

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 2 DECEMBER 2015, AT 10.00 AM*

Place: COUNCIL CHAMBER, APPLETREE COURT,
LYNDHURST

Telephone enquiries to: Lyndhurst (023) 8028 5000
023 8028 5588 - ask for Jan Debnam
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PUBLIC PARTICIPATION:

***Members of the public may speak in accordance with the Council's public participation scheme:**

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or**
 - (b) on individual items on the public agenda, when the Chairman calls that item.**
- Speeches may not exceed three minutes. Anyone wishing to speak should contact the name and number shown above.**

Bob Jackson
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

To confirm the minutes of the meeting held on 4 November 2015 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. PUBLIC PARTICIPATION**
To note any issues raised during the public participation period.
- 4. COUNCIL TAX REDUCTION SCHEME 2016-2017** (Pages 1 - 6)
To agree the local scheme that provides help for those on low income to pay their Council Tax.
- 5. COUNCIL TAX DISCRETIONARY DISCOUNTS AND EMPTY HOMES PREMIUM 2016-17** (Pages 7 - 10)
Following a review, to confirm the policies on discretionary discounts.
- 6. THE COUNCIL TAX 2016-17 - SETTING THE TAX BASE** (Pages 11 - 18)
To recommend the tax base for 2016/17 to the Council for approval.
- 7. SENIOR MANAGEMENT REVIEW** (Pages 19 - 26)
To agree a new senior management structure.

To:

Councillors

Mrs S V Beeton
J E Binns
Mrs J L Cleary

Councillors

E J Heron (Vice-Chairman)
J D Heron
B Rickman (Chairman)

COUNCIL TAX REDUCTION SCHEME 2016/17

1. INTRODUCTION

- 1.1 Members will recall that the national scheme for Council Tax Benefit (which provided financial help for those on low income) was abolished on 31 March 2013. Instead, local authorities are responsible for setting up their own local Council Tax Reduction Scheme for those of working age on low income. The Government stipulated that there must be no change to the level of help that pensioners already receive.
- 1.2 This report recommends a revised Council Tax Reduction Scheme from 1 April 2016
- 1.3 The Council Tax Reduction Scheme must be formally made by the Council no later than 31 January 2016, to take effect from 1 April 2016. The Government has constructed rules for a 'default scheme' which will have to be operated by any council that does not make a local scheme. This replicates the former rules for council tax benefits. It is contained in schedule 1 of The Council Tax (Default Schemes) (England) Regulations 2012.
- 1.4 The Council Tax Reduction Scheme as proposed for New Forest District Council uses the 'default scheme' subject to some modifications. It fulfils the prescribed requirements for localised schemes.
- 1.5 Approximately 10,400 claimants are receiving Council Tax Reduction. Of these 3,500 are working age, 1,500 are vulnerable and 5,400 are of pensionable age.
- 1.6 The current Council Tax Reduction Scheme costs approximately £8.2 million. The cost is shared between New Forest District Council, Hampshire County Council, Hampshire Police and Hampshire Fire and Rescue.
- 1.7 The Council Tax Reduction Scheme is funded in part by government. This is included in the council's grant, although details of the specific amount is not specified.

2. REVIEW PROCESS

- 2.1 A Task & Finish Group met to review the proposed changes effective from 1 April 2016.
- 2.2 The recommendations of the Task & Finish Group are to be considered by the Corporate Overview Panel in November 2015 and Cabinet and Council in December 2015.

3. THE CURRENT LOCAL COUNCIL TAX REDUCTION SCHEME

- 3.1 The council's Council Tax Reduction Scheme protects the vulnerable. A person is vulnerable if they (or a partner) are in receipt of Disability Living Allowance, Personal Independence Payments or Severe Disablement Allowance.

- 3.2 The council's Council Tax Reduction Scheme for 2015/16 requires all working age claimants (except the vulnerable) to pay a minimum of 10.0% council tax (8.5% in 2013/14). Previously some of these claimants would have received full council tax benefit and paid no council tax. These changes were agreed by a Task and Finish group, Corporate Overview Panel and Council.
- 3.3 The council's Council Tax Reduction Scheme also includes:
- A. Council tax reductions are capped at band D (so that claimants living in higher banded properties receive any reduction based on band D).
 - B. The savings limit is now £6,000 (previously £16,000), so that claimants on low income with more than £6,000 in savings are not entitled to any reduction.
 - C. There is also no entitlement to Second Adult Rebate.
 - D. The council's Council Tax Reduction Scheme incentivises work by disregarding £25 a week of earnings.

4. MATTERS CONSIDERED BY TASK & FINISH GROUP

- 4.1 Collecting council tax from those on low income is difficult, with significantly more work for officers. Administration has also increased, notably an increase in recovery notices.
- 4.2 Many of the claimants have also been affected by other welfare reform changes, including the spare room subsidy, the benefit cap, up-rating of state benefits being minimal, as well as an increase in the cost of living. Many working age state benefits are being frozen in future years and there are further welfare reforms to come.

