

To All Members of the Council

COUNCIL - MONDAY, 10 DECEMBER 2018

Please find attached, for consideration at the Council meeting on Monday, 10 December 2018, the following report that was unavailable when the agenda was printed.

Please bring this document with you to the meeting.

Agenda No Item

5. **Reports of Cabinet (Pages 1 - 8)**

To consider the report of the Cabinet dated 5 December 2018.



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Chief Executive

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REPORT OF CABINET

(Meeting held on 5 December 2018)

1. HOUSING STRATEGY (MINUTE NO 52)

The Cabinet is recommending that a new overarching Housing Strategy, to cover all aspects of housing in the District, including the Council's role in facilitating new development and also its own build and acquisitions programme, is approved. A draft had been subject to consultation in September to November 2017 and has been updated in the light of the responses received and also changes in legislation and the emerging local plan for the period 2016-2036. The Strategy identifies four key priorities:

- To accelerate and maximise future housing development that meets local need and leads to sustainable growth;
- To increase the supply of high quality affordable homes through an ambitious council house building and acquisitions programme;
- To improve the housing circumstances of those within our communities most in housing need;
- To make the best use of housing to meet the housing needs of local people, including supporting a strong and quality private rented sector.

The actions to address the identified challenges are directly connected to the Council's corporate plan and other key strategies and plans. High priority will be given to council house building, to include homes for social rent, affordable rent and shared ownership. This mixed tenure programme will allow the Council to meet a wider range of housing needs and fund up to 600 new affordable homes up to 2026. A proactive approach will be taken to using existing sites in the Council's ownership and also acquiring additional land or working with developers to provide additional opportunities.

Three additional posts will be created in the Housing Development and Strategy Team to assist in the delivery of the Strategy, as set out in paragraph 4.1 of Report Item 4 to the Cabinet.

RECOMMENDED:

That the Housing Strategy, as attached as Appendix 1 to Report Item 4 to the Cabinet, be approved.

2. HOMELESSNESS TASK AND FINISH GROUP - REPORT OF THE TASK AND FINISH GROUP (MINUTE NO 53)

The Cabinet has noted the recommendations in the report of the Homelessness Task and Finish Group, who undertook detailed research to understand the issues and problems associated with being homeless and developed their recommendations to help improve the lives of those who found themselves without a home. The report contains 6 recommendations which have been carried forward

into the other strategy documents which were considered by the Cabinet (Report Items 4, 6, 7 and 8 on the agenda).

3. HOMELESSNESS AND ROUGH SLEEPING STRATEGY 2019-2023 (MINUTE NO. 54)

The Cabinet is recommending the approval, for consultation, of a new Homelessness and Rough Sleeping Strategy to respond to homelessness in the District, new legislation and Central Government policy. In particular the Homelessness Reduction Act 2017 places new duties on local authorities to provide effective advice and assistance to all applicants who approach the Council, whether they are considered to be vulnerable or not. It also introduces new duties to prevent and relieve homelessness. The Government's own Rough Sleeping Strategy, published in August 2018, declares the intention of ending all rough sleeping by 2027 and requires local authorities to amend their homelessness strategies, by the end of 2019, to include specific measures to address rough sleeping.

The Strategy identifies 4 priorities for addressing homelessness through responding to the challenges faced in the New Forest. The priorities recognise the need to increase the provision of council-owned emergency accommodation across the District to minimise disruption to the households involved and also to reduce the cost to the Council.

In accordance with the legislative requirements the Strategy must be subject to consultation with those authorities and organisations the Council deemed appropriate. This consultation will take place early in the New Year with the responses being considered by the Cabinet and the Council in April 2019.

RECOMMENDED:

That the Homelessness and Rough Sleepers Strategy, as attached as Appendix 1 to Report Item 6 to the Cabinet, be approved for consultation.

4. NEW HOUSING ALLOCATION POLICY (MINUTE NO. 55)

In accordance with the recommendations of the Homelessness Task and Finish Group, and to respond to new duties imposed by the Homelessness Reduction Act 2017, the Cabinet is recommending the approval, for consultation, of a new Council Housing Allocation Policy.

The key changes from the existing policy are set out in paragraph 3.2 of Report Item 7 to the Cabinet. In particular, the introduction of defined bands will give a more realistic picture of the level of housing need and consequent priority of that need being met. In addition, in future only those people with a housing need (as defined within one of the Council's bands); who are over 16; have a local connection (as defined within the policy); and lack the financial means to resolve their housing need will be eligible to join the housing waiting list. Other criteria, such as anyone that has deliberately worsened their circumstances, will also exclude applicants from the waiting list.

In accordance with the legislative requirements the Housing Allocations Policy must be subject to consultation with existing applicants and private registered providers of social housing in the District for a 4 week period. This consultation will take place

early in the New Year with the responses being considered by the Cabinet and the Council in April 2019.

