

Council – 24 February 2025

Liberal Democrat Alternative Budget 2025/26

Purpose	For Decision
Classification	Public
Executive Summary	<p>The report proposes additions to the budget as currently outlined by the Administration.</p> <p>The Liberal Democrat Party believe that the proposed budget additions go further to support the residents of the New Forest, and further support the delivery of agreed Corporate Plan objectives.</p> <p>The proposals result in an increased general fund budget requirement at Portfolio level of £954,600 for 2025/26, £799,600 for 2026/27 and then £549,600 per annum thereafter.</p>
Recommendation(s)	1. That the Council approve the alternative budget, as laid out in the report and as summarised within appendix 1 and 2.
Reasons for recommendation(s)	The Liberal Democrat party believe the Council can go further in terms of supporting the needs of the residents of the New Forest through the approval of an alternative annual budget for 2025/26.
Ward(s)	All
Portfolio Holder(s)	N/A
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (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. The Liberal Democrat Party Councillors have considered the administration's proposed budget for 2025/26 and would like to propose several items which they believe should be included in an amended approved budget for 2025/26.
2. The Leader of the Main Opposition Group, Cllr Malcolm Wade has represented the views of the group in the preparation of the alternative budget. The Council's section 151 officer has supported Cllr Wade in the construction of the alternative budget.

Alternative Budget Proposals at Portfolio Level

3. Community Safety & Well Being

- a. Youth Hubs: +£50,000 (GF revenue)
 - i. Engage with Hampshire County Council (HCC) and other partners and provide additional funding for more youth and family hubs, with focus on school holidays, with meal and activity funding throughout District.
- b. Reducing Child Poverty: +£500,000 over 2 years (GF revenue)
 - i. Working with other agencies and providing a grant contribution of £500,000 aimed at reducing child poverty in the New Forest District.
- c. Councillor Grants: +£9,600 (GF revenue)
 - i. Whilst we welcome the proposed increase from £600 to £1,000 in the administration's budget, we would like to see this increase further to £1,200 per councillor.
- d. Arts and Creative spaces: +£50,000 (GF revenue)
 - i. Develop and formalise the Arts Advocate scheme working to have a minimum of one representative in each community with local arts and performance venue representation, 1 year pilot with a view to using the NFDC funding to act as match funding to enable the application of government funding.
- e. Transient art and culture offer: +£25,000 (GF revenue)
 - i. e.g. an arts bus, which could move around the serve the whole District rather than only one community.

- f. Provision of 'Health Bus': +£50,000 (GF revenue)
 - i. Working in partnership with Town and Parish Council's to provide a "Health Bus" to Lymington/Southampton hospitals. Seed capital by NFDC, subject to being revenue funded by town and parishes thereafter.

4. **Environment & Sustainability**

- a. Solar Canopy Feasibility study: +£25,000 (GF revenue)
 - i. To explore the potential to cover NFDC car parks with solar panels to generate electricity for charging electric vehicles and sell excess Power to subsidise car parking costs.
- b. Provision of Community skips: +£250,000 (GF revenue)
 - i. To be introduced in our main communities for excess waste to deal with the side waste produced by the introduction of wheelie bins.

5. **Finance & Corporate Services**

- a. Commercial Strategy Re-focus, including Business Rate Relief: +£100,000 (GF revenue)
 - i. NFDC to refocus its commercial strategy to promote multi-purpose units in each of our main settlements with facilities including superfast broadband. To encourage startups by providing office or space at a reasonable rent with extended Business Rate Relief to encouraging businesses to purchase and use empty shops in our communities thus supporting local employment/economy.
- b. Digital Economy Strategy: +£30,000 (GF revenue)
 - i. Commission the production of a Digital Economy Strategy for the district so we can benefit from the business and art opportunities it would bring to our area.

6. **Housing & Homelessness**

- a. Raise the housing acquisition budget: +£5 million (Housing Revenue Account (HRA) Capital)
 - i. £50.6 million over 3 years, from the administrations £45.6 million.

7. **Leader**

- a. Citizen Assemblies: +£15,000 (GF revenue)
 - i. asking participants to look at 3 topics each year, all relevant to the New Forest District.

8. **Planning & Economy**

- a. Tourist App: £nil
 - i. The Council's Economic Development function to prioritise the delivery of a New Forest Tourist App. The App should be self-financing, through business sponsorship and commission on in-app sales income.
- b. Business Rate Relief / incentives - +£100,000 (General Fund (GF) revenue)
 - i. The Council to introduce a Discretionary Business Rate Relief Scheme that seeks to encourage Green Energy Production within the New Forest.

Summary of the proposed amendments

- 9. The proposed amendments as outlined above would add an additional £954,600 to the Council's General Fund Revenue budget in 2025/26 reducing to £799,600 in 2026/27 and then £549,600 per annum thereafter. The addition to the HRA capital programme over the 3 year period from 2025/26 to 2027/28 would be £5 million.
- 10. Funding of the General Fund additions would necessitate the removal of the majority of the General Fund contribution towards the capital programme financing. This would directly necessitate additional external borrowing to directly replace the financing. As a result, additional borrowing charges would be incurred and so would need to be brought into the General Fund budget, above the additional £954,600 outlined.
- 11. The addition of the £5 million to the HRA capital programme would require additional external borrowing, and so the additional interest charges would need factoring into the Housing Revenue Account budget. The 30 year business plan would also need updating to provide the appropriate assurance that the additional sum would be affordable to the HRA over the long-term.

