

## REPORT OF CABINET

(Meeting held on 15 February 2023)

### 1. LEADER'S ANNOUNCEMENTS (MINUTE NO 75)

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

Following the Local Elections in May 2023, the King's Coronation weekend is taking place and there will be an additional bank holiday on Monday 8 May. The Council are advising residents how to get involved with volunteering and community organisation groups to arrange street parties.

### 2. HOUSING SERVICES RESOURCES 23/24 – ARISING FROM THE NEW SOCIAL HOUSING REGULATION CHANGES (MINUTE NO 79)

The Cabinet, having considered a report on the new housing improvement regime, starting in Spring 2023, and the resources that are required to meet the fundamental new requirements placed upon the Council, are recommending to Council. The Council's Executive Management Team (EMT) have endorsed the need for these extra resources and that it is recommended they form part of the 23/24 budget.

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

Statutory compliance and housing quality, gas and electrical compliance, structural/disrepair work, damp and mould and anti-social behaviour are among the examples listed as areas where new resources are required. The total, additional costs required are £459,000.

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

Cabinet are pleased to hear examples that the housing service have efficiently resolved issues of damp and mould within homes in the District. This speaks to the ongoing work that the housing team undertake and reassures Cabinet that the ongoing, strong levels of engagement with tenants will continue to improve with the new Tenant Engagement Manager overseeing the outreach to all areas of the District.

The Housing and Homelessness Overview and Scrutiny Panel has noted the new requirements placed on housing services, arising from the new Social Housing Regulation Bill and are supportive of the actions and additional resources needed to meet these requirements.

**RECOMMENDED:**

***That the resources the Housing Service has requested, as part of the 23/24 Housing Revenue Account (HRA) budget to deal with the changes and improvements required under the Social Housing Regulation Bill, the new Tenant Satisfaction Measures regime the new Social Housing Residents Charter, be approved.***

**3. HOUSING SERVICES RENT SETTING AND SERVICE CHARGE POLICY (MINUTE NO 80)**

The Cabinet, having considered the new rent setting and service charge policy for 2023/2024 is recommending to Council. Decision making in relation to rent and service charge setting must be transparent and appropriately monitored. In the case of this policy, the requirement is for rent setting to be aligned with the HRA Medium Term Financial Plan and 30 Year Business Plan. Formula rent represents the maximum rent level that the Council can set for each property.

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

The Housing and Homelessness Overview and Scrutiny Panel has acknowledged the proposed rent setting and service charge policy and the proposed changes to the rent. The Panel are reassured that the Tenant Involvement Group are largely supportive of the proposed recommendations and the understanding that the financial pressures the HRA is facing mean that reasonable and necessary measures are taken.

The Cabinet are reassured that those residents who have received an affordability assessment are receiving the requisite assistance and that there is ongoing support provided.

**RECOMMENDED:**

***That Council approve:***

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

#### **4. HOUSING REVENUE ACCOUNT BUDGET AND THE HOUSING SECTOR CAPITAL EXPENDITURE PROGRAMME FOR 2023/2024 (MINUTE NO 81)**

The Cabinet, having considered the proposed Housing Revenue Account budget, including the proposed rent levels and other charges, maintenance programme and proposed Housing Public Sector Capital Programme for 2023/24-2025/26, is recommending to Council.

Cabinet is conscious of the on-going challenges facing Housing Authorities and Registered Providers. The proposals, as set out in the report and its appendices, seek to increase rents in line with the Government's current recommendation and strike a balance to ensure that the Council continues to provide high quality services to tenants and that the necessary programmes of maintenance and repairs to housing stock, along with the delivery of affordable new Council homes in the District are achieved.

The Council should be mindful of the Tenants Involvement Group's views and their overall understanding of the fee increases and appreciation of the maintenance and refurbishment of housing stock.

The Housing and Homelessness Overview and Scrutiny Panel have expressed their understanding of the proposed increase in rent and recognise that the social and shared ownership rent is increasing in accordance with the Government guidelines. The Panel accepts the recommendations in the report.

