



New Forest
DISTRICT COUNCIL

Council Meeting Agenda

23 February 2015



SUMMONS

To All Members of the Council

You are hereby summoned to attend a meeting of the District Council to be held in the Council Chamber, Appletree Court, Lyndhurst on Monday, 23 February 2015 at 6.30 p.m.

Telephone enquiries to: Lyndhurst (023) 8028 5000
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Dave Yates
Chief Executive

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This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

APOLOGIES

1. MINUTES (PAPER A)

To confirm the minutes of the meeting held on 8 December 2014 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. CHAIRMAN'S ANNOUNCEMENTS

4. LEADER'S ANNOUNCEMENTS

5. REPORT OF THE RETURNING OFFICER – BY-ELECTION FOR BRANSGORE & BURLEY WARD – 11 DECEMBER 2014 (REPORT B)

To receive the report of the Returning Officer on the by-election for the Bransgore and Burley Ward of New Forest District Council on 11 December 2014.

6. REPORTS OF COMMITTEES AND CABINET

| | |
|--|------------------------------------|
| Audit Committee | 23 January 2015 |
| General Purposes & Licensing Committee | 16 January 2015 |
| Cabinet | 7 January 2015 and 4 February 2015 |

7. QUESTIONS UNDER STANDING ORDER 22

Cllr Mrs Bennison has submitted the following question under Standing Order 22, which she wishes to ask the Leader of the Council: -

“Sky lanterns are effectively small hot air balloons made of wire and paper. They are intended to be launched into free flight, rising by the enclosed hot air. Sky lanterns have given rise to a growing number of safety concerns across the Forest including:

Risk to livestock and animal health, fire causing damage to crops and property, impact on the environment, such as litter on land and sea, risks to aviation, to coastal rescue services and consumer safety.

Many national organisations such as the RSPCA, the National Farmers’ Union and the Marine Conservation Society, as well as a number of local authorities, support a ban on their use.

Would the Leader agree to ask the relevant Heads of Service of the Council to consider the above with a view to taking positive action as far as possible to give effect to banning the use, or release, of sky lanterns from Council owned or controlled property; and to consider the imposition of a condition on premises licences prohibiting the sale or use of sky lanterns”.

(**Note:** Standing Order 40 provides that questions under Standing Order 22 shall be put and answered without discussion. The member who asked the original question may ask one supplementary question arising from the answer. The answer to either question shall not be discussed.)

8. QUESTIONS TO PORTFOLIO HOLDERS UNDER STANDING ORDER 22A

To ask questions of Portfolio Holders. Questions received will be tabled at the meeting. (Members are reminded that questions must be submitted to the Chief Executive or to the Head of Legal and Democratic Services by not later than noon on Friday 20 February 2015.)

9. COUNCIL TAX 2015/16 (REPORT C)

To set the Council Tax for 2015/2016.

10. RE-APPOINTMENT OF INDEPENDENT PERSONS – ALLEGATIONS OF BREACHES OF THE MEMBERS’ CODE OF CONDUCT

The terms of office of the Independent Persons, Mr David Hewitt and Mr David Nottage, appointed for the purpose of Section 28(7) of the Localism Act 2011 to give views on allegations that District or Parish/Town councillors have failed to comply with their authority’s code of conduct, will expire in May 2015. Mr Hewitt and Mr Nottage were appointed in 2012 following a recruitment process. Both have developed a good understanding of the duties and responsibilities of District and Parish Councillors and the application of the code to Councillors. They have proved to be effective as Independent Persons, and it is recommended that they be appointed for a further term. Both have indicated that they are willing to serve for an additional term.

RECOMMENDATION:

That Mr David Hewitt and Mr David Nottage be appointed to serve as Independent Persons for the purposes of Section 28(7) of the Localism Act 2011 for a four year period commencing on 8 May 2015.

11. MEMBERSHIP OF COMMITTEES AND PANELS

To consider any changes to the membership of Committees or Panels that might be proposed by the political groups.

12. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

(CL230215)

8 DECEMBER 2014

NEW FOREST DISTRICT COUNCIL

Minutes of a meeting of the New Forest District Council held at Appletree Court, Lyndhurst on Monday, 8 December 2014

- p Cllr Mrs M D Holding – Chairman
- p Cllr Mrs A J Hoare – Vice-Chairman

Councillors:

- p A R Alvey
- p Mrs D E Andrews
- p G C Beck
- p Mrs S V Beeton
- p Ms R Bellows
- p Mrs S M Bennison
- p J E Binns
- p D A Britton
- p Mrs D M Brooks
- p S J Clarke
- p Mrs J L Cleary
- p G F Dart
- p S P Davies
- p W H Dow
- ap Ms L C Ford
- p A T Glass
- p M R Harris
- p C J Harrison
- p D Harrison
- p E J Heron
- p J D Heron
- ap Mrs P Jackman
- p M J Kendal
- ap A N G Kilgour
- p C Lagdon
- p Mrs M E Lewis
- p Mrs P J Lovelace
- p B D Lucas
- p Mrs A E McEvoy

Councillors:

- p Mrs M McLean
- p A D O'Sullivan
- p N S Penman
- p J Penwarden
- ap L R Puttock
- p A W Rice
- p B Rickman
- p W S Rippon-Swaine
- ap Mrs M J Robinson
- ap Mrs A M Rostand
- ap D J Russell
- p R F Scrivens
- p Miss A Sevier
- p M D Southgate
- ap A J Swain
- ap M H Thierry
- p A R Tinsley
- p D B Tipp
- p F P Vickers
- p M S Wade
- p S S Wade
- p R A Wappet
- p Mrs C V Ward
- p J G Ward
- p C A Wise
- Mrs B M Woodifield
- p P R Woods
- p Mrs P A Wyeth
- Vacancy

Officers Attending:

D Yates, R Jackson, J Mascall, Miss G O'Rourke, Mrs R Rutins and Ms M Stephens

36. MINUTES (PAPER A).

RESOLVED:

That the minutes of the meeting held on 20 October 2014 be signed by the Chairman as a correct record.

37. DECLARATIONS OF INTEREST.

Cllr Wappet in Minute No. 40, item 5 of the Report of Cabinet dated 3 December 2014.

Cllrs Lagdon and M S Wade in Minute No. 40, item 1 of the Report of General Purposes & Licensing Committee dated 8 December 2014.

38. CHAIRMAN'S ANNOUNCEMENTS**Chairman's Activities since last Council meeting**

Since the last Council meeting the Chairman had been privileged to take part in a variety of events throughout Hampshire and Dorset. These had been wide-ranging and included: -

- Attending the opening of the Lodge and Quiet Rooms for disabled young people at Brockenhurst College
- Attending the New Forest District 4Youth awards and celebration evening.
- Representing the New Forest District at the Hampshire Schools Sports Awards.
- Attending the production of the Wizard of Oz at the New Forest Academy.
- Attending Mayors' charity events at Portsmouth, Poole, Bournemouth and Basingstoke.
- Attending the Hampshire interfaith lecture at Winchester
- Attending the Beaulieu Estate dinner at the invitation of Lord and Lady Montagu.
- Attending a business event with the Mayor of Bournemouth and the Chamber of Commerce at Bournemouth Town Hall.
- Attending ExxonMobil's Day of Caring Celebration at Fawley Exhibition Centre.
- Attending Mencap's AGM and presenting the annual awards.
- Attending Community First AGM and making the welcoming speech.
- Visiting the Royal Mail's sorting office at Lymington to thank the staff for all their hard work over the Christmas period.
- Attending the Horse and Landscape exhibition at the New Forest Centre.

Get Ahead for Christmas Cooking Demo - Thursday, 30 October 2014

The Chairman was delighted to report that the Get Ahead for Christmas Cooking Demonstration had been a great success and £645.70 had been raised which would go towards her two chosen charities. The Chairman thanked all the Councillors who had helped with the event and also Judith Long who had presented the demonstration.

Remembrance Sunday – Sunday, 9 November 2014

The Chairman had been impressed by the crowds that had attended the various remembrance services within the District. She had been privileged to take part in six different services in Lyndhurst, Brockenhurst, Keyhaven and Milford on Sea. The services were all different, with the attendance and the reverence shown much greater than the Chairman had experienced at any previous remembrance services. The Chairman also attended the Brockenhurst memorial service on 11 November and the New Forest Remembers WW1 commemoration at the Tilebarn on the same day, organised by the National Park Authority.

Brilliance in Business Awards – Wednesday 26 November 2014

Along with the Leader of the Council and the Chief Executive, the Chairman had attended this year's Brilliance in Business Awards at Carey's Manor Hotel where awards were presented on behalf of the Council. It had been a wonderful event which showed the wide variety of excellent businesses in the New Forest.

Veterans' Christmas Party – Friday 5 December 2014

The Chairman had had the pleasure of hosting the annual Veterans' Christmas Party at Dibden Golf Centre. It had been attended by nearly 60 veterans who all thoroughly enjoyed themselves. For the first time, Marchwood Military Port was also represented by six serving soldiers from the 17 Port and Maritime Regiment. The veterans were delighted to meet and talk with the serving soldiers. They all expressed sincere thanks to the Council for holding the event and said they looked forward to it every year.

Brand New Forest

The Leader of the Council and the Chairman, along with other Councillors had attended the launch of next year's Brand New Forest on Saturday, 6 December. It had been well attended and a large number of cards had been sold.

39. LEADER'S ANNOUNCEMENTS

The Leader of the Council said that 2014 had been a year of marked development for the Brand New Forest Campaign with continuing involvement with local businesses, towns and villages. The Leader looked forward to 2015 with anticipation that Brand New Forest would go from strength to strength.

Lymington had been awarded 'Brand New Forest 2015 Town of the Year' status in recognition of the significant support the town's businesses had given the overall campaign. This had been highlighted the previous weekend when the town had hosted the Brand New Forest sponsored Small Business Saturday business expo and fun day.

The event had also seen the successful launch of the 2015 Brand New Forest Card with best ever single day sales of 158 cards from the Brand New Forest stand alone! Local businesses were joining the scheme on a daily basis with over 230 offers published in the new winter/spring booklet. A major boost for the scheme had been NFDC's decision to provide its staff with a card and it had been announced that the National Park Authority would also be providing all its staff with a free card. This followed last year's lead by Beaulieu Enterprises in giving its staff a Brand New Forest card as a Christmas gift, which they had repeated this year.

There were a number of other major activities planned for 2015 including a Brand New Forest Loyalty Points App, an incentive-based programme with the Council's recycling team and a whole range of small local business promotions throughout the year. There was no doubt that Brand New Forest was capturing the imagination of residents, visitors and the many local businesses who were starting to feel the benefit of the new customer base that the scheme was providing.

40. REPORT OF COMMITTEE AND CABINET

Report of General Purposes and Licensing Committee

Cllr M S Wade disclosed a pecuniary interest in this item as his wife worked for the Authority. He did not speak and abstained from voting. Cllr Lagdon disclosed a non-pecuniary interest in this item as a family member worked for the Authority. He did not speak and abstained from voting.

Cllr Beck, Chairman of the General Purposes and Licensing Committee, presented the report of the meeting held on 8 December 2014.

On the motion that the report be received and the recommendation adopted, it was

RESOLVED:

That the report be received and the recommendation be adopted.

Report of Cabinet

Cllr Wappet disclosed a non-pecuniary interest in item 5 (Unit 8 Hardley Industrial Estate) as a member of Fawley Parish Council. He concluded that there were no grounds under common law to prevent him from remaining in the meeting to speak and to vote.

The Leader of the Council, as Chairman of the Cabinet, presented the report of the meeting held on 3 December 2014.

On the motion that the report be received and the recommendations adopted: -

Item 3 – Phase II of the National Network of Regional Coastal Monitoring Programmes (2016/17 – 2021/22)

Cllr Kendal said that he was delighted that the Council would be the lead authority for the Southeast Regional Coastal Monitoring Programme. This would ensure that the work of the late Professor Bradbury and the good relationship with Southampton Oceanography Institute would continue. Cllr Kendal offered his congratulations to all officers involved in this achievement.

Item 6 – Rum Walk Path, Totton

Cllr D Harrison thanked the Cabinet for agreeing to restore the bank and footpath as well as alleviating future flood risks. The footpath was a valued and well-used footpath link for local residents. He requested that officers work closely with the Environment Agency and carefully monitor work, including the build up of silt downstream.

RESOLVED:

That the report be received and the recommendations be adopted.

41. QUESTIONS UNDER STANDING ORDER 22

There were none.

42. QUESTIONS TO PORTFOLIO HOLDERS UNDER STANDING ORDER 22A

The Chairman reminded members of Standing Order 40A.1 which stated that a maximum period of 30 minutes in total was allowed for this item. However, she proposed to extend this time in order that all the questions submitted could be put and answered.

Question 1:**From: Cllr D Harrison****To: Cllr Vickers, Planning & Transportation Portfolio Holder**

“A couple of years ago, a commercial company, "Trants" were compelled to vacate an area in front of their Head Office in Totton, some woodland known as Cockleydown Copse. They had illegally occupied it, having chopped down trees and used it as an overflow car park.

This environmental crime has never been punished.

I had understood that the company would be pushed to make good the damage caused, a re-planting scheme. Nothing seems to have been done. The land is owned by Barker Mills Estates, but is possibly to come into public ownership at a future date.

What proposals are there for making good the harm done?”

Answer:

The Portfolio Holder responded that in 2011 the Council had investigated an enforcement case that a car parking area had been laid out in Cocklydown Copse and was being used for parking without the benefit of planning permission. In accordance with the Council's normal practice the option of a planning application being submitted seeking to regularise the use had been offered. This had been submitted in July 2011 and had been refused in September 2011. An appeal had been lodged against the decision. The appeal had been dismissed in August 2012 with the Inspector concluding:- “it would cause significant harm to the appearance and biodiversity of Cocklydown Copse”.

Following the appeal decision, the enforcement team had required the owners to remove all of the hard surfacing from the area. This had been done. The owners had also agreed to do a tree replanting scheme. This had not yet been carried out. The matters would be pursued.

Question 2:**From: Cllr C Harrison****To: Cllr Vickers, Planning & Transportation Portfolio Holder**

“Conservatives on Hampshire County Council have been cutting the subsidies that keep many of our important bus services running every year, for several years now. These cuts have a severe impact on some of the most vulnerable people in the communities we represent. What will the District Council be doing to stop these cuts and future cuts from having an even more severe impact?”

Answer:

The Portfolio Holder replied that managing bus subsidies was a Hampshire County Council function and as such suggested that Cllr C Harrison lobby HCC Councillors to pursue this issue.

The Portfolio Holder supported a suggestion that a Task & Finish Group be established to examine how cuts to bus subsidies impacted on vulnerable people.

Question 3:**From: Cllr M S Wade****To: Cllr Vickers, Planning & Transportation Portfolio Holder**

“As the tender for the new parking meters has not been awarded, and it is to be delayed for another 12 months, can you therefore advise why the tendering process for the new parking meters did not include that all suppliers had to be accredited, as all but one were not, and why there was not enough thought about alternative payment methods before the tendering process was started?”

Answer:

The Portfolio Holder replied that a Task and Finish Working Group had been established to examine the proposal. They had been involved throughout the tendering process and had established some key considerations that had to be taken into account in the selection process. One of these was the requirement that any new equipment would allow motorists to pay using contactless payment methods. It had become apparent that, although the technology to allow this was developing, the necessary banking consents were not yet in place to allow companies making car park meters to offer contactless payments. As such it had been concluded that the best way forwards would be to delay the purchase of new parking meters, to allow the market to mature.

