

REPORT OF CABINET

(Meeting held on 16 January 2013)

1. THE ALLOCATION OF DEVELOPER CONTRIBUTIONS (REPORT A) (MINUTE NO 48)

The Cabinet has approved the list of potential projects and also approved the first major tranche of projects that will be funded by developers' contributions that are being held for the provision of open space, with the intention that all the money currently held will be spent in the next 3-4 years. There have been extensive consultations with the 12 town and parish councils for which funds are currently being held, and there were also area based meetings to which all District Councillors were invited. Through this process the long list of potential projects has been divided into three categories:

- Category A - Fully developed projects for inclusion in the 2013/14 programme. These are the ones that have now been approved to go ahead;
- Category B - Contains two types of projects:
 - (i) Projects that need to be developed further to determine costs/scope.
 - (ii) Projects where insufficient funding currently exists, but which should be ready if additional funding becomes available;
- Category C - Parishes with no priority projects identified, or where a priority project has been identified but no clear implementation strategy is in place.

To allow projects to be developed and progressed as quickly as possible, the officers and the Portfolio Holder have been given authority to approve minor increases in expenditure, and to progress Category B Projects if the opportunity arises. Expenditure on some feasibility work has also been approved in the current financial year.

As now, where the town or parish council use this Council's services to implement schemes, the design and implementation fees will continue to be charged to the agreed developers' contributions.

The list of projects and progress will be reviewed by members on a 6-monthly basis, starting in April 2013.

2. COUNCIL TAX SUPPORT – COUNCIL TAX REDUCTION SCHEME (REPORT B) (MINUTE NO 49)

The Council needs to adopt a local council tax reduction scheme to take the place of Council Tax benefits, which will be abolished from 31 March 2013. The Corporate Overview and Scrutiny Panel established a task and finish working group, who have been working closely with the Finance and Efficiency Portfolio Holder to develop recommendations. The proposed local scheme, which has been subject to extensive consultations, including with all precepting bodies and interested organisations, is largely based on the default scheme published by the Government, and protects the level of help received by pensioners and people with severe disabilities. Instead of meeting the entire cost of council tax benefit, the Government will now give this Authority a grant equivalent to approximately 90% of the current projected cost. This

Authority also bears the risk associated with poor performance in the national economy increasing the numbers of claimants.

The local scheme has been developed bearing in mind the responses of the precepting authorities, that the funding “gap” should be closed as far as possible; front line services should not be affected; there should be no additional cost to council taxpayers; and there is a greater incentive for people of working age to work.

After the Task and Finish Group had developed a scheme to meet local needs, the Government announced the availability of a transitional grant for the first year, provided that no claimant paid more than 8.5% of council tax. In order to take advantage of this additional money it is recommended that the increases are capped at 8.5% this year, and until the transitional grant expires, with the full local scheme, which requires claimants, other than pensioners and people with severe disabilities, to pay a minimum of 20% Council Tax, being brought into force at that time.

The Task and Finish Working Group and the officers were thanked and commended for their work in producing the proposed scheme to meet local circumstances. Members were also pleased to note that the operation of the new scheme would be reviewed, following which consideration would be given to how to proceed at the end of the period covered by the transitional grant from Government.

Insofar as they are empowered by law, the Cabinet has agreed the following recommendations and also commends them to the Council for adoption

RECOMMENDED:

That, in so far as it is empowered to do so by law, the Council agrees

- (i) That in accordance with the Local Government Finance Act 1992, section 13A(2) the Council now make its council tax reduction scheme to comprise the provisions in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and any subsequent amendments thereto made by the Secretary of State, subject to the exclusions, modifications and other amendments contained in the Scheme document at Appendix C to this report.”***
- (ii) That the Council agree that the amendments set out at paragraph (iii) below be incorporated into its Council Tax Reduction Scheme commencing on a date after 31 March 2014 and that date of commencement shall be determined by a resolution of the Council made not later than 31 January 2014.***
- (iii) That the amendments commencing on a date after 31 March 2014 are***
 - 1. In calculating a council tax reduction for an applicant living in a dwelling with a council tax band greater than band D, the daily council tax amount shall be calculated using council tax band D,***
 - 2. Subject to 1 above the maximum council tax reduction amount shall be 80% of the daily council tax amount,***
 - 3. Applicants with capital exceeding £6,000 shall be disentitled to a council tax reduction.***

- (iv) ***That the existing scheme of delegation of powers to the officers be amended by the inclusion of the following:***

<i>Source</i>	<i>Power Delegated</i>	<i>Delegation to</i>
<i>Local Government Finance Act 1992, The Council Tax Reductions Schemes (Default Schemes) (England) Regulations 2012 and other relevant legislation, together with any subsequent amendments and re-enactments</i>	<i>To take all decisions and to carry out all functions in relation to the Council Tax Reduction Scheme</i>	<i>Head of Customer and Financial Services, or Tax and Benefits Manager</i>

3. REVIEW OF COUNCIL TAX DISCOUNTS (REPORT C) (MINUTE NO 50)

The Task and Finish group that was established to develop a local scheme for council tax support has also reviewed the discounts allowed against the payment of council tax, to take advantage of the greater flexibility introduced by recent legislation. It is not possible to change the 25% discount for a single person occupying a property, but some other discounts can be reduced. The Task and Finish working group considered the effect of changing each of the discounts available, and concluded that reducing some discounts, and/or the period for which they were available, could act as an incentive to bring properties back into use. The Cabinet concurs with the underlying principles, but reviewed the recommendation to impose a premium of 50% on the Council Tax on properties that had been unoccupied for more than 2 years. The Cabinet considers that it would be more productive to contact the owners of the properties concerned to establish the reason for their being unoccupied and to work with the owners to bring the property back into use. This would have no impact on projected income figures.