5. DISCUSSION ON COUNCIL TAX REDUCTION SCHEME FOR 2015/16

- 5.1 The group considered four options below:
- A. To maintain the current scheme with no changes
 - B. To remove the family premium for new claims
 - C. To reduce the backdating period from 6 months to 4 weeks
 - D. To increase the minimum contribution of 10%
- 5.2 Option A would not affect current claimants in that their support would not reduce and it's administratively simple.

This option may incur additional costs depending on changes to Tax Credits. Since the Task and Finish group met, the proposed changes, i.e. a reduction in Tax Credit entitlement, have been blocked by the House of Lords and we await confirmation of the changes.

This additional cost may be off-set by other changes, such as an increase in earnings due to the living wage being introduced and a declining caseload meaning fewer claimants are in receipt of a Council Tax Reduction.

- 5.3 Option B is to mirror changes being introduced in Housing Benefit from April 2016, and ultimately Universal Credit. It is simple and will help with administration of the scheme.

The Family Premium is part of how we assess the financial “needs” of any claimant, which is compared to their income. The Family Premium is normally given when a claimant has one or more dependent children. The change does not affect those claimants on Income Support, income based Jobseekers Allowance or income related Employment and Support Allowance.

This option is subject to external computer system software being upgraded.

- 5.4 Option C is to mirror changes being introduced in Housing Benefit from April 2016, and ultimately Universal Credit. It is simple and will help with administration of the scheme.

Claims for Council Tax Reductions may be backdated where the claimant shows good cause for the delay in making their claim.

During 2014/15 only a small number of claims had backdated which exceeded 4 weeks.

- 5.5 Option D was discussed at length. Members were provided with statistics highlighting lower collection rates of council tax for those currently having to pay a minimum of 10%. Collection rates for this group are 83% compared with an overall collection rate of 98.9%. The council has worked hard with this group in educating to making payments.

Members were mindful of the information provided by officers showing the difficulties of collecting council tax from those on low income with the current minimum contribution of 10%. Any increase will have a huge impact on the claimant’s finances, many of whom are currently struggling financially, and examples were given. Also, any increase of 1% in the minimum contribution equates to a 10% increase in the amount to pay. For example, increasing the minimum contribution from 10% to 15% is a 50% increase in the amount to pay for a claimant on a low income.

Many claimants currently pay the 10% minimum contribution. Any increase may mean claimants do not pay any council tax, therefore having an adverse impact on collection and increasing administration.

6. CONSULTATION

- 6.1 The Council undertook a consultation exercise as required. This was advertised on the council’s website, Facebook page, on Twitter and on correspondence sent to recipients of a Council Tax Reduction. The major preceptors and Citizens Advice Bureau were also contacted.
- 6.2 Despite this, the Council only received 13 responses. Due to the minimal response it is not possible to draw on any real conclusions. However, most responses supported the recommendation not to increase the minimum contribution.

7. FINANCIAL IMPLICATIONS

7.1 The financial implications of each of the options were discussed.

Option A depends on the forthcoming government announcements on changes to Tax Credits. However, with other factors being considered this may incur minimal, or no additional cost.

Option B would save an estimated £30,000.

Option C would save an estimated £6,000.

Option D savings would depend on the amount of the contribution and collection rates.

Therefore, the overall impact of these changes will be minimal. Savings to New Forest District Council will be even smaller as the council retains approximately 11% of the total council tax collected.

7.2 There may be a charge for potential software changes, estimated to be in the region of £1000 to £2000 and the cost will be contained within existing budgets

8. PORTFOLIO HOLDER COMMENTS

8.1 Given the financial climate that we live in it is more important than ever that we are fair to all our residents. I believe that the proposals outlined in this report maintain that all important balance.

9. CORPORATE OVERVIEW AND SCRUTINY PANEL'S COMMENTS

9.1 The Panel supported the Task and Finish Working Group's recommendations that Options B and C, set out in paragraph 5.1 of the report, should be adopted, subject to necessary system upgrades being carried out. The Panel also supported the recommendation that there should be a review of the Council Tax Reduction Scheme in the summer of 2016 to take account of further welfare reforms being implemented from April 2016.

10. RECOMMENDATIONS

10.1 That subject to systems being upgraded, Options B and C of paragraph 5.1 of the report be adopted; and

101.2 That a review of the Council Tax Reduction Scheme be carried out in the summer of 2016.

Background Information:
Minutes of Task & Finish Group

Further Information:

Members of Task & Finish Group: Cllrs Michael Harris (Chair), Mark Steele, Derek Tipp and Jeremy Heron

Portfolio Holder: Cllr Jeremy Heron

Lead Officer:

Glynne Miles the head of service
Ryan Stevens for council tax reduction scheme
Kevin Green for overall financial implications

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CABINET – 2 DECEMBER 2015

COUNCIL TAX DISCRETIONARY DISCOUNTS AND EMPTY HOME PREMIUM 2016/17

1. INTRODUCTION

- 1.1 Members will recall that the national scheme for Council Tax Benefit (which provided financial help for those on low income) was abolished on 31 March 2013. Instead, the Council made a local Council Tax Reduction Scheme for those of working age on low income in its area, effective from 1 April 2013.
- 1.2 In conjunction with the introduction of a localised reduction scheme, local authorities were given increased discretionary powers to determine the level of certain council tax discounts and the imposition of a council tax premium for dwellings which have remained unoccupied and substantially unfurnished for more than 2 years.
- 1.3 This report recommends that no further changes be made to Council Tax Discounts or to the decision not to introduce an empty homes premium.