#### ***RECOMMENDED:***

#### ***That Council approve:***

- (a) The HRA budget, as set out in Appendix 1 of the report.***
- (b) An increase in rents of 7.0% from the 2022/2023 weekly rent level, in accordance with Government guidelines, from 03 April 2023.***
- (c) An increase in garage rents of 13% from the 2022/23 weekly rent level, from 03 April 2023.***
- (d) An increase in shared ownership property rents of 7% from the 2022/23 weekly rent level, varied from the allowed RPI +1% increase of 13.1% in accordance with Government request of the Housing Sector, from 03 April 2023.***
- (e) A further uplift in domestic energy service charges of up to a maximum of 25% and an increase of up to 7% in communal service charges in line with the annual rent increase, ahead of a wider review and consultation later in the year, from 03 April 2023.***
- (f) A Housing Capital Programme to 2025/26, as set out in Appendix 5 of the report.***

#### **5. MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 23/24 (MINUTE NO 82)**

The Cabinet, having considered the development of the Medium Term Financial Plan (MTFP), the General Fund revenue and capital budgets for 2023/2024, and the proposed level of Band D Council Tax, are recommending to Council.

It should be acknowledged that despite the MTFP position to 2026/27 forecasting a budget deficit of £1.324 million, there are options within the plan to close the gap via crystallisation of new income and the delivery of savings and efficiencies among other methods. As of the Autumn 2022 Statement, additional funding is available in England of up to £1 billion of new grant funding In 2023-24. This is welcome news given the rising interest rates, CPI inflation levels and general costs. Although a one-year funding settlement leaves some uncertainty over the medium term, the Cabinet are reassured that the Council is working to cover its own expenditure pressures to deliver key services to residents.

The Council's proposed budget has put aside additional resources to facilitate the delivery of key Corporate Plan objectives. The establishment of a senior management group to ensure delivery of projects, efficiencies, income and savings to protect the delivery of frontline services formed a core part of the strategy, and other resource streams propose to maximise income, support investment, safeguard frontline service and balance the needs of service users and council taxpayers.

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

The Cabinet is satisfied that the budget preparation process was robust, that reserve levels are adequate and that the forecasted reduction in reserves is well planned and uses the resources available to the best effect in an appropriate and sensible manner.

Cabinet note the £300,000 one off investment that will be made in community safety and understand that this addresses directly one of the outcomes from the Council's resident survey, and will benefit community safety going forward.

***RECOMMENDED:***

***That Council approve:***

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

**6. FREEDOM LEISURE (MINUTE NO 83)**

The Cabinet, having considered the proposed resolution of the matter relating to the deficit during Transition Year with the Freedom Leisure contract, is recommending to Council. Cabinet remain mindful of the position that the Council and Freedom Leisure

found themselves in regarding the impact that COVID-10 pandemic had on Year 1 of the contract.

The deficit incurred in the Transition Year was £1,866,650

Cabinet acknowledge the work that has been undertaken between the Council's Officers and Freedom Leisure, in accordance with the provisions within the contract, to negotiate an increase in the Management Fee from £1.23 million to £1.5 million. This is considered to be a reasonable outcome taking into account the bid parameters of the original tender exercise and Freedom Leisure have accepted this proposal.

It should be noted that had the project and the partnership agreement not been undertaken, the Council would be required to meet the entire deficit costs. Cabinet recognises how, despite Covid, the cost of living crisis and the energy crisis, the partnership approach to leisure services had ensured that the leisure centres remain open and not had to close any swimming pools. Recognition is also given to the improvements that Freedom Leisure have made in their service.

Scrutiny of the process to outsource the management of the Leisure Centres was undertaken and Cabinet acknowledges the dedicated work of the Task & Finish Group that had monitored and input into the process.

The Council should have regard to the legal advice provided in respect of the proposed arrangements, set out in full in the confidential Appendix 1 of the Cabinet report.

***RECOMMENDED:***

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

**COUNCILLOR J CLEARY  
CHAIRMAN**