

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

**PART I – ITEMS RESOLVED BY CABINET**

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

**PORTFOLIO – FINANCE AND CORPORATE / ALL**

**CABINET RESOLUTION:**

That Cabinet:-

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

**CABINET DISCUSSION:**

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

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

## **PART II – RECOMMENDATIONS TO COUNCIL**

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

#### **PORTFOLIO – FINANCE AND CORPORATE**

##### **RECOMMENDED:**

That Council approve:-

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

##### **CABINET DISCUSSION:**

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

**Attachments – Appendix 1 – Background Report to Cabinet**

### **3. CAPITAL STRATEGY 2024/2025**

#### **PORTFOLIO – FINANCE AND CORPORATE**

##### **RECOMMENDED:**

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

## **CABINET DISCUSSION:**

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

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

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

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

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

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

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

## **Attachments – Appendix 2 – Background Report to Cabinet**

### **4. COMMUNITY GRANTS 2024/2025**

#### **PORTFOLIO – COMMUNITY, SAFETY AND WELLBEING**

#### **RECOMMENDED:**

That Council approve:-

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

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

**CABINET DISCUSSION:**

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

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

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

**Attachments – Appendix 3 – Background Report to Cabinet**

**5. LOCAL PLAN REVIEW**

**PORTFOLIO – PLANNING AND ECONOMY**

**RECOMMENDED:**

That Council agree to:-

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

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

**CABINET DISCUSSION:**

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

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

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

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

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

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

**Attachments – Appendix 4 – Background Report to Cabinet**

**6. TENANT ENGAGEMENT STRATEGY**

**PORTFOLIO – HOUSING AND HOMELESSNESS**

**RECOMMENDED:**

That Council approve and adopt the Tenant Engagement Strategy.

**CABINET DISCUSSION:**

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

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

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

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

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

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

#### **Attachments – Appendix 5 – Background Report to Cabinet**

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

**PORTFOLIO – N/A**

#### **RECOMMENDED:**

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

#### **CABINET DISCUSSION:**

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

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

**Attachments – Appendix 6 – Background Report to Cabinet**