In response to a question as to whether future administrations would charge blue badge holders for parking, the Portfolio Holder said that the current administration had no such plans.

Question 4:**From: Cllr Mrs McLean****To: Cllr Mrs Cleary, Housing & Communities Portfolio Holder**

“Does the portfolio holder recognise the need for affordable key worker housing near Fordingbridge Hospital and what action does she propose taking?”

Answer:

The Portfolio Holder replied that the District Council did not allocate keyworker accommodation. It was allocated through ‘Help to Buy South’, which dealt with keyworker housing for Hampshire and the South of England.

Radian Homes already had some key worker units in West Mills Road in Fordingbridge (6 one-bedroomed flats and 2 two-bedroomed houses). Keyworkers from the hospital could register for these intermediate rent properties through ‘Help to Buy South’.

The Council's Housing Needs Team had not been informed of any additional need for keyworker housing near to Fordingbridge Hospital. Council officers would signpost any enquiries to 'Help to Buy South' and work with them and registered providers to resolve any issues if necessary.

Question 5:

From: Cllr D Harrison

To: Cllr Rickman, Leader of the Council

"Bearing in mind his specific District Council responsibility for community engagement, what effort has the Leader made to stimulate the interest of young people in voting and elections?"

Answer:

The Leader replied that to be able to vote, a resident had to be on the register of electors. Members would know that the registration process had moved to a system of Individual Electoral Registration (IER). One of the features of the new system was that people could register on-line. The on-line facility had proved very user-friendly and had been popular with young people, making it more attractive to them to register.

With the Parliamentary, District and Parish elections being held on 7 May 2015, the Electoral Commission's publicity campaign was due to commence in February 2015 and the Council would issue its own local publicity to coincide with and complement the Electoral Commission's campaign. In addition, the Electoral Team would be writing to all the 526 young people on the registers who would be eligible to vote for the first time on 7 May, to encourage them to turn out to vote.

The Council was also liaising with Bournemouth Borough and Southampton City Councils, both of which were, in turn, working with the universities in their areas, to identify students living in New Forest District but studying in either Bournemouth or Southampton. Once this work was complete the Council would write to those students inviting them to register at their home addresses.

The Council's Electoral Team had also recently given a presentation to over 200 soldiers at Marchwood Military Port, many of them within the 18 – 24 age group, to explain the importance of registering and encouraging them to vote. Contacts with the Regiment would be maintained, to ensure that young soldiers had the information they needed to register and to vote.

Question 6:

From: Cllr M S Wade

To: Cllr Mrs Cleary, Housing & Communities Portfolio Holder

"It appears to be the case that the police have not been recording crime as they should have done. What is the situation in the New Forest and what does she expect the crime figures to look like in about 12 months-time?"

Answer:

The Portfolio Holder replied that New Forest Police took crime seriously and any improvements that had been highlighted by Her Majesty's Inspector of the Constabulary would be implemented in a robust and timely manner.

The Council's partnership working arrangements had delivered good reductions in crime. Providing services and help for victims of serious sexual offences remained one of the Council's key priorities. The Council was currently working with the Police and Crime Commissioner and Rape Crisis to ensure that the services for these victims remained in place and were improved.

The statutory 6 month strategic review of crime and anti-social behaviour gave the Police a good benchmark using the data from April to October 2014. They had concentrated on this period as April 2014 saw the commencement of a number of crime code changes that made it difficult to compare some crime figures with previous periods. The Portfolio Holder's tactical work with the Safer New Forest Operational Joint Action Group gave her an overview of the work with the victims of particularly burglary, car crime and anti-social behaviour. She anticipated that the figures for the year April 2014 – March 2015 would show increases in domestic abuse and repeat domestic incidents in-line with a national trend and a reduction in current sexual offences. Anti-social behaviour including criminal damage continued to fall and the Portfolio Holder was amazed with the very good figures over Halloween where police received only 7 complaints of anti-social behaviour. The Portfolio Holder thanked the police and partner officers who had been out engaging with the public and the families who had made this an enjoyable event. All partners were concerned with the rise in violence offences and although there would be focus on reducing those figures, further rises were likely before the figures started to fall.

In response to a supplementary question regarding work currently taking place to reduce the fear of crime, the Portfolio Holder replied that there were various initiatives across the District to address fear of crime and which gave residents advice on how to prevent crimes. These included: - community safety teams attending community events such as town and parish council meetings, giving free lollies to children on bonfire night if they were able to answer questions on keeping safe, Police networking at Christmas lights switch-on, selling padlocks for sheds, sending letters to residents where car crime was high and giving advice on securing their vehicles, and sending promotional material to business through the New Forest Business Partnership. The Portfolio Holder said that extensive schemes had been put in place to reduce petty crime across the District and these were working well.

Question 7:

From: Cllr D Harrison

To: Cllr Rickman, Leader of the Council

“What is the position of New Forest District Council on requiring the Ministry of Defence to consult with local people over plans for the future of the Marchwood Sea Mounting Centre? Specifically, would the Council support calls for a Public Enquiry?”

Answer:

The Leader responded that he understood that the Ministry of Defence (MOD) had agreed to lease part of the site to a commercial operator and were currently seeking an appropriate partner.

The MOD accepted that planning permission was likely to be required for any new use of the site. They had told the bidders to discuss this with New Forest District Council and this process was underway.

It was anticipated that the preferred bidder would be announced in spring 2015. They would then need to apply for planning permission for their proposed activities. This would follow the normal process and could result in a public inquiry if they could not agree their scheme with the Council.

In response to a supplementary question regarding ensuring that the MOD consulted local people at the earliest opportunity, the Leader of the Council said that he would support this approach as well as following the planning process.

The Vice-Chairman, a member of Marchwood Parish Council, stated that the parish council felt supported by the District Council in this matter.

43. MEMBERSHIP OF COMMITTEES AND PANELS

No changes to committees or panels were proposed by the political groups.

44. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

The Chairman wished everyone a Merry Christmas and a Happy New Year.

CHAIRMAN

(CL081214)

COUNCIL – 23 FEBRUARY 2014

BY-ELECTION FOR DISTRICT COUNCIL BRANSGORE & BURLEY WARD – 11 DECEMBER 2014 – REPORT OF THE RETURNING OFFICER

1. An election to fill the vacancy for the Bransgore & Burley Ward, caused by the death of the late Cllr Miss Ann Hickman, was held on Thursday 11 December 2014. Three candidates were validly nominated for the election.

2. The following votes were cast for each candidate: -

Brian Peter Curwain (Labour Party Candidate) 74
Richard Leslie Frampton (The Conservative Party Candidate) 834
Rosalind Elaine Mills (UK Independence Party) 171

Cllr Richard Frampton has therefore been declared duly elected a Councillor for the Bransgore & Burley Ward of New Forest District Council.

3. The percentage poll was 23.85%.

4. Cllr Frampton has given notice that he has joined the Conservative Group on the Council. The political representation on the Council returns to:

| | |
|------------------|----|
| Conservative | 52 |
| Liberal Democrat | 6 |
| UKIP | 2 |

For Further Information Please Contact:

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Background Papers:

Published documents

REPORT OF AUDIT COMMITTEE

(Meeting held on 23 January 2015)

1. TREASURY MANAGEMENT STRATEGY REPORT 2015/16 (Report H) (Minute No 41)

The Committee has considered the Council's prudential indicators for 2015/16 – 2017/18 that relate to the treasury management function. (A related report, detailing the prudential indicators for 2015/16 – 2017/18 for capital expenditure was considered by the Cabinet on 4 February 2014 and details appear elsewhere on the Council agenda).

The Treasury Management Strategy Statement sets out how the Council's treasury service will support the Council's financial decisions taken over the 3 year period from 2015/16 to 2017/18.

The Investment Strategy has regard to the Department for Communities and Local Government's (DCLG) guidance on local government investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes. The Investment Strategy sets out the Council's criteria for choosing investment counter-parties and limiting exposure to the risk of loss.

The above policies and parameters provide an approved framework within which officers undertake the day to day capital and treasury activities. The Investment Strategy will take effect 1 April 2015, subject to the approval of this report by the Council.

Members will recall that, following a review of the Council's treasury management service in 2014, it was concluded that it would be advantageous to enter into a service level agreement for Hampshire County Council's (HCC) Treasury Management Service to support this Council's activities from March 2014.

The Committee has received a short presentation from the HCC Fund Manager on the progress since HCC took over the management of the NFDC Treasury Management Function. Members are pleased to report that the funds have seen a significant growth over the past year.

The presentation included details of the investment strategy, banking reform legislation and its impact.

The emphasis is now on achieving a diversity of investments and reducing exposure to banks and building societies, whilst moving to other non-banking investments including money markets, corporate bonds, and pooled investments.

The working relationship developed with the County Council over the last 12 months is a good one and is already producing improved results.

RECOMMENDED

That the Treasury Management Strategy 2015/16 – 2017/18, and the Treasury Indicators contained within Appendix 1 to this report, be approved.

**Cllr A O'Sullivan
CHAIRMAN**

Attachment: Appendix 1

TREASURY MANAGEMENT STRATEGY 2015/16 – 2017/18**1. INTRODUCTION**

- 1.1. In February 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.
- 1.2. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 1.3. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4. The Council has potentially large exposures to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

2. EXTERNAL CONTEXT

- 2.1. The following paragraphs explain the economic and financial background against which the Treasury Management Strategy is being set.

2.2. Economic background

There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP. However, inflationary pressure is benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.

The Bank of England's Monetary Policy Committee's (MPC) focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee. Despite two MPC members having voted for an 0.25% increase in rates at each of the meetings August 2014 onwards, some Committee members have become more concerned that the economic outlook is less optimistic than at the time of the August Inflation Report.

2.3. Interest rate forecast

The Council's treasury management advisor Arlingclose forecasts the first rise in official interest rates in August 2015 and a gradual pace of increases thereafter, with the average for 2015/16 being around 0.75%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.5% and 3.5%. The risk to the upside (i.e. interest rates being higher) is weighted more towards the end of the forecast horizon. On the downside, Eurozone weakness and the threat of deflation have increased the risks to the durability of UK growth. If the negative indicators from the Eurozone become more entrenched, the Bank of England will likely defer rate rises to later in the year. A more detailed economic and interest rate forecast provided by the Arlingclose is attached at Appendix A.

2.4. Credit outlook

The transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The Bank Recovery and Resolution Directive promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast Deposit Guarantee Schemes Directive includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, the credit risk associated with making unsecured bank deposits will increase relative to the risk of other investment options available to the Council. Whilst the likelihood of suffering a loss from the default of a bank remains relatively unchanged, the 'bail-in' regime has significantly increased the impact a default would have in terms of the scale of loss the Council could be exposed to.

3. LOCAL CONTEXT

- 3.1. The Council currently has £144.5m of borrowing and £57.8m of investments as at 31 December 2014. This is set out in further detail at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in Table 1.

| Table 1: Balance Sheet Summary and Forecast | 31.3.14 Actual £m | 31.3.15 Estimate £m | 31.3.16 Estimate £m | 31.3.17 Estimate £m | 31.3.18 Estimate £m |
|--|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund CFR | 3.1 | 4.0 | 3.9 | 4.3 | 4.5 |
| HRA CFR | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| HRA settlement | 142.7 | 142.7 | 142.7 | 142.7 | 138.6 |
| Total CFR | 147.7 | 148.6 | 148.5 | 148.9 | 145.0 |
| Less: Total debt ** | (144.7) | (144.5) | (144.3) | (144.1) | (139.8) |
| Internal (over) borrowing | 3.0 | 4.1 | 4.2 | 4.8 | 5.2 |
| | | | | | |
| Less: GF Usable reserves | (15.9) | (13.5) | (12.1) | (11.6) | (11.7) |
| Less: HRA Usable reserves | (15.4) | (16.3) | (18.6) | (20.8) | (23.1) |
| Less: Working capital | (13.5) | (10.4) | (7.4) | (7.4) | (7.4) |
| Resources for investments | (44.8) | (40.2) | (38.1) | (39.8) | (42.2) |
| | | | | | |
| Net borrowing or (investments) | (41.8) | (36.1) | (33.9) | (35.0) | (37.0) |

** external borrowing - shows only loans to which the Council is committed and excludes optional refinancing

- 3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3. The Council's CFR is forecast to remain relatively stable over the coming years but is currently planned to reduce in 2017/18 as the first instalment of the HRA settlement is due for repayment. The Council's reserves are currently shown to remain relatively consistent over the next few years but would reduce if investment in major projects such as Depot replacement and Hardley Industrial Estate take place. Overall resources may therefore reduce but not to the extent that the Council will not continue to have investments or continue its policy of internal borrowing for vehicles and plant, if this continues to be advantageous.
- 3.4. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2015/16.

4. BORROWING STRATEGY

4.1. The Council currently holds £144.5 million of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that this will reduce by £200k per annum as the £2m PWLB (Lymington Harbour Commissioners) loan is repaid and by £4.1m per annum from 2017/18 as the PWLB (Housing Subsidy Settlement) loan instalments become repayable. The Council does not expect to need to borrow in 2015/16 but is allowed to borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £178.4 million.

4.2. Objectives

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

4.3. Limits

The Council is required to put in place the following Prudential Indicators to control its limits on borrowing; these are operational and authorised boundaries for external debt, and the maximum HRA debt limit.

Operational Boundary for External Debt

The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring.

| Operational Boundary | 2014/15 Revised £m | 2015/16 Estimate £m | 2016/17 Estimate £m | 2017/18 Estimate £m |
|----------------------|--------------------------|---------------------------|---------------------------|---------------------------|
| Total Debt | 163.6 | 163.4 | 163.7 | 159.8 |

Authorised Limit for External Debt

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

| Authorised Limit | 2014/15 Revised £m | 2015/16 Estimate £m | 2016/17 Estimate £m | 2017/18 Estimate £m |
|-------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Debt | 178.6 | 178.4 | 178.7 | 174.8 |

Maximum HRA Debt Limit

The Council is also limited to a maximum HRA CFR through the HRA self-financing regime. The Council may not borrow more than this limit for HRA purposes.

This limit is dictated by the DCLG and is based on the amount of the settlement payment of £142.7m plus the old Housing Subsidy Notional Debt amount of £12.8m, plus any further borrowing approved by the DCLG. The Council is not currently planning to seek further approvals to increase HRA borrowing and therefore actual total borrowing for the HRA is currently predicted to remain at £142.7m until 2017/18.

| HRA Debt Limit | 2014/15 Revised £m | 2015/16 Estimate £m | 2016/17 Estimate £m | 2017/18 Estimate £m |
|-----------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total | 155.5 | 155.5 | 155.5 | 155.5 |

4.4. Strategy

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to use internal resources.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise.

In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

4.5. Sources

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB)
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK

- UK public and private sector pension funds (except the Hampshire Pension Fund)
- capital market bond investors
- special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

4.6. Short-term and Variable Rate loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

4.7. Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5. INVESTMENT STRATEGY

5.1. The Council holds invested funds representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £35.7 and £73.8 million, and similar levels are expected to be maintained in the forthcoming year.

5.2. Objectives

Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of

incurring losses from defaults and the risk receiving unsuitably low investment income.

5.3. Strategy

Due to the increasing risk from bank ‘bail-ins’ and continued low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2015/16. This is especially the case for the estimated £20m that is available for longer-term investment. The majority of the Council’s surplus cash is currently invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will therefore represent a substantial change in strategy over the coming year.

