

REPORT OF CABINET – [21 FEBRUARY 2024](#)

PART I – ITEMS RESOLVED BY CABINET

None.

PART II – RECOMMENDATIONS TO COUNCIL

1. WASTE STRATEGY IMPLEMENTATION – REVISED TIMELINE AND FINANCIAL APPRAISAL

PORTFOLIO – ENVIRONMENT AND SUSTAINABILITY

RECOMMENDED:

Cabinet recommended to Council that:

- i) Officers proceed to take the necessary decisions to implement the service changes for refuse collection, recycling and food waste collections as set out in Section 5 of the Cabinet report, in readiness for commencement of the new service in Spring 2025;
- ii) The budget requirements as set out in section 7 of the Cabinet report are approved, noting that these are included in the Council's Medium Term Financial Plan. Council notes in particular the anticipated service roll out costs for 2025/26 at £1.4 million, with a likely offset of £0.8 - £1.2 million through the receipt of EPR funding, and the additional budget requirement for transitional costs, increasing from £1.224 million to £1.825 million;
- iii) Officers continue procurement processes to secure the necessary vehicles, wheeled bins, food caddies and other containers, including ancillary services in order to deliver the new service; and
- iv) Officers continue to work with Hampshire County Council and other Hampshire partners to identify the best long-term solution to recycling collections and processing to meet the Government requirements and return to Cabinet for a final decision.

CABINET DISCUSSION:

The Portfolio Holder for Environment and Sustainability introduced the report. He was pleased that financial information had been received from Government in October 2023 and January 2024 which enabled the Council to further develop plans for transforming the waste service. The Council had secured Capital funding from Government and refined the roll out plan for the new waste service. Further information was awaited information from Government in relation to funding.

The Council could now proceed with the changes to the waste service, which would increase recycling and reduce waste. It was recognised that the service changes were a key Council priority and would manage waste in a more sustainable way.

The Assistant Director – Place Operations outlined the report and highlighted that an update had been provided to Cabinet in December 2023 detailing the position at county and national level in relation to future funding and the legislation regarding the arrangements for the management of waste.

Since December last year, DEFRA had announced the capital funding arrangements in relation to the food waste collection service. The Council had written to DEFRA responding to this, expressing concern about the funding and timing of the roll out arrangements. Modelling work was underway with partners across Hampshire to determine the final position for the recycling services for all authorities across Hampshire.

It was confirmed that the proposed waste service would deliver most of what had been proposed in the agreed Waste Strategy, approved in July 2022. This included the introduction of wheeled bins with a 180 litre bin for residual waste and a 240 litre bin for recycling and these were to be collected on alternate weeks. There was also to be a weekly food waste collection service as required by Government. Glass collections, however would remain a separate collection service which would be collected every 4 weeks in a 55 litre box. There was still some uncertainty about glass collections in the longer term.

The District Council had appealed to DEFRA regarding some of the NFDC requirements for funding which were felt to have been missed. The Government had also provided more information on the intention to provide transition costs for 2024/25 and ongoing revenue costs for 2026 onwards.

It was expected that the Council would receive funding to support the waste service through the Extended Producer Responsibility scheme and it was noted that more information would be available later in the year.

It was highlighted that within the financial implications of the report, glass collection costs were shown separately as this element might be included within the collection of other recycling materials at a later date. If this was introduced, there would be a financial saving.

Finally, the Assistant Director Place Operations recognised this was a major service change and resources had been put in place to ensure it would be successful and to achieve performance improvements.

A non-executive member questioned how the proposed changes would be communicated to all residents and the timeline for the Communication Strategy. The Assistant Director Place Operations reported that a draft Communication Strategy was being developed and that elements of it would be communicated to local residents in the near future. It was confirmed that a range of communication methods would be used for this fundamental service change, including physical information being sent to householders. There would be a phased approach ahead of the service change. It was confirmed that the funding had been allocated to deliver this.

Other non-executive members welcomed the report and recognised the importance of good communication in relation to the service changes, in particular for those residents who would not receive the core service. The issue of glass collections in the open forest was highlighted to be a problem whereby live stock had access to the glass containers within the recycling boxes. It was suggested that consideration could be given to how this could be resolved, possibly with the provision of a lid for the boxes in the open forest. Another

member also highlighted the issues of boxes breaking and being heavy to carry to the kerbside.

