the Medium Term Financial Planning Reports through Cabinet.

General Fund Capital Programme 2026/27

23. The capital programme consists of projects funded by NFDC resources (capital reserve and receipts received), various grants, funds and Developer Contributions including the Community Infrastructure Levy (CIL).
24. The proposed programme for 2026/27 totalling £14.646 million including the outline financing is included as Appendix 2.
25. The project proposals for a 3-year period have been included for overall context. Where a project commences in (or continues into) 2026/27 and spans several financial years, a commitment to start in 2026/27 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 2026/27 and 2027/28 will be approved now to enable necessary work to commence in the year prior to when the new vehicle and plant will actually be delivered.

Further Information Relating to NFDC Funded Projects

Sustainability and Climate Action (2026/27 £50,000; 2027/28 £50,000; 2028/29 £50,000)

25. This £50,000 allocation is in addition to a £75,000 revenue budget in place to support the Council's sustainability team and maintains its commitment to support the Climate Strategy and action plan throughout the Medium Term Financial Plan.

Strategic Asset Management Plan (SAMP) – Public Conveniences (2026/27 £1,000,000; 2027/28 £1,000,000)

26. Public conveniences form an essential part of the Council's estate, supporting health, accessibility, and visitor experience across the district. Condition surveys undertaken in 2025 revealed a range of significant structural and operational issues across the 23 sites.
27. Four priority locations at Calshot East, Totton Central, Bransgore, and Lymington New Street require full refurbishment due to their critical condition and strategic importance. Targeted improvements will also be delivered across the remaining blocks to ensure compliance with health and safety legislation, building regulations, and the Equality Act 2010.
28. Consequently, the significant investment proposed will bring all sites to a good standard of building integrity and accessibility, while incorporating sustainability enhancements such as LED lighting, water-saving fixtures, improved insulation, and maintenance of existing solar PV installations where feasible.
29. Works will be phased through 2026/27 and 2027/28.
30. The programme will deliver full statutory compliance, improved accessibility, and enhanced visitor experience, alongside positive environmental impacts, and reduced lifecycle costs such as maintenance. These works will create a lasting legacy of resilient, future-proofed facilities for our residents and visitors.

Vehicles & Plant (2026/27 £2.947 million; 2027/28 £1.012 million; 2028/29 £3,458,000)

31. The significant Capital Outlay required will result in older less efficient vehicles being replaced with the latest more efficient models.

Eling Tide Mill - Major Works (2026/27 £250,000; 2027/28 £500,000)

32. A phased investment of £750,000 is planned to deliver essential improvements to Eling Tide Mill, following consultant feasibility work completed in 2024 and 2025. While previous interventions have addressed mechanical elements such as sluice gates, the undercroft beams and the wheel mechanism, this programme will focus on the building fabric, including repairs to roofing, windows, and flooring to ensure structural integrity and protect the historic asset. These works are critical to prevent further deterioration, maintain safety, and preserve the mill's heritage value. In addition, the Council will consult with Totton and Eling Town Council to identify any additional priorities at the site that fall outside the initial scope but are deemed vital for overall site preservation and community benefit.

Marsh Lane Depot improvements including Electrical Supply (2026/27 £500,000)

33. The 2026/27 Capital Programme includes £500,000 for targeted improvements at Marsh Lane Depot. The focus will be on delivering high-impact, cost-effective interventions to enhance welfare facilities and overall accommodation standards for staff. Alongside upgrades to communal and hygiene areas, the project will review the capacity of existing office accommodation to determine whether certain buildings can be refurbished to provide modern, functional workspace. This approach supports better utilisation of assets and improved working conditions. In addition, a comprehensive storage audit across the site is planned to identify opportunities for rationalisation and efficiency gains. A significant priority will be the installation of a new 1500kVA substation at Marsh Lane Depot, Lymington. This investment was informed by and recommended as part of consultant-led feasibility works completed in 2025, which confirmed that the existing electrical infrastructure is operating at full capacity and poses compliance and safety risks. The upgrade will provide essential capacity relief, improve resilience, and ensure statutory compliance, while supporting future operational growth and sustainability objectives.

Dibden Golf Centre (2026/27 £100,000)

34. This investment is to undertake landlord responsibilities and improve the clubhouse, particularly the entrance. Full details will

need to be determined, and the resultant activity scheduled in collaboration with our partners.

35. Further Information Relating to Part or Non-NFDC Funded Projects

Disabled Facilities Grants (2026/27 £1.500 million; 2027/28 £1.500 million; 2028/29 £1.500 million)

36. 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.

South-East Strategic Coastal Monitoring (2026/27 £2.731 million; 2027/28 £3.431 million; 2028/29 £3.211 million)

37. This project is the continuation of the regional coastal monitoring programme, with the MTFP covering the conclusion of Phase III 2025-2027 of the national monitoring programme and the initial stages of Phase IV 2027-2033. The figures above are for the full approval for the SE region as managed and co-ordinated by NFDC. NFDC Capital Contribution: £nil.

Hurst Spit Shingle Source Study (2026/27 £61,000; 2027/28 £61,000)

38. 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, funded by the Environment Agency, will enable this work to be undertaken, enabling the BMP to be updated in line with current practices. NFDC Capital Contribution: £nil.

Milford-On-Sea Beach and Cliff Study (2026/27 £100,000; 2027/28 £123,000)

39. This project will enable an updated condition survey, assessment, and plan to be formulated to protect the aging coastal defences. The commencement and delivery of this project will be subject to the outcomes of the Christchurch Bay Strategy Study. NFDC Capital Contribution: £nil.

Hurst Spit Beach Management Plan (BMP) (2026/27 £105,000)

40. The proposed works, funded by the Environment Agency, align with the current approved BMP for undertaking Hurst Spit maintenance operations and is also in sync with the preferred ongoing “hold the form – maintain” strategy. NFDC Capital Contribution: £nil.

Developer Contributions / CIL (2026/27 £5.100 million; 2027/28 £9.650 million; 2028/29 £7.300 million)

41. A separate report in early Summer 2026 will confirm the proposed projects, with the Capital Programme at this stage setting aside an indicative gross overall budget to be set for drawdown for individual project delivery. NFDC Capital Contribution: £nil.

Applemore Leisure Centre Public Sector Decarbonisation Scheme (PSDS) (2026/27 £202,000; 2027/28 £1,211,000; 2028/29 £731,000)

42. The scheme will enable upgrades to the Leisure Centre in turn reducing carbon emissions. These include replacing existing heating systems and improving insulation. NFDC Capital Contribution: 2026/27 £82,000; 2027/28 £130,000, 2028/29 £131,000.

Corporate plan priorities

43. The investments laid out in the body of the report are widespread and crosscutting, positively impacting many of the council’s corporate priorities including caring for our facilities, neighbourhoods, and open spaces in a modern and responsive way, maximising the benefits of inclusive economic growth and investment, and being financially responsible.

Options appraisal

44. As detailed in the body of the report the Capital Board considered a number of potential requests for funding prioritising those of a statutory and health and safety nature first.

Consultation undertaken

45. Internal consultation between finance officers, service managers and budget holders has determined the forecast data presented in the report.
46. This report was considered at the Resources and Transformation Overview and Scrutiny Panel on 22 January 2026.

Financial and resource implications

47. This is a financial report with budget implications already detailed and considered in the main body of the report. The new Project Management Office (PMO) will help provide oversight and delivery of the AMR and capital programme, to include consideration of resourcing requirements to deliver the enhanced programmes.

Legal implications

48. Many of the maintenance projects ensure the Council is satisfying its health and safety, statutory and contractual obligations associated with its assets.

Risk assessment

49. None undertaken.

Environmental / Climate and nature implications

50. Whilst constrained to the funding available a number of the schemes included in the council's AMR and Capital Programme, such as replacing old less efficient fleet vehicles and coastal protection work, make positive contributions to the environment.
51. £50,000 is specifically allocated to support work undertaken by the Council's sustainability team.