5.4. Investment Limits

Given the impact of the Bank Recovery and Resolution Directive, and the recast Deposit Guarantee Schemes Directive, which has increased the credit risk that unsecured bank/building society investments could be ‘bailed-in’, the following investment limits are proposed to mitigate the risk whilst allowing sufficient flexibility to manage the Council’s investment balances.

A group of banks under the same ownership will be treated as a single organisation for limit purposes. Maximum limits will also be placed on fund managers and industry sectors as below:

| Table 2: Investment Limits | Cash limit |
|---|-------------------|
| Any single organisation, except the UK Central Government | £5m each |
| UK Central Government | unlimited |
| Any group of organisations under the same ownership | £5m per group |
| Any group of pooled funds under the same management | £5m per manager |
| Registered Providers | £6m in total |
| Money Market Funds | 50% in total |

5.5. Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in Table 3, subject to the cash limits (per counterparty) and the time limits shown.

| Table 3: Approved Investment Counterparties and Limits | | | | | |
|---|-------------------------|----------------------|-------------------------|-------------------|-----------------------------|
| Credit Rating | Banks Unsecured | Banks Secured | Government | Corporates | Registered Providers |
| UK Govt | n/a | n/a | £ Unlimited 30 years | n/a | n/a |
| AAA | £3m 5 years | £5m 20 years | £5m 30 years | £3m 20 years | £3m 20 years |
| AA+ | £3m 5 years | £5m 10 years | £5m 25 years | £3m 10 years | £3m 10 years |
| AA | £3m 4 years | £5m 5 years | £5m 15 years | £3m 5 years | £3m 10 years |
| AA- | £3m 3 years | £5m 4 years | £5m 10 years | £3m 4 years | £3m 10 years |
| A+ | £3m 2 years | £5m 3 years | £3m 5 years | £3m 3 years | £3m 5 years |
| A | £3m 13 months | £5m 2 years | £3m 5 years | £3m 2 years | £3m 5 years |
| A- | £3m 6 months | £5m 13 months | £3m 5 years | £3m 13 months | £3m 5 years |
| BBB+ | £1m 100 days | £3m 6 months | £1m 2 years | £1m 6 months | £1m 2 years |
| BBB or BBB- | £1m next day only | £3m 100 days | n/a | n/a | n/a |
| None | £1m 6 months | n/a | £3m 25 years | n/a | £3m 5 years |
| Pooled funds | £5m per fund | | | | |

This table must be read in conjunction with the notes below

5.6. Credit Rating

Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

5.7. Banks Unsecured

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Council's current account bank at Lloyds if its rating was to fall to such levels from its current rating of A-.

5.8. Banks Secured

Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank/building society's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank/building society will not exceed the cash limit for secured investments.

5.9. Government

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities (which generally do not have a credit rating) and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 30 years.

5.10. Corporates

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Investing with any unrated corporate entity will be judged on a case-by-case basis and only considered if suitable security can be obtained for the Council's investment.

5.11. Registered Providers

Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

5.12. Pooled Funds

Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the

Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

5.13. Risk Assessment and Credit Ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, [Arlingclose](#), who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.14. Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

Based on the available information and the advice of the Council's advisers, [Arlingclose](#), the investment limits shown in Tables 2 and 3 may be reduced, and investing with certain counterparties may be suspended as necessary.

If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

5.15. Specified Investments

The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

5.16. Non-specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in Table 4 below.

| Table 4: Non-Specified Investment Limits | Cash limit |
|---|-------------------|
| Total long-term investments | £20m |
| Total investments without credit ratings or rated below A- (excluding investments with other local authorities) | £10m |
| Total non-Sterling investments | £0m |
| Total investments in foreign countries rated below AA+ | £0m |
| Total non-specified investments | £40m |

5.17. Liquidity Management

The Council has due regard for its future cash flows when determining the maximum period for which funds may prudently be committed. Historic cash flows are analysed in addition to significant future cash movements, such as payroll, grant income and council tax precept. Limits on long-term investments are set by reference to the Council's medium term financial position (summarised in Table 1) and forecast short-term balances.

6. TREASURY MANAGEMENT INDICATORS

6.1. The Council measures and manages its exposures to treasury management risks using the following indicators.

6.2. Interest Rate Exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of principal borrowed or invested will be:

| | 2015/16 | 2016/17 | 2017/18 |
|---|---------|---------|---------|
| Upper limit on fixed interest rate investment exposure | £20.0m | £20.0m | £20.0m |
| Upper limit on variable interest rate investment exposure | £80.0m | £80.0m | £80.0m |
| Upper limit on fixed interest rate borrowing exposure | £163.4m | £163.7m | £159.8m |
| Upper limit on variable interest rate borrowing exposure | £163.4m | £163.7m | £159.8m |

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Short-term instruments (with a maturity of less than one year) are classed as variable rate.

6.3. Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

| | Upper | Lower |
|--------------------------------|-------|-------|
| Under 12 months | 25% | 0% |
| 12 months and within 24 months | 25% | 0% |
| 24 months and within 5 years | 25% | 0% |
| 5 years and within 10 years | 25% | 0% |
| 10 years and above | 100% | 0% |

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.4. Principal Sums Invested for Periods Longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

| | 2015/16 | 2016/17 | 2017/18 |
|---|---------|---------|---------|
| Limit on principal invested beyond 365 days | £20m | £20m | £20m |

7. OTHER ITEMS

7.1. There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

7.2. Policy on Use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit.

7.3. Policy on Apportioning Interest to the HRA

On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the average % Local Authority 7 day rate.

7.4. Investment Training

The needs of the Hampshire County Council's treasury management staff delivering services to NFDC, for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

CIPFA's Code of Practice requires that the Council ensures that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Representatives of the Audit Committee attended a workshop by Arlingclose on 28 November 2014, which gave an update on treasury matters.

7.5. Investment Advisers

The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled through quarterly review meetings with the Executive Director, the County Council's Investments and Borrowing Team, and Arlingclose.

7.6. Investment of Money Borrowed in Advance of Need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £178.4 million.

ARLINCLOSE ECONOMIC & INTEREST RATE FORECAST OCTOBER 2014

Forecast:

- Arlingclose continues to forecast the first rise in official interest rates in Q3 2015; general market sentiment is now close to this forecast. There is momentum in the economy, but inflationary pressure is benign and external risks have increased, reducing the likelihood of immediate monetary tightening.
- We project a slow rise in Bank Rate. The pace of interest rate rises will be gradual and the extent of rises limited; we believe the normalised level of Bank Rate post-crisis to range between 2.5% and 3.5%.
- The short run path for gilt yields is flatter due to the deteriorating Eurozone situation. We project gilt yields on an upward path in the medium term.

| | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 | Jun-16 | Sep-16 | Dec-16 | Mar-17 | Jun-17 | Dec-17 | Mar-18 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Arlingclose Central Case | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 | 1.25 | 1.25 | 1.50 | 1.50 | 1.75 | 1.75 |
| Downside risk | | | | 0.25 | 0.25 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 |
| 3-month LIBID rate | | | | | | | | | | | | | |
| Upside risk | 0.05 | 0.35 | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Arlingclose Central Case | 0.55 | 0.60 | 0.65 | 0.85 | 1.00 | 1.15 | 1.30 | 1.45 | 1.60 | 1.75 | 1.85 | 2.05 | 2.15 |
| Downside risk | 0.10 | 0.15 | 0.20 | 0.30 | 0.40 | 0.55 | 0.65 | 0.75 | 0.85 | -0.95 | -0.95 | -0.95 | -1.00 |
| 1-yr LIBID rate | | | | | | | | | | | | | |
| Upside risk | 0.10 | 0.35 | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Arlingclose Central Case | 0.95 | 1.00 | 1.05 | 1.20 | 1.35 | 1.50 | 1.65 | 1.80 | 1.95 | 2.10 | 2.20 | 2.40 | 2.50 |
| Downside risk | -0.30 | -0.35 | -0.40 | -0.45 | -0.50 | -0.55 | -0.60 | -0.65 | -0.70 | -0.75 | -0.80 | -0.80 | -0.80 |
| 5-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.35 | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.55 | 0.55 | 0.55 |
| Arlingclose Central Case | 1.70 | 1.75 | 1.90 | 2.00 | 2.10 | 2.20 | 2.30 | 2.40 | 2.50 | 2.60 | 2.70 | 2.90 | 2.95 |
| Downside risk | -0.30 | -0.35 | -0.35 | -0.35 | -0.40 | -0.45 | -0.50 | -0.55 | -0.60 | -0.65 | -0.70 | -0.70 | -0.70 |
| 10-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.35 | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.55 | 0.55 | 0.55 |
| Arlingclose Central Case | 2.40 | 2.45 | 2.55 | 2.60 | 2.65 | 2.70 | 2.75 | 2.80 | 2.85 | 2.90 | 2.95 | 3.05 | 3.10 |
| Downside risk | -0.30 | -0.35 | -0.35 | -0.35 | -0.40 | -0.45 | -0.50 | -0.55 | -0.55 | -0.55 | -0.60 | -0.60 | -0.60 |
| 20-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.35 | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.55 | 0.55 | 0.55 |
| Arlingclose Central Case | 2.90 | 2.95 | 3.05 | 3.10 | 3.15 | 3.20 | 3.25 | 3.30 | 3.35 | 3.40 | 3.45 | 3.50 | 3.55 |
| Downside risk | -0.30 | -0.35 | -0.35 | -0.35 | -0.40 | -0.45 | -0.50 | -0.50 | -0.55 | -0.55 | -0.60 | -0.60 | -0.60 |
| 50-yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.30 | 0.35 | 0.40 | 0.45 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.55 | 0.55 | 0.55 |
| Arlingclose Central Case | 3.00 | 3.05 | 3.10 | 3.15 | 3.20 | 3.25 | 3.30 | 3.35 | 3.40 | 3.45 | 3.50 | 3.55 | 3.60 |
| Downside risk | -0.30 | -0.35 | -0.35 | -0.35 | -0.40 | -0.45 | -0.50 | -0.55 | -0.55 | -0.55 | -0.60 | -0.60 | -0.60 |

EXISTING INVESTMENT & DEBT PORTFOLIO POSITION

| | 31.12.2014 Actual Portfolio £m | 31.12.2014 Average Rate % |
|----------------------------------|--------------------------------------|---------------------------------|
| Borrowing: | | |
| Long-term loans - PWLB | 144.5 | 3.1 |
| Total Gross External Debt | 144.5 | |
| | | |
| Investments: | | |
| Direct deposits: | | |
| - Barclays | 5.0 | |
| - HSBC | 5.0 | |
| - Lloyds | 5.0 | |
| - Nationwide | 4.0 | |
| - Svenska Handelsbanken | 2.6 | |
| | 21.6 | 0.71 |
| Certificates of Deposit: | | |
| - Deutsche | 5.0 | |
| - Nordea | 2.0 | |
| - Standard Chartered | 3.5 | |
| | 10.5 | 0.77 |
| Corporate Bonds: | | |
| - Prudential | 2.0 | 0.90 |
| | | |
| Floating Rate Notes: | | |
| - Clydesdale | 1.5 | 0.60 |
| | | |
| Property Funds: | | |
| - CCLA Property Fund | 2.0 | 3.06* |
| | | |
| Other Local Authorities | 5.0 | 1.12 |
| | | |
| Money Market Funds: | | |
| - Deutsche | 5.1 | |
| - Ignis | 5.7 | |
| - Federated | 4.4 | |
| | 15.2 | 0.46 |
| | | |
| Total Investments | 57.8 | 0.78 |
| | | |
| Net Debt | 86.7 | - |

* Year to date total return

REPORT OF GENERAL PURPOSES AND LICENSING COMMITTEE

(Meeting held on 16 January 2015)

1. PAY POLICY STATEMENT 2015-16 (REPORT A) (MINUTE NO. 25)

The Localism Act 2011 requires Councils to prepare a pay policy statement each financial year. The statement must set out the Council's policies for the financial year relating to the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its Chief Officers and other employees.

The Committee has considered and supports the proposed Pay Policy Statement 2015-16 as set out in Appendix 1. The statement details the recommended policies to be in place for 1st April 2015 and includes the recently agreed Pay Award.

RECOMMENDED:

That the Pay Policy Statement 2015-16 as set out in Appendix 1 be approved.

2. FEES AND CHARGES 2015/16 (REPORT B) (MINUTE NO. 24)

The Committee considered the fees and charges for 2015/16 for the services which were the responsibility of the General Purposes and Licensing Committee.

The Committee supported the adoption of the fees and charges for 2015/16.

RECOMMENDED:

That the fees and charges for 2015/16, as set out in Appendix 2 be approved.

3. INCREASE IN MEMBERS ON ELLINGHAM, HARBRIDGE & IBSLEY PARISH COUNCIL – COMMUNITY GOVERNANCE REVIEW (REPORT E) (MINUTE NO. 27)

The Committee has considered the responses to its proposals on the Community Governance Review (CGR) undertaken as a result of a request by Ellingham, Harbridge & Ibsley Parish Council to increase the number of members of the Parish Council from 8 to 10.

13 responses were received to the initial consultation - 11 in favour of an increase and 2 against. Two further responses were received from residents following publication of the proposals, both supported the proposed increase. In the light of the responses, the Committee supports increasing the number of members on the Parish Council to 10.