The Leader acknowledged the positive work involved in the report presented to Cabinet and welcomed the clarity received from Government to date. She spoke about the Waste Strategy group and expressed her thanks to the Place Operations Strategy and Performance Manager and the members who had been involved in the Task and Finish Group which had considered the waste proposals.

Attachments – Appendix 1 – Background Report to Cabinet

2. HOUSING REVENUE ACCOUNT BUDGET AND THE HOUSING SECTOR CAPITAL EXPENDITURE PROGRAMME 2024/25

PORTFOLIO – HOUSING AND HOMELESSNESS

RECOMMENDED:

That Cabinet recommends to Council the HRA budget and housing public sector capital expenditure programme for 2024/25, as follows:

- i) that from 01 April 2024, an increase in rents of 7.7% from the 2023/24 weekly rent level, in accordance with Government guidelines, be agreed;
- ii) that from 01 April 2024, an increase in garage rents of 15% from the 2023/24 weekly rent level be agreed;
- iii) that from 01 April 2024, an increase in shared ownership property rents of 9.4% from the 2023/24 weekly rent level, in accordance with Government guidelines of RPI +0.5%, be agreed, and that the weekly rent of one additional property sold under previous legislation be increased by 7.7%;
- iv) that from 01 April 2024 the new disaggregated approach to Service charges, which will reflect transparent and up to date annual charges for all eligible communal and domestic charges incurred by the Council, be agreed;
- v) that the HRA budget, as set out in **Appendix 1** of the Cabinet report, be agreed; and
- vi) that a Housing Capital Programme to 2026/27, as set out in **Appendix 4** of the Cabinet report, be agreed.

CABINET DISCUSSION:

The Portfolio Holder for Housing and Homelessness reported he was delighted to present the report. He acknowledged the future challenge for all housing authorities to transition to more energy efficient homes, with upgrades such as Air Source Heat Pumps, where appropriate and the requirement for the Council's housing stock to be EPC rated C by 2030. He referenced the Council's new housing developments including Penman House in Totton and the Hythe Hospital site which were being built to the Future Homes Standard.

The Portfolio Holder highlighted his comments in the report on the need to maintain sound finances which would enable continued and good quality accommodation and services for tenants.

The Interim Strategic Director Housing and Community Safety outlined the recommendations in the report with a proposed annual rent increase of 7.7%, a 15% increase in garage rents, a rent increase for shared ownership which would affect three properties and the disaggregated approach to service charges which would affect 1,300 tenants. He highlighted that there had been consultation with all tenants who would be affected and that their views had been sought. Tenants had also been provided with information relating to how they would individually be affected by the proposed changes.

The expenditure levels were detailed in paragraphs 3.6-3.8 of the report. The proposed rent increases would enable a significant investment of £17.8 million to be spent on tenants' properties. £1 million had been allocated towards maintaining fire safety and £2.170 million had been proposed for greener housing initiatives.

It was highlighted that the medium-term financial position of the HRA account for future years had an estimated operating deficit of approximately £1 million. This demonstrated the financial pressures of the repairs programme and decarbonisation costs. These would be further reviewed to enable a balanced budget. It was essential to maximise income and ensure that all costs were rigorously assessed.

A non-executive member welcomed the transparency of the service charges. It was questioned when further information would become available on the decarbonisation programme. In response, the Interim Strategic Director Housing and Community Safety reported that this was being finalised. The work had been plotted out for all the replacement components over the next 30 years and checks had been made to ensure there was no doubling up of work. Following this, a meeting would be held with external consultants and it was expected that a revised Business Plan would be available in April.

The Leader of the Council expressed her faith in officers and to the Portfolio Holder. She was pleased to see the involvement of the Tenant Involvement Group and urged all tenants to get involved and provide their input.

Attachments – Appendix 2 – Background Report to Cabinet

3. MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2024/25

PORTFOLIO – FINANCE AND CORPORATE / ALL

RECOMMENDED:

Cabinet recommended to Council that:

- i) the updated MTFP and financial strategy, as set out in the Cabinet report and throughout appendices 1-3, are approved;
- ii) there is a General Fund Net Budget Requirement in 2024/25 of £24,513,250, as set out in appendices 5a - d to the Cabinet report;
- iii) the New Forest District Council Band D Council Tax for 2024/25 shall be £199.79;
- iv) the council approves the formal determination (appendix 6), as required by the Levelling up and Regeneration Act 2023, to apply Council Tax premiums to dwellings occupied periodically and long-term empty dwellings, for implementation from 1 April 2025;

- v) the General Fund Capital Programme for 2024/25 of £16.579 million, as set out in appendix 7 to the Cabinet report be approved; and
- vi) the proposed fees and charges as included at appendix 8 to the Cabinet report be approved.

