

## **Council – 26 February 2026**

### **Report of Cabinet – [18 February 2026](#)**

#### **Part I – Items resolved by Cabinet**

**None**

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

##### **1. Housing Revenue Account Budget and Housing Public Sector Capital Expenditure Programme 2026/27**

**Portfolio** – Housing and Homelessness

##### **Recommended:**

That Council agrees:

1. that from 06 April 2026, an increase in dwelling rents of 4.8% from the 2025/26 weekly rent level, in accordance with Government guidelines, be agreed;
2. that from 06 April 2026, an increase in garage rents of 4.8% from the 2025/26 weekly rent level be agreed;
3. that from 06 April 2026, shared ownership property rents be increased in line with the applicable rent review provisions within each lease. For the eight properties held under leases allowing RPI+0.5%, an increase of 5.00% from the 2025/26 weekly rent level be agreed, for all properties which are subject to CPI+1% under the current model lease, an increase of 4.8% be agreed and the weekly rent of one property sold under previous legislation be agreed to increase by 4.8%;
4. that from 06 April 2026 Service Charges will continue to reflect actual charges;
5. that the HRA budget, as set out in Appendix 1 of this report, be agreed; and
6. that a Housing Capital Programme to 2028/29, as set out in Appendix 4, be agreed.

## **Cabinet Discussion:**

The Portfolio Holder for Housing and Homelessness presented the report. He was pleased that the proposed Housing and Revenue Account (HRA) budget for 2026/27 was a balanced budget. He explained that the budget underpinned the corporate plan priorities and was supported by a 30-year business plan forecast. He highlighted several points of significance within the report.

These included:

- A £19 million spend on the maintenance of tenants' properties in 2026/2027.
- A £15.2 million spend on the continued development and acquisition of new Council dwellings.
- There would be rent increases in order to achieve a balanced budget, however these were in line with the Government's guidelines.
- A £1.3 million budget was proposed to ensure continued and improved fire safety compliance.
- A £3 million budget was proposed for Home Energy Improvement programmes.

The Assistant Director of Finance provided further information on the report. He explained in further detail the recommendations before Cabinet, including increases to rent and service charges plus the approval of the HRA Capital Programme. He explained that, as required, the HRA budget was balanced and was also supported by the 30-year business plan. The proposed HRA budget prudently maintained the HRA reserve of £1 million.

Cabinet heard that there was sufficient capacity within the budget to meet statutory, regulatory and landlord obligations. It was reported that rents were being increased by 4.8% in line with Government policy. The enhanced level of income would enable the Council to continue to invest in its existing housing stock.

The Assistant Director for Finance summarised the various elements of the budget, including the Capital Programme. The report had been considered by the Tenant Involvement Group and the Council's Housing and Communities Overview and Scrutiny Panel. The Assistant Director of Finance explained that there were certain corrections to be made in relation to the report. Paragraph 34 should state a figure of £824,000,

paragraph 38 should refer to paragraphs 26-28 rather than section 3, and paragraph 56 should contain reference to paragraphs 33 and 34.

Overall, the proposed budget was financially sustainable, protects tenants' safety and service standards, enables continued delivery of new affordable homes, aligns with national policy and the Council's corporate priorities.

The Portfolio Holder for Finance and Corporate commented on the Maintenance Programme, the level of funding that the Council puts into it and the subsequent high standard of housing provision. He hoped that the new authority following Local Government Reorganisation (LGR), would meet the challenge of continuing the high standard of service provided by NFDC.

The Portfolio Holder for Housing and Homelessness answered a question from a non-executive member on EPC Energy Efficiency targets. He explained that despite the challenging nature of the Government's ever-changing EPC 'C' rating criteria, the Council was on target to meet required standards.