Corporate plan priorities

12. It is the view of the Liberal Democrat party that the additions to the budget further supplement the achievement of the priorities as included within the Council's adopted Corporate Plan.

Options appraisal

13. The option to replace any funded activities within the administration's proposed budget, as opposed to add to was considered, but not seen as a viable option.

Consultation undertaken

14. None.

Financial and resource implications

15. The financial implications are laid out in the report.
16. The level of additional borrowing required to backfill the capital programme financing would not be at a level that would likely cause a significant detrimental short, medium or long term effect.
17. There would likely be additional resource implications to consider as the Council's establishment level is designed to fulfil the priorities and service delivery according to the proposed budget, as opposed to the alternative budget.

Legal implications

18. There are none directly arising from this report.

Risk assessment

19. Whilst no formal risk assessment has been completed, senior officers believe that the provision of local community skips would risk discouraging residents to reduce their household waste output, and believe that the provision of these community skips could be seen as an alternative to the Household Waste Recycling Centres (HWRC), currently operated and funded by the County Council as the waste disposal authority.

Environmental / Climate and nature implications

20. There are proposed additions within this report that would further support the delivery of the Council's Climate and Nature Emergency action plan.

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 – Summary Table
Appendix 2 – Alternative General
Fund Summary

Background Papers:

MTFP and Annual Budget 2025/26

Appendix 1

Liberal Democrat Alternative Budget 2025/26

Proposed amendments

Item	Paragraph	General Fund		HRA
		One-off revenue	Ongoing revenue	One off capital
Youth hubs	3a		50,000	
Child poverty grant*	3b	250,000	*	
Councillor grants	3c		9,600	
Arts hub/Creative spaces	3d	50,000		
Transient art and culture hubs	3e		25,000	
Health bus	3f	50,000		
Solar canopy feasibility study	4a	25,000		
Provision of community skips	4b		250,000	
Commerical strategy	5a		100,000	
Digital economy strategy	5b	30,000		
Housing acquisition budget ^	6a			5,000,000
Citizen assemblies	7a		15,000	
Tourist app	8a	Nil	Nil	
Business Rate Relief/Incentives	8b		100,000	
Total		405,000	549,600	5,000,000
Total General Fund 2025/26			954,600	
Total General Fund 2026/27*			799,600	
Total General Fund 2027/28			549,600	

* Child poverty grant: £250,000 in both 2025/26 and 2026/27 only

^ additional one off housing acquisition budget applies to 3-year period 2025/26 to 2027/28

MEDIUM TERM FINANCIAL PLAN 2024-2026

GENERAL FUND BUDGET 2025/26

	2025/26 £'000's Budget	2025/26 Paragraph Ref	2025/26 £'000's Budget Changes	2025/26 £'000's Alternative Budget
PORTFOLIO REQUIREMENTS				
Community Safety and Wellbeing	3,389	3	435	3,827
Environment and Sustainability	11,747	4	275	12,026
Finance and Corporate	3,710	5	130	3,845
Housing and Homelessness	3,652	6	0	3,658
Leader	2,243	7	15	2,265
Planning and Economy	3,978	8	100	4,086
	28,719	-	955	29,707
Reversal of Depreciation	-2,768	-	0	-2,768
Contribution to/(from) Earmarked Revenue Reserves	-1,645	-	0	-1,645
Contribution to Reserves	0	-	0	0
NET PORTFOLIO REQUIREMENTS	24,306	-	955	25,294
Minimum Revenue Provision	2,512	-	0	2,512
Contribution to Capital Programme Financing (RCCO)	1,100	-	-955	145
Interest Costs	206	-	0	206
Interest Earnings	-1,432	-	0	-1,432
Waste Services Grant	-1,175	-	0	-1,175
Other grants	-8	-	0	-8
GENERAL FUND NET BUDGET REQUIREMENTS	25,509	-	0	25,542
COUNCIL TAX CALCULATION				
Budget Requirement	25,509	-	0	25,509
Less:				
Settlement Funding Assessment				
Revenue Support Grant	-1	-	0	-1
New Homes Bonus	-36	-	0	-36
Employers National Insurance Grant	-155	-	0	-155
Guarantee Grant (MHCLG)	-676	-	0	-676
Business Rates Baseline	-4,378	-	0	-4,378
	-5,246	-	0	-5,246
Locally Retained Business Rates	-5,007	-	0	-5,007
Budget Equalisation Reserve	0	-	0	0
Estimated Collection Fund (Surplus)/Deficit Business Rates	-192	-	0	-192
Estimated Collection Fund (Surplus)/Deficit Council Tax	-162	-	0	-162
Contribution to/ (from) Business Rates Equalisation Reserve	192	-	0	192
COUNCIL TAX	15,094	-	0	15,094
TAX BASE NUMBER OF PROPERTIES	73,355.00			73,355.00
COUNCIL TAX PER BAND D PROPERTY	205.77			205.77
GENERAL FUND BALANCE 31 MARCH	3,000			3,000