2. REVIEW PROCESS

- 2.1 A Task & Finish Group met to review the effectiveness of the changes introduced in 2013/14 and to recommend any changes effective from 1 April 2016.
- 2.2 The recommendations of the Task & Finish Group are to be considered by the Corporate Overview Panel in November 2015 and Cabinet and Council in December 2015.

MATTERS CONSIDERED BY TASK & FINISH GROUP

3. DWELLINGS WHICH ARE UNOCCUPIED AND SUBSTANTIALLY UNFURNISHED

- 3.1 Prior to 1 April 2013, a full exemption was allowed (and therefore no council tax was payable) for the first 6 months from the date the dwelling first became unoccupied and substantially unfurnished. After the 6 months, no discount applied and thus a full council tax was payable.
- 3.2 The discretionary powers introduced from April 2013, gave authorities the ability to determine the level of discount for the first 6 months.
- 3.3 The Task & Finish Group meeting in October/November 2012 recommended that the discount for 'void properties' be changed to 100% discount for one month and then no discount thereafter. This recommendation was agreed by the Corporate Overview and Scrutiny Panel, Cabinet and Full Council.
- 3.4 The current Task & Finish Group were of the view that it was appropriate to allow a discount for a short period and to retain the current policy. Members felt this struck the right balance between encouraging owners to make their properties available as soon as possible, whilst minimising the possibility of

some residents, particularly those renting and on low incomes, being liable to pay council tax on 2 properties.

4. DWELLINGS WHICH ARE UNOCCUPIED AND SUBSTANTIALLY UNFURNISHED WHERE MAJOR REPAIR WORKS OR STRUCTURAL ALTERATIONS ARE REQUIRED, UNDER WAY OR RECENTLY COMPLETED

- 4.1 Prior to 1 April 2013, a full exemption was allowed (and therefore no council tax was payable) for the first 12 months from the date the dwelling first became unoccupied and substantially unfurnished and was undergoing or required major repair works/structural alterations. After the 12 months, no discount applied and thus a full council tax was payable.
- 4.2 The discretionary powers introduced from April 2013, gave authorities the ability to determine the level of discount for the first 12 months.
- 4.3 The Task & Finish Group meeting in October/November 2012 recommended that the discount for these properties be changed to 50% discount for 12 month and then no discount thereafter. This recommendation was agreed by the Corporate Overview and Scrutiny Panel, Cabinet and Full Council.
- 4.4 The current Task & Finish Group were of the view that it was appropriate to allow a discount for up to 12 months and to retain the current policy. Members noted that to be eligible for a discount, the property would be in a substantial state of disrepair and often, owners of such properties would be in detailed discussion with other Council departments and/or the NPA to agree what works could be undertaken and the timetable of such works to bring the property back into use.

5. EMPTY HOMES PREMIUM

- 5.1 The legislation introduced from April 2013 allows billing authorities to levy an empty homes premium on the council tax payable in respect of dwellings that have been left vacant (unoccupied and substantially unfurnished) for 2 years or more.
- 5.2 The premium is up to 50% of the full council tax charge and thus a homeowner could be charged 150% of the council tax liability in respect of their vacant dwelling.
- 5.3 Dwellings which are unoccupied and furnished (sometimes known as second homes or holiday homes) are not subject to a premium.
- 5.4 In addition, the Government has legislated to exclude 2 classes of vacant dwellings from the empty homes premium. This is where a dwelling would otherwise be the sole or main residence of a member of the armed forces, who is absent from the property as a consequence of such service and a dwelling which is an annexe to another property.
- 5.5 The Task & Finish Group meeting in the latter part of 2012 recommended the introduction of a 50% premium in these circumstances. However, this recommendation was not supported by Cabinet and Full Council and the empty homes premium was not implemented from 1st April 2013.

- 5.6 As at the end of August, there were 135 properties that had been vacant for more than 2 years and thus would be affected by the introduction of the empty homes premium.
- 5.7 From previous enquiries made by the Service into why a dwelling had been vacant for more than 2 years, the most common reasons were; required or were undergoing major repairs (previously subject to a 50% discount for 12 months), or the property was for sale or for let.
- 5.8 In considering this proposal, Members felt that this might be a successful policy in city centres and towns, in order to bring properties into use, but locally would have a limited effect. Whilst supporting the principle of bringing homes into use, Members felt that applying an additional premium would not achieve this objective. It was also noted that a homeowner could avoid the premium by furnishing the property.
- 5.9 Accordingly, the Task & Finish Group recommended retaining the existing policy not to implement the empty homes premium.