Equalities implications

52. There are no equality implications arising directly from this report.

Crime and disorder implications

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

Data protection / Information governance / ICT implications

54. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Asset Maintenance
and Replacement Programme
2026/27 – 2028/29

Appendix 2 – Capital Programme
2026/27 – 2028/29

Background Papers:

None

GENERAL FUND ASSET MAINTENANCE AND REPLACEMENT (AMR) PROGRAMME

	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
Health & Leisure Centres	750	750	750	750
Office, Depots and Outlying Buildings	270	265	-	-
Cemeteries	-	48	-	-
Hythe Prom	-	12	-	-
Programme Contingency	30	45	370	370
	-	-	-	-
	-	-	-	-
	1,050	1,120	1,120	1,120
ICT Replacement Programme	190	190	190	190
Vehicle and Plant (Depreciation/MRP)	1,650	1,790	1,790	1,790
	1,840	1,980	1,980	1,980
Less: Proportion allocated to the HRA	-390	-500	-500	-500
TOTAL GENERAL FUND AMR PROGRAMME	2,500	2,600	2,600	2,600

	Portfolio	PROJECT REQUIREMENTS £			ORIGINAL 2026/27 PROJECT FINANCING £			
		2026/27	2027/28	2028/29	NFDC Resources / Loan	Better Care Fund	Grant / Income	Developer contributions / CIL
Disabled Facilities Grants	HOU (GF)	1,500,000	1,500,000	1,500,000	-	1,500,000	-	-
Sustainability Fund - Unallocated	ENV & SUSTAIN	50,000	50,000	50,000	50,000	-	-	-
Strategic Regional Coastal Monitoring (2025-2027)	ENV & SUSTAIN	2,731,000	147,000	-	-	-	2,731,000	-
Strategic Regional Coastal Monitoring (2027-2033)	ENV & SUSTAIN	-	3,284,000	3,211,000	-	-	-	-
Hurst Spit Beach Shingle Source Study	ENV & SUSTAIN	61,000	61,000	-	-	-	61,000	-
Milford Beach and Cliff Study	ENV & SUSTAIN	100,000	123,000	-	-	-	100,000	-
Hurst Spit BMP	ENV & SUSTAIN	105,000	-	-	-	-	105,000	-
Public Conveniences	ENV & SUSTAIN	1,000,000	1,000,000	-	1,000,000	-	-	-
Vehicle & Plant; Replacement Programme	FIN & CORP	2,947,000	1,012,000	3,458,000	2,947,000	-	-	-
Eling Tide Mill Major Works	FIN & CORP	250,000	500,000	-	250,000	-	-	-
Marsh Lane Depot (Including Electrical Supply)	FIN & CORP	500,000	-	-	500,000	-	-	-
Mitigation Schemes	PLAN & ECON	1,000,000	1,000,000	1,000,000	-	-	-	1,000,000
Infrastructure Projects	PLAN & ECON	1,000,000	1,000,000	1,000,000	-	-	-	1,000,000
Strategic Infrastructure Projects	PLAN & ECON	2,950,000	7,500,000	5,150,000	-	-	-	2,950,000
Arts & Culture Projects	PLAN & ECON	150,000	150,000	150,000	-	-	-	150,000
Dibden Golf Centre	CSWELL	100,000	-	-	100,000	-	-	-
Applemore PSDS	CSWELL	202,000	1,211,000	731,000	82,000	-	120,000	-
TOTAL GENERAL FUND CAPITAL PROGRAMME		14,646,000	18,538,000	16,250,000	4,929,000	1,500,000	3,117,000	5,100,000
								14,646,000
LOAN FINANCED				Vehicle & Plant	-2,947,000			
RESIDUAL NFDC RESOURCES					1,982,000			

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Cabinet – 4 February 2026

Capital Strategy 2026/27

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the council’s proposed capital strategy for 2026/27.</p> <p>It provides a high-level 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.</p>
Recommendation(s)	<p>It is recommended that Cabinet:</p> <p>1) Recommend to Full Council that the Capital Strategy 2026/27 be approved, including the adoption of the Minimum Revenue Payment (MRP) statement.</p>
Reasons for recommendation(s)	To comply with the statutory guidance issued by the Government in January 2018 and the CIPFA 2021 Prudential and Treasury Management Codes requiring all local authorities to prepare a Capital Strategy.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources (Section 151 Officer)
Officer Contact	<p>Paul Whittles</p> <p>Assistant Director - Finance</p> <p>02380 285766</p> <p>paul.whittles@nfdc.gov.uk</p>

Introduction and background

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. The Capital Strategy confirms what the Council is intending to spend its money on over the medium term and how it intends to finance this expenditure.
3. The Capital Strategy is still work in progress whilst the budget is being finalised and may be subject to minor adjustments between the panel's overview, and the version presented to Cabinet.
4. The Council will supplement internal resources, when necessary, with external borrowing and in accordance with advice it receives from its contracted Treasury Management experts. Borrowing was utilised to support the 2025/26 capital programme and based on the current set of prudential indicators; external borrowing will continue to be required each year from 2025/26.
5. Over the period covered by 2026/27 to 2028/29, total capital expenditure is forecast at around £142.414 million. (General Fund Treasury Management Strategy 49.434 million; Housing Revenue Account (HRA) £92.980 million)
6. £46.196 million of capital expenditure is currently programmed during 2026/27 with £14.646 million relating to the General Fund and £31.550 million within the HRA.
7. 2026/27 General Fund activity is funded using £9.717 million of external funding (grants, developer contributions including CIL), £1.982 million of internal resources (reserves, capital receipts and revenue contributions) with the balance funded by borrowing.
8. The change to the levels of cash held and debt funding will require the Council's Medium Term Financial Plan (MTFP) to be reviewed and adjusted accordingly to match the estimated interest earning and costs.
9. 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.
10. 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.

Minimum Revenue Provision (MRP)

11. 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.
12. 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.”

Corporate plan priorities

13. The Capital Strategy provides a framework ensuring we use our resources appropriately, are financially responsible, and consequently supports and underpins the delivery of all our priorities.

Options appraisal

14. None undertaken.

Consultation undertaken

15. Internal consultation between finance officers, service managers and budget holders has determined the forecast data presented in the report.
16. This report was presented to Resources and Transformation Overview and Scrutiny Panel on 22 January 2026.

Financial and resource implications

17. This is a financial report with budget implications already detailed and considered in the main body of the report.

Legal implications

18. There are no legal implications arising directly from this report.

Risk assessment

19. None undertaken.

Environmental / Climate and nature implications

20. There are no environmental implications arising directly from this report.

Equalities implications

21. There are no equality implications arising directly from this report.

Crime and disorder implications

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

Data protection / Information governance / ICT implications

23. There are no data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Capital Strategy
2026/27

Background Papers:

None

Capital Strategy 2026/27

Introduction

1. 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.
2. 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.
3. The report also includes the prudential indicators, as required by the Prudential Code.

Capital Expenditure and Financing

4. 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.
5. 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.
6. In 2026/27, the Council is planning capital expenditure of £46.196 million as summarised below:
7. Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
General Fund services	15.331	20.948	14.646	18.538	16.250
Council housing (HRA)	28.652	30.743	31.550	30.530	30.900
Capital investments	-0.007	0.000	0.000	0.000	0.000
TOTAL	43.976	51.691	46.196	49.068	47.150

8. The General Fund capital programme includes the cyclical replacement of vehicles and plant, and containers/vehicles for the new Waste Strategy.
9. Due to the ongoing comparatively high, albeit reducing, interest rate environment, no further expenditure on commercial and residential properties is assumed at this time (save for exceptional opportunities).
10. 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.
11. **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 Capital Board. 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.
12. Full details of the Council's capital programme are available within the February 2026 Cabinet papers (Medium Term Financial Plan / Annual Budget 2026/27).
13. 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 (loan/borrowing). The planned financing of the above expenditure is as follows:

14. Table 2: Capital financing in £ millions

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
External sources	10.211	14.466	9.992	16.121	12.885
Capital Receipts	6.086	7.200	6.080	2.000	1.000
Capital Reserves	6.088	0.950	2.932	2.630	1.131
Revenue Contributions	10.728	11.100	10.200	10.500	10.800
Debt / Loan	10.863	17.975	16.992	17.817	21.334
TOTAL	43.976	51.691	46.196	49.068	47.150

15. 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:

16. Table 3: Replacement of debt finance in £ millions

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Capital Expenditure Financed by Debt / Loan	10.863	17.975	16.992	17.817	21.334
Own resources - Net Debt Repayment	-4.100	-2.414	-2.832	-2.523	-2.355
Own resources - MRP Provision	-2.415	-3.136	-3.667	-3.976	-4.144
Movement in CFR	4.348	12.425	10.493	11.318	14.835

17. 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 £10.493 million during 2026/27. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

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

	31.3.2025 Actual	31.3.2026 Forecast	31.3.2027 Budget	31.3.2028 Budget	31.3.2029 Budget
General Fund services	9.639	17.258	17.841	16.490	17.585
Council housing (HRA)	137.267	142.509	152.854	165.959	180.135
Capital investments	20.537	20.102	19.666	19.231	18.795
Total CFR at Year End	167.443	179.869	190.362	201.680	216.515
Movement in CFR from one year to the next	1.747	12.425	10.493	11.318	14.835

19. **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.
20. 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.”***
21. 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 2026/27 HRA budget confirms that new borrowing is required to provide the necessary finance to the Capital Programme.
22. **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 has produced a Strategic Asset Management Strategy (SAMP).

