

**Council – 9 December 2024**

**Report of Cabinet – [4 December 2024](#)**

**Part I – Items Resolved by Cabinet**

**1. Medium Term Financial Plan - Update**

**Portfolio** – Finance and Corporate

**Cabinet Resolution:**

That Cabinet:

1. noted the revised MTFP forecasts, as outlined within the report and appendices;
2. endorsed development of the options identified to close the budget gap for 2025/26 and through to 2028/29;
3. endorsed the approach taken to set the Asset Maintenance and Capital Programme Budgets for 2025/26;
4. approved the continuation for 3 years of the annual £195,306 financial support provided to Citizens Advice New Forest (CANF), commencing 1 April 2025; and
5. approved the latest forecast position with regards to the Waste transition and roll-out costs, noting that an increase in transition costs is offset through a forecast reduction in 2025/26 roll-out costs.

**Cabinet Discussion:**

The Portfolio Holder for Finance and Corporate introduced the report acknowledging that the Medium Term Finance Plan ran through to 2028/29. He highlighted the funding gap at the end of the period as £2.693 m and that this needed to be addressed.

The Portfolio Holder reported that paragraph 4 of the report set out the economic commentary around the Autumn Statement. It was necessary to address the budget deficit by minimising expenditure, making efficiencies and maximising income which was not always popular. It was important to produce a balanced budget and to deliver the services which were important to local residents.

There were significant challenges and costs associated with the delivery of the Waste Strategy, with legislative changes and the desire to improve recycling and reduce residual waste. It was also highlighted that the transformation programme needed further consideration in terms of expenditure and savings leading up to budget setting next year.

A recommendation in the report sought to continue support to Citizens Advice New Forest with a proposed three year settlement which would support those residents in need in the community.

The Portfolio Holder reported there was a significant capital programme detailed in the report, which would have an impact on the level of reserves going forwards.

Finally, attention was drawn to the Housing Revenue Account (HRA), in particular the £9.96 million held in reserves for housing acquisitions and development to support the delivery of more council owned housing in the District.

The Assistant Director - Finance confirmed the report provided an update of the latest position of the Medium Term Financial Plan. He highlighted paragraph 4 within the economic commentary with a summary of the key elements of the Chancellor's Autumn Statement, including local government spending power to increase and an increase in Local Government Grants.

Paragraphs 15-25 of the report provided details on changes to the financial plan since the previous update. It was noted that the updated forecast deficit for 2025/26 was £466,000, rising to £2,693,000 for 2028/29. Significant changes to this included the impact on the decision to increase fees and charges in Keyhaven and car parking, the crystallisation of vacant posts as well as reinstatement of the support for homelessness, due to ongoing demand in the year as well as changes to the waste and transformation programme. It was highlighted that a recommendation was to support Citizens Advice for three years with an annual cost of £195,306 and this had been supported by the Resources and Transformation Overview and Scrutiny Panel.

Work would continue in order to address the budget shortfall.

## **2. Half Yearly Update Complaints Performance and Service Improvement Report**

**Portfolio** – Finance and Corporate / Housing and Homelessness

### **Cabinet Resolution:**

That the half yearly update be noted.

### **Cabinet Discussion:**

The Portfolio Holder for Housing and Homelessness reported that the Resources and Transformation Overview and Scrutiny Panel had considered the report for housing complaints handling in the first half of the year. He felt it was important to recognise that the report was open and honest, covering all aspects of housing complaints, providing an opportunity to learn from them.

The Portfolio Holder for Finance and Corporate highlighted that the report was before Cabinet due to the changes to the complaints process which came into force on 1 April 2024.

The Information Governance and Complaints Manager, reported as two Portfolio Holders had set out, that the report covers the changes implemented to the Council's complaint handling process as a result of the two new Complaint Handling Codes updates from the Local Government and Social Care Ombudsman and the Housing Ombudsman. The report detailed changes to members scrutiny of complaints and the new involvement of Cabinet in relation the process.

The report detailed the half yearly update on complaints. Key aspects included the Council's complaint handling across all services and complaints from tenants, under the jurisdiction of the Housing Ombudsman. 125 Corporate complaints had been received in the half yearly period, an increase on previous years. There had also been an increase in the number of tenant complaints received. It was recognised that learning from complaints was important in order to improve service delivery.

Finally, the report also included compliments received from the public to officers to show positive feedback.

The Leader expressed her thanks for the detailed report and the inclusion of compliments received.

A question was asked from a non-Cabinet member regarding complaints received which might relate to other authorities, such as the County Council or Towns / Parishes. The Information Governance and

Complaints Manager clarified that all complaints were reviewed at the point they were received, and should the District Council not be responsible for the matter identified in the complaint, the complainant would be redirected to the appropriate authority for resolution.