RECOMMENDED:

That the new Housing Allocations Policy, as attached as Appendix 1 to Report Item 7 to the Cabinet, be approved for consultation.

5. NEW FOREST DISTRICT COUNCIL PROPERTY HOLDING COMPANY - BUSINESS PLAN 2018 (MINUTE NO. 56)

The Cabinet is recommending the approval of the Business Plan for the Council's new property holding company which will implement the Council's Residential Property Investment Strategy. This includes the company's operating arrangements and articles of association. The Business Plan is attached as Appendix 1 to Report Item 8 to the Cabinet.

It is proposed that there will be two subsidiary companies, a lettings company and a development company, to implement the Strategy. Further details of the role of each subsidiary are set out in paragraph 2.2 of Report item 8 to the Cabinet. The Council will be the sole shareholder.

The proposed articles of association confirm the governance arrangements, with each company having its own board, which will initially consist of the same 4 directors, who will be 2 officers, one of whom will act as company secretary; and 2 councillors, one of whom will be the Chairman.

RECOMMENDED:

- (a) That the business plan for the new company together with the proposed articles of association for the company and its subsidiaries, as attached as Appendix 1 to Report item 8 to the Cabinet, be approved;***
- (b) That the appointment of 2 members and 2 officers of appropriate seniority to the board of directors of the company and its subsidiaries be approved, such individuals to be agreed by the Chief Executive in consultation with the Leader of the Council, and that consideration be given to use of external, specialist, non-executive positions where appropriate;***
- (c) That authority be delegated to the Cabinet in respect of those matters set out in paragraph 4.4 of the company's proposed articles of association, as set out in Appendix 1 to Report Item 8 to the Cabinet;***
- (d) That the Property Investment Task and Finish Group be discontinued, but that regular progress updates be taken to the Corporate Overview and Scrutiny Panel as required, and at least every 12 months;***
- (e) That the Council's indemnity to members and officers be applied to the activities as directors of the company, with the Executive Head Governance and Regulation to arrange for the company to have additional directors' and officers' liability insurance likewise to cover the activities of the directors of the company; and***

- (f) That the gearing of the company not be fixed at 67%, but instead the debt to equity mix be fluid and evaluated as opportunities arise, to ensure the maximum return to the Shareholder.*

6. ICT INVESTMENT UPDATE (MINUTE NO. 57)

The Cabinet has been updated on the ICT investment that has taken place since April 2017 and advised of the implications for the Medium Term Financial Plan of delivering the ICT Strategy 2018-2022.

A major strand of investment has been the replacement of old and “out of support” infrastructure and important software systems. In addition, the Wifi at Appletree Court and Marsh Lane Depot has been extended to allow staff to work anywhere within those buildings. The display equipment in the conference rooms has also been upgraded with large, modern monitors that allow Wifi connection. These projects, costing around £1.6 million, will be completed by September 2019. An additional £100,000 will be required in 2019/20 to complete this work and the Cabinet has approved this expenditure.

Members have noted the progress being made on the change to mobile devices for all staff, to assist with the introduction of “Smarter Working”. Work on the new ICT infrastructure, including the replacement of the current e-mail/calendar system with Office 365; the replacement of the current telephone system with Skype for Business and the replacement of the Meridio document management system with SharePoint, will take place in 3 phases between April 2019 and September 2020. The finance for these projects has already been improved.

Plans for a further 4 year programme of future requirements are set out in Section 6 of Report item 9 to the Cabinet, together with the financial implications of each strand of work, as set out in Section 8 of the report.

7. HEALTH AND LEISURE REVIEW (MINUTE NO 58)

The Cabinet has agreed the recommendations of the Community and Leisure Overview and Scrutiny Panel with respect to the future management and delivery of the Council’s health and leisure provision. The Panel had appointed a Task and Finish Group which had undertaken extensive research on the various options that were available in order to formulate their findings and recommendations.

The strategic objectives and key drivers to the process are set out in Section 2 of Report item 10 to the Cabinet. The retention and improvement of social and community benefits, such as improved physical and mental wellbeing for local people, were an essential part of the evaluation process. It is however also important to achieve additional savings. The current operational review will achieve savings of £600,000 by 2020/21, and the review of future delivery models will need to achieve at least an additional £400,000 by that time.

The Task and Finish Group’s findings in respect of the potential delivery options are set out in Section 4 of the report. The Panel had concurred with their conclusion that maintaining the status quo was not a viable option and would lead to the loss of the existing level of service as health and leisure remained exposed to the continuing financial constraints upon the Council and consequent restrictions on future business planning and investment. Of the other options available, entering into a partnership arrangement with one of the established third party private providers already operating in this area offers the greatest benefits and safeguards

for the service and should open opportunities for greater investment and business development. The Council's aspirations for social and community benefits can be secured through a detailed specification and contract for the arrangement. The establishment of an "arms-length" Council owned company would also bring a number of benefits, although it is likely there would be less access to additional investment or the expertise in this field already developed by the private partners. A market engagement exercise has established that there is potential interest from third party private providers in entering into a partnership arrangement with this Council and that such an arrangement has the potential to achieve all the Council's objectives.