23. **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 £3.540 million of capital receipts in the coming financial year as follows:

24. Table 5: Capital receipts in £ millions

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Asset sales	5.181	6.098	3.540	1.410	1.100
Loans repaid	0.250	0.050	0.000	0.000	0.000
TOTAL	5.431	6.148	3.540	1.410	1.100

25. The majority of forecast asset disposals relate to Right to Buy receipts.

Treasury Management

26. 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 spent (‘spent’ in this context also includes the payment of collected council tax to the relevant precepting authorities) but will become cash poor in 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.
27. At the last balance sheet date (31/03/2025), the Council had £132.9 million borrowing at an average interest rate of 3.69% (due principally to the HRA refinancing settlement in 2012) and held £32.4 million treasury investments (including sums received from

Central government for redistribution) earning an average rate of 4.76%.

28. **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.
29. 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.
30. Projected levels of the Council’s total outstanding debt are shown in table 6 below, compared with the capital financing requirement (see above).
31. Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £millions

	31.3.2025 Actual	31.3.2026 Forecast	31.3.2027 Budget	31.3.2028 Budget	31.3.2029 Budget
Debt - HRA settlement	109.9	105.8	101.7	97.6	93.5
Debt - Capital programme	23.0	35.5	56.5	81.5	104.1
Total debt	132.9	141.3	158.2	179.1	197.6
Capital Financing Requirement	167.4	179.9	190.4	201.7	216.5

32. 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.
33. The figures shown in the Debt – Capital Programme row highlight the amount of external borrowing that is anticipated to be needed from 31 March 2025, but this will be managed against actual overall cash balances, as part of the Treasury Strategy.
34. **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.

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

	2024/25 limit	2025/26 limit	2026/27 limit	2027/28 Limit	2028/29 Limit
Authorised limit – total external debt	233.6	229.7	235.5	244.1	260.3
Operational boundary – total external debt	214.5	209.8	215.0	222.9	238.4

36. Further details on borrowing are included within the treasury management strategy.
37. **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.
38. 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.
39. Table 8: Treasury management investments in £millions

	31.3.2025 Actual	31.3.2026 Forecast	31.3.2027 Budget	31.3.2028 Budget	31.3.2029 Budget
Near-term investments	23.3	10.0	10.3	10.2	10.1
Longer-term investments	9.1	9.1	9.1	9.1	9.1
TOTAL	32.4	19.1	19.4	19.3	19.2

40. Further details on treasury investments are included within the treasury management strategy
41. 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).

42. **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer 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.

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

43. 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 (WOTC) and will in return receive an income. Investment properties were valued at £28.3 million on the Council's balance sheet as at 31/03/25 and long terms loans to the WOTC totalled £3.713 million as at the same date.
44. 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.
45. Expenditure on these approved strategies remains paused due to the 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.

46. **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 trading 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.
47. 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](#)

Other Liabilities

48. In addition to debt of £132.9 million detailed above, the Council is committed to making future payments to cover its pension fund liability (valued at £5 million as at 31/03/2025), It has also set aside £1.9 million in provisions, with £1.4 million of this to cover risks of business rate appeals.
49. **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.
50. Further details on liabilities are shown within the Council's draft balance sheet on page 18 of the 2024/25 draft Annual Financial Report, further supported by notes to the accounts originally published May 2025 (to be confirmed following conclusion of the external audit by the 28 February 2026 backstop date):
51. [Draft Annual Financial Report 2024-25](#)
52. 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 receivable (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.) . 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.

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

	31.3.2025 Actual	31.3.2026 Forecast	31.3.2027 Budget	31.3.2028 Budget	31.3.2029 Budget
General Fund; Financing costs (£m)	1.97	2.93	3.21	3.31	3.39
General Fund; Proportion of net revenue stream	8.0%	11.5%	12.3%	12.7%	13.1%
Financing costs (£m)	5.0	5.6	6.8	8.1	8.8
HRA; Proportion of net revenue stream	13.7%	15.2%	17.4%	19.7%	20.4%

54. 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, as the council has an ongoing greater reliance on external debt to fund its capital programme.
55. **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 and in light of the proposed Local Government Reorganisation. 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).

Knowledge and Skills

56. 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, Assistant Director – Finance, the Principal Service Accountant and the Principal Corporate Accountant are all

qualified accountants with several years' experience between them. Senior Estates, Valuation & Facilities Officers are highly experienced in commercial property transactions and facilities management and are supported by experienced and professionally qualified surveyors and valuers (members of the Royal Institution of Chartered Surveyors).

57. 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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Cabinet – 4 February 2026

Members' allowances – Scheme to apply from 1 April 2026

Purpose	For Decision
Classification	Public
Executive Summary	In compliance with legislation and the scheme of allowances adopted by Council in February 2025, this report seeks authority to set the scheme of members' allowances to apply from 1 April 2026. No changes are recommended to the scheme.
Recommendation:	That the Cabinet recommend to Council that the current scheme of members' allowances be made as the scheme to apply from 1 April 2026.
Reasons for recommendation(s)	To implement a scheme that will apply for a period of up to four years commencing 1 April 2026. To comply with the provisions of the Local Government (Members' Allowances) (England) Regulations 2003.
Ward(s)	All
Portfolio Holder(s)	Councillor Jill Cleary - Leader
Strategic Director(s)	Kate Ryan – Chief Executive
Officer Contact	Karen Wardle Principal Democratic Services Officer Tel: 023 8028 5071 Karen.wardle@nfdc.gov.uk Matt Wisdom Assistant Director – Strategy and Engagement (Monitoring Officer) Tel: 023 8028 5072 Matt.wisdom@nfdc.gov.uk

Introduction and background

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:

[Members' allowances - New Forest District Council.](#)

2. The current scheme was adopted in February 2025 following a review by the Independent Remuneration Panel. The 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. The proposed scheme for 2026/27 continues to align with the last IRC recommendations in November 2024, which took into account the reduction in the number of councillors implemented in May 2023 and made minor adjustments to the calibration of certain allowances.
4. The employees' national pay award for 2025/26 was agreed in July 2025 and has been implemented. Any pay award agreed for the 2026/27 financial year, will automatically, under the terms of the Scheme, be backdated to 1 April 2026. No other changes to the scheme are proposed. Indeed, no changes are possible without a recommendation from the Independent Remuneration Panel.

Corporate Plan priorities

5. The proposed scheme promotes the Future New Forest objectives by ensuring that the Council's modernised governance and electoral arrangements are reflected in the remuneration of councillors.

Options appraisal

6. In light of no changes being proposed to the members allowance scheme to apply from 1 April 2026, no other option has been considered. Should any changes be proposed, it would be necessary to undertake a review of the members allowance scheme by an Independent Remuneration Panel.

Consultation undertaken

7. No consultation has been undertaken on the basis that a full review was carried out in 2024 and no changes are proposed to the scheme of members' allowances.

Financial and resource implications

8. Provision has been made in the draft 2026/27 budget for members allowance payments.

Legal implications

9. There are none arising from this report. The Council's scheme is in accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003. It should be noted that where a scheme allows for the adjustment of allowances to be determined by reference to an index, the application of that index must be reviewed at least every four years. As this Council's scheme of allowances was last reviewed in November 2024, the next review would be due in November 2028. In light of local government reorganisation, it may not be necessary for this Council to undertake a further review. Cabinet will be advised if this position changes.

Risk Assessment

10. A formal risk assessment for the setting of a Members' Allowances Scheme is not considered necessary, having regard to the implications outlined throughout the report.

Environmental / Climate and nature implications

11. 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.

Equalities implications

12. 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.

Crime and disorder implications

13. There are none arising directly from this report.

Data protection / Information governance / ICT implications

14. There are no direct implications arising from this report.

Appendices:

None

Background Papers:

Cabinet report – February 2025

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Council – 26 February 2026

The 2026/27 Council Tax

Purpose	For Decision
Classification	Public
Executive Summary	<p>The Council sets the Council Tax annually in line with legislative requirements.</p> <p>The recommendation is to increase this Council’s Band D equivalent by £6.15 (2.99%), with the average Band D equivalent for all precepting authorities to increase by £116.39 (5.05%) in 2026/27.</p>
Recommendation(s)	<p>The Council is recommended to resolve:</p> <ol style="list-style-type: none"> 1. That it be noted that on 3 December 2025 the Council calculated the Council Tax Base for the year 2026/27, as set out in paragraph 19. 2. To calculate that the Council Tax requirement for the Council’s own purposes for 2026/27 (excluding Parish Precepts) is £15,746,890. 3. That the amounts be calculated for the year 2026/27 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, as set out in paragraph 21. 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 2026/27 to the Council in accordance with Section 40 of the Local Government

	<p>Finance Act 1992, for each category of dwellings in the Council's areas as set out in paragraph 22.</p> <p>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 precept.</p> <p>6. That, having calculated the aggregate in each case of the amounts at paragraph 21(h) and 22, the Council, in accordance with Section 30 of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), hereby sets the amounts of Council Tax for the year 2026/27 for each part of its area and for each of the categories of dwellings, as set out in paragraph 24.</p> <p>The detail in respect of these recommendations is contained in full at paragraphs 19 – 24.</p>
Reasons for recommendation(s)	The council is required to set the Council Tax annually. This report enables members to calculate and set the Council Tax for 2026/27.
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Section 151 Officer
Officer Contact	Paul Whittles Assistant Director – Finance (Deputy Section 151 Officer) 02380 285766 paul.whittles@nfdc.gov.uk

Introduction and background

1. Members are required to calculate and set the Council Tax for 2026/27.
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.
3. Members will have considered earlier in this agenda the recommended General Fund revenue budget for 2026/27, which is outlined in paragraph 14. Any changes made at that stage could change the Council Tax figures shown in this report.
4. The recommended Council Tax for every District Council area is shown in paragraph 24 of this report.
5. Appendix 1 attached to this report supplements the prescribed layout of the recommendations by showing how the figures used in paragraph 21 have been arrived at.