One other non-Cabinet Member expressed the view that overall the number of complaints received was low and that there was a good level of satisfaction with the delivery of Council services. The opportunity to learn and improve the performance of services was also welcomed.

## **Part II – Recommendations to Council**

### **3. Council Tax Reduction Scheme 2025/26, Policy Review and Council Tax Premiums**

**Portfolio** – Finance and Corporate

#### **Recommended:**

That Cabinet recommend to Council the approval of:

1. The changes to the Council Tax Reduction Scheme from 1 April 2025:
  - a) The removal of the Band D cap at an overall cost to precepting authorities of £33k;
  - b) The increase of the de-minimis rule to £2 at no net cost; and
  - c) The alignment of childcare costs with Universal Credit for all claims at a saving of £3k to precepting authorities.
2. The Council Tax Reduction Scheme Sanctions and Prosecution Policy.

#### **Cabinet Discussion:**

The Portfolio Holder for Finance and Corporate introduced the report and reported that the Council was responsible for determining its Council Tax reduction scheme. He expressed his thanks to a member led task and finish group which had carried out a review of the current scheme and considered changes for the next financial year as well as the Resources and Transformation Overview and Scrutiny Panel.

The Service Manager Revenues, Benefits and Customer Services reported there were three main components to the report; a review of the Council Tax Reduction Schemes, a review of the Council Tax Scheme Sanctions and Prosecutions Policy and the prescribed exceptions to Council Tax premiums for second homes and empty homes.

The Council Tax Reduction Scheme had 8,000 claimants and the cost of this was £10 million, which was shared between all precepting authorities. A review had been carried out of the scheme and a consultation of the proposed changes took place over a 6 week period, resulting in 225 responses. Feedback had been received from Hampshire County Council expressing concern about the changes to the scheme which were more generous and therefore reduce the income it

would receive, in light of the financial position of the County Council. The recommendations which sought approval was the removal of the Band D cap, an increase of the de-minimus rule to £2 and aligning childcare costs with Universal Credit.

The Council Tax Scheme Sanctions and Prosecutions Policy was reviewed every three years and as there had been no changes to legislation, only minor changes had been made to this policy.

Finally, no exceptions had been recommended to the Council Tax premiums relating to second homes and empty homes. It was reported that contact would be made with those affected by those premiums which would come into force from 1 April 2025.

A non-Cabinet member expressed support to the recommendations contained within the report. In response to a point raised by a non-Cabinet member in relation to armed forces veterans and the impact any compensation received, might have on any Council tax reduction, it was confirmed that the Council had agreed last year to continue with the income disregard in the assessment of Housing Benefit and Council Tax Reduction and therefore support was already being provided to armed forces veterans.

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

### **4. Council Tax 2025/26 – Setting the Tax Base**

**Portfolio:** Finance and Corporate

#### **Recommended:**

That Cabinet recommend to Council the approval of:

1. the calculation of the tax base for the year 2025/26 of 73,355.0; and
2. pursuant to this 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 2025/26 as detailed in paragraph 13.

#### **Cabinet discussion:**

The Portfolio Holder for Finance and Corporate introduced the report highlighting that it was a legal requirement for the Council to set the Council Tax base, from which the precepts were calculated.

The Service Manager Revenues, Benefits and Customer Services reported that the Council Tax Base for 2025/26 involved detailed calculations looking at the number of properties in each council tax band for each town and parish. From this, the discounts, exemptions and other reductions as well as the Council Tax support was considered and converted to Band D equivalent. A forecast of the impact of the introduction of the second homes premium from April next year and the estimated in year collection rate had also been included in the calculation.

The overall tax base increase for 2025/26 is 98.3, however due to the second homes premium, the total tax base proposed is 73,355, an increase of 983.50.

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

### **5. Leisure - Update and Proposed Fees and Charges 2025**

**Portfolio:** Finance and Corporate / Community, Safety and Wellbeing

#### **Cabinet resolution:**

1. That the operational update from the Council's leisure partner be noted.

#### **Recommended:**

2. That Council approves the proposed increases in fees and charges as set out in Appendix 1.

#### **Cabinet discussion:**

The Portfolio Holder for Community, Safety and Wellbeing introduced the report and expressed his full support to the recommendations.

The Portfolio Holder for Finance and Corporate acknowledged increasing fees and charges was not popular, but felt it was important to work with Freedom Leisure recognising the good services provided to customers and that they would still be provided at outstanding value for money.

The Assistant Director – Finance clarified that Freedom Leisure had the ability to increase charges without seeking consent from the Council provided the increases were not greater than CPI, and that they did not relate to certain protected services such as Active Lifestyle products. In recent years the flexibilities in the contract had been sufficient for the price increases, however with the long term increases in utility costs and increases to staffing costs due to the rise in national insurance, this

was no longer possible, without an impact on service delivery and hence the recommendation put forward.

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