RECOMMENDED:

(a) *That, as an increase in numbers on the Parish Council will –*

- ***Reflect the identities and interests of the community in that area and***
- ***Be effective and convenient***

final proposals and recommendations to increase the number of members on Ellingham, Harbridge & Ibsley Parish Council from 8 to 10

with effect from the quadrennial election of councillors in May 2015 be published, and that steps be taken to ensure that those who may have an interest are informed of them; and

- (b) That, following those steps, the Head of Legal and Democratic Services be authorised to make a Reorganisation Order to give effect to the changes set out above.**

**Cllr G C Beck
Chairman**

Attachment: Appendices 1 & 2

New Forest District Council

Pay Policy Statement Financial year 2015-16

Background

1. The purpose of this Pay Policy Statement (“Pay Statement”) is to set out New Forest District Council’s pay policies relating to its workforce for the financial year 2015-16, including the remuneration of its Chief Officers and that of its lowest paid employees.
2. The functions of appointment, dismissal and related matters for all employees below Chief Officer level shall be dealt with by the Chief Executive and Heads of Service, or such other employees as may be authorised. Standing Orders for General Procedures deal with procedures for appointing and dismissing employees at Chief Officer level.
3. With the exception of apprentices on the National Minimum Wage, pay for all staff, including Chief Officers, is negotiated and recommended by the Pay Panel. Consultation takes place through the Industrial Relations Committee onto the General Purposes and Licensing Committee who will make recommendations to Council.
4. For the purposes of this Pay Statement and in accordance with the Localism Act 2011 (“Localism Act”), staff employed by the Council have been separated into two groups:-
 - (a) Chief Officers as defined by the Localism Act
 - (b) Employees who are not Chief Officers as defined by the Localism Act
5. An “employee who is not a Chief Officer” refers to all staff that are not covered within the “Chief Officer” group as outlined below. This includes the “lowest paid employees”. In the context of the Council, the “lowest paid employees” are those employed at Band 1 on the District Council’s pay structure (this includes the recently agreed pay award and is appended as item 1).
6. Section 43(2) of the Localism Act defines Chief Officers for the purposes of the Localism Act. The following roles within the Council fall within the definition of “Chief Officers”: -
 - (a) Head of Paid Service (Chief Executive)
 - (b) Monitoring Officer
 - (c) Section 151(Chief Finance Officer)
 - (d) Non-Statutory Chief Officers (Executive Director)
 - (e) Deputy Chief Officers (Heads of Service)
 - (f) Officers reporting directly to those officers falling within (a), (b), (c) and (d) above (Deputy Monitoring Officer and Deputy S151 Chief Finance Officer)

Chief Officers as defined by the Localism Act 2011

7. The Chief Executive’s pay is set in comparison with other district councils. The majority of Chief Officers below the Chief Executive are paid on Bands 11 and 12 of the Council’s pay structure (the Band for each role is determined by a consistent job evaluation process), in very exceptional cases individuals are paid a pay supplement. Chief Officer salaries for 2015/16 are outlined below:

8. The Head of Paid Service will be paid a salary of £118,290.
9. The Council has a duty to appoint a Returning Officer responsible for local government elections, and has decided that this role be carried out by the Chief Executive. The Returning Officer fees are regarded as a special responsibility payment in relation to independent duties carried out.
10. The fees and charges for European, UK Parliamentary and Police Commissioner elections and National Referendums are set by external bodies. The scale of fees and expenses for County, District, Parish and Town Council elections will be set in partnership with the County Council and other Hampshire local authorities to ensure uniformity and will be submitted to General Purposes and Licensing Committee.
11. The Section 151 (Chief Financial Officer) and Executive Director will be paid a salary on Band 12.
12. The Monitoring Officer and 8 Heads of Service will be paid a salary on Band 11.
13. The Deputy S151 Chief Finance Officer and Deputy Monitoring Officer will be paid a salary on Bands 9 or 10.
14. The Council reviews its terms and conditions and pay levels regularly. The last review took place in 2009. The review concluded that the pay levels of Chief Officers were appropriate in comparison with other district councils. Pay awards are considered annually for all staff including Chief Officers. The outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.
15. Chief Officers' performance during the course of the year is reviewed within the Council's performance management arrangements, and pay progression within the Band is subject always to good performance.
16. The Council believes in rewarding outstanding performance. It operates this through a system of bonus payments which are designed to reward outstanding performance at the time it occurs. The size of the award paid to a Chief Officer will be commensurate with the work being rewarded. The Chief Executive will approve bonus payments for Chief Officers. Any bonus payments to the Chief Executive will be agreed by the Council.
17. The Council recognises that Chief Officers sometimes incur necessary expenditure in carrying out their responsibilities e.g. travel costs. Chief Officers will be reimbursed for reasonable expenses incurred on council business in accordance with local Terms and Conditions.
18. The pay package of Chief Officers includes an option for a lease car or a lesser cash alternative. The Council made a decision to cease the lease car scheme from 31st August 2014. Chief Officers continue to be entitled to the cash alternative. This benefit also applies to all staff at Band 10 and above who are not Chief Officers.
19. Chief Officers as a result of their employment are eligible to join the Local Government Pension Scheme in the same way as other employees. The pensions policy statement is appended as item 2 to this statement applies to all employees including chief officers.

20. All employees including Chief Officers with more than 2 years continuous service will be entitled to a redundancy payment. If employees are aged at least 55 they are also automatically entitled to the immediate payment of pension benefits if they are retired on the grounds of redundancy. The redundancy payments are based on actual weekly pay. The number of weeks individuals are entitled to is based on the statutory redundancy grid which provides for a maximum of 30 weeks. A multiplier of 1.5 is used to support efficient organisational change. The Council scheme therefore provides for an entitlement of up to a maximum of 45 weeks based on length of service and age. The Council operates one redundancy scheme for both voluntary and compulsory redundancies. All redundancies are subject to a full Business case which requires a maximum financial payback of 3 years.
21. The Council practice is not to re-employ Chief Officers who have received a redundancy or severance package on leaving the council.
22. In accordance with the Code of Recommended Practice for Local Authorities on Data Transparency, pay and benefits information for staff paid over £58,200 are published. This information is contained on 'Transparency and Open Government' pages on the Council's external website. Information on senior employees' remuneration can also be found in the Council's annual Statement of accounts.

Employees who are not Chief Officers as defined by the Localism Act

23. These employees are all paid on the Council's pay structure on Bands 1-10. Each employee will be on one of the 10 Bands based on the job evaluation of their role. Each Band consists of 5 or 6 spinal points. Pay progression within the Band is subject always to good performance.
24. Each "lowest paid employee" is paid within the salary range for Band 1. All other employees are paid within the salary range for the Band of their role i.e. (2-10). In very exceptional cases individuals are paid a pay supplement.
25. Employees new to the Council will normally be appointed to the first spinal point of the salary range for their Band. Where the candidate's current employment package would make the first spinal point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a different spinal point in starting salary may be considered by the recruiting manager. This will be within the salary range for the Band. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.
26. Employees' performance during the course of the year is reviewed within the Council's performance management arrangements, and pay progression within the Band is subject always to good performance.
27. Pay awards are considered annually for staff. For all staff up to and including the Chief Executive the outcome of the national consultations by the Local Government Employers in negotiation with the Trades Unions is applied.
28. The Council believes in rewarding outstanding performance. It operates this through a system of bonus payments which are designed to reward outstanding performance at the

time it occurs. The size of the award paid to an employee will be commensurate with the work being rewarded. All bonuses are subject to Executive Management Team approval.

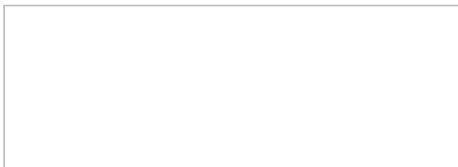
29. The Council recognises that employees sometimes incur necessary expenditure in carrying out their responsibilities, for example travel costs. Employees will be reimbursed for reasonable expenses incurred on Council business in accordance with the Council's local Terms and Conditions.
30. All employees as a result of their employment are eligible to join the Local Government Pension Scheme. Details of the Council's pension policy are appended as item 2 of this Pay Statement.
31. The Council's redundancy scheme is detailed in paragraph 20 and this applies to all employees.
32. The Council practice is not to re-employ staff who have received a redundancy or severance package on leaving the Council; any request to do so would require specific approval from the appropriate Head of Service and Head of Human Resources.
33. In accordance with The Local Government Association guidance on the Government's requirement for reporting remuneration relationships (the ratio between the highest paid employee and the median average earnings across the organisation as a multiple). Based on 1st April 2015 (including the recently agreed pay award) this has been calculated as follows:

| | |
|---------------------------------------|----------|
| Chief Executive Remuneration | £118,290 |
| Employees Median average remuneration | £19,160 |
| Ratio | 6.2 |

New Forest District Council Salary Scale-From 1st April 2015

Item 1

| Leave Days | Salary | Hourly Rate | SCP | BAND 1 | BAND 2 | BAND 3 | BAND 4 | BAND 5 | BAND 6 | BAND 7 | BAND 8 | BAND 9 | BAND 10 | BAND 11 | BAND 12 |
|------------------------|---------|-------------|-----|--------------------|--------|--------|--------|--------|--------|--------------------|--------|--------|----------------------|---------|---------|
| 27 | £99,073 | £51.3521 | 81 | | | | | | | | | | | | |
| 27 | £96,191 | £49.8583 | 80 | | | | | | | | | | | | |
| 27 | £93,390 | £48.4065 | 79 | | | | | | | | | | | | |
| 27 | £90,669 | £46.9961 | 78 | | | | | | | | | | | | £90,669 |
| 27 | £88,031 | £45.6288 | 77 | | | | | | | | | | | | £88,031 |
| 27 | £85,453 | £44.2925 | 76 | | | | | | | | | | | | £85,453 |
| 27 | £82,975 | £43.0081 | 75 | | | | | | | | | | | | £82,975 |
| 27 | £80,604 | £41.7792 | 74 | | | | | | | | | | | | £80,604 |
| 27 | £78,308 | £40.5891 | 73 | | | | | | | | | | | | £78,308 |
| 27 | £76,076 | £39.4322 | 72 | | | | | | | | | | | | |
| 27 | £73,906 | £38.3074 | 71 | | | | | | | | | | | | |
| 27 | £71,817 | £37.2246 | 70 | | | | | | | | | | | | |
| 27 | £69,798 | £36.1781 | 69 | | | | | | | | | | | | |
| 27 | £67,852 | £35.1695 | 68 | | | | | | | | | | | | |
| 27 | £65,972 | £34.1950 | 67 | | | | | | | | | | | | |
| 27 | £64,174 | £33.2631 | 66 | | | | | | | | | | | | |
| 27 | £62,438 | £32.3632 | 65 | | | | | | | | | | | £64,174 | |
| 27 | £60,774 | £31.5008 | 64 | | | | | | | | | | | £62,438 | |
| 27 | £59,184 | £30.6766 | 63 | | | | | | | | | | | £60,774 | |
| 27 | £57,660 | £29.8867 | 62 | | | | | | | | | | | £59,184 | |
| 27 | £56,155 | £29.1066 | 61 | | | | | | | | | | | £57,660 | |
| 27 | £54,965 | £28.4898 | 60 | | | | | | | | | | | £56,155 | |
| 27 | £53,854 | £27.9139 | 59 | | | | | | | | | | | | |
| 27 | £52,748 | £27.3407 | 58 | | | | | | | | | | | | |
| 27 | £51,649 | £26.7710 | 57 | | | | | | | | | | £51,649 | | |
| 27 | £50,749 | £26.3045 | 56 | | | | | | | | | | £50,749 | | |
| 27 | £49,829 | £25.8277 | 55 | | | | | | | | | | £49,829 | | |
| 27 | £48,917 | £25.3550 | 54 | | | | | | | | | | £48,917 | | |
| 27 | £48,013 | £24.8864 | 53 | | | | | | | | | | £48,013 | | |
| 27 | £47,089 | £24.4075 | 52 | | | | | | | | | | £47,089 | | |
| 27 | £46,182 | £23.9373 | 51 | | | | | | | | | | | | |
| 27 | £45,102 | £23.3775 | 50 | | | | | | | | | | | | |
| 27 | £44,362 | £22.9940 | 49 | | | | | | | | | | £44,362 | | |
| 27 | £43,462 | £22.5275 | 48 | | | | | | | | | | £43,462 | | |
| 27 | £42,556 | £22.0579 | 47 | | | | | | | | | | £42,556 | | |
| 27 | £41,631 | £21.5784 | 46 | | | | | | | | | | £41,631 | | |
| 27 | £40,692 | £21.0917 | 45 | | | | | | | | | | £40,692 | | |
| 27 | £39,723 | £20.5895 | 44 | | | | | | | | | | £39,723 | | |
| 27 | £38,844 | £20.1339 | 43 | | | | | | | | | | | | |
| 26 | £37,921 | £19.6554 | 42 | | | | | | | | | | | | |
| 26 | £36,975 | £19.1651 | 41 | | | | | | | | | | | | |
| 26 | £36,053 | £18.6872 | 40 | | | | | | | | | | | | |
| 26 | £35,112 | £18.1995 | 39 | | | | | | | | | | | | |
| 26 | £34,205 | £17.7293 | 38 | | | | | | | | | | | | |
| 26 | £33,125 | £17.1696 | 37 | | | | | | | | | | | | |
| 26 | £32,169 | £16.6740 | 36 | | | | | | | | | | | | |
| 26 | £31,268 | £16.2070 | 35 | | | | | | | | | | | | |
| 26 | £30,450 | £15.7830 | 34 | | | | | | | | | | | | |
| 26 | £29,836 | £15.4648 | 33 | | | | | | | | | | | | |
| 26 | £28,998 | £15.0304 | 32 | | | | | | | | | | | | |
| 26 | £28,157 | £14.5945 | 31 | | | | | | | | | | | | |
| 25 | £27,350 | £14.1762 | 30 | | | | | | | | | | | | |
| 25 | £26,497 | £13.7341 | 29 | | | | | | | | | | | | |
| 25 | £25,631 | £13.2852 | 28 | | | | | | | | | | | | |
| 24 | £24,646 | £12.7747 | 27 | | | | | | | | | | | | |
| 24 | £23,846 | £12.3600 | 26 | | | | | | | | | | | | |
| 24 | £23,087 | £11.9666 | 25 | | | | | | | | | | | | |
| 23 | £22,351 | £11.5851 | 24 | | | | | | | | | | | | |
| 23 | £21,668 | £11.2311 | 23 | | | | | | | | | | | | |
| 23 | £20,978 | £10.8732 | 22 | | | | | | | | | | | | |
| 23 | £20,384 | £10.5655 | 21 | | | | | | | | | | | | |
| 22 | £19,865 | £10.2963 | 20 | | | | | | | | | | | | |
| 22 | £19,160 | £9.9314 | 19 | | | | | | | | | | | | |
| 22 | £18,489 | £9.5833 | 18 | | | | | | | | | | | | |
| 22 | £17,825 | £9.2390 | 17 | | | | | | | | | | | | |
| 22 | £17,481 | £9.0610 | 16 | | | | | | | | | | | | |
| 22 | £17,060 | £8.8428 | 15 | | | | | | | | | | | | |
| 22 | £16,681 | £8.6462 | 14 | | | | | | | | | | | | |
| 22 | £16,338 | £8.4683 | 13 | | | | | | | | | | | | |
| 22 | £16,040 | £8.3141 | 12 | | | | | | | | | | | | |
| 22 | £15,617 | £8.0948 | 11 | | | | | | | | | | | | |
| 22 | £15,324 | £7.9428 | 10 | | | | | | | | | | | | |
| 22 | £14,437 | £7.4831 | 9 | | | | | | | | | | | | |
| 22 | £14,220 | £7.3706 | 8 | | | | | | | | | | | | |
| 22 | £14,065 | £7.2903 | 7 | | | | | | | | | | | | |
| 22 | £13,875 | £7.1918 | 6 | | | | | | | | | | | | |
| 22 | £13,566 | £7.0316 | 5 | | | | | | | | | | | | |
| Employee Notice Period | | | | One Month's Notice | | | | | | Two Month's Notice | | | Three Month's Notice | | |



Pension Policy Statement

Under the Local Government Pension Scheme, the Council is required to publish a written statement of policy in relation to pensions.

Any decision that has a financial impact will be subject to a Business Case, where a payback period of no more than three years, is achievable.

1. Regulation 16 (2e)(4d) Shared cost additional pension contributions

Discretion not exercised. (Decision at Council July 2014)

2. Regulation 30(6) Power to allow flexible retirement

Discretion exercised in line with Policy agreed from 1 August 2008
(Currently under review)

3. Regulation 30 (8) Waiving of actuarial reductions on compassionate grounds

Discretion exercised provided there is no cost to the Council (Decision at Council July 2014)

4. Regulation 31 Power to award additional pension

Discretion not exercised. (Decision at Council July 2014)

5. (LGPS Regulations 2014 (Transitional provisions, savings and amendments – paragraph 2 (2) of schedule 2)) – Switching on the 85 year rule

Discretion not exercised (Decision at Council July 2014)

6. Regulation B30(2)(5)B30A(3)(5) Post – 31 March 2008 /pre – 1 April 2014 leavers early payment of pension

Discretion not exercised (Decision at Council July 2014)

7. Membership aggregation Regulation 22 (7)(b), (8)(b)

Discretion not exercised (Decision at Council July 2014)

8. Transfers of Pension Rights (Administration Regulation 100 (6))

Discretion not exercised (Decision at Council July 2014)

9. Pension Contribution Bands (Regulations 9 and 10 of LGPS Regulations 2013)

Discretion is exercised (Decision at Council July 2014) - The Council's policy is to review an employee's contributions band when there is a contractual change to the

member's salary or hours at some point during the year, when the change is permanent. Any changes in variable pay (i.e. overtime) will only be reviewed once on 1st April each year.