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

### **2. Medium Term Financial Plan and Annual Budget 2026/27**

**Portfolio** – Finance and Corporate

#### **Recommended:**

That:

1. the updated Medium Term Financial Plan (MTFP) and financial strategy, as set out in the report and throughout appendices 1-3, be approved.
2. there is a General Fund Net Budget Requirement in 2026/27 of £26.630 million, as set out in appendices 5a - 5d of the report;
3. the New Forest District Council Band D Council Tax for 2026/27 shall be £211.92 (paragraph 37);
4. the General Fund Capital Programme for 2026/27 of £14.646 million, as set out in appendix 6 to this report be approved; and
5. the proposed fees and charges as included at appendix 7 to the report be approved.

## **Cabinet Discussion:**

The Portfolio Holder for Finance and Corporate introduced the report. He explained that the Council had produced a balanced budget for 2026/2027. He congratulated the hard work that had gone into the budget, though acknowledged the challenges facing the Council with a medium-term financial gap of £3.4 million. The Council was running a Capital Programme for 2026/27 of £14.646 million which would enable the Council to deliver a range of projects across the district. He commented on the detrimental impact that the Government's 'Fair Funding' Review had on the Council's finances. Despite promises of new burdens funding to support food waste collection, the Council was going to receive £1.2 million less funding than it received now.

The Portfolio Holder confirmed that council tax would increase by 2.99%, with District Council tax increasing by £211.92 for a band D dwelling, which equated to an increase of £3.95 a week. Cabinet heard that the extended producer's responsibility funding was increasing to £2.4 million. The Council aligned its budgets with the corporate priorities with, among other things, focus on the new waste service, public conveniences refurbishments and a new Council ICT service.

The Assistant Director of Finance explained that the Council had a balanced General Fund budget for 2026/27 including a net budget requirement of £26.6 million. This had been achieved without the need to use the budget equalisation reserve; however, the medium-term forecast did identify a £3.4 million deficit. The Government's Fair Funding review had disproportionately affected rural and District councils, with a reduction in funding of £1.2 million over the settlement period. Grant simplification has rolled up several previously discreet grants into the overall revenue support grant contributing to the overall reduction, additionally the Council had not received the previously assumed £1.5 million food waste funding reductions. Council tax had been increased by 2.99% in line with Government limits. Within the budget there had been service investment across the Council's key priorities with enhancement in several service areas and resources provided for the LGR process.

It was explained that there was additional income through the extra £1.3 million EPR money as well as an additional £1.9 million from fees and charges, contractual income growth and positive movement on the pension contributions made by the Council. Cabinet was reminded that the budget also contained the £14.6 million Capital Programme. Appendix 5b required a minor presentational adjustment to align with Appendix 5a. A non-executive member commented on this being NFDC's final budget prior to the LGR Structural Change Order and wider

oversight, acknowledging the service investments made by the Council and referring to the level of car parking charges. The Portfolio Holder for Finance and Corporate explained that the Council undertook a reset of its car parking charges to align with comparable charges in other areas seeing subsequent increases in line with inflation.

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

### **3. Lymington and Pennington Neighbourhood Plan – Making the Plan (Referendum and Decision on Adoption)**

**Portfolio** – Planning and Economy

#### **Recommended:**

That Council:

1. Notes the outcome of the referendum of 29 January 2026; and
2. Agrees that the Lymington and Pennington Neighbourhood Plan be 'made' (adopted) as part of the Development Plan for New Forest District (Outside the National Park).

#### **Cabinet Discussion:**

The Portfolio Holder for Planning and Economy introduced the report. He explained that neighbourhood plans gave communities a direct role in the development of their local area. The plan had been developed over the last 10 years, with work being led by the Lymington and Pennington Town Council steering group, supported by NFDC and the National Park Authority. A referendum was held on 29 January which resulted in a 92.5% vote in support of the adoption of the plan. If NFDC were to formally adopt the plan at Council, it would form a part of the statutory development plan and would guide decisions made on planning applications.

Non-Cabinet members congratulated the various bodies that had worked on the development of the plan and acknowledged the benefit it would bring the local area. The Planning Policy Team Leader gave thanks to those who had worked on the plan including, the Neighbourhood Plan steering group, the wider community and the Council's Electoral Services team who facilitated the referendum. A non-Cabinet member asked a question on the development of the Fawley neighbourhood plan, to which Officers would respond after the meeting

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