CABINET DISCUSSION:

The Portfolio Holder for Finance and Corporate presented the report detailing the budget for 2024/25. He highlighted that there was a General Fund net budget requirement of £24.5 million and the rise of the Council Tax Band D for 24/25 to £199.79, a rise of 2.99%. This was the maximum allowed under the current rules but was considerably below inflation. He was delighted to be able to present a fully balanced budget and expressed his thanks to the accounts department and all officers of the Council.

He further spoke about the better than expected return on investments and a rise in the government finance settlement since the Autumn statement which had increased by £200,000 which was positive news.

The Strategic Director Corporate Resources & Transformation reported he was pleased to be in a position to present a proposed balanced budget for 2024/25.

The 2024/25 finance settlement had been good to the Council, with the funding guarantee grant being increased by the government from 3% as it appeared in the provisional settlement before Christmas, to 4% in the final settlement, equating to £200,000. It was disappointing that the settlement was only for 1 year, which made planning difficult for the medium term creating funding cliff edges from one year to the next. The value of the 4% funding grant for 2024/25 was £1.2 million, yet for 2025/26 that figure could be anywhere from zero to £1.2 million. The Council would continue to support sector lobbying on this.

The Strategic Director Corporate Resources and Transformation referred to section 10 of the report, which confirmed it was his duty as the Council's chief finance officer to comment on the robustness of estimates and adequacy of reserves. It was his view that the budget, as prepared was financially sound and based on a reliable evidence base. New items and changes to budgets had been appropriately costed and accounted for. Forecast income levels were not overinflated. Assumptions over the medium term were also based on latest expectations based on the most likely scenario for funding and cost pressures, and the Council had a sound and achievable plan to address the forecast £2.7 million deficit for 2027/28.

The general fund reserve was £3 million which was considered appropriate and proportionate. There was an HRA reserve of £1 million, recognising this was a more reliable income base and provided the ultimate backstop support for unavoidable cost increases as they might occur in the year.

It was confirmed that 2024/25, the proposed Council Tax bill element was £199.79 for the year for an average band D property, an increase of 2.99% on the previous year. The overall Council Tax setting paper would be presented to the Council for formal approval on 26th February, which would include the annual charge of £199.79 as well as the precepts from the County Council, the Police and Crime Commissioner, the fire and rescue service, and the relevant town and parish council. The NFDC element was a small proportion, 9% of the overall Council tax charge.

The Portfolio Holder for Planning and Economy expressed his support to the proposed budget. It would enable the Council to support local businesses and those looking for apprenticeships through the Apprenticeship and Skills Hub and other activities such as the mystery shopper scheme, supporting high streets and town centres.

The Portfolio Holder for Environment and Sustainability reiterated his support to a detailed and robust report and expressed his thanks to all staff. The Portfolio Holder reported he had already spoken about waste but that he was pleased the budget included the development of a parking strategy and a fleet and infrastructure strategy which were important to deliver a modern and efficient service. This would support the Council's carbon reduction. There was also continued support to deliver on the Councils Climate and Emergency Action Plan with a budget of £250,000.

A non-executive member was reassured to hear that a balanced budget for 2024/25 had been proposed. He questioned how the New Forest residents would see service enhancements through the various Council strategies. In response, the Portfolio Holder for Finance and Corporate acknowledged that this was detailed within the budget report. Examples were provided with the Council seeking through the HRA to reduce the carbon footprint with more energy efficient homes, the changes in the waste collection service sought to increase the recycling rate which would benefit residents and the environment as well as the apprenticeship scheme.

The Leader of the Council further added the proposed budget outlined Council priorities with CCTV, Community Grants, the Local Plan, a budget to support regeneration as well as optimisation of Council office space to provide an income to the Council. The budget did a lot of things to support local residents.

Attachments – Appendix 3 – Background Report to Cabinet