

## **REPORT OF CABINET**

**(Meeting held on 1 October 2014)**

### **1. MEDIUM TERM FINANCIAL PLAN 2014-2018 (REPORT A) (MINUTE NO. 33)**

In accordance with established budget preparation procedures the Cabinet has considered and approved the resource plans developed for each portfolio to ensure the delivery of the Council's services and that the aims, performance levels and challenges of delivering the Council's Corporate Plan are met. The portfolio plans ensure that resources are directed most effectively towards key objectives and form the basis for the developing Medium Term Financial Plan.

The financial climate remains challenging with continuing reductions in the funding available, particularly through government grant. The budget will be balanced in 2015/16, based on the 2 year grant settlement announced by the government in early 2014. The Council's priority has also been to protect council taxpayers from any increase, by maintaining the current Band D charge level of £155.76. There are no indications about the level of formula funding that will be provided after 2015/16, not least because of the general election in May next year. The Medium Term Financial Plan is therefore assuming a reduction of 25% per annum until 2017/18, amounting to a further £1.6 million.

New Homes Bonus has been calculated to continue over the period of the Plan, and to grow in line with current projections of £400,000 per annum. The future of this funding stream will however need to be watched closely after the general election.

A number of additional budget requirements have been identified, including projected inflation, pay increases, and the effect of UK monetary policy.

The Cabinet and other Members have welcomed the current strong financial position, which has been achieved by careful planning over recent years. This Council is one of the few, nationally, to be building new Council homes, has retained its weekly refuse collections and even introduced additional recycling activity, with the kerbside collection of glass. The Council is therefore in a strong position to meet the challenges that will be presented to the new administration after the District Council elections in May 2015.

To meet the anticipated challenges the Council will continue to review the way in which it delivers its services to ensure that savings are identified to match the projected reductions in funding, while continuing to provide high quality services to local people and businesses. The review programme will be called "Fit for the Future" and will use both Member and staff resources to generate new ways of working.

One developing area of interest is the funding streams being directed through Local Enterprise Partnerships (LEPs), with this Council working with both the Solent and M3 LEPs. The Council is also working through the Partnership for Urban South Hampshire (PUSH) to achieve the best possible access to such funding as may become available.

The Cabinet has approved the approach that is being taken to the preparation of the Medium Term Financial Plan.

## **2. COMMUNITY INFRASTRUCTURE LEVY (REPORT B) (MINUTE NO. 34)**

Earlier this year the Cabinet (minute 75, 2 April 2014 refers) and subsequently the Council (minute 59, 14 April 2014 refers) approved the adoption of the charging schedule for the Community Infrastructure Levy (CIL) with an implementation date of 6 April 2015. The delayed implementation date was agreed as it was expected that the Government might amend the CIL Regulations, but no such amendments have, in the event, been made or are anticipated. The CIL charge of £80 per square metre of new residential development will therefore come into effect from 6 April 2015.

Prior to that date the Council must prepare a list, under Section 123 of the CIL Regulations, of the Council's priorities for spending CIL receipts and have a system in place for the effective monitoring and amendment of the list, as required. Under the terms applying to the pooling and use of CIL receipts it is also important that all contributions received to date under S106 agreements have been allocated to projects prior to 6 April 2015. The list of proposed projects is in the process of being finalised, following the normal consultation processes.

A number of constraints apply to the pooling of CIL receipts and their allocation to infrastructure projects. For example, receipts from only 5 development projects can be pooled for most infrastructure projects, although the funds will no longer be as specifically constrained to certain types of projects, as they had been under the old S106 system. Once administrative costs, the funds that must be allocated to the local council for the area and funding for habitat mitigation projects have been deducted, the residual funds available for other projects will be limited. Other bodies, such as the health and education authorities, can also bid for part of the CIL receipts if it is anticipated that new development will increase the demand for health services or school places in an area. It is anticipated that there will be some challenging debates leading up to the final allocation of CIL funds.

The suggested process for producing the Regulation 123 list, with the statutory consultation stages, is set out in section 5 of Report B to the Cabinet. This process mirrors the successful system that is already in place for the allocation of S106 receipts.

It has been agreed that a further report will be submitted to the Cabinet in early 2015 which will lead to the agreement of the Regulation 123 list of projects that the Council intends to fund, or may fund, through the levy.

### ***RECOMMENDED:***

***That the principles and procedure for the administration of Community Infrastructure Levy receipts, as set out in Report B to the Cabinet, be approved and adopted.***

## **3. SANDLEHEATH VILLAGE DESIGN STATEMENT – ADOPTION OF SUPPLEMENTARY PLANNING GUIDANCE (REPORT C) (MINUTE NO. 35)**

The Cabinet has adopted the Sandleheath Village Design Statement that has been developed to provide supplementary planning guidance as part of the Local Development Framework for the District outside the National Park. The Village Design Statement has been the subject of extensive research and consultation. The

document should ensure that new development respects the character, identity and context of the village and consequently will promote better quality development. It was subject to a 7 week consultation period ending on 15 August 2014 and attracted clear support. Some helpful comments were received in relation to heritage assets and have been incorporated.

The Village Design Statement is produced in full as Appendix 1 to Report C considered by the Cabinet.

**Councillor B Rickman  
CHAIRMAN**