

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 3 FEBRUARY 2016, 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

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
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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 6 January 2016 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. THE CORPORATE PLAN 2016-2020 - "OUR CORPORATE PLAN" (Pages 1 - 12)

Following consultations on the draft, to consider the Council's Corporate Plan and to recommend it to the Council for adoption.

5. MEDIUM TERM FINANCIAL PLAN AND THE ANNUAL BUDGET FOR 2016/17 (Pages 13 - 30)

To consider the Medium Term Financial Plan and budget for 2016/17 and to recommend them to the Council for adoption.

6. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING PUBLIC SECTOR CAPITAL EXPENDITURE PROGRAMME 2016/17 (Pages 31 - 38)

To consider the Housing Revenue Account Budget and Housing Public Sector Capital Expenditure Programme and to recommend them to the Council for adoption.

7. MEMBERS' ALLOWANCES - SCHEME TO APPLY FROM 1 APRIL 2016 (Pages 39 - 40)

To recommend to the Council the Scheme to be applied from 1 April 2016.

8. DELEGATION OF POWERS TO OFFICERS (Pages 41 - 44)

To consider amendments to the Scheme of Delegation of Power to Officers to reflect recent legislative changes and recent changes to the 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)

THE CORPORATE PLAN 2016-2020 – ‘OUR CORPORATE PLAN’

1. INTRODUCTION AND PURPOSE

- 1.1 The draft Corporate Plan for 2016 to 2020 simply entitled ‘Our corporate plan’ has been subject to consultation and is now presented to the Cabinet for final approval.
- 1.2 ‘Our corporate plan’ is deliberately short with the aim of setting a clear statement of intent that is both direct and easy to understand. It is now supported by a delivery plan which sets out in more detail the context of the main issues the Plan aims to address and key delivery actions for 2016/17 which will contribute to the delivery of the Plan.

2. CONSULTATION

- 2.1 To ensure full consultation and engagement in the Plan it has now been considered by the overview and scrutiny panels and by the Industrial Relations Committee, to represent the views of employees, particularly on the proposed values.
- 2.2 Although generally well received, the Plan has been revised from the draft previously submitted to reflect the useful contributions made during the consultation. In particular, service outcomes for the community have been given more prominence and are now included as a priority.

3. DELIVERY OF THE CORPORATE PLAN TO 2020

- 3.1 The delivery of the Plan will be monitored through a simple and proportionate performance management framework. Integral to it is the Council’s financial plan to ensure that resources are available and appropriately directed to deliver the Corporate Plan.
- 3.2 Part of this framework is the establishment of the delivery plan (Appendix) that sets out the context of the Plan, and the issues pertinent to it, and identifies the key actions that will contribute to its delivery. The key actions for 2016/17 are specifically noted within the Plan, with reference only to longer term actions. The intention is that the key actions will be updated annually and progress against them both monitored and reported.
- 3.3 Against the background of continued funding reductions and the management restructure many of the actions for 2016/17 are review based and it is proposed that

members are engaged in these reviews through Member Boards and Task and Finish Groups.

4. COMMUNICATION

4.1 Primarily the Plan will be communicated and reported upon electronically, with the development of specific webpages on the Council's website. Internal communications will be used to publicise the Plan. This will help keep cost to a minimum as well as making the Plan and its delivery more accessible to those interested in specific priorities and activities.

5. FINANCIAL IMPLICATIONS

5.1 A clear focus of the Plan is continued financial responsibility. Direct costs arising from the production and publicity of the Plan will be kept to a minimum.

6. EMPLOYEE SIDE COMMENTS

6.1 To be reported at the meeting.

7. PORTFOLIO HOLDER COMMENTS

7.1 I am pleased with the many supportive responses we have received from our consultees, including our staff.

7.2 The next stage is to make sure that we communicate our new Plan as widely as possible across the District.

8. RECOMMENDATIONS

8.1 That Cabinet approves the new Corporate Plan and associated delivery plan.

For Further Information Please Contact:

Bob Jackson
Chief Executive
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E Mail: bob.jackson@nfdc.gov.uk

Background Papers:

The Corporate Plan 2016-2020 'Our corporate plan' Cabinet Report 4 Nov 2015

Our corporate plan 2016 - 2020

New Forest District is a unique and special place, to live, work, visit, and enjoy

OUR PLACE



OUR VISION AND PRIORITIES

To secure a better future for the New Forest by:

- Supporting local businesses to prosper for the benefit of the community
- Assisting the wellbeing of those people who live and work within the district
- Protecting the special and unique character of the New Forest

Our priorities will be to:



Underpinned by:



OUR VALUES

We will be **ambitious** in our desire to work for and with our local communities. We are **financially responsible** with the public funds made available to us and we will be **innovative** and **customer focused** in how we improve