The 2026/27 Council Tax Bill

6. This report recommends a Council Tax level of £2,419.76 for 2026/27. This is an average figure based on a band 'D' property and is an increase of £116.39 (5.05%) over the equivalent figure for 2025/26.
7. Each dwelling falls into one of eight valuation bands (A to H) for tax purposes. More details are given in Appendix 2.
8. The tax level is based upon the 2026/27 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.
9. If the recommendations in this report are accepted there will be a range of Band D Council Tax levies from £2,285.33 to £2,477.18. The average figures are as follows: -

	2025/26	2026/27	INCREASE	
	AVERAGE £	AVERAGE £	£	%
New Forest District Council	205.77	211.92	6.15	2.99
Hampshire County Council	1,609.83	1,690.11	80.28	4.99
Hampshire and Isle of Wight:-				
Police and Crime Commissioner	275.46	290.46	15.00	5.45
Fire and Rescue Service	87.84	92.84	5.00	5.69
	2,178.90	2,285.33	106.43	4.88
Parish/Town Councils	124.47	134.43	9.96	8.00
	2,303.37	2,419.76	116.39	5.05

10. The proposed 2026/27 Council Tax for all areas is shown in paragraph 24 of this report.
11. 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. From 1 April 2026 there is a 100% premium for furnished properties which are not occupied as anyone's main residence and for properties that have been empty for more than 1 year. There are specific prescribed exceptions to these premiums, for example where the property is being actively marketed for sale or rent.
12. Council Tax bills can be payable by 10 monthly instalments from 1 April, however taxpayers can request payments over 12 months. 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.
13. 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.

New Forest District Council

14. The proposed 2026/27 General Fund budget requirement, elsewhere on this agenda, totals £26,630,550. After deducting retained Business Rates, Government support and collection fund adjustments of £10,883,660, the District Council needs to raise £15,746,890 through Council Tax. This requires a District Council Tax of £211.92 for a Band D property, which means there is an increase of £6.15 (2.99%) over the equivalent figure for 2025/26.

Hampshire County Council

15. Hampshire County Council met on the 26 February 2026 and set its precept upon this Council at £125,584,976. This results in a Band D Council Tax of £1,690.11, which represents an increase of £80.28 (4.99%) over the equivalent 2025/26 figure.

Police and Crime Commissioner for Hampshire and Isle of Wight

16. The Police and Crime Commissioner for Hampshire and Isle of Wight set a precept of £21,582,863 upon this Council. This results in a Band D Council Tax of £290.46, which represents an increase of £15.00 (5.45%) over the equivalent 2025/26 figure.

Hampshire and Isle of Wight Fire and Rescue Service

17. Hampshire and Isle of Wight Fire and Rescue Service met on the 10 February 2026 and set its precept upon this Council at £6,898,550. This results in a Band D Council Tax of £92.84, which represents an increase of £5.00 (5.69%) over the equivalent 2025/26 figure.

Town and Parish Councils

18. The Town and Parish Council precepts (Council Tax Requirements) for 2026/27 are detailed in Appendix 3 and total £9,988,752. This is an increase of £858,176 from 2025/26 and results in an average Band D Council Tax for 2026/27 of £134.43, an increase of £9.96 (8.00%) from 2025/26.

Details of Recommendations

19. On 3 December 2025 the Council calculated the Council Tax Base for the year 2026/27:
 - (a) for the whole Council area as 74,305.80 [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.
20. The Council Tax requirement for the Council's own purposes for 2026/27 (excluding Parish Precepts) is £15,746,890.

21. The following amounts have been calculated for the year 2026/27 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) £168,869,792 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) £143,134,150 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £25,735,642 being the amount by which the aggregate at 21(a) above exceeds the aggregate at 21(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) £346.35 being the amount at 21(c) above (Item R), all divided by the Council Tax Base, Item T (19(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) £9,988,752 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) £211.92 being the amount at 21(d) above less the result given by dividing the amount at 21(e) above by Item T (19(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	277.48
BEAULIEU	253.16
BOLDRE	247.95
BRAMSHAW	244.54
BRANSGORE	334.71
BREAMORE	241.89
BROCKENHURST	319.74
BURLEY	243.61
COPYTHORNE	236.33
DAMERHAM	261.42
DENNY LODGE	255.70
EAST BOLDRE	257.86
ELLINGHAM HARBRIDGE & IBSLEY	267.31
EXBURY & LEPE	211.92
FAWLEY	388.64
FORDINGBRIDGE	375.78
GODSHILL	271.79
HALE	269.94
HORDLE	294.07
HYDE	242.00
HYPHE & DIBDEN	381.73
LYMINGTON & PENNINGTON	363.48
LYNDHURST	295.14
MARCHWOOD	386.93
MARTIN	271.62
MILFORD-ON-SEA	306.29
MINSTEAD	256.94
NETLEY MARSH	260.41
NEW MILTON	362.64
RINGWOOD	346.68
ROCKBOURNE	301.66
SANDLEHEATH	248.25
SOPLEY	307.47
SWAY	278.71
TOTTON & ELING	403.77
WHITSBURY	239.83
WOODGREEN	254.98

being the amounts given by adding to the amount at 21(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 19(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 paragraph 24 for the full amounts of Council Tax.

LOCAL COUNCIL AREA	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
ASHURST & COLBURY	184.99	215.82	246.65	277.48	339.14	400.81	462.47	554.96
BEAULIEU	168.78	196.90	225.03	253.16	309.42	365.68	421.94	506.32
BOLDRE	165.30	192.85	220.40	247.95	303.05	358.16	413.25	495.90
BRAMSHAW	163.03	190.20	217.37	244.54	298.88	353.23	407.57	489.08
BRANSGORE	223.14	260.33	297.52	334.71	409.09	483.48	557.85	669.42
BREAMORE	161.26	188.14	215.01	241.89	295.64	349.40	403.15	483.78
BROCKENHURST	213.16	248.69	284.21	319.74	390.79	461.85	532.90	639.48
BURLEY	162.41	189.48	216.54	243.61	297.74	351.89	406.02	487.22
COPYTHORNE	157.56	183.81	210.07	236.33	288.85	341.37	393.89	472.66
DAMERHAM	174.28	203.33	232.37	261.42	319.51	377.61	435.70	522.84
DENNY LODGE	170.47	198.88	227.29	255.70	312.52	369.35	426.17	511.40
EAST BOLDRE	171.91	200.56	229.21	257.86	315.16	372.47	429.77	515.72
ELLINGHAM HARBRIDGE & IBSLEY	178.21	207.91	237.61	267.31	326.71	386.12	445.52	534.62
EXBURY & LEPE	141.28	164.83	188.37	211.92	259.01	306.11	353.20	423.84
FAWLEY	259.10	302.28	345.46	388.64	475.00	561.37	647.74	777.28
FORDINGBRIDGE	250.52	292.28	334.03	375.78	459.28	542.80	626.30	751.56
GODSHILL	181.20	211.39	241.59	271.79	332.19	392.59	452.99	543.58
HALE	179.96	209.96	239.95	269.94	329.92	389.92	449.90	539.88
HORDLE	196.05	228.72	261.40	294.07	359.42	424.77	490.12	588.14
HYDE	161.34	188.22	215.11	242.00	295.78	349.56	403.34	484.00
HYPHE & DIBDEN	254.49	296.90	339.32	381.73	466.56	551.39	636.22	763.46
LYMINGTON & PENNINGTON	242.32	282.71	323.09	363.48	444.25	525.03	605.80	726.96
LYNDHURST	196.76	229.56	262.35	295.14	360.72	426.32	491.90	590.28
MARCHWOOD	257.96	300.95	343.94	386.93	472.91	558.90	644.89	773.86
MARTIN	181.08	211.26	241.44	271.62	331.98	392.35	452.70	543.24
MILFORD-ON-SEA	204.20	238.23	272.26	306.29	374.35	442.42	510.49	612.58
MINSTEAD	171.30	199.84	228.39	256.94	314.04	371.14	428.24	513.88
NETLEY MARSH	173.61	202.54	231.48	260.41	318.28	376.15	434.02	520.82
NEW MILTON	241.76	282.06	322.35	362.64	443.22	523.82	604.40	725.28
RINGWOOD	231.12	269.64	308.16	346.68	423.72	500.77	577.80	693.36
ROCKBOURNE	201.11	234.63	268.14	301.66	368.69	435.74	502.77	603.32
SANDLEHEATH	165.50	193.09	220.67	248.25	303.41	358.59	413.75	496.50
SOPLEY	204.98	239.15	273.31	307.47	375.79	444.13	512.45	614.94
SWAY	185.81	216.78	247.74	278.71	340.64	402.59	464.52	557.42
TOTTON & ELING	269.18	314.05	358.91	403.77	493.49	583.23	672.95	807.54
WHITSBURY	159.89	186.54	213.18	239.83	293.12	346.43	399.72	479.66
WOODGREEN	169.99	198.32	226.65	254.98	311.64	368.31	424.97	509.96

being the amounts given by multiplying the amounts at 21(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.