10. Assumed Pensionable Pay and 'regular lump sum' (regulations 21(4)(a), 21(4)(b) and 21(5) of the LGPS Regulations 2013)

Discretion not exercised (Decision at Council July 2014)

11. Election of Early Payment of Benefits

The Council's Early Retirement Policy came into effect from 1 July 2009, and applies to all employees at least 55 and over. Early Retirement can only occur in the following circumstances:

REDUNDANCY – for employees where employment is terminated for reasons of redundancy.

EFFICIENCY - for employees where early retirement is in the interests of the efficiency of the service.

**GENERAL PURPOSES AND LICENSING COMMITTEE
PROPOSED SCALE OF FEES AND CHARGES FOR 2015/16**

| | Charges 2014/15 £ | Proposed Charges 2015/16 £ | Increase % | Review Indicator |
|---|-------------------------|-------------------------------------|---------------|---------------------|
| <u>HACKNEY CARRIAGE & PRIVATE HIRE LICENCE FEES*</u> | | | | |
| Hackney Carriage / Private Hire Drivers Joint Licence | | | | |
| new 1 year (includes drivers badge) | 72.00 | 72.00 | - | L |
| renewal 3 years | 98.00 | 98.00 | - | L |
| Drivers Awareness Test | 36.00 | 36.00 | - | L |
| Private Hire Operator's Licences | | | | |
| new 1 year | 290.00 | 290.00 | - | L |
| renewal per annum | 155.00 | 155.00 | - | L |
| Vehicle Licence | | | | |
| Hackney Carriage per annum | 192.00 | 192.00 | - | L |
| Private Hire per annum | 192.00 | 192.00 | - | L |
| Hackney Carriage/Private Hire (Over 8 years old) per annum | 242.00 | 242.00 | - | L |
| Duplicate driver's badge | 12.00 | 12.00 | - | L |
| Vehicle plate - replacement | 22.00 | 22.00 | - | L |
| Vehicle plate - replacement of insert | 11.00 | 11.00 | - | L |
| Vehicle plate - replacement of bracket and fixings | 11.00 | 11.00 | - | L |
| Vehicle Re-test fee (set by Environmental Services) | 50.00 | 50.00 | - | L |
| Vehicle - private plate registration | 50.00 | 50.00 | - | L |
| <u>ANIMAL WELFARE LICENCE FEES</u> | | | | |
| * Breeding of Dogs Act new Licence per annum (+ vets' fees) | 146.00 | 146.00 | - | L |
| * Breeding of Dogs Act Licence renewal per annum (+ vets' fees if necessary) | 146.00 | 146.00 | - | L |
| * Pet Animals Act Licence per annum (+ vets' fees where dangerous wild animals are sold) | 146.00 | 146.00 | - | L |
| * Animal Boarding Establishments Licence per annum (+ vets' fees if necessary) | 206.00 | 206.00 | - | L |
| * Smaller Animal Boarding Estab. Licence per annum | 55.00 | 55.00 | - | L |
| * Riding Establishments Act Licence annual fee (+ vets' fees) | 176.00 | 176.00 | - | L |
| per horse | 17.00 | 17.00 | - | L |
| Increase of horse numbers during licenced year per horse | 17.00 | 17.00 | - | L |
| Renewal of provisional licence | 75.00 | 75.00 | - | L |
| * Dangerous Wild Animals Acts Licence (+ vets' fees) | 146.00 | 146.00 | - | L |
| * Zoo Licence | <-----Actual Cost-----> | | | |
| <u>HEALTH & SAFETY SERVICE CHARGES</u> | | | | |
| Accident Reports (Provision of Accident Reports to Solicitors and other interested groups) | <-----Actual Cost-----> | | | |
| Training Level 2 Award in Health and Safety in the Workplace | 54.00 | 54.00 | - | L |
| <u>REGISTER OF ELECTORS</u> | | | | |
| Statutory Charges Apply - For further details please contact 023 8028 5445 | | | | S |

**GENERAL PURPOSES AND LICENSING COMMITTEE
PROPOSED SCALE OF FEES AND CHARGES FOR 2015/16**

1

| | Charges 2014/15 £ | Proposed Charges 2015/16 £ | Increase % | Review Indicator |
|---|-------------------------|-------------------------------------|---------------|---------------------|
| <u>OTHER LICENCE AND REGISTRATION FEES</u> | | | | |
| Sex Shop Licence | 3,969.00 | 3,969.00 | - | L |
| Public Health (Amendments) Act 1907 | | | | |
| Pleasure Boat per annum including plate | 83.00 | 83.00 | - | L |
| Self Drive Crafts etc | 23.00 | 23.00 | | L |
| Boatman Licences - new 1 year | 71.00 | 71.00 | - | L |
| Boatman Licences - renewal 3 years | 86.00 | 86.00 | - | L |
| Scrap Metal Dealers - Site Licence | 137.00 | 137.00 | - | L |
| Scrap Metal Dealers - Collectors Licence | 101.00 | 101.00 | - | L |
| Ear Piercing | | | | |
| Registration of Premises | 112.00 | 112.00 | - | L |
| Registration of Practitioners | 51.00 | 51.00 | - | L |
| Tattooing - Electrolysis - Acupuncture | | | | |
| Registration of Premises | 130.00 | 130.00 | - | L |
| Registration of Practitioners | 53.00 | 53.00 | - | L |
| Reissue of registration certificate where changes are requested | 15.00 | 15.00 | | L |
| <u>LICENSING ACT 2003 & GAMBLING ACT 2005 FEES*</u> | | | | |
| Statutory Fees Apply - For further details please contact Paul Weston 023 8028 5505 | | | | |
| <u>RELEVANT PROTECTED CARAVAN SITE LICENCE FEES</u> | | | | |
| Application for a New Single Licensed Site | 360.00 | 360.00 | - | L |
| Application for a New Multiple Licensed Site | 510.00 | 510.00 | - | L |
| Multiple Licensed Site Annual Fee for Each Permitted Caravan | 10.70 | 10.70 | - | L |
| Transfer of Site Licence | 148.00 | 148.00 | - | L |
| Alteration of Conditions Attached to an Existing Site Licence | 302.00 | 302.00 | - | L |
| Depositing Site Rules | 72.00 | 72.00 | - | L |

Charges which are zero rated or not subject to VAT are marked*either individually or by service.

| Review Indicator Key | |
|-----------------------------|--|
| M | = Market Comparisons undertaken |
| L | = Local Authority Comparisons undertaken |
| S | = Statutory Charge Level |

REPORT OF CABINET

(Meeting held on 7 January 2015)

1. FINANCIAL MONITORING REPORT – FORECAST OUTTURN (REPORT A) (MINUTE NO. 50)

The Cabinet is continuing to monitor the Council's financial performance. The net effect of further budget variations identified to date this financial year has reduced the General Fund Budget requirement by £210,000 to £18.439 million. A breakdown of the additional variations is set out in Appendix 1 to Report A to the Cabinet. A number of additional savings have been identified against various budget heads and there has also been a welcome increase in some income streams. Additional expenditure has been approved for a number of projects, some of which have already been reported to Cabinet, such as the repair work to the Rum Walk path at Totton and the demolition of Unit 8 at Hardley Industrial Estate. There are also a number of projects that have been approved through the Members ICT Investment Panel, which include a new Committee Management System.

The Cabinet has approved a supplementary estimate of £45,000 to cover the implementation of the 2014 pay award.

The Cabinet is recommending that the Council should make a contribution of £70,000 towards the cost of a new purpose-built centre for young people in Ringwood, called "The Place". Funding for this project is also being provided by Hampshire County Council, Ringwood Town Council and various other partners. Some £40,000 of this Council's contribution will be needed in the current financial year, with work scheduled to start in the next 2 weeks, for completion towards the summer.

The Housing Revenue Account budget remains unchanged as the anticipated overspend of £100,000 for repairs following the flooding last winter is balanced by some projects in the cyclical maintenance budget not being completed by the end of the year. The Cabinet has however approved a supplementary estimate of £40,000 for additional Housing Improvement/Disabled Facilities Grants.

The Cabinet is recommending that the new build/acquisitions budget within the Housing Capital programme should be increased by £1 million this year. This will be funded from existing housing capital resources, and will allow a further welcome increase in property purchases to allow people on the housing waiting list to be housed. Other variations to the capital programmes, from various underspends and rephasing of works, will ameliorate this increase to £817,000.

Work is continuing to use developers' contributions for transportation and open space schemes to benefit local communities.

The General Fund capital programme has also seen some variations, notably associated with works at Milford on Sea following the storm last winter.

£152,000 has now been received from the Government, under the Bellwin Scheme, to meet the cost of storm damage last winter. In addition a grant of £132,000 has been received from the Environment Agency for coast protection works, with a further £148,000 expected by 31 March 2015.

RECOMMENDED:

- (a) That an increase of £1m in the Housing New Build/Acquisitions budget be approved; and.**
- (b) That expenditure of £70,000, of which £40,000 will be incurred in 2014/15, be approved as a contribution towards the cost of "The Place" Ringwood (para 3.6 of Report A to the Cabinet).**

2. MEDIUM TERM FINANCIAL PLAN 2014 TO 2018 (REPORT B) (MINUTE NO. 51)

The Cabinet has approved the emerging draft Medium Term Financial Plan 2014 to 2018, which will form the basis of the Council's 2015/16 General Fund Budget. This will be considered in February 2015. The Plan has been adjusted to reflect the Chancellor's Autumn Statement, the financial settlements that are expected and other financial trends. The funding available for 2015/16 is now expected to be £20.240 million, which is £750,00 less than the current financial year, with a further reduction of £1.518 million projected over the next 2 year period. This is in line with previous projections.

Work will continue to develop the Council's budget requirements in order to meet service priorities, as guided by the Corporate Plan. Allowances are being made for projected increases in costs, including increased fuel and energy costs, and anticipated increases in interest rates from the third quarter of 2015. Grants to town and parish councils continue to be paid in accordance with the agreed strategy.

Within this challenging context the Cabinet is delighted to be able to be planning on the basis that the Council will achieve a balanced budget, while continuing to freeze Council Tax for the sixth year in succession, to protect the interests of local council taxpayers. Members of the Cabinet have thanked the officers and the cross party Task and Finish Working Group that have contributed to the development of the budget, and expressed their appreciation for all the work that has gone into ensuring the Council remains in a strong financial position. This has included the ability to secure some savings and underspends into reserves, which will be used to fund increases in potential sources of income generation and investments to improve efficiencies.

3. RENEWAL OF JOINT FUNDING AGREEMENTS FOR COMMUNITY TRANSPORT (REPORT C) (MINUTE NO. 52)

The Cabinet has agreed that this Council should enter into new funding agreements with Hampshire County Council, as set out Report C to the Cabinet, for the period up to July 2017. This will allow existing Call and Go, Community Transport Group Hire and Wheels to Work services to continue beyond March 2015. This should protect the current level of service following the expiration of three contract arrangements during 2015. The proposals maintain approximately the same contribution level by this Council as currently. It has been decided to enter into 2 year commitments to obtain best value, without losing essential flexibility in the medium term. The current funding agreement was set out at Appendix A to Report C considered by the Cabinet.

4. MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2015 (REPORT D) (MINUTE NO. 53)

Legislation requires the Council to make a scheme of Members' Allowances each year. The Cabinet has therefore reviewed the scheme.

The Government has announced that the Local Government Pension Scheme will close to elected members. Those Councillors who were in the scheme on 31 March 2014 can continue in membership until the end of their term of office. The scheme therefore needs to be amended to reflect the change in pension entitlement. It also requires adjustment to respond to the scheme's linkage to the national pay award.

RECOMMENDED:

*That the scheme of members' allowances, as attached at Appendix 1 to this report, be made with effect from 1 April 2015.*

**Councillor B Rickman
CHAIRMAN**

**NEW FOREST DISTRICT COUNCIL
MEMBERS' ALLOWANCES SCHEME**

This scheme will be known as the New Forest District Council Members' Allowances Scheme, and shall have effect on 1 April 2015

A list of definitions is given in Appendix 1. The basis for the calculation of the basic and some special responsibility allowances is set out in Appendix 2. Appendix 3 deals with 'Approved Duties' for the payment of travel, subsistence and dependant carer's allowances.

1. Basic Allowance

1.1 Each Councillor shall receive a basic allowance of £6,027 (inclusive of an ICT Allowance of £382) per annum. Where the term of office of a Councillor begins or ends otherwise than at the beginning of the year to which the scheme relates, their entitlement to this allowance shall be calculated on a pro-rata basis.

2. Special Responsibility Allowance

2.1 The following annual Special Responsibility Allowances shall be paid:

| | |
|--|---------|
| Leader of the Council | £19,209 |
| Portfolio Holders | £9,605 |
| Chairmen of Overview and Scrutiny Panels | £4,803 |
| Chairman of Planning Development Control Committee | £5,330 |
| Chairman of General Purposes & Licensing Committee | £1,979 |
| Chairman of Audit Committee | £1,979 |
| Major Opposition Group Leader | £7,204* |
| Deputy Leader of Major Opposition Group | £1,022* |
| Minority Group Leader | £1,022* |

* see standing provision on group size in Appendix 2

2.2 Where a member serves in a role with 'Special Responsibility' as listed in the table at 2.1 above for only part of a year, his or her entitlement to the allowance shall be calculated on a pro-rata daily basis.

3. Limitation on Payment of Special Responsibility Allowances

3.1 A Councillor may receive only one special responsibility allowance at any one time.

4. Dependant Carer's Allowance

4.1 A dependant carer's allowance shall be paid to those Councillors who incur expenditure for the care of dependant relatives or children whilst the Councillor is undertaking approved duties, subject to the following:

- (i) a maximum allowance of 12 hours per week;

- (ii) the allowances being payable as follows –
 - (a) care for dependent children under 16, living at home with the Councillor - £7.85 per hour (fixed to the living wage);
 - (b) elderly or dependent relatives aged 16 or over living at the same address as the Councillor and in need of full-time care - £10.22 per hour;
- (iii) Councillors claiming the allowance declaring that the minder or carer is not an immediate member of the family and is over 16 years of age.

(See Appendix 3 for list of approved duties)

5. Pensions

5.1 All eligible Councillors are entitled to membership of the Local Government Pension Scheme, and their basic and special responsibility allowances are to be treated as amounts in respect of which pensions are payable.

(Note: This paragraph applies only to members who were in the Pension Scheme on 31 March 2014, and only until 13 May 2015.)

6. Travel Allowances

6.1 Travel allowances will be paid for approved duties, as set out in Appendix 3 to this scheme. Mileage rates will be the Inland Revenue's approved annual mileage allowance payments (AMAP) which are currently:

| | |
|----------------|----------|
| Motor Vehicles | 45p/mile |
| Motor Cycles | 24p/mile |
| Bicycles | 20p/mile |

6.2 Where members travel together on approved duties, the member using his/her motor vehicle will be entitled to an additional allowance of 5p/mile per member passenger.

6.3 Where public transport is used, the most cost-effective method of travel, making use of "special offer" rates where possible, must be used. The cost of standard rate only will generally be reimbursed. Exceptional payments may be authorised by the Chief Executive.

6.4 Taxis may be used only in special circumstances and should have the prior approval of the Chief Executive, the Head of Legal and Democratic Services or the Democratic Services Manager.