6. FINANCIAL IMPLICATIONS

- 6.1 The total value of the discount awarded during 2014/15 for up to 1 month from the date a property first became unoccupied and substantially unfurnished was £370,000.
- 6.2 The total value of the discount awarded during 2014/15 for up to 12 months from the date a property first became unoccupied and substantially unfurnished where major repair works or structural alterations are required, under way or recently completed, was £215,000.
- 6.3 Based on the current number of properties which have been vacant for more than 2 years, charging an empty homes premium may yield approximately £100,000 per annum. However, some vacant properties may fall into one of the exempt categories and in addition; some homeowners may seek to furnish the property thus avoiding the premium as per 5.3 above.
- 6.4 New Forest District Council retains approximately 11% of the total council tax collected.

7. PORTFOLIO HOLDER COMMENTS

- 7.1 Given the financial climate that we live in it is more important than ever that we are fair to all our residents. I believe that the proposals outlined in this report maintain that all important balance.

8. CORPORATE OVERVIEW AND SCRUTINY PANEL'S COMMENTS

- 8.1 The Panel supported the Task and Finish Working Group's recommendation that there should be no change to the current scheme.

9. RECOMMENDED:

- 9.1 That no changes be made to the discounts for properties which are unoccupied and substantially unfurnished where major repair works or structural alterations are required, under way or recently completed;
- 9.2 That no changes be made to the discounts for properties that are unoccupied and substantially unfurnished; and
- 9.3 That the empty homes premium is not introduced.

Background Information:

Minutes of Task & Finish Group

Further Information:

Members of Task & Finish Group: Cllrs Michael Harris (Chair), Mark Steele, Derek Tipp and Jeremy Heron

Portfolio Holder: Cllr Jeremy Heron

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CABINET – 2 DECEMBER 2015

THE COUNCIL TAX 2016/17 SETTING THE TAX BASE

1. INTRODUCTION AND BACKGROUND

- 1.1 The purpose of this report is to enable Members to approve the tax base for 2016/17.
- 1.2 This tax base is an important step towards setting the basic amount of Council Tax. The other key steps are determining the surplus/deficit on the Collection Fund for the previous year and setting the actual budget requirements.
- 1.3 Members may recall that each dwelling falls into one of eight valuation bands (A to H) for tax purposes. Different proportions of tax are payable by each band.
- 1.4 The tax base is, in essence, the estimated number of dwellings in the District, modified to take account of the different proportions payable, discounts and other reductions.
- 1.5 The calculation of the tax base for tax setting also includes an allowance for non-collection.
- 1.6 Separate tax bases have to be made for each Parish.
- 1.7 The taxbase calculation has to be made between 1 December and 31 January. The approved tax base must be notified to the County Council by 31 January.

2. THE CALCULATION PROCESS

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- 2.1 Detailed calculations are required to set the tax base for tax setting purposes.
- 2.2 Firstly, if appropriate, it is necessary to adjust the number of dwellings in each valuation band to cater for:
 - 2.2.1 The number of properties estimated as active exempt
 - 2.2.2 The number of demolished dwellings due to be removed
 - 2.2.3 The reduction and addition to the number of dwellings in the band due to disabled relief. From 1 April 2000 the Government extended disabled relief to dwellings in Band A. Such dwellings (shown as Disabled A) pay 5/9th of the Band D charge instead of 6/9th.

- 2.3 The above process produces the number of chargeable dwellings. Further adjustments then have to be made to cater for:
- 2.3.1 The estimated number of dwellings where a 25% discount will apply (i.e. due to single person discount and a discount disregard).
 - 2.3.2 The estimated number of dwellings where a 30% discount will apply to holiday chalets where occupation is restricted by a planning condition.
 - 2.3.3 The estimated number of dwellings where a 50% discount will apply due to structural repairs work being undertaken for first 12 months, or two adults disregarded e.g. living away to receive or provide care etc.
 - 2.3.4 The estimated number of dwellings where a 100% discretionary discount will apply for one month only, due to unoccupied and substantially unfurnished ('void') properties.
- 2.4 No changes are being recommended to Council Tax Discounts/Premiums following the recent review. The number of total discounts is multiplied by an appropriate percentage to arrive at the discount deduction. The resultant net number of dwellings is multiplied by the relevant proportions to band D. The relevant proportions are shown in Appendix 1. This process produces the number of band D equivalents.
- #
- 2.5 The value of council tax reductions (CTR) awarded to pensioners and those of working age are aggregated to arrive at the total council tax reduction. These values are converted into the taxbase and band D equivalents. The value of the reductions awarded takes account of the Council's localised Council Tax Reduction Scheme. Although some minor changes may be made to the Local Scheme for 2016/17, these are not material for the tax base and will be rolled forward for the 2017/18 taxbase.
- 2.6 The next step of the calculation is to assess the likely collection rate and thereby make an appropriate allowance for non-collection. Contributions in lieu for Ministry of Defence dwellings are then added. The whole calculation process is shown in Appendix 2.
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- 2.7 The figures used in the calculation process are predominantly based on latest actuals. Appendix 3 shows 2016/17 tax bases compared to 2015/16.
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- 2.8 Although there may be some growth in the tax base in the forthcoming year, it is advisable to take a prudent approach for a number of reasons. (For example, if dwellings are improved and extended, bandings only normally change after a subsequent sale or the granting of a lease of 7 years or more).

3. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

3.1 None arising directly from this report.

4. CONCLUSION

4.1 The Council in December should approve formally the tax base for tax setting purposes. The regulations require that the tax base be formally approved for each parish/town Council area, with the calculations being approved by Members.

4.2 A prudent approach has to be taken in forecasting the tax base. Clearly, there is an obligation to ensure that sufficient funds are realised to meet the Council's expenditure.

4.3 A realistic collection rate has to be determined. It is important that the tax base is not overstated, as any shortfall will result in interest costs falling on the Council's General Fund.

4.4 Any Council Tax surplus/deficit on the Collection Fund will be shared between the Principal Authorities, pro rata to the demand/precept on the fund for the year concerned.

5. RECOMMENDED

That it be a recommendation to the Council that:

5.1 The calculation of the Council's tax base for the year 2016/17 be approved.

5.2 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 2016/17 be as follows and as detailed in Appendix 1.

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PARISH/TOWN	TAXBASE 16/17
Ashurst & Colbury	915.8
Beaulieu	512.7
Boldre	1052.6
Bramshaw	344.2
Bransgore	1798.5
Breamore	177.4
Brockenhurst	1852.3
Burley	782.3
Copythorne	1205.7
Damerham	227.2
Denny Lodge	153.2
East Boldre	387.4
Elingham, Harbridge & Ibsley	603
Exbury & Lepe	110.4
Fawley	4505.8
Fordingbridge	2232.2
Godshill	221
Hale	254
Hordle	2381.9
Hyde	521.6
Hythe & Dibden	7323.5
Lymington & Pennington	6974.1

Lyndhurst	1399.2
Marchwood	2050.8
Martin	195.7
Milford on Sea	2781.1
Minstead	368.5
Netley Marsh	816
New Milton	10289.1
Ringwood	5146.6
Rockbourne	163.9
Sandleheath	281.6
Sopley	295.5
Sway	1686.4
Totton & Eling	9270.5
Whitsbury	102.3
Woodgreen	248.3
Whole District	69632.3

Further Information:

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Background papers:

The Local Authorities (Calculation of Tax Base) (England) Regulations 2012

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	Up to £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.

COUNCIL TAXBASE 2016/17											
	SUMMARY										
	DIS. A	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	TOTAL	
TOTAL DWELLINGS ON THE VALUATION LIST	0	6858	11879	17777	19176	13273	6773	4443	587	80766	
ACTIVE EXEMPTIONS	0	309	178	188	269	152	65	26	12	1199	
DEMOLISHED DWELLINGS BAND TO BE REMOVED OR EXEMPT DUE TO FLOODING	0	1	0	0	2	3	0	1	0	7	
CHARGEABLE DWELLINGS	0	6548	11701	17589	18905	13118	6708	4416	575	79560	
NUMBER OF CHARGEABLE DWELLINGS SUBJECT TO DISABLED REDUCTION	0	26	52	122	173	143	77	62	22	677	
NUMBER OF DWELLINGS EFFECTIVELY SUBJECT TO CTAX FOR THIS BAND BY VIRTUE OF DISABLED BAND	26	52	122	173	143	77	62	22	0	677	
NUMBER OF CHARGEABLE DWELLINGS ADJUSTED FOR DISABLED RELIEF	26	6574	11771	17640	18875	13052	6693	4376	553	79560	
NUMBER OF DWELLINGS ENTITLED TO 25% DISCOUNT	9	3741	5056	5709	5409	2811	1234	669	64	24702	
NUMBER OF DWELLINGS ENTITLED TO 30% DISCOUNT	0	141	0	0	0	0	0	0	0	141	
NUMBER OF DWELLINGS ENTITLED TO 50% DISCOUNT	1	93	35	59	78	56	61	54	7	444	
NUMBER OF DWELLINGS ENTITLED TO 100% DISCOUNT FOR ONE MONTH	0	31	48	30	29	21	12	4	0	175	
TOTAL DISCOUNTS	11	4106.74	5142.32	5837.2	5574.86	2930.14	1360.08	778.36	78	25818.7	
DISCOUNT DEDUCTION	2.75	1026.685	1285.58	1459.3	1393.715	732.535	340.02	194.59	19.5	6454.675	
NET DWELLINGS	23.25	5547.315	10485.42	16180.7	17481.285	12319.465	6352.98	4181.41	533.5	73105.325	
BAND D EQUIVALENTS	12.9	3698.3	8155.7	14382.9	17481.9	15057.3	9176.6	6969.2	1067	76002.1	
CTR PENSIONERS	2447.54	762456.62	1181138.6	1286562.41	911031.21	398987.36	136295.32	22482.18	822.66	4702223.9	
CTR WORKING AGE	5276.86	682488.53	1214124.34	1182100.48	320187.7	98971.53	25441.06	7111.49	974.63	3536676.62	
TOTAL CTR	7724.4	1444945.15	2395262.94	2468662.89	1231218.91	497958.89	161736.38	29593.67	1797.29	8238900.52	
REDUCTION IN COUNCIL TAX BASE DUE TO PENSIONERS CTR	2.9124	767.404041	1014.52767	971.785146	613.654045	221.76468	64.68503	9.308659	0.2873	3666.32896	
REDUCTION IN COUNCIL TAX BASE DUE TO WORKING AGE CTR	6.31535	685.086555	1039.96001	888.963153	216.597113	54.869794	11.884769	2.884076	0.3375	2906.89832	
TOTAL REDUCTION IN TAX BASE DUE TO CTR BAND D EQUIVALENTS	5.12778	968.326667	1597.94444	1653.98222	830.25	338.11556	110.61556	20.3	1.26	5525.92222	
ADJUSTED BAND D EQUIVALENTS	7.77222	2729.97333	6557.75556	12728.9178	16651.65	14719.184	9065.9844	6948.9	1065.74	70475.9	
										COLLECTION RATE	98.50%
										SUB-TOTAL	69418.8
										CONTRIBUTIONS IN LIEU	213.2
										TAX BASE	69632.3