22. 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 2026/27 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
	£	£	£	£	£	£	£	£
HAMPSHIRE COUNTY COUNCIL	1,126.74	1,314.53	1,502.32	1,690.11	2,065.69	2,441.27	2,816.85	3,380.22
HAMPSHIRE AND ISLE OF WIGHT:-								
POLICE AND CRIME COMMISSION	193.64	225.91	258.19	290.46	355.01	419.55	484.10	580.92
FIRE AND RESCUE SERVICE	61.89	72.21	82.52	92.84	113.47	134.10	154.73	185.68
	1,382.27	1,612.65	1,843.03	2,073.41	2,534.17	2,994.92	3,455.68	4,146.82

23. The Hampshire County Council precept will be debated and set on the 26th February. The Section 151 Officer has issued this report based on the Hampshire Cabinet decision taken on the 18th February. In the event that the Hampshire County Council resolve a different recommendation to that proposed by the Cabinet, an alternative Council Tax setting report may need to be provided to the members of the District Council to consider and resolve. In the event of any final adjustments being required, the recommendations request 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 precept.

24. Further to the aggregate in each case of the amounts at 21(h) and 22 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 2026/27 for each part of its area and for each of the categories of dwellings shown below: -

LOCAL COUNCIL AREA	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
ASHURST & COLBURY	1,567.26	1,828.47	2,089.68	2,350.89	2,873.31	3,395.73	3,918.15	4,701.78
BEAULIEU	1,551.05	1,809.55	2,068.06	2,326.57	2,843.59	3,360.60	3,877.62	4,653.14
BOLDRE	1,547.57	1,805.50	2,063.43	2,321.36	2,837.22	3,353.08	3,868.93	4,642.72
BRAMSHAW	1,545.30	1,802.85	2,060.40	2,317.95	2,833.05	3,348.15	3,863.25	4,635.90
BRANSGORE	1,605.41	1,872.98	2,140.55	2,408.12	2,943.26	3,478.40	4,013.53	4,816.24
BREAMORE	1,543.53	1,800.79	2,058.04	2,315.30	2,829.81	3,344.32	3,858.83	4,630.60
BROCKENHURST	1,595.43	1,861.34	2,127.24	2,393.15	2,924.96	3,456.77	3,988.58	4,786.30
BURLEY	1,544.68	1,802.13	2,059.57	2,317.02	2,831.91	3,346.81	3,861.70	4,634.04
COPYTHORNE	1,539.83	1,796.46	2,053.10	2,309.74	2,823.02	3,336.29	3,849.57	4,619.48
DAMERHAM	1,556.55	1,815.98	2,075.40	2,334.83	2,853.68	3,372.53	3,891.38	4,669.66
DENNY LODGE	1,552.74	1,811.53	2,070.32	2,329.11	2,846.69	3,364.27	3,881.85	4,658.22
EAST BOLDRE	1,554.18	1,813.21	2,072.24	2,331.27	2,849.33	3,367.39	3,885.45	4,662.54
ELLINGHAM HARBRIDGE & IBSLEY	1,560.48	1,820.56	2,080.64	2,340.72	2,860.88	3,381.04	3,901.20	4,681.44
EXBURY & LEPE	1,523.55	1,777.48	2,031.40	2,285.33	2,793.18	3,301.03	3,808.88	4,570.66
FAWLEY	1,641.37	1,914.93	2,188.49	2,462.05	3,009.17	3,556.29	4,103.42	4,924.10
FORDINGBRIDGE	1,632.79	1,904.93	2,177.06	2,449.19	2,993.45	3,537.72	4,081.98	4,898.38
GODSHILL	1,563.47	1,824.04	2,084.62	2,345.20	2,866.36	3,387.51	3,908.67	4,690.40
HALE	1,562.23	1,822.61	2,082.98	2,343.35	2,864.09	3,384.84	3,905.58	4,686.70
HORDLE	1,578.32	1,841.37	2,104.43	2,367.48	2,893.59	3,419.69	3,945.80	4,734.96
HYDE	1,543.61	1,800.87	2,058.14	2,315.41	2,829.95	3,344.48	3,859.02	4,630.82
HYTHE & DIBDEN	1,636.76	1,909.55	2,182.35	2,455.14	3,000.73	3,546.31	4,091.90	4,910.28
LYMINGTON & PENNINGTON	1,624.59	1,895.36	2,166.12	2,436.89	2,978.42	3,519.95	4,061.48	4,873.78
LYNDHURST	1,579.03	1,842.21	2,105.38	2,368.55	2,894.89	3,421.24	3,947.58	4,737.10
MARCHWOOD	1,640.23	1,913.60	2,186.97	2,460.34	3,007.08	3,553.82	4,100.57	4,920.68
MARTIN	1,563.35	1,823.91	2,084.47	2,345.03	2,866.15	3,387.27	3,908.38	4,690.06
MILFORD-ON-SEA	1,586.47	1,850.88	2,115.29	2,379.70	2,908.52	3,437.34	3,966.17	4,759.40
MINSTEAD	1,553.57	1,812.49	2,071.42	2,330.35	2,848.21	3,366.06	3,883.92	4,660.70
NETLEY MARSH	1,555.88	1,815.19	2,074.51	2,333.82	2,852.45	3,371.07	3,889.70	4,667.64
NEW MILTON	1,624.03	1,894.71	2,165.38	2,436.05	2,977.39	3,518.74	4,060.08	4,872.10
RINGWOOD	1,613.39	1,882.29	2,151.19	2,420.09	2,957.89	3,495.69	4,033.48	4,840.18
ROCKBOURNE	1,583.38	1,847.28	2,111.17	2,375.07	2,902.86	3,430.66	3,958.45	4,750.14
SANDLEHEATH	1,547.77	1,805.74	2,063.70	2,321.66	2,837.58	3,353.51	3,869.43	4,643.32
SOPLEY	1,587.25	1,851.80	2,116.34	2,380.88	2,909.96	3,439.05	3,968.13	4,761.76
SWAY	1,568.08	1,829.43	2,090.77	2,352.12	2,874.81	3,397.51	3,920.20	4,704.24
TOTTON & ELING	1,651.45	1,926.70	2,201.94	2,477.18	3,027.66	3,578.15	4,128.63	4,954.36
WHITSBURY	1,542.16	1,799.19	2,056.21	2,313.24	2,827.29	3,341.35	3,855.40	4,626.48
WOODGREEN	1,552.26	1,810.97	2,069.68	2,328.39	2,845.81	3,363.23	3,880.65	4,656.78

Corporate plan priorities

25. The setting of the Council Tax is a legal requirement and supports our corporate priorities by ensuring we are financially responsible and manage our finances prudently.

Options appraisal

26. Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 as amended by the Localism Act 2011, set out the requirements for the calculation of the Council Tax for tax setting purposes. Therefore, there are no alternative options.

Consultation undertaken

27. Consultation was undertaken during the Budget Setting process, which informed the Council Tax rates to be set.

Financial and resource implications

28. The calculation of the Council Tax is the final part of the annual budget cycle. The level of Council 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.
29. This Council's budget allows for the necessary cost of Council Tax administration and collection.

Legal implications

30. There is a legal requirement to set the Council Tax. Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992, which applies to members where:
 - (a) they are present at a meeting of the Council, the Cabinet or a Committee and at the time of the meeting an amount of Council Tax is payable by them and has remained unpaid for at least two months; and

(b) any budget or Council Tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

31. In these circumstances, any such members shall at the meeting and as soon as practicable after its commencement disclose and the fact that Section 106 applies to them and shall not vote on any question concerning the matter in (b) above. It should be noted that such members are not debarred from speaking on these matters. Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

Risk assessment

32. There are no risk assessments required.

Environmental / Climate and nature implications

33. There are no environmental or climate and nature implications arising from this report.

Equalities implications

34. There are no potential equality and diversity implications arising directly from this report.

Crime and disorder implications

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

Data protection / Information governance / ICT implications

36. There are no additional data protection, information governance or ICT implications arising directly from this report.