The Cabinet was advised of the comments submitted by Unison on behalf of the Employee Side. They raised objections to the proposal to seek a partnership arrangement and considered that this represented privatisation that would prejudice the future services for local residents and the conditions of service of the employees in the health and leisure centres. They also raised concerns about some procedural aspects.

The Cabinet concurs with the conclusions of the Community and Leisure Overview and Scrutiny Panel that a partnership arrangement, based upon a carefully developed specification and contract, has the potential to offer the most benefits for the future. The only way to establish whether the Council's own specific requirements can be met by such an arrangement is to initiate a procurement exercise to establish exactly what can be achieved, which can only be properly established through the negotiations that form part of the procurement exercise. This process will also provide the essential preparatory work for the establishment of an arms-length council owned company should the partnership proposal not, in the event, meet the Council's requirements.

The Cabinet has been advised of the next stages in the process, which include the preparation of contract specifications that meets this Council's objectives. It is also proposed that a staff representative from each of the health and leisure centres and trade union representatives will be involved in the procurement process.

8. COUNCIL TAX 2019/20 - SETTING THE COUNCIL TAX BASE (MINUTE NO 59)

Insofar as it is empowered by law the Cabinet has approved the Council Tax Base for 2019/20 and it recommending the tax base to the Council for approval.

RECOMMENDED

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

- (a) The calculation of the Council's tax base for the year 2019/20 be approved.***
- (b) Pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Council as its council tax base for the year 2019/20 be as follows and as detailed in Appendix 1 to Report Item 11 to the Cabinet.***

PARISH/TOWN	TAX BASE 19/20
<i>Ashurst & Colbury</i>	932.6
<i>Beaulieu</i>	515.5
<i>Boldre</i>	1064.1
<i>Bramshaw</i>	342.8
<i>Bransgore</i>	1812.6
<i>Breamore</i>	182.5
<i>Brockenhurst</i>	1862.4
<i>Burley</i>	792.1
<i>Copythorne</i>	1214.2
<i>Damerham</i>	242.2
<i>Denny Lodge</i>	158.2
<i>East Boldre</i>	377.9
<i>Elingham, Harbridge & Ibsley</i>	610.7
<i>Exbury & Lepe</i>	116.8
<i>Fawley</i>	4571.1
<i>Fordingbridge</i>	2281.6
<i>Godshill</i>	227.2
<i>Hale</i>	262
<i>Hordle</i>	2416.1
<i>Hyde</i>	514.2
<i>Hythe & Dibden</i>	7404.5
<i>Lymington & Pennington</i>	7355.5
<i>Lyndhurst</i>	1459.6
<i>Marchwood</i>	2069.2
<i>Martin</i>	198.4
<i>Milford on Sea</i>	2820.4
<i>Minstead</i>	374.8
<i>Netley Marsh</i>	819.5
<i>New Milton</i>	10486.4
<i>Ringwood</i>	5285.2
<i>Rockbourne</i>	163.4
<i>Sandleheath</i>	279.6
<i>Sopley</i>	403.4
<i>Sway</i>	1709.3
<i>Totton & Eling</i>	9394
<i>Whitsbury</i>	102
<i>Woodgreen</i>	252.4
<i>Whole District</i>	71074.4

9. FINANCIAL MONITORING REPORT - BASED ON PERFORMANCE TO OCTOBER 2018 (MINUTE NO. 60)

Members have been updated on the current performance of the General Fund, Capital and Housing Revenue Account budgets, based on performance to the end of October 2018.

The Cabinet was pleased to note that additional savings and income generation totalling £351,000; new budget requirements and income shortfall of £50,000; together with the rephasing of £240,000 expenditure from future years result in an updated General Fund budget of £16.707 million, compared to the original budget of £17.243 million. Further details are set out in Table 1 and Sections 3.4 and 3.5 of Report Item 12 to the Cabinet.

The Capital programme, having been increased in the report to Cabinet in August, has now been reduced to £25.130 million as a result of the rephasing of £2.855 million to future years, as set out in Table 2 and paragraph 4.2 of the report. Much of the variation arises from the likelihood that there will be no significant expenditure on the Hardley depot within the current financial year.

The changes to the Housing Revenue Account largely reflect the variation of £815,000 to the Capital budget which is funded by the Housing Revenue Account.

**COUNCILLOR B RICKMAN
CHAIRMAN**

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