TAXBASES FOR 2016/17 COMPARED TO PREVIOUS YEAR 2015/16

PARISH/TOWN	TAXBASE 16/17	TAXBASE 15/16
Ashurst & Colbury	915.8	916.60
Beaulieu	512.7	512.1
Boldre	1052.6	1040.9
Bramshaw	344.2	346.1
Bransgore	1798.5	1792.3
Breamore	177.4	177.2
Brockenhurst	1852.3	1855.1
Burley	782.3	776.4
Copythorne	1205.7	1191.9
Damerham	227.2	224.1
Denny Lodge	153.2	152.1
East Boldre	387.4	382.2
Elingham, Harbridge & Ibsley	603	594.5
Exbury & Lepe	110.4	111.3
Fawley	4505.8	4477.4
Fordingbridge	2232.2	2225.8
Godshill	221	224.4
Hale	254	258.6
Hordle	2381.9	2361.8
Hyde	521.6	516.7
Hythe & Dibden	7323.5	7286.1
Lymington & Pennington	6974.1	6874.6
Lyndhurst	1399.2	1399.4
Marchwood	2050.8	2051.2
Martin	195.7	192.2
Milford on Sea	2781.1	2787.7
Minstead	368.5	357.6
Netley Marsh	816	807
New Milton	10289.1	10233
Ringwood	5146.6	5096.7
Rockbourne	163.9	162.2
Sandleheath	281.6	272.9
Sopley	295.5	288.4
Sway	1686.4	1667.5
Totton & Eling	9270.5	9231
Whitsbury	102.3	96.6
Woodgreen	248.3	252.4
Whole District	69632.3	69194

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SENIOR MANAGEMENT REVIEW

1. PURPOSE OF REPORT

- 1.1 To seek approval for a new senior management structure of the authority.

2. BACKGROUND

- 2.1 The Chief Executive has undertaken a review of the senior management team, including the roles of the Executive Management Team and Heads of Service, in light of future requirements. The relevant issues that have formed the basis of the review are:

- Ensuring service continuity and resilience following staffing changes in senior management.
- Establishing a structure which is coherent, with clear lines of accountability and that works cross-service to achieve a shared direction.
- Helping ensure the New Forest as a special “place” is reflected within the operations of the Council.
- Contributing towards the requirements of the Medium Term Financial Plan.
- Helping to improve capacity within the leadership team.
- Seeking to locate services in places where they can have the best effect and where existing synergies can be exploited.

3. CONSULTATION FEEDBACK FROM SENIOR MANAGERS AND CHIEF EXECUTIVE RESPONSE

- 3.1 Following meetings with the current Executive Director and all Heads of Service constructive feedback was received and I thank senior management for their contributions, which I have reflected upon.
- 3.2 Employee Side have also been consulted and their initial feedback was to ensure that a fair and proper process was used to bring about the changes within senior management. They were also concerned as to the impact these changes might have on frontline activities.
- 3.3 In general, the challenges ahead, particularly funding reductions and the need for change, were accepted and understood by the current senior management team. The reductions and savings that would be likely to come from the review would help support the more visible frontline services which are a Council priority.
- 3.4 Issues were raised around the core roles of the proposed new Executive Heads (although it was widely accepted by the existing senior management team that there was not a perfect structure solution), the potential impact on the Council’s knowledge base, arrangements for the role of the Deputy Chief Executive and support for change management.

- 3.5 The impact on the Council's knowledge base will always be changing and, with the pace of change within the organisation and also in partner organisations, is something that we have to adapt to and accept as the norm in these times. If there are shortfalls these will need to be addressed through other means, including greater collaboration.
- 3.6 The role of a Deputy Chief Executive, who would be selected from within the role of Executives Heads, would initially be on a temporary basis and reviewed within 12 months.
- 3.7 Steps will be taken to ensure that the process of change management, as it affects individuals and teams, is supported.

4. REVIEW PROCESS

- 4.1 During October, the Chief Executive had individual consultation meetings with the current Executive Director and all Heads of Service. The proposals were explained and a two week consultation period commenced. The Employee Side was briefed and provided with an early copy of this report. The matter will be considered by the Industrial Relations Committee on 30 November and their comments will be reported to the Cabinet's meeting on 2 December. The Employee Side's initial comments are set out in paragraph 11.