Appendices:

Appendix 1 – Source of Figures
shown in Paragraph 21 of the Report

Appendix 2 – Valuation Bands

Appendix 3 – Summary of Local
Council Tax Requirements

Background Papers:

Cabinet 3 December 2025:

Council Tax 2026/27 – Setting
The Tax Base

Cabinet 18 February 2026:

Medium Term Financial Plan and
Annual Budget 2026/27

APPENDIX 1

SOURCE OF FIGURES SHOWN IN PARAGRAPH 21 OF THE REPORT

(a) (b) (c)

For the purposes of the recommendation, the estimated total net revenue expenditure of the Council for 2026/27 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	119,982,410	104,235,520	15,746,890
HRA	38,898,630	38,898,630	0
Town/Parish Precept	<u>9,988,752</u>	<u>0</u>	<u>9,988,752</u>
	<u>168,869,792</u>	<u>143,134,150</u>	<u>25,735,642</u>
	(a)	(b)	(c)

(d) This is the combined District Council and Town/Parish Council Tax at Band D: -

	£
District	211.92
Average Town/Parish	134.43
	<u>346.35</u>

(e) £9,988,752 is the total of the Town/Parish Council precepts as shown in Appendix 3.

(f) £211.92 is the District Council Tax at Band D. The sequence of figures in 21 (a) to (f) is intended to start from estimated total net 2026/27 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.

APPENDIX 2

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	2026/27			
	COUNCIL	TAX BASE	COUNCIL	COUNCIL
	TAX		TAX PER	TAX
	REQUIREMENT		BAND D	INC. / (-) DEC.
	£	PROPERTIES	£	FROM
				2025/26
	£		£	£
ASHURST AND COLBURY	62,406	951.90	65.56	4.31
BEAULIEU	23,832	577.90	41.24	5.29
BOLDRE	41,000	1,137.80	36.03	1.31
BRAMSHAW	11,500	352.50	32.62	0.96
BRANSGORE	231,350	1,884.10	122.79	0.65
BREAMORE	5,566	185.70	29.97	0.58
BROCKENHURST	218,049	2,022.30	107.82	30.66
BURLEY	26,983	851.60	31.69	3.44
COPYTHORNE	30,340	1,242.70	24.41	1.48
DAMERHAM	12,613	254.80	49.50	1.85
DENNY LODGE	7,237	165.30	43.78	2.01
EAST BOLDRE	18,000	391.80	45.94	1.02
ELLINGHAM HARBRIDGE AND IBSLEY	36,000	649.90	55.39	11.59
EXBURY AND LEPE	0	132.30	0.00	0.00
FAWLEY	821,534	4,648.80	176.72	7.41
FORDINGBRIDGE	425,927	2,599.40	163.86	19.89
GODSHILL	14,063	234.90	59.87	0.02
HALE	15,510	267.30	58.02	5.70
HORDLE	205,000	2,495.50	82.15	7.72
HYDE	16,400	545.30	30.08	-0.64
HYTHE AND DIBDEN	1,284,463	7,563.90	169.81	7.38
LYMINGTON AND PENNINGTON	1,208,802	7,975.70	151.56	8.66
LYNDHURST	130,000	1,562.10	83.22	0.32
MARCHWOOD	363,782	2,078.60	175.01	7.21
MARTIN	11,725	196.40	59.70	0.45
MILFORD-ON-SEA	298,634	3,164.50	94.37	15.40
MINSTEAD	17,368	385.80	45.02	1.53
NETLEY MARSH	41,554	857.00	48.49	5.34
NEW MILTON	1,631,666	10,825.80	150.72	15.70
RINGWOOD	740,842	5,497.40	134.76	10.63
ROCKBOURNE	15,202	169.40	89.74	-0.86
SANDLEHEATH	11,015	303.20	36.33	1.61
SOPLEY	37,800	395.60	95.55	2.61
SWAY	118,878	1,779.80	66.79	2.11
TOTTON AND ELING	1,839,351	9,587.50	191.85	14.13
WHITSBURY	3,000	107.50	27.91	7.37
WOODGREEN	11,360	263.80	43.06	0.38
	9,988,752	74,305.80	134.43	

Council – 26 February 2026

Appointment of the Strategic Director, Housing and Communities - Report of the Member Appointment Panel

Purpose	For Decision
Classification	Public
Executive Summary	Following the promotion of the previous postholder to Deputy Chief Executive, the role of Strategic Director Housing and Communities became vacant. It was decided by the Leader, Chief Executive, and Deputy Chief Executive as a fundamental role to replace on a permanent basis. The report outlines the recruitment process undertaken. Approval of appointment of a Chief Officer of the District Council is required to be done by the full Council.
Recommendation(s)	That Sophie Sajic is appointed Strategic Director, Housing and Communities.
Reasons for recommendation(s)	The recommendation is made following the recruitment process outlined below.
Ward(s)	All
Portfolio Holder(s)	Councillor Jill Cleary – Leader of the Council
Strategic Director(s)	Kate Ryan – Chief Executive
Officer Contact	Heleana Aylett HR Service Manager 02380 285662 Heleana.aylett@nfdc.gov.uk

Appointment of Strategic Director, Housing and Communities

1. This role became vacant when the previous postholder was promoted to the new post of Deputy Chief Executive in October 2025, following a review of the Leadership team. The role of Strategic Director, Housing and Communities is required to be filled on a like for like basis, to ensure we are able to deliver our council priorities and continue to meet the requirements of the Social Housing Regulation Act and other key pieces of legislation and public protection.

2. 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 done by Council.
3. The Appointment Panel consisted of the Leader of the Council, the Deputy Leader of the Council, the Leader of the Opposition, the Chief Executive and the Deputy Chief Executive.
4. Tile Hill (executive recruitment agency) were commissioned to help recruit to this role alongside Human Resources and provided long and shortlisting of proposed candidates. Initial preliminary interviews were also undertaken by them with thorough feedback provided to the Panel.
5. Several external candidates were shortlisted, and they attended interview with the Appointment Panel on 12th January 2026 (there were no internal candidates).
6. The candidates were asked to prepare a presentation on implementing a new phase of collaboration and engagement to ensure the views and lived experience of a diverse group of tenants is received, which was delivered at the start of each interview. They also had guided question sessions separately with direct reports and peers. Feedback from the guided question sessions was discussed with the Panel.
7. A number of candidates were invited back for a second interview on 2nd February, to assess the candidates' leadership styles in action.

The second interview process started with completing a 'Congruity' in-depth personality profile in advance of the day so that insights were available to probe further in person. On the day, the process included a 'real time' housing crisis where four Housing Service Managers participated, and the Deputy Leader, Deputy Chief Executive and Interim Service Manager Housing and Communities observed the exercise. Feedback was sought from the participants afterwards. Candidates also then met with the observers for an informal discussion and exercise debrief.

8. Following the second interview process, the observers met with the Chief Executive and agreed that Sophie Sajic was their recommended candidate.

Recommendation for appointment

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. The Executive has accordingly been informed as to details of the preferred candidate and has no objection to the appointment.

10. In accordance with the Regulations and Standing Orders the Council is now required to approve the appointment.

Appendices:

None

Background Papers:

None

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Council – 26 February 2026

Amendment to the Constitution – Procedure for Removing and Replacing the Leader of the Council

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report considers amendments to the Council’s Constitution relating to the procedure for removing and replacing the Leader of the Council (Chapter 4/5).</p> <p>The report sets out the legislative and local context, comparative research, and options for change, with a recommended approach.</p> <p>In light of the options appraisal, it is recommended specifically to remove the automatic trigger relating to “change in balance”, with further amendments to clarify the procedures available to remove and replace the Leader.</p>
Recommendation(s)	<p>That Council approve the amendments to Chapter 4/5 (Procedure for Removing and Replacing the Leader of the Council) (Appendix 1) which:</p> <ol style="list-style-type: none"> 1. Removes the automatic trigger, following a change in political balance; and 2. Clarifies the provisions for bringing forward a motion to remove the Leader, inclusive of a new threshold of at least one third of the total number of council members.
Reasons for recommendation(s)	<p>The procedure for the removal and replacement of the Leader, within the District Council’s constitution has been reviewed following a recent change to the political balance of the council. This triggered the need to hold a</p>

	<p>Special Council meeting to consider the removal of the Leader.</p> <p>It is important to review procedures periodically to ensure that they are fit for purpose and do not put any unnecessary procedural burdens on the Council. The recommendations support good governance, provide greater clarity and transparency and would align the procedure more closely with best practice, having regard to the procedures adopted by other local authorities.</p>
Ward(s)	All
Portfolio Holder(s)	Councillor Cleary – Leader
Strategic Director(s)	Kate Ryan – Chief Executive
Officer Contact	<p>Karen Wardle Principal Democratic Services Officer 023 8028 5071 karen.wardle@nfdc.gov.uk</p> <p>Matt Wisdom Assistant Director – Strategy and Engagement (Monitoring Officer) 023 8028 5072 Matt.wisdom@nfdc.gov.uk</p>

Introduction and background

1. There have been recent changes to the political balance of the Council. Specifically, on 16 October, Cllr Thierry resigned as a member of the Conservative Group. This led to the Conservative Group losing its overall majority on the Council. On 20 October, Cllr Penman joined the Conservative Group, returning the Group to that majority.
2. Despite the Conservative Group regaining an overall majority within 4 days of losing it, this initial loss of overall majority automatically triggered the Council's "Procedure for Removing and Replacing the Leader of the Council" in relation the change in political balance under the Council's current Constitution.