7. Subsistence Allowances

7.1 Reasonable subsistence allowances will be paid for the "Approved Duties" set out in Appendix 3 to this Scheme, on condition that:

- (a) refreshments are not provided as part of the meeting/function attended;
- (b) meal allowances will be paid only where a member is undertaking an approved duty which involves his/her absence from home or his/her normal place of work for a period exceeding four hours; and

- (c) all claims are accompanied by receipts. The requirement for receipts may be waived at the discretion of the Chief Executive, Head of Legal and Democratic Services or Democratic Services Manager in the case of claims submitted electronically.

8. Overnight Accommodation

- 8.1 There is no set allowance for overnight accommodation. However Councillors should endeavour to stay in accommodation which provides good value for money but, if the reason for requiring overnight accommodation is to attend a training event, conference, or similar event, Councillors may stay overnight at the venue being used for that event. Receipts must be provided with all claims for reimbursement of accommodation costs. If a Councillor stays overnight with a friend or family member, an amount of £25 per night will be reimbursed.

9. Automatic Uprating of Allowances

- 9.1 The annual adjustment index for the Basic, Special Responsibility, Co-opted and Dependants' Carers' allowances, shall be the local government employees' national pay award annual percentage increase backdated to 1 April each year subject to the following:-
 - (i) backdating will not apply to Councillors who resign or who otherwise cease to be members of the Council after 1 April in any year, or who are not re-elected to the Council in the years of the ordinary election of Councillors; and
 - (ii) where different percentage increases apply to pay bands, the index shall be the award applicable to Spinal Column Point (SCP) 28, which most closely equates to the Scheme's notional hourly rate
- 9.2 The mileage rates shall be adjusted annually, with effect from 1 April each year, by any adjustments to the Inland Revenue's AMAP rates.
- 9.3 The subsistence rates shall be adjusted annually, with effect from 1 April each year, by any adjustments to the New Forest District Council's employees' subsistence scheme.

10. Backdating of Allowances

Where an amendment is made which affects an allowance payable under this scheme, the entitlement to such allowance may, with the agreement of the Council, apply with effect from the beginning of the year in which the amendment is made.

11. Payments

- 11.1 Payment of the annual basic, special responsibility and co-optee's allowances shall be made in 12 equal monthly instalments paid in arrears on the 20th day of each month or thereabouts, subject to compliance with the part-year payment provisions set out above.
- 11.2 Payment of travel and subsistence claims received by the first day of the month shall be made on the 20th day of the month or thereabouts.

12. Time Limit for Submission of Claims

12.1 Any claims submitted for the payment of:

- (a) dependant carer's allowance; or
- (b) travelling and subsistence allowance;

must be made within two months from the date on which the entitlement to the allowance arises.

13. Suspension/Repayment of Allowances

13.1 Where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of the basic, special responsibility, or co-optee's allowance payable in respect of the period for which he/she is suspended or partially suspended in respect of the responsibilities or duties from which he/she is suspended or partially suspended will be withheld.

13.2 Where the allowances referred to in paragraph 13.1 have already been paid to the member and where the member concerned is:

- (a) suspended or partially suspended from his responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part; or
- (b) ceases to be a member of the authority; or
- (c) is in any other way not entitled to receive the allowance in respect of that period;

such part of the allowance as relates to any such period shall be repaid to the Council.

14. Members of other authorities

Where a member is also a member of another authority, he/she may not receive allowances from more than one authority in respect of the same duties.

15. Renunciation

A member may by notice in writing given to the Chief Executive elect to forego all or any part of his or her entitlement to allowances payable under this scheme.

APPENDIX 1
(To the members' allowances Scheme)

DEFINITIONS

In this scheme -

"Councillor" means an elected member of the New Forest District Council;

"Co-optee" means a member of a panel, committee or sub-committee of the Authority who is entitled to vote;

"ICT allowance" means a financial contribution towards Members' own ICT support for the purposes of ICT usage on Council-related duties;

"Immediate member of the family" means a member of the Councillor's own household living at the same address as the Councillor and the dependant requiring care;

"Leader of the Council" means the Councillor elected by the Council to fill that office;

"Leader of Major Opposition Group" means the Councillor notified to the Chief Executive by the opposition group having the largest number of members on the Council, as the Councillor elected as that Group's Leader;

"Deputy Leader of Major Opposition Group" means the Councillor notified to the Chief Executive by the Opposition Group having the largest number of members on the Council, as the Councillor elected as that Group's Deputy Leader;

"Minority Group Leader" means the councillor notified to the Chief Executive by a group having a lesser number of members than the Major Opposition Group as the councillor elected as that Group's Leader;

"Member" in relation to co-optee's, travel or subsistence allowances means an elected member of the New Forest District Council or a person who is a member of a committee or sub-committee of the authority;

"Portfolio Holder" means a councillor appointed by the Leader of the Council to be responsible for a particular portfolio as a member of the Executive;

APPENDIX 2
(To the members' allowances Scheme)

CALCULATION OF BASIC, SPECIAL RESPONSIBILITY AND CO-OPTEE'S ALLOWANCES

1. The basic and special responsibility allowances are based on the number of hours it is considered reasonable for the member to spend on that particular role. These are:

| Allowance | Calculation |
|--|---|
| Basic * | 624 minus one-third "public service discount" of 208 hours = 416 |
| Leader of Main Opposition Group** | £7,204 - on condition that the size of the Major Opposition Group consists of at least 10% of the Council membership, which equates to six seats. If it falls below the 10% of Council membership, then the SRA should be reduced by 25%, which equates to £5,403 |
| Leader of Minority Opposition Group** | £1,022 |
| Deputy Leader of Main Opposition Group** | £1,022 - Subject to Group reaching the qualification criteria of 20% of Council Membership (12 seats) |
| <p>**Opposition Groups of Equal Size</p> <p>If the situation arises where two or more Opposition Groups are of equal size, then the sum of the SRAs that would be payable to Opposition Group Leaders of differing group sizes should be divided equally between each Opposition Group Leader. For instance, where both Opposition Groups have</p> <ul style="list-style-type: none"> • 6 members each then the SRA payable to each Group Leader would be £4,113 (£7,204 + £1,022 = £8,226 divided by 2) • 5 or less members each then the SRA payable to each Group Leader would be £3,213 (£5,404 + £1,022 = £6,426 divided by 2) | |

2. The notional hourly rate for calculation of the Basic Allowance 2015/16 is £13.57 per hour (subject to annual percentage adjustment of employees' national pay award).
3. *In addition to this calculation, the Basic Allowance includes an ICT Allowance of £382 .

APPENDIX 3
(To the members' allowances Scheme)

1. APPROVED DUTIES FOR THE PAYMENT OF TRAVEL, SUBSISTENCE AND DEPENDANT CARER'S ALLOWANCES

- (a) Attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any other body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body;
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority, or a Committee or Sub-Committee of the Authorities, or a joint committee of the Authority and one or more Local Authority within the meaning of Section 270(1) of the Local Government Act 1972, or a Sub-Committee of such a Joint Committee provided that:
 - (i) where the Authority is divided into two or more political groups, it is a meeting to which members of at least two such groups have been invited; or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited;
- (c) The attendance at a meeting of any Association of Authorities of which the Authority is a member;
- (d) The attendance at a meeting of the Executive or a meeting of any of its Committees;
- (e) The attendance at the opening of tender documents, where the attendance of a member has been specifically requested by the Chief Executive, an Executive Director or a Head of Service;
- (f) The performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises;
- (g) Portfolio holders', Overview and Scrutiny Panel and Committee Chairmen's visits to Council venues, partner organisations or appropriate sites on issues directly related to their portfolios or the work of the Panel/Committee;
- (h) Journeys by Overview and Scrutiny Panel or Committee members working on projects assigned to them by the Panel or Committee;
- (i) Journeys to planning or similar enquiries, or court proceedings, where the member is appearing to give evidence for the Council;
- (j) Journeys made by the political group leaders in their roles as group leaders;
- (k) Journeys to approved training sessions, conferences and courses ("approved" for this purpose will mean a session arranged by the Council or in respect of which the Council is bearing the cost);

- (l) In appropriate circumstances, journeys made for the purpose of resolving constituents' problems;
- (m) Attendance at meetings of parish or town councils in the member's role as a District Councillor (except where the member is also attending as a parish/town councillor);
- (n) Journeys to political group meetings called by the leader of the political group and designated by him/her as being necessary for the conduct of Council business;
- (o) Journeys undertaken by members of the Planning Development Control Committee and local members to view sites that are the subject of planning or tree work applications, when the member considers a visit essential;
- (p) Journeys undertaken by members to collect or deliver ICT equipment issued to them by the Council, provided such collection or delivery cannot reasonably wait until the member makes his or her next scheduled visit to the Council's offices;
- (q) Journeys by Chairmen, Vice-Chairmen and opposition group spokespersons to attend pre-meeting briefings;

provided in all cases that the journeys are necessary for the carrying out of a duty which has been assigned to a member, either generally or specifically.

REPORT OF CABINET

(Meeting held on 4 February 2015)

1. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING CAPITAL EXPENDITURE PROGRAMME 2015/16 (REPORT A) (MINUTE NO. 58)

The Cabinet are recommending the approval of the Housing Revenue Account budget for 2015/16 and capital expenditure programme for next year and beyond. The proposals continue to take advantage of the HRA self-financing system, using capital and surpluses on the Revenue Account to fund new builds and acquisitions to replenish the housing stock and address the local need for affordable housing.

It is proposed to increase rents in 2015/16 by 2.2%, which meets the Government's guidelines of CPI plus 1%. This represents an increase of £2.25 per week on the current average. The service charges for hostels and older persons' serviced accommodation will also be increased by 2.2%, to continue to ensure full cost recovery from those using the services. These increases mean that the Council's rents continue to compare favourably with those of other authorities, registered social landlords and the private sector. Garage rents will remain unchanged, as the current charge is judged to be optimal for maximising income. In total, income in 2015/16 is projected to be £540,000 higher than the original budget for 2014/15.

Expenditure in 2015/16 will be increased by £143,000 compared to the original budget for 2014/15. A number of causes have contributed, including increased investment in the repair and maintenance of properties; increased rent rebate figures as a result of the Council's rent levels being lower than the Government's estimated limit rent level; and increased bad debts.

In accordance with the policy agreed last year, a working balance of £1 million will be maintained in the Housing Revenue Account, with any surpluses being transferred to the new build and acquisitions reserve.

The new Right-to-Buy limits have encouraged a greater level of interest from tenants wishing to buy their properties and by the end of this year it is anticipated that 30 properties will have been sold. This will be offset by the new build and acquisitions programme that will deliver 43 properties this year. The capital programme includes major investment in the North Milton Estate over the next 4 years, with £4.140 million being invested in new build and £1.928 million in environmental enhancements.

The Tenants' representatives, through the Housing Policy Focus Group, have supported the Council's approach and agree with the recommendations.

RECOMMENDED:

- (a) ***That the Housing Revenue Account budget, as set out in Appendix 1 to Report A to the Cabinet, be approved including, from 6 April 2015:***
- i) an average increase in rents of 2.2% from the average 2014/15 rent level, in accordance with Government guidelines;***
 - ii) an increase of 2.2% in hostel service charges;***
 - iii) an increase of 2.2% in sheltered housing service charges; and***

- iv) no increase in garage rents;*
- (b) That the Housing Revenue Account Capital Programme, as set out in Section 6 of Report A to the Cabinet, be approved including:**
 - i) The 2015/16 Housing Capital Programme of £12.483m, as set out in paragraph 6.1 to Report A to the Cabinet; and*
 - ii) The North Milton Estate new build/environmental enhancements project (£6.068 million);*

2. THE MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2015-2016 AND COUNCIL TAX 2015/16 (REPORT B) (MINUTE NO. 59)

Following the agreement of the principles governing the medium term financial plan in January, the Cabinet has now considered, and are recommending for adoption, the developed budgets for next year which, as projected, achieve a balanced budget while keeping council tax unchanged for the 6th year in succession. The portfolio budgets, together with other budget changes identified since January, are set out in the appendices to Report B. These include proposals for new business development schemes and third party grants, totalling £1.002 million in 2015/16, full details of which are set out in Appendix 4 or Report B to the Cabinet.

Experience with the new business rates collection system has allowed more accurate prediction of the likely income from this source, which is, encouragingly, 5.4% above the government's settlement assumptions. This Council will be able to retain 20% of the additional receipts, amounting to £722,000 in 2015/16. This will in turn allow the retention of some reserves to support the agreed financial strategy.

The General Fund net requirement for 2015/16 will be £18.327 million, which is £303,000 less than the 2014/15 budget requirement. The financial position beyond next year remains unclear but the trend of financial austerity is highly likely to continue, leading to continuous review processes to identify further savings and efficiencies. Contingency planning is already underway to safeguard the delivery of front line services.

The capital programme for 2015/16 totals £6.033 million, and is set out in more detail in Appendix 6 to the Cabinet report. In addition to continuing to allocate S106 developer contribution receipts to transportation and open space projects, the capital programme will support major works to Eling Tide Mill, coast protection works and other investments, including grants for private sector housing.

The Cabinet are also recommending for adoption the various prudential indicators that must be approved each year with respect to the capital programme. These are set out in Appendix 7 of the report.

RECOMMENDED:

- (a) That there is a General Fund Net Budget Requirement in 2015/16 of £18,327,040, as set out in Appendix 5 of Report B to the Cabinet, including the Business Development and Third Party Grant schemes set out in Appendix 4 of Report B to the Cabinet;**

- (b) That the site licence fees and service charges at Stillwater Park be increased by 2.3%, in line with RPI inflation;**
- (c) That the Band D Council Tax for 2015/16 shall be £155.76;**
- (d) That the General Fund Capital Programme for 2015/16 of £6.033m, as set out in Appendix 6 of Report B to the Cabinet, be approved; and**
- (e) That each of the Prudential Indicators, the Limits for 2015/16 to 2017/18 and the Minimum Revenue Provision Policy Statement, as set out in Appendix 7 of Report B to the Cabinet, be approved and adopted.**

3. ALLOCATION OF DEVELOPERS' CONTRIBUTIONS (REPORT C) (MINUTE NO. 60)

Following another series of meetings with local ward councillors and representatives of town and parish councils during the autumn, the Cabinet has approved further proposals for the allocation of developers' contributions to fund open space and transportation projects to benefit communities in the vicinity of those developments that have taken place. A degree of flexibility has been included, with the setting of priorities, to ensure that all receipts can be spent, but should some expected income not, in the event, be forthcoming, the programme can be adjusted.

The development of this programme of expenditure has been widely welcomed by Members, who are very appreciative of the investment that has already taken place, bringing benefits to local communities, while looking forwards to further, welcome, investment in areas that have experienced development.

The list of projects that has just been approved is set out in Appendix 1 of Report C to the Cabinet, for inclusion in the capital programme from 2015/16, with a total programme of £3,732,000 (£2,239,000 in 2015/16 and £1,493,000 in 2016/17). The list of projects that had already been approved, together with the amounts remaining, are set out in Appendix 2 of Report C to the Cabinet.

The Head of Planning and Transportation, the Planning and Transportation Portfolio Holder and the Health and Leisure Portfolio Holder have been granted various authorities to act to vary the agreed allocations, within defined limits, to ensure that the money is spent most effectively. Reports will continue to be brought to the Cabinet on a regular basis to keep members advised of progress.