5. PROPOSED CHANGES

- 5.1 Currently, the Council's senior management consists of a two tier senior management team, with an Executive Management Team (2.6 FTE's, currently one vacancy) and Heads of Service (9 FTE's). The proposal is to maximise the accountability of senior management and to operate with one tier, based upon service responsibilities.
- 5.2 The current vacancy within the Executive Management Team will not be filled, and the 0.6 FTE post of Executive Director will be made redundant. This will save approximately £160,000 per annum.
- 5.3 It is proposed that the current Heads of Service structure be reviewed with a view to having 5 Executive Heads with broader service responsibilities that have synergy and will provide an opportunity to enable further efficiencies to be delivered over the medium term.
- 5.4 In terms of the detailed proposals, it is intended to recognise within the new structure the unique and special "place" which is the New Forest. The priority will be to meet the community's need for the delivery of visible outcomes that support everyday life. This will be reflected by the creation of 3 Executive Heads posts with responsibility for operating the Council's frontline services. In addition, there will be 2 Executive Heads ensuring that the business management arrangements of the Council are effective and efficient and that the statutory duties and responsibilities of the Council are delivered. The proposed structure chart is attached as Appendix 1.
- 5.5 A selection process will be used to recruit to these new roles to ensure the senior management team has the right skills and aptitudes. In the first instance, it is proposed that the opportunity to fill these Executive Head roles will be through an internal process. In line with Council policy, where there are natural successors they will be identified. Where there is no natural successor the posts will be ring-fenced in

the first instance to the other Heads of Service and the Executive Director. As part of this process those who are not natural successors may also volunteer for redundancy. If no successful appointment is made then an external recruitment process will follow.

- 5.6 The role of Statutory Financial Officer (Section 151) will be reviewed again in six months' time. In the interim, the Chief Executive will continue with responsibility for this role, while day to day management responsibilities will be undertaken by the Executive Head with responsibility for Statutory Duties.
- 5.7 To help ensure that a shared approach to the Council's direction is maintained, it is proposed that the new senior management team will be co-located at Appletree Court.
- 5.8 To ensure continuity and resilience, it is proposed that one of the Executive Heads takes on a deputising role for the Chief Executive. This will be established following the appointment process on a temporary basis and reviewed within twelve months.
- 5.9 Although the portfolios of Cabinet members are always subject to review there is not seen to be a need to realign portfolio duties with the management structure at this time.
- 5.10 The changes proposed to the officer structure concentrate on the senior management team. Once the senior management structure is agreed and individuals appointed, further reviews by the new Executive Heads will take place.
- 5.11 It is proposed that an update report on the progress of the reviews is brought to members by the end of March 2016.

6. SENIOR MANAGEMENT PAY

(Note: This is a matter for the General Purposes & Licensing Committee)

- 6.1 An Independent Pay Consultant has undertaken a benchmarking exercise to establish the pay level for the new Executive Head roles based upon the broad structure set out in Appendix 1. It is proposed to encompass the current car allowance into the salaries for the posts. On that basis the benchmarking exercise shows the rates below to be the market median. The pay band proposed has three spine points and is as follows:

£71,817
£73,906
£76,076

- 6.2 It is also recommended that two additional spine points are available on an annual review basis to recognise exceptional performance. These will be:

£78,308
£80,604

- 6.3 A Deputy Chief Executive Allowance will be paid to one of the Executive Heads in recognition of the requirement to deputise for the Chief Executive in his absence. This arrangement may cease as part of any future review planned to take place within twelve months.

7. STAFFING IMPLICATIONS

7.1 If the proposed changes are agreed:

- (a) The Executive Director post (0.6 FTE) will be deleted by 28 February 2016. This will result in the post being made redundant.
- (b) The Head of Legal and Democratic Services will have natural successor rights to the Executive Head (Statutory Responsibilities) role.
- (c) The Head of Planning and Transportation will have natural successor rights to the Executive Head of Planning and Transportation role.

7.2 There will be a selection process on 10th and 11th December for the following roles:

Executive Head of Operations
Executive Head of Communities
Executive Head of Business Management

7.3 The above posts are initially ring-fenced for the following Heads of Service and an internal selection process.

Executive Director
Head of Communities and Employment
Head of Environment Services
Head of Housing and Customer Services
Head of Human Resources
Head of ICT
Head of Property Services
Head of Public Health and Community Safety

7.4 If there are internal appointments, the new posts will take effect from 1st January 2016. If there remains a vacancy then an external recruitment process will begin. Any displaced Heads of Service will be placed on the redeployment register, subject to further reviews by the new Executive Heads.

8. FINANCIAL IMPLICATIONS

8.1 It is expected that the proposed changes to the Senior Management structure will generate annual savings of over £300,000 with a payback period of approximately one year. Actual costs and savings cannot be fully assessed at this stage but when the new structure is in place actual savings, and any costs, will be reported within the next appropriate budget monitoring report.

9 DELEGATIONS TO THE CHIEF EXECUTIVE AND EXECUTIVE HEADS

9.1 It is proposed that all Executive Heads be delegated powers to undertake all of the functions currently delegated to the Executive Directors and Heads of Service (the Chief Executive already has such powers). This will help ensure that, in the light of the smaller senior management team, decision-making is not delayed.