3. The procedure for removing the leader when there is a change of political balance currently states the following:
 9. *Paragraphs 10 to 11 apply if:*
 - a) *the Leader is a member of the majority political Group ("the Leader's political group") represented on the Council; and*
 - b) *that political group loses its overall majority on the Council more than 15 working days before the date of the quadrennial election of Councillors.*
 10. *If a programmed meeting of the Council is due to take place within less than 15 clear working days after the date on which the Leader's political group loses its overall majority, election of the Leader shall be the first item of business at the next programmed Council meeting.*
 11. *If a programmed meeting of the Council is not due to take place within less than 15 clear working days after the date on which the Leader's political group loses its overall majority, the Chief Executive shall, within 5 working days of the day on which the Leader's political group loses its overall majority, summon a special Council meeting for the purpose of electing a Leader. No other business shall be conducted at that meeting. The special meeting shall take place within 10 working days of the date of the summons.*
4. Due to the changes in the political balance, paragraph 11 was applicable, and a Special meeting was arranged by the Chief Executive, within 5 working days of the day on which the Leader's political Group lost its overall majority. That meeting needed to be held within 10 working days of the date of the summons.
5. A Special meeting was held on 3 November to consider the removal of the Leader. In order to remove the Leader, at this meeting, a motion would have needed to have been moved and seconded and then carried, for a resolution to be passed to this effect. Only following a resolution passing could the council then consider the election of a new Leader. At this meeting, no motion to remove the Leader was proposed and therefore Council decided in effect not to remove the Leader.
6. Following this meeting, officers have reflected on the procedure and conducted a review of other local authorities and their constitutions in respect of the removal of the leader. The research from 20 other authorities shows that:

- All 20 authorities require a formal resolution of Full Council to remove the Leader, consistent with the legislation.
 - Only one other authority requires an automatic meeting following a change in political balance.
 - The majority allow the removal of the Leader through a motion of no confidence, or a motion on notice to an ordinary or extraordinary meeting.
 - Some require a threshold of member support for a notice of motion.
7. This suggests that New Forest's current provision is out of step with sector norms.
 8. The current arrangements in relation to a change of political balance are based on an automatic trigger. This is procedurally inflexible and might not reflect the will of members. The change of balance procedures lack clarity around how a motion to remove the Leader should be brought forward. They also assume removal of the Leader by specifying the election of a Leader being the purpose/first item of business on the summons for the meeting. It is only when read with paragraph 2(b) of the procedure, that it is clear that the change of balance provisions apply in the broader context of the Council considering the removal of the Leader.
 9. Officers have considered four options regarding amending the procedure for removing and replacing the Leader, these are set out in paragraph 12. below. This report proposes the removal of the section regarding the change to the political balance and therefore the removal of the automatic trigger for a Council meeting to consider the removal of the Leader. This approach balances flexibility, transparency, and alignment with sector norms.
 10. The notice of motion procedure to remove the leader has also been reviewed. The procedure currently requires at least half (24) of Council members sign it. This report asks members to consider whether this element be amended. The options are set out in paragraph 13 below. It is recommended that the level of support when submitting a notice of motion be amended to a third of all members (16). It is proposed that this is a more balanced approach and would still require the meaningful support of members, without it being in effect at least half of the Council. It would then enable members to debate the matter in a council meeting. A third of all members aligns with the Council's accepted threshold elsewhere in the constitution, such as to rescind any Council resolution passed within the preceding six months.

Corporate plan priorities

11. The recommendation supports the Council in delivering all corporate plan priorities, by maintaining the Council's ability to function as a collective body in accordance with relevant legislation and the Council's constitution.

Options appraisal

12. The following options in amending the procedures have been considered:
 - **Maintain the current Status Quo (Not recommended):** Retain the current constitutional provisions, including automatic meeting trigger. This will ensure that the council remains responsive to any political changes. However, having reviewed other local authorities and their constitutions, it is unusual practice and is considered to create unnecessary procedural burdens.
 - **Retain the Political Balance Trigger with amendments to clarify the procedure to be followed (Not recommended) –** Whilst clarity on the procedures to be followed would enable a more structured approach to a change of balance occurring, retaining this trigger remains out of line with practice of other authorities, with a process not led by Members.
 - **Remove Political Balance Trigger (Recommended) –** This change is recommended because it aligns with the research conducted and places the onus on members to provide a notice of motion. It therefore would be within Members' control, rather than driven by procedures.
 - **Lower the threshold for Motion Procedure to remove the Leader (Recommended) –** In view of the recommended removal of the political balance trigger, a lower threshold of a third of Members allows the council to be more responsive to political changes, whilst allowing members to retain control of the procedures.
13. Officers have reviewed the procedure for the notice of motion to remove the Leader. Paragraph 6 (b) sets out that in order to bring forward a motion to remove the Leader currently, the notice of motion must be signed by at least half of the total number of Council Members. Whilst Members retain control in these circumstances without an automatic trigger, this threshold may be considered inflexible to political changes. It is recommended that in order to

submit a notice of motion to remove the Leader it must be signed by at least a third of Council members.

14. Of those councils that have a threshold for a motion of this nature, the threshold varies by local authority. A third of the council is considered equally meaningful and responsive. A third of all members aligns with the Council's accepted threshold elsewhere in the constitution, such as to rescind any Council resolution passed within the preceding six months.

Consultation undertaken

15. Group Leaders have been consulted on the proposed options and are supportive of the recommendations.

Financial and resource implications

16. There are none.

Legal implications

17. Under the Local Government Act 2000, as amended, councils operating executive arrangements must appoint a Leader. The Act does not prescribe specific procedures for removal, other than that it must be by resolution, leaving the specific arrangements to local discretion via the Constitution.
18. The recommend amendments to the Councils Constitution are drafted to reflect the legal requirements as set out in the Local Government Act 2000.

Risk assessment

19. It is not considered necessary to conduct a formal risk assessment in relation to this report. The recommendation proposes to amend and clarify the procedure for removing and replacing the Leader within the Council's Constitution and therefore reduce any risk of the procedure being unclear and subject to interpretation.

Environmental / Climate and nature implications

20. There are none.

Equalities implications

21. There are none.

Crime and disorder implications

22. There are none.

Data protection / Information governance / ICT implications

23. There are none.

Appendices:

Appendix 1 – Proposed amended Chapter 4/5 of the Constitution – Procedure for Removing and Replacing the Leader

Appendix 2 - Removal and replacement of the Leader following changes in political balance - Research of other authorities procedures

Background Papers:

[Chapter 4/5 of the Constitution – Procedure for Removing and Replacing the Leader of the Council](#)

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PROCEDURE FOR REMOVING AND REPLACING THE LEADER OF THE COUNCIL

1. The Leader of the Council is elected by the Council at the first Annual Meeting following the quadrennial election of Councillors for a term of four years, and can only be removed by resolution of the full Council in the circumstances set out below.
2. The Council may only consider removing the Leader ~~;~~
 - ~~(a) on a motion of which notice has been given as in paragraphs 6 to 8 below; or~~
 - ~~(b) in the circumstances described in paragraphs 9 to 11 below.~~
3. When voting on a motion to remove the Leader, a quorum of the Council is at least three quarters of the total number of members of the Council.
4. A Council resolution to remove the Leader shall not have the effect of removing the Deputy Leader and Portfolio Holders. Portfolio Holders shall continue in their roles pending decisions by the newly elected Leader under paragraph 12 below.
5. If the Council resolves to remove the Leader, it may elect a new Leader at the same Council meeting as ~~the~~ next item of business. If it does not do so, the Deputy Leader shall assume all the powers and duties of Leader until the Council elects a new Leader.

Notice of motion to remove Leader

6. A motion to remove the Leader shall be:
 - a) given in writing; and
 - b) signed by at least one ~~third~~ half of the total number of Council members; and
 - c) received by the Chief Executive's office; and
 - d) state why the signatories consider the Leader should be removed.
7. If the motion is received by the Chief Executive less than 15 clear working days before the next programmed Council meeting:

the motion shall be considered at the next programmed Council meeting.
8. If the motion is received by the Chief Executive 15 or more clear working days before the next programmed Council meeting:

the Chief Executive shall, within 5 working days of receiving the motion, summon a special Council meeting for the purpose of considering the motion. No other business shall be conducted at that meeting, other than election of a new Leader if

the motion succeeds. The special meeting shall take place within 10 working days of the date of the summons.