4. COMMUNITY INFRASTRUCTURE LEVY (REPORT D) (MINUTE NO. 61)

Insofar as they are able, the Cabinet has approved various policy documents, and are recommending them to the Council for adoption, to allow the introduction of the Community Infrastructure Levy from 6 April 2015.

The various policy documents firstly define the list of projects to which CIL receipts will be directed. In the first instance, all receipts will go towards meeting this Council's obligations under the Habitats and Species Regulations 2010, which amounts to some £300,000 per annum to mitigate the effects of development on protected habitats. With the delay in implementation of consents granted after 6 April, and the built-in delay of 60 days post commencement of development before

the charge becomes payable, receipts from this source, in the first year, will inevitably be constrained.

The various policy documents also define various discretions that the Council may grant in respect of the Community Infrastructure Levy, to allow maximum flexibility in the operation of the scheme. These policy documents include an instalment policy, exceptional circumstances and discretionary charitable relief as well as the option to allow the Council to accept land in lieu of a cash payment of CIL. As the Council will only be charging a levy in respect of residential development, the use of some of these various potential reliefs will be rare.

RECOMMENDED:

(a) That, insofar as they are empowered to do so by law, the Council approves the following policy documents, attached as appendices A-E to Report D to the Cabinet:

- **Regulation 123 list**
- **Exceptional Circumstances Relief**
- **Discretionary Charitable Relief**
- **Instalment Policy**
- **Payment in Kind Policy**

and approves the delegations as set out in Appendix F to Report D to the Cabinet; and

(b) That, insofar as they are empowered to do so by law, the Council authorise the Head of Planning and Transportation in consultation with the Portfolio Holder for Planning and Transportation to approve a policy document enabling the Council to grant discretionary social housing relief.

**Councillor B Rickman
CHAIRMAN**

COUNCIL – 23 FEBRUARY 2015

THE 2015/16 COUNCIL TAX

1. INTRODUCTION

- 1.1 Members are required to calculate and set the Council Tax for 2015/16.
- 1.2 The level of tax is determined by the spending needs of this Council, Hampshire County Council, the Police and Crime Commissioner for Hampshire, Hampshire Fire and Rescue Authority and the Town and Parish Councils. Although the District Council has no control over the expenditure of the other organisations, it has to ensure that the Council Tax is set at the right level to meet the combined budgets.
- 1.3 Members will have considered earlier in this agenda the recommended General Fund revenue budget for 2015/16, which is outlined in Section 3 below. Any changes made at that stage could change the Council Tax figures shown in this report.
- 1.4 The recommended Council Tax for every District Council area is shown in paragraph 10.5 of this report.
- # 1.5 Appendix 1 attached to this report supplements the prescribed layout of the recommendations by showing how the figures used in paragraph 10.3 have been arrived at.

2. THE 2015/16 COUNCIL TAX BILL

- 2.1 This report recommends a Council Tax level of £1,482.31 for 2015/16. This is an average figure based on a band 'D' property and is an increase of £4.53 (0.307%) over the equivalent figure for 2014/15.
- # 2.2 Each dwelling falls into one of eight valuation bands (A to H) for tax purposes. More details are given in Appendix 2.
- 2.3 The tax level is based upon the 2015/16 budgets of all precepting authorities in this area. The District, County Council, Police and Crime Commissioner and Fire and Rescue Authority elements of the total tax bill are the same throughout the area but the Town/Parish Councils each determine their own tax levels. There are 8 bands of Council Tax for each of the 37 Town/Parish areas, giving 296 separate tax figures.

- 2.4 If the recommendations in this report are accepted there will be a range of Band D Council Tax levies from £1,424.68 to £1,526.29. The average figures are as follows :-

| | 2014/15 | 2015/16 | INCREASE | |
|--|--------------|--------------|----------|-------|
| | AVERAGE £ | AVERAGE £ | £ | % |
| New Forest District Council | 155.76 | 155.76 | 0.00 | 0.000 |
| Hampshire County Council | 1,037.88 | 1,037.88 | 0.00 | 0.000 |
| Police and Crime Commissioner for Hampshire | 154.26 | 157.33 | 3.07 | 1.990 |
| Hampshire Fire and Rescue Authority | 61.38 | 61.38 | 0.00 | 0.000 |
| | 1,409.28 | 1,412.35 | 3.07 | 0.218 |
| Parish/Town Councils | 68.50 | 69.96 | 1.46 | 2.131 |
| | 1,477.78 | 1,482.31 | 4.53 | 0.307 |

- 2.5 The proposed 2015/16 Council Tax for all areas is shown in paragraph 10.5 of this report.
- 2.6 There is a discount of 25% where only one adult lives in a dwelling, reductions for disabled persons whose homes have certain facilities, and a Council Tax Reduction scheme for persons with low incomes.
- 2.7 Council Tax bills can be payable by instalments from 1 April. The date of the first instalment only may have to be delayed slightly to ensure that there is a statutory period of 14 days between the date the bills are issued and the date the first payment becomes due.
- 2.8 The council tax leaflet will be provided in electronic form this year but a paper version of the leaflet will be provided on request.

3. NEW FOREST DISTRICT COUNCIL

- 3.1 The proposed 2015/16 General Fund budget requirement, elsewhere on this agenda, totals £18,327,040. After deducting retained Business Rates, Government support and collection fund adjustments of £7,549,380, the District Council needs to raise £10,777,660 through Council Tax. This would require a District Council Tax of £155.76 for a Band D property, which means there is no increase from 2014/15.

4. HAMPSHIRE COUNTY COUNCIL

- 4.1 Hampshire County Council met on the 19 February 2015 and set its precept upon this Council at £71,815,068. This results in a Band D Council Tax of £1,037.88, which represents no increase over the equivalent 2014/15 figure.

5. POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE AUTHORITY

- 5.1 The Police and Crime Commissioner for Hampshire set a precept of £10,886,292 upon this Council. This results in a Band D Council Tax of £157.33, which represents an increase of £3.07 (1.99%) over the equivalent 2014/15 figure.

6. HAMPSHIRE FIRE AND RESCUE AUTHORITY

- 6.1 Hampshire Fire and Rescue Authority met on the 20 February 2015 and set its precept upon this Council at £4,247,128. This results in a Band D Council Tax of £61.38, which represents no increase over the equivalent 2014/15 figure.

7. TOWN AND PARISH COUNCILS

- # 7.1 The Town and Parish Council precepts (Council Tax Requirements) for 2015/16 are detailed in Appendix 3 and total £4,840,498. This is an increase of £142,837 from 2014/15 and results in an average Band D Council Tax for 2015/16 of £69.96, an increase of £1.46 (2.131%) from 2014/15. The Council Tax Requirement figure is net of grants totalling £200,002 that the District Council is paying separately to the town and parish councils in relation to the Council Tax Reduction Scheme.

8. CRIME AND DISORDER IMPLICATIONS

- 8.1 There are no crime and disorder implications arising directly from this report.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 There are no environmental implications arising directly from this report.

10. RECOMMENDATIONS

The Council is recommended to resolve:

- 10.1 That it be noted that on 8 December 2014 the Council calculated the Council Tax Base for the year 2015/16:

- (a) for the whole Council area as 69,194.00 [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix 3.
- 10.2 To calculate that the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish Precepts) is £10,777,660.
- 10.3 That the following amounts be calculated for the year 2015/16 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government and Finance Act 1992 as amended by the Localism Act 2011: -
- (a) £143,558,618 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £127,940,460 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £15,618,158 being the amount by which the aggregate at 10.3(a) above exceeds the aggregate at 10.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act).
 - (d) £225.72 being the amount at 10.3(c) above (Item R), all divided by the Council Tax Base, Item T (10.1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £4,840,498 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix 4).
 - (f) £155.76 being the amount at 10.3(d) above less the result given by dividing the amount at 10.3(e) above by Item T (10.1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year specifically for the District Council. There are no non-parished areas.

(g)

| LOCAL COUNCIL AREA | £ |
|------------------------------|--------|
| ASHURST & COLBURY | 184.15 |
| BEAULIEU | 171.13 |
| BOLDRE | 174.49 |
| BRAMSHAW | 172.75 |
| BRANSGORE | 202.14 |
| BREAMORE | 177.62 |
| BROCKENHURST | 187.41 |
| BURLEY | 172.87 |
| COPYTHORNE | 168.09 |
| DAMERHAM | 193.48 |
| DENNY LODGE | 187.80 |
| EAST BOLDRE | 193.73 |
| ELLINGHAM HARBRIDGE & IBSLEY | 187.51 |
| EXBURY & LEPE | 196.41 |
| FAWLEY | 258.83 |
| FORDINGBRIDGE | 238.07 |
| GODSHILL | 203.75 |
| HALE | 189.12 |
| HORDLE | 196.06 |
| HYDE | 175.04 |
| HYPHE & DIBDEN | 237.16 |
| LYMINGTON & PENNINGTON | 251.04 |
| LYNDHURST | 204.27 |
| MARCHWOOD | 258.11 |
| MARTIN | 183.81 |
| MILFORD-ON-SEA | 188.98 |
| MINSTEAD | 181.86 |
| NETLEY MARSH | 175.21 |
| NEW MILTON | 208.31 |
| RINGWOOD | 243.78 |
| ROCKBOURNE | 230.65 |
| SANDLEHEATH | 180.37 |
| SOPLEY | 224.06 |
| SWAY | 187.30 |
| TOTTON & ELING | 269.70 |
| WHITSBURY | 177.94 |
| WOODGREEN | 182.09 |

being the amounts given by adding to the amount at 10.3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 10.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) These are the District plus Town/Parish Council elements only.
See below and page 8 for the full amounts of Council Tax.

| LOCAL COUNCIL AREA | A | B | C | D | E | F | G | H |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| ASHURST & COLBURY | 122.76 | 143.23 | 163.69 | 184.15 | 225.07 | 266.00 | 306.91 | 368.30 |
| BEAULIEU | 114.08 | 133.10 | 152.11 | 171.13 | 209.16 | 247.19 | 285.21 | 342.26 |
| BOLDRE | 116.32 | 135.71 | 155.10 | 174.49 | 213.27 | 252.05 | 290.81 | 348.98 |
| BRAMSHAW | 115.16 | 134.36 | 153.55 | 172.75 | 211.14 | 249.53 | 287.91 | 345.50 |
| BRANSGORE | 134.76 | 157.22 | 179.68 | 202.14 | 247.06 | 291.98 | 336.90 | 404.28 |
| BREAMORE | 118.41 | 138.15 | 157.88 | 177.62 | 217.09 | 256.57 | 296.03 | 355.24 |
| BROCKENHURST | 124.94 | 145.76 | 166.59 | 187.41 | 229.06 | 270.71 | 312.35 | 374.82 |
| BURLEY | 115.24 | 134.45 | 153.66 | 172.87 | 211.29 | 249.71 | 288.11 | 345.74 |
| COPYTHORNE | 112.06 | 130.73 | 149.41 | 168.09 | 205.45 | 242.80 | 280.15 | 336.18 |
| DAMERHAM | 128.98 | 150.48 | 171.98 | 193.48 | 236.48 | 279.48 | 322.46 | 386.96 |
| DENNY LODGE | 125.20 | 146.06 | 166.93 | 187.80 | 229.54 | 271.27 | 313.00 | 375.60 |
| EAST BOLDRE | 129.15 | 150.68 | 172.20 | 193.73 | 236.78 | 279.84 | 322.88 | 387.46 |
| ELLINGHAM HARBRIDGE & IBSLEY | 125.00 | 145.84 | 166.67 | 187.51 | 229.18 | 270.85 | 312.51 | 375.02 |
| EXBURY & LEPE | 130.94 | 152.76 | 174.59 | 196.41 | 240.06 | 283.71 | 327.35 | 392.82 |
| FAWLEY | 172.55 | 201.31 | 230.07 | 258.83 | 316.35 | 373.87 | 431.38 | 517.66 |
| FORDINGBRIDGE | 158.71 | 185.16 | 211.62 | 238.07 | 290.98 | 343.88 | 396.78 | 476.14 |
| GODSHILL | 135.83 | 158.47 | 181.11 | 203.75 | 249.03 | 294.31 | 339.58 | 407.50 |
| HALE | 126.08 | 147.09 | 168.11 | 189.12 | 231.15 | 273.18 | 315.20 | 378.24 |
| HORDLE | 130.70 | 152.49 | 174.27 | 196.06 | 239.63 | 283.20 | 326.76 | 392.12 |
| HYDE | 116.69 | 136.14 | 155.59 | 175.04 | 213.94 | 252.84 | 291.73 | 350.08 |
| HYPHE & DIBDEN | 158.10 | 184.46 | 210.81 | 237.16 | 289.86 | 342.57 | 395.26 | 474.32 |
| LYMINGTON & PENNINGTON | 167.36 | 195.25 | 223.15 | 251.04 | 306.83 | 362.62 | 418.40 | 502.08 |
| LYNDHURST | 136.18 | 158.87 | 181.57 | 204.27 | 249.67 | 295.06 | 340.45 | 408.54 |
| MARCHWOOD | 172.07 | 200.75 | 229.43 | 258.11 | 315.47 | 372.83 | 430.18 | 516.22 |
| MARTIN | 122.54 | 142.96 | 163.39 | 183.81 | 224.66 | 265.51 | 306.35 | 367.62 |
| MILFORD-ON-SEA | 125.98 | 146.98 | 167.98 | 188.98 | 230.98 | 272.98 | 314.96 | 377.96 |
| MINSTEAD | 121.24 | 141.44 | 161.65 | 181.86 | 222.28 | 262.69 | 303.10 | 363.72 |
| NETLEY MARSH | 116.80 | 136.27 | 155.74 | 175.21 | 214.15 | 253.09 | 292.01 | 350.42 |
| NEW MILTON | 138.87 | 162.02 | 185.16 | 208.31 | 254.60 | 300.90 | 347.18 | 416.62 |
| RINGWOOD | 162.52 | 189.60 | 216.69 | 243.78 | 297.96 | 352.13 | 406.30 | 487.56 |
| ROCKBOURNE | 153.76 | 179.39 | 205.02 | 230.65 | 281.91 | 333.17 | 384.41 | 461.30 |
| SANDLEHEATH | 120.24 | 140.29 | 160.33 | 180.37 | 220.45 | 260.54 | 300.61 | 360.74 |
| SOPLEY | 149.37 | 174.27 | 199.16 | 224.06 | 273.85 | 323.65 | 373.43 | 448.12 |
| SWAY | 124.86 | 145.68 | 166.49 | 187.30 | 228.92 | 270.55 | 312.16 | 374.60 |
| TOTTON & ELING | 179.80 | 209.76 | 239.73 | 269.70 | 329.64 | 389.57 | 449.50 | 539.40 |
| WHITSBURY | 118.62 | 138.40 | 158.17 | 177.94 | 217.48 | 257.03 | 296.56 | 355.88 |
| WOODGREEN | 121.39 | 141.62 | 161.86 | 182.09 | 222.56 | 263.02 | 303.48 | 364.18 |

being the amounts given by multiplying the amounts at 10.3(g) above by the number which, in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section

36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 10.4 That it be noted that Hampshire County Council, the Police and Crime Commissioner for Hampshire and the Hampshire Fire and Rescue Authority have issued precepts for 2015/16 to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in below:

PRECEPTING AUTHORITY

| PRECEPTING AUTHORITY | A | B | C | D | E | F | G | H |
|--|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| HAMPSHIRE COUNTY COUNCIL | 691.92 | 807.24 | 922.56 | 1,037.88 | 1,268.52 | 1,499.16 | 1,729.80 | 2,075.76 |
| POLICE AND CRIME COMMISSIONER FOR HAMPSHIRE AUTHORITY | 104.89 | 122.37 | 139.85 | 157.33 | 192.29 | 227.25 | 262.22 | 314.66 |
| HAMPSHIRE FIRE AND RESCUE AUTHORITY | 40.92 | 47.74 | 54.56 | 61.38 | 75.02 | 88.66 | 102.30 | 122.76 |
| | <u>837.73</u> | <u>977.35</u> | <u>1,116.97</u> | <u>1,256.59</u> | <u>1,535.83</u> | <u>1,815.07</u> | <u>2,094.32</u> | <u>2,513.18</u> |

- 10.5 That, having calculated the aggregate in each case of the amounts at 10.3(h) and 10.4 above, the Council, in accordance with Section 30 of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), hereby sets the following amounts as the amounts of Council Tax for the year 2015/16 for each part of its area and for each of the categories of dwellings shown on the next page:-

| LOCAL COUNCIL AREA | A | B | C | D | E | F | G | H |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| ASHURST & COLBURY | 960.49 | 1,120.58 | 1,280.66 | 1,440.74 | 1,760.90 | 2,081.07 | 2,401.23 | 2,881.48 |
| BEAULIEU | 951.81 | 1,110.45 | 1,269.08 | 1,427.72 | 1,744.99 | 2,062.26 | 2,379.53 | 2,855.44 |
| BOLDRE | 954.05 | 1,113.06 | 1,272.07 | 1,431.08 | 1,749.10 | 2,067.12 | 2,385.13 | 2,862.16 |
| BRAMSHAW | 952.89 | 1,111.71 | 1,270.52 | 1,429.34 | 1,746.97 | 2,064.60 | 2,382.23 | 2,858.68 |
| BRANSGORE | 972.49 | 1,134.57 | 1,296.65 | 1,458.73 | 1,782.89 | 2,107.05 | 2,431.22 | 2,917.46 |
| BREAMORE | 956.14 | 1,115.50 | 1,274.85 | 1,434.21 | 1,752.92 | 2,071.64 | 2,390.35 | 2,868.42 |
| BROCKENHURST | 962.67 | 1,123.11 | 1,283.56 | 1,444.00 | 1,764.89 | 2,085.78 | 2,406.67 | 2,888.00 |
| BURLEY | 952.97 | 1,111.80 | 1,270.63 | 1,429.46 | 1,747.12 | 2,064.78 | 2,382.43 | 2,858.92 |
| COPYTHORNE | 949.79 | 1,108.08 | 1,266.38 | 1,424.68 | 1,741.28 | 2,057.87 | 2,374.47 | 2,849.36 |
| DAMERHAM | 966.71 | 1,127.83 | 1,288.95 | 1,450.07 | 1,772.31 | 2,094.55 | 2,416.78 | 2,900.14 |
| DENNY LODGE | 962.93 | 1,123.41 | 1,283.90 | 1,444.39 | 1,765.37 | 2,086.34 | 2,407.32 | 2,888.78 |
| EAST BOLDRE | 966.88 | 1,128.03 | 1,289.17 | 1,450.32 | 1,772.61 | 2,094.91 | 2,417.20 | 2,900.64 |
| ELLINGHAM HARBRIDGE & IBSLEY | 962.73 | 1,123.19 | 1,283.64 | 1,444.10 | 1,765.01 | 2,085.92 | 2,406.83 | 2,888.20 |
| EXBURY & LEPE | 968.67 | 1,130.11 | 1,291.56 | 1,453.00 | 1,775.89 | 2,098.78 | 2,421.67 | 2,906.00 |
| FAWLEY | 1,010.28 | 1,178.66 | 1,347.04 | 1,515.42 | 1,852.18 | 2,188.94 | 2,525.70 | 3,030.84 |
| FORDINGBRIDGE | 996.44 | 1,162.51 | 1,328.59 | 1,494.66 | 1,826.81 | 2,158.95 | 2,491.10 | 2,989.32 |
| GODSHILL | 973.56 | 1,135.82 | 1,298.08 | 1,460.34 | 1,784.86 | 2,109.38 | 2,433.90 | 2,920.68 |
| HALE | 963.81 | 1,124.44 | 1,285.08 | 1,445.71 | 1,766.98 | 2,088.25 | 2,409.52 | 2,891.42 |
| HORDLE | 968.43 | 1,129.84 | 1,291.24 | 1,452.65 | 1,775.46 | 2,098.27 | 2,421.08 | 2,905.30 |
| HYDE | 954.42 | 1,113.49 | 1,272.56 | 1,431.63 | 1,749.77 | 2,067.91 | 2,386.05 | 2,863.26 |
| HYPHE & DIBDEN | 995.83 | 1,161.81 | 1,327.78 | 1,493.75 | 1,825.69 | 2,157.64 | 2,489.58 | 2,987.50 |
| LYMINGTON & PENNINGTON | 1,005.09 | 1,172.60 | 1,340.12 | 1,507.63 | 1,842.66 | 2,177.69 | 2,512.72 | 3,015.26 |
| LYNDHURST | 973.91 | 1,136.22 | 1,298.54 | 1,460.86 | 1,785.50 | 2,110.13 | 2,434.77 | 2,921.72 |
| MARCHWOOD | 1,009.80 | 1,178.10 | 1,346.40 | 1,514.70 | 1,851.30 | 2,187.90 | 2,524.50 | 3,029.40 |
| MARTIN | 960.27 | 1,120.31 | 1,280.36 | 1,440.40 | 1,760.49 | 2,080.58 | 2,400.67 | 2,880.80 |
| MILFORD-ON-SEA | 963.71 | 1,124.33 | 1,284.95 | 1,445.57 | 1,766.81 | 2,088.05 | 2,409.28 | 2,891.14 |
| MINSTEAD | 958.97 | 1,118.79 | 1,278.62 | 1,438.45 | 1,758.11 | 2,077.76 | 2,397.42 | 2,876.90 |
| NETLEY MARSH | 954.53 | 1,113.62 | 1,272.71 | 1,431.80 | 1,749.98 | 2,068.16 | 2,386.33 | 2,863.60 |
| NEW MILTON | 976.60 | 1,139.37 | 1,302.13 | 1,464.90 | 1,790.43 | 2,115.97 | 2,441.50 | 2,929.80 |
| RINGWOOD | 1,000.25 | 1,166.95 | 1,333.66 | 1,500.37 | 1,833.79 | 2,167.20 | 2,500.62 | 3,000.74 |
| ROCKBOURNE | 991.49 | 1,156.74 | 1,321.99 | 1,487.24 | 1,817.74 | 2,148.24 | 2,478.73 | 2,974.48 |
| SANDLEHEATH | 957.97 | 1,117.64 | 1,277.30 | 1,436.96 | 1,756.28 | 2,075.61 | 2,394.93 | 2,873.92 |
| SOPLEY | 987.10 | 1,151.62 | 1,316.13 | 1,480.65 | 1,809.68 | 2,138.72 | 2,467.75 | 2,961.30 |
| SWAY | 962.59 | 1,123.03 | 1,283.46 | 1,443.89 | 1,764.75 | 2,085.62 | 2,406.48 | 2,887.78 |
| TOTTON & ELING | 1,017.53 | 1,187.11 | 1,356.70 | 1,526.29 | 1,865.47 | 2,204.64 | 2,543.82 | 3,052.58 |
| WHITSBURY | 956.35 | 1,115.75 | 1,275.14 | 1,434.53 | 1,753.31 | 2,072.10 | 2,390.88 | 2,869.06 |
| WOODGREEN | 959.12 | 1,118.97 | 1,278.83 | 1,438.68 | 1,758.39 | 2,078.09 | 2,397.80 | 2,877.36 |

For Further Information:

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Background Papers

Published Documents

APPENDIX 1

SOURCE OF FIGURES SHOWN IN PARAGRAPH 10.3 OF THE REPORT

(a) (b) (c)

For the purposes of the recommendation, the estimated total net revenue expenditure of the Council for 2015/16 has to be shown i.e. including General Fund and Housing Revenue Account (HRA) budgets and Town/Parish Council precepts: -

| | Expenditure | Income | Council Tax Requirement |
|---------------------|--------------------|--------------------|--------------------------------|
| | £ | £ | £ |
| General Fund | 110,552,380 | 99,774,720 | 10,777,660 |
| HRA | 28,165,740 | 28,165,740 | 0 |
| Town/Parish Precept | <u>4,840,498</u> | <u>0</u> | <u>4,840,498</u> |
| | <u>143,558,618</u> | <u>127,940,460</u> | <u>15,618,158</u> |
| | (a) | (b) | (c) |

(d) This is the combined District Council and Town/Parish Council Tax at Band D: -

| | £ |
|---------------------|---------------|
| District | 155.76 |
| Average Town/Parish | 69.96 |
| | <u>225.72</u> |

(e) £4,840,498 is the total of the Town/Parish Council precepts as shown in Appendix 3.

(f) £155.76 is the District Council Tax at Band D. The sequence of figures in 10.3 (a) to (f) is intended to start from estimated total net 2015/16 expenditure, deduct grants and precepts and arrive at the net District Council Tax figure.

(g) This shows the Combined District and Town/Parish Council Tax for each area at Band D.

(h) Shows the figures in (g) for each valuation band.

APPENDIX 2

VALUATION BANDS

All dwellings have been valued by the Inland Revenue for the purpose of Council Tax. Valuations are based on property prices at April 1991. There are eight valuation bands and each dwelling has been placed into one of these bands according to its assessed value at that time. Band A is the lowest. The higher the band, the higher the charge will be. See the table below: -

| BAND | | RANGE OF VALUES | | | PROPORTION |
|------|------|-----------------|---|----------|------------|
| A | Upto | £40,000 | | | £1.00 |
| B | Over | £40,000 | - | £52,000 | £1.17 |
| C | Over | £52,000 | - | £68,000 | £1.33 |
| D | Over | £68,000 | - | £88,000 | £1.50 |
| E | Over | £88,000 | - | £120,000 | £1.83 |
| F | Over | £120,000 | - | £160,000 | £2.17 |
| G | Over | £160,000 | - | £320,000 | £2.50 |
| H | Over | £320,000 | - | | £3.00 |

For every £1.00 of Council Tax for a band 'A' property, a band 'B' property will be charged £1.17 - and so on. Any discounts and reductions would make the difference less than this.

Taxpayers in band 'A' who fulfil the criteria for a reduction under the Disability Reduction Regulations will receive a reduction on their bill equivalent to the difference between the band 'A' and band 'B' charge.

APPENDIX 3

SUMMARY OF LOCAL COUNCIL REQUIREMENTS

| LOCAL COUNCIL | 2015/16 | | | | | |
|--------------------------------|------------------|----------------|------------------|------------------|--------------|-----------------|
| | SPENDING | GRANT | COUNCIL | TAX BASE | COUNCIL | COUNCIL |
| | REQUIREMENT | | TAX | | TAX PER | TAX |
| | EXCLUDING | | REQUIREMENT | | BAND D | INC. / (-) DEC. |
| GRANTS | | | PROPERTIES | | FROM | |
| £ | £ | £ | | £ | 2014/15 | |
| | | | | | £ | |
| ASHURST AND COLBURY | 26,450 | 425 | 26,025 | 916.60 | 28.39 | -0.10 |
| BEAULIEU | 8,000 | 128 | 7,872 | 512.10 | 15.37 | 0.09 |
| BOLDRE | 19,956 | 461 | 19,495 | 1,040.90 | 18.73 | 0.26 |
| BRAMSHAW | 6,000 | 120 | 5,880 | 346.10 | 16.99 | 0.52 |
| BRANSGORE | 85,847 | 2,718 | 83,129 | 1,792.30 | 46.38 | 0.13 |
| BREAMORE | 4,000 | 127 | 3,873 | 177.20 | 21.86 | 0.13 |
| BROCKENHURST | 59,660 | 947 | 58,713 | 1,855.10 | 31.65 | 0.00 |
| BURLEY | 13,649 | 363 | 13,286 | 776.40 | 17.11 | 0.12 |
| COPYTHORNE | 15,010 | 310 | 14,700 | 1,191.90 | 12.33 | 0.03 |
| DAMERHAM | 8,750 | 296 | 8,454 | 224.10 | 37.72 | 1.52 |
| DENNY LODGE | 4,983 | 109 | 4,874 | 152.10 | 32.04 | 1.00 |
| EAST BOLDRE | 15,000 | 486 | 14,514 | 382.20 | 37.97 | 0.36 |
| ELLINGHAM HARBRIDGE AND IBSLEY | 19,175 | 297 | 18,878 | 594.50 | 31.75 | 0.11 |
| EXBURY AND LEPE | 4,700 | 176 | 4,524 | 111.30 | 40.65 | -0.08 |
| FAWLEY | 485,721 | 24,257 | 461,464 | 4,477.40 | 103.07 | 6.54 |
| FORDINGBRIDGE | 191,237 | 8,040 | 183,197 | 2,225.80 | 82.31 | -1.35 |
| GODSHILL | 11,024 | 254 | 10,770 | 224.40 | 47.99 | 1.01 |
| HALE | 8,808 | 182 | 8,626 | 258.60 | 33.36 | 1.00 |
| HORDLE | 98,143 | 2,952 | 95,191 | 2,361.80 | 40.30 | 0.27 |
| HYDE | 10,000 | 36 | 9,964 | 516.70 | 19.28 | 0.00 |
| HYTHE AND DIBDEN | 617,341 | 24,229 | 593,112 | 7,286.10 | 81.40 | 0.00 |
| LYMINGTON AND PENNINGTON | 683,673 | 28,654 | 655,019 | 6,874.60 | 95.28 | 0.85 |
| LYNDHURST | 69,562 | 1,676 | 67,886 | 1,399.40 | 48.51 | 1.32 |
| MARCHWOOD | 215,400 | 5,458 | 209,942 | 2,051.20 | 102.35 | 1.87 |
| MARTIN | 5,497 | 105 | 5,392 | 192.20 | 28.05 | 0.53 |
| MILFORD-ON-SEA | 94,262 | 1,647 | 92,615 | 2,787.70 | 33.22 | -0.30 |
| MINSTEAD | 9,500 | 165 | 9,335 | 357.60 | 26.10 | 0.53 |
| NETLEY MARSH | 15,938 | 239 | 15,699 | 807.00 | 19.45 | 4.82 |
| NEW MILTON | 561,048 | 23,325 | 537,723 | 10,233.00 | 52.55 | 1.62 |
| RINGWOOD | 468,593 | 19,989 | 448,604 | 5,096.70 | 88.02 | 0.00 |
| ROCKBOURNE | 12,333 | 186 | 12,147 | 162.20 | 74.89 | 1.26 |
| SANDLEHEATH | 6,800 | 83 | 6,717 | 272.90 | 24.61 | 5.93 |
| SOPLEY | 20,500 | 803 | 19,697 | 288.40 | 68.30 | 0.64 |
| SWAY | 53,606 | 1,017 | 52,589 | 1,667.50 | 31.54 | 1.51 |
| TOTTON AND ELING | 1,101,334 | 49,531 | 1,051,803 | 9,231.00 | 113.94 | 3.76 |
| WHITSBURY | 2,200 | 57 | 2,143 | 96.60 | 22.18 | 0.90 |
| WOODGREEN | 6,800 | 154 | 6,646 | 252.40 | 26.33 | 0.52 |
| | 5,040,500 | 200,002 | 4,840,498 | 69,194.00 | 69.96 | |