10 ENVIRONMENTAL/CRIME AND DISORDER/EQUALITY AND DIVERSITY IMPLICATIONS

10.1 There are none directly arising from this report.

11 EMPLOYEE SIDE COMMENTS

11.1 Any comments received will be reported orally at the meeting.

12 INDUSTRIAL RELATIONS COMMITTEE'S COMMENTS

12.1 To follow

13 PORTFOLIO HOLDER'S COMMENTS

13.1 I am confident that we are making progress in introducing a strong management structure to meet our future challenges.

14 RECOMMENDATIONS (To the Council or General Purposes & Licensing Committee)

14.1 That the proposed new senior management structure, as set out in Appendix 1, including the deletion of the post of Executive Director and the review of Heads of Service, be approved;

14.2 That the proposed new salary bands for the posts of Executive Heads be supported **(This is a matter for the General Purposes & Licensing Committee)**;

14.3 That the proposals for recruitment to the posts of Executive Heads as set out in paragraph 5 be approved;

14.4 That the principle of designating one Executive Head to act as a deputy for the Chief Executive, subject to review within 12 months, be approved;

14.5 That all existing delegations of powers to Heads of Service and Executive Directors be delegated to the proposed new Executive Heads (regardless of their respective disciplines); and

14.6 That the Chief Executive be authorised to take all the necessary action and decisions to achieve the proposals set out in this paper, including arrangements for the selection process and transitional period.

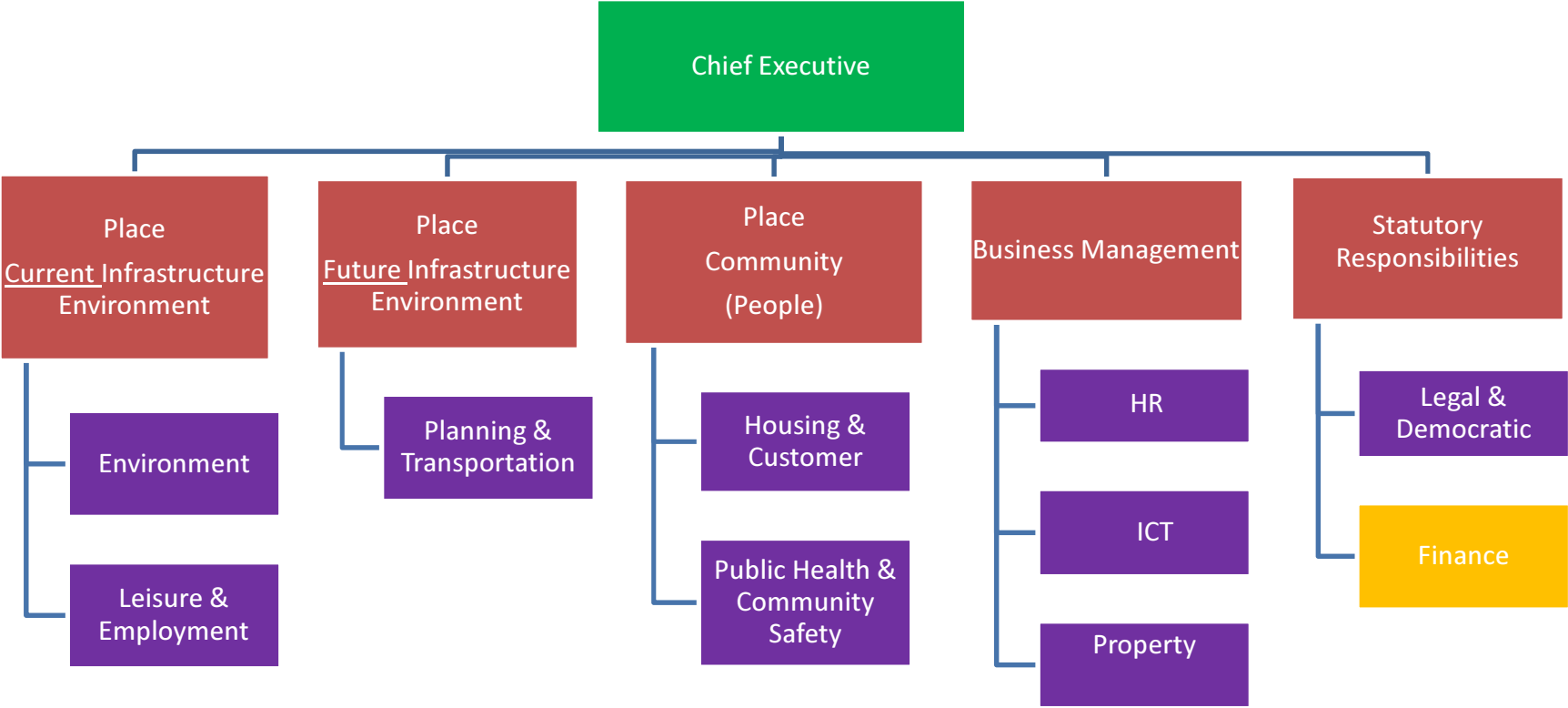
For further information:

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Background papers:

None.

Current Service “fit”



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