Change of Political Balance

~~9. Paragraphs 10 to 11 apply if:~~

~~a) the Leader is a member of the majority political Group (“the Leader’s political group”) represented on the Council; and~~

~~b) that political group loses its overall majority on the Council more than 15 working days before the date of the quadrennial election of Councillors.~~

~~10. If a programmed meeting of the Council is due to take place within less than 15 clear working days after the date on which the Leader’s political group loses its overall majority, election of the Leader shall be the first item of business at the next programmed Council meeting.~~

~~11. If a programmed meeting of the Council is not due to take place within less than 15 clear working days after the date on which the Leader’s political group loses its overall majority, the Chief Executive shall, within 5 working days of the day on which the Leader’s political group loses its overall majority, summon a special Council meeting for the purpose of electing a Leader. No other business shall be conducted at that meeting. The special meeting shall take place within 10 working days of the date of the summons.~~

Duty of newly elected Leader

12. A new Leader elected under this procedure shall, within 5 working days of their election:

a) appoint a Deputy Leader,

b) decide the content of Portfolios and appoint a Portfolio Holder for each, and

c) inform the Chief Executive of the names of the Deputy Leader, the content of each Portfolio, and the names of the Portfolio Holders.

Appendix 2

Removal and replacement of the Leader following changes in political balance - Research of other authorities procedures

Name of Authority and weblink	Details within constitution	Summary
Hampshire County Council	Page 47 - Para 1.3 1.3.3. he or she is removed from office by resolution of the County Council;	Constitution silent. Mechanism for removal of the Leader would be through a motion to be submitted for inclusion on the agenda for Full Council. (Extraordinary meeting procedure in para 4.2, page 111)
Test Valley Borough Council	Page 14 – Para 6.3 he/she is removed from office by resolution of the Council following a motion of no confidence. Such a motion will not be considered unless supported in writing by at least one quarter of the Members of the Council. (Note: Such a motion may arise in the event of a change in political control of the Council.) In the event of the Leader being removed from office by resolution of the Council, the new Leader may be appointed at the same or a subsequent meeting for the	Motion of no confidence to Council, in writing supported by at least a quarter of members and resolution of the Council to remove the Leader.

	remainder of the term of the Council.	
<u>Winchester City Council</u>	Page 117 – Para 4.1. The Leader may be removed during the four-year term of office by way of resolution by a simple majority of the Council. If the Council passes a resolution to remove the Leader, a new Leader is to be elected:- a. at the meeting at which the Leader is removed from office, or b. at a subsequent meeting	Constitution silent. Therefore the trigger would be motion to Council.
<u>East Hampshire District Council</u>	Page 32 - 3.2.3 The Leader - They are removed from office by resolution of the Full Council that requires the support of a simple majority of those Councillors present; 3.3 If the Full Council passes a resolution to remove the Leader, the Full Council shall elect another Councillor as Leader at the meeting at which the Leader is removed from office, or at a subsequent meeting of the Full Council.	Constitution silent. Therefore the trigger would be a motion to Council.
<u>Southampton City Council</u>	Removal of Leader 6.6.5.13 The Leader may only be removed following a resolution to that effect by Council, which may be by way of a motion put using the method	Usual motion to procedure would apply to be signed by one member

	described in subsection 6.6.18 below.	
Brent	Page 49 of constitution. Para 40. Vote of no confidence. Motion to be submitted at least 10 clear working days before the meeting.	40% of Members to bring a vote of no confidence motion to Council. Notice of motion to propose an alternative Leader.
BCP	<p>Page 2-18. 7.1.1. 7.1.3 they are removed from office by resolution of the Full Council;</p> <p>Page 37 - 7.1.5. Votes of No Confidence The Leader shall cease to be the Leader if a resolution is passed by a majority of members present and voting to remove the leader at a meeting of the Full Council in accordance with the Procedural Rules contained within Part 4D of this Constitution.</p>	Constitution silent. Therefore trigger would be motion to Council.
Dorset Council	Page 28 Para 6.7 e Full Council can resolve to remove the Leader by a simple majority vote at any time. In this case, the Leader's term of office ends on the day of his/her removal. In the event that Council by resolution removes the Leader, the Council will normally seek to elect a new Leader at the same meeting at which the Leader is removed but	Constitution silent. Therefore motion to Council.

	may do so at a subsequent meeting.	
Wiltshire Council		Constitution silent. Therefore motion to Council.
Brentwood Council	<p>Page 89 21</p> <p>21.2 The Leader may be removed from the office of Leader of the Council by motion on notice to an ordinary meeting of the Council or an extraordinary meeting convened for that purpose. The vote will succeed by simple majority. 21.3 A successful vote to remove the Leader will take immediate effect and the Deputy Leader will assume the position of Leader until a new Leader is appointed at the next ordinary meeting of the Council or at an extraordinary meeting convened for that purpose.</p>	<p>Notice of motion to an ordinary meeting of the Council.</p> <p>OR extraordinary meeting convened for that purpose (details set out in 1.4d of how to call an extraordinary meeting).</p>
Rochford District Council	<p>Page 100. Para 7.2</p> <p>7.2.2 The Leader may be removed from the office of Leader of the Council by motion on notice to an ordinary meeting of the Council or an extraordinary meeting convened for that purpose. The vote will succeed by simple majority. 7.2.3 A successful vote to remove the Leader will take immediate effect and the Deputy Leader will assume the</p>	<p>Notice of motion to an ordinary meeting, or notice of motion for an extraordinary meeting to request to remove the Leader.</p>

	<p>position of Leader until a new Leader is appointed at the next ordinary meeting of the Council or at an extraordinary meeting convened for that purpose.</p>	
<p>Chichester District Council</p>	<p>Page 19.Para 7.03 Leader (d) he/she is removed from office by resolution of the Council provided that notice of any motion which would have the effect of removing him/her from office is delivered in writing to the office of the Chief Executive 10 clear days before the relevant Council meeting, signed by at least 10 councillors who reflect the proportion of seats of the political groups on the Council</p>	<p>Notice of motion to be sent at least 10 clear days before the next Council meeting, signed by at least 10 members, who reflect the proportion of seats of the political groups. (Note – there are 36 members on the district council)</p>
<p>East Devon District Council</p>	<p>Page 113/114 10.1 Notice Except for motions which can be moved without notice under Rule 11, written notice of every motion, signed by at least 5 Members, must be delivered to the Chief Executive not later than 10 clear days before the date of the meeting. These will be entered in a book open to public inspection. May 2025 Page 114 Notwithstanding the</p>	<p>Notice of motion to remove the Leader from office must be signed by at least 15 councillors.</p> <p>Council size 60 cllrs (therefore the notice of motion must be signed by at least a quarter of members)</p>

	above, where a notice of motion would have the effect of removing the Leader from office this must be signed by at least 15 Councillors.	
Fareham Borough Council	The Constitution - Part Three	Procedure very similar (if not identical) to the NFDC procedure in the constitution
Adur District Council	<p>Page 122. Section 37.2 Removal.</p> <p>If a Member wishes at a meeting of Full Council to move a motion to remove the Cabinet Leader, the Member must give at least 10 clear working days' notice to the Director for Core Services. (b) The motion must be signed by the mover and seconder. (c) The Director for Core Services shall place the motion on the agenda for the next meeting of the Council, provided that such meeting is not a Special meeting. The motion before the Council shall be considered after the receipt of any declarations of interest, approval of minutes of the last meeting and questions and statements by the public. (d) The motion shall be subject to the rules of debate in Council Procedure Rule 16 and voting</p>	<p>Notice of motion to be given at least 10 clear working days before a meeting.</p> <p>Motion must be signed by the mover and seconder.</p>

	shall be in accordance with Council Procedure Rule 24.	
Worthing Borough Council	<p>Page 118 Section 37.2 Removal</p> <p>(a) If a Member wishes at a meeting of Full Council to move a motion to remove the Leader, the Member must give at least 10 clear working days' notice to the Director for Core Services. (b) The motion must be signed by the mover and seconder. (c) The Director for Core Services shall place the motion on the agenda for the next Meeting of the Council, provided that such Meeting is not a Special Meeting. The motion before the Council shall be considered after the receipt of any declarations of interest, approval of minutes of the last Meeting and questions and statements by the public. (d) The motion shall be subject to the rules of debate in Council Procedure Rule 16 and voting shall be in accordance with Council Procedure Rule 24.</p>	
Bath and North East Somerset Council		Resolution by Council
North Somerset Council		Resolution by Council

<u>Basingstoke and Deane Borough Council</u>		Reference made in 7.3.1 about resolution to remove the Leader, but not further information about how this is done.
<u>Rushmore Borough Council</u>		No specific reference made
<u>Hart District Council</u>		Resolution by Council