Insofar as they are empowered to do so by law, the Cabinet has agreed the following recommendations and also commends them to the Council for adoption.

RECOMMENDED:

That insofar as they are empowered to do so by law, the Council determines:

- (i) ***DISCOUNT APPLICABLE FOR A FURNISHED/UNOCCUPIED DWELLING***

That a determination be made in accordance with Sections 11 and 11A of the Local Government Finance Act 1992 (as amended) and The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (SI 2003 No. 3011) and The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (SI 2012 No. 2964) in relation to chargeable dwellings in the New Forest District Council area to the effect that:-

- (1) **From 1 April 2013, in the case of a chargeable dwelling falling within prescribed Class A (a dwelling which is not the sole or main residence of an individual unoccupied, which is furnished and the occupation of which is restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year) the discount allowed under section 11(2)(a) shall remain at 30%; and**
- (2) **From 1 April 2013, in the case of a chargeable dwelling falling within prescribed Class B (a dwelling which is not the sole or main residence of an individual, which is furnished and the occupation of which is not restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year) the discount allowed under section 11(2)(a) shall not apply.**

(ii) DISCOUNT APPLICABLE FOR AN UNOCCUPIED AND SUBSTANTIALLY UNFURNISHED DWELLING

That a determination be made in accordance with Sections 11, 11A and 11B of the Local Government Finance Act 1992 (as amended) and The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (SI 2003 No. 3011) and The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (SI 2012 No. 2964) in relation to chargeable dwellings in the New Forest District Council area to the effect that:-

- (1) **From 1 April 2013, in the case of a chargeable dwelling falling within prescribed Class C, (a dwelling which is unoccupied and substantially unfurnished) the discount allowed under section 11A(4A) shall be:-**
 - (a) **100% for up to one calendar month from the date the dwelling first became unoccupied and substantially unfurnished; and**
 - (b) **after the end of one calendar month from the date the dwelling first became unoccupied and substantially unfurnished, the discount allowed under section 11(2)(a) shall not apply.**

(iii) DISCOUNT APPLICABLE FOR AN UNOCCUPIED AND UNFURNISHED DWELLING WHERE MAJOR REPAIR WORKS OR STRUCTURAL ALTERATIONS ARE REQUIRED, UNDER WAY OR RECENTLY COMPLETED

That a determination be made in accordance with Sections 11 and 11A of the Local Government Finance Act 1992 (as amended) and The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (SI 2003 No. 3011) and The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (SI 2012 No. 2964) in relation to chargeable dwellings in the New Forest District Council area to the effect that from 1 April 2013, in the case of a chargeable dwelling falling within prescribed Class D:-

- (1) ***which satisfies the requirement set out in paragraph (2) below unless it has been such a dwelling for a continuous period of twelve months or more ending immediately before the day in question;***
- (2) ***the requirement referred to in paragraph (1) above is that the dwelling is vacant and-***
 - (a) ***requires or is undergoing major repair work to render it habitable, or***
 - (b) ***is undergoing structural alteration; or***
 - (c) ***has undergoing major repair work (which may include structural repair work) to render it habitable, if less than six months have elapsed since the date on which the alteration was substantially completed and the dwelling has continuously remained vacant since that date;***

the discount allowed under Section 11A(4A) shall be 50%.

4. THE COUNCIL TAX 2013/2014: SETTING THE TAX BASE (REPORT D) (MINUTE NO 51)

Having agreed the local scheme for Council Tax Reduction and reviewed the discounts allowable against the payment of the council tax the Cabinet considered the proposed tax base for 2013/14. This establishes the basis of the calculations for the council tax for the district for the coming year. The details of individual town and parish council precepts were set out in Appendix 1 to Report D to the Cabinet. The Council Tax Base is nearly 10% lower than in 2012/13, and this equates to a reduction of approximately £1 million for 2013.14. This is the sum that should be met through the transitional grant from Government for the introduction of the local scheme for Council Tax Reduction.

It was agreed that, in so far as it is empowered to do so by law, the calculation of the Council Tax Base for the year 2013/14, as set out in the recommendation to Council below, should be approved and that, 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 2013/14 should also be as follows and as detailed in Appendix 1 to Report D to the Cabinet.

RECOMMENDED:

That insofar as they are empowered to do so by the law, the Council determines:

- (a) ***That the calculation of the Council's tax base for the year 2013/14, as set out in Report D to the Cabinet, be approved.***
- (b) ***That pursuant to Report D to the Cabinet 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 2013/14 be as follows and as detailed in Appendix 1 to Report D to the Cabinet.***

PARISH/TOWN	TAX BASE 13/14
Ashurst & Colbury	897.6
Beaulieu	512.7
Boldre	1025.3
Bramshaw	336.8
Bransgore	1760.6
Breamore	171.6
Brockenhurst	1820.1
Burley	762.8
Copythorne	1185.3
Damerham	223.5
Denny Lodge	144.1
East Boldre	375.0
Ellingham, Harbridge & Ibsley	585.8
Exbury & Lepe	109.2
Fawley	4386.4
Fordingbridge	2165.4
Godshill	219.6
Hale	255.2
Hordle	2324.9
Hyde	510.3
Hythe & Dibden	7143.0
Lymington & Pennington	6718.7
Lyndhurst	1345.1
Marchwood	2034.5
Martin	190.0
Milford on Sea	2714.9
Minstead	357.0
Netley Marsh	793.3
New Milton	10002.4
Ringwood	4927.7
Rockbourne	162.1
Sandleheath	271.9
Sopley	280.9
Sway	1650.1
Totton & Eling	8995.5
Whitsbury	98.0
Woodgreen	245.4
Whole District	67702.7

5. BUSINESS RATES – APPROVAL OF NATIONAL NON-DOMESTIC RATES RETURN NNDR1 (REPORT E) (MINUTE NO 52)

The Cabinet considered the national non-domestic rates return (NNDR1), which now has to be approved for submission in the same way that the council tax base is approved. The NNDR1, although not a new form, now has greater significance, with the introduction of the business rates retention scheme from 1 April 2013. Under the business rates retention scheme this Council is a tariff authority, as the Government calculates that income from business rates in this area exceeds current spending. The level of tariff payable by this Council will increase yearly in line with the retail price index but will not be reviewed until 2020 at the earliest. The Council will benefit by 50% from any growth in business rates, but also bears some of the risk of reductions in income caused by the closure of businesses.

The day prior to the meeting of the Cabinet, the Government indicated that they would be changing the rules with respect to the authority's estimate of adjustment due to appeals. At that time the details were yet to be released, so the Executive Director in consultation with the Finance and Efficiency Portfolio Holder has been authorised by the Cabinet to revise the calculation in line 35 of the NNDR1, ready for submission to Government

Insofar as they are empowered to do so by law, the Cabinet has agreed the following recommendations and also commends them to the Council for adoption

RECOMMENDED:

That, in so far as it is empowered to do so by law, the Council agrees

- (i) That, subject to recommendation (ii) below, the calculation of the NNDR1 as set out in Appendix 1 of Report E to the Cabinet be approved;***
- (ii) That the Executive Director (S151 Officer), in consultation with the Finance and Efficiency Portfolio Holder, revise the calculation of Line 35 (Local Authority's estimate of adjustment due to appeals) of NNDR1***

6. MEDIUM TERM FINANCIAL PLAN – ANNUAL BUDGET REPORT 2013/14 (REPORT F) (MINUTE NO 53)

The Local Government Finance Settlement for 2013/14 reflects continuing financial austerity, with planned reductions in grants over the next few years. The overall funding available (Council Tax and Government Grant) in 2013/14 is expected to be reduced by 2.5% compared to the current year, and by a further 4.8% in 2014/15. The calculation of the funding available from Government has become much more complex and has to take account of the various changes outlined under items 2, 3, 4 and 5 of this report. The Council is continuing to take advantage of the additional grant available to Councils that do not increase their Council Tax charge.

The continuous service reviews that have been carried out over the last 3 years have achieved savings of £3.5million, with further savings of £770,000 anticipated in 2013/14. In addition, opportunities have been taken to generate further income, or reduce losses associated with the use of Council assets, such as the reviews of the Council's Health and Leisure Centres and the Dibden Golf Centre. This has allowed front line services to be protected to date. In the autumn the Government published a list of ideas on how to achieve savings, but this Council had already introduced the majority of those suggestions that were relevant to this Authority.

The Council has continued to invest in its own assets, to maintain and improve efficiency, and also to support the local community. In addition, the Council has taken advantage of the opportunity to invest in its housing stock and is increasing the numbers of affordable homes.

The financial strategy to date means that the Council has a balanced budget for 2013/14. The reserves will be maintained at a level commensurate with the adequate management of the financial risks that are likely to be faced in the medium term, while work will continue to identify means of bridging the anticipated future funding gap.

The officers and the Finance and Efficiency Portfolio Holder were thanked for their hard work in developing all the financial reports and recommendations in the context of the late and incomplete information that had come forwards from the Government. The Cabinet was also mindful that the Council's Medium Term Financial Plan was maintaining a context in which tough financial decisions could continue to be taken on a sound basis, in a timely fashion. The Council's budget for 2013/14 will be considered by the Cabinet at its meeting in February.

Cllr B Rickman
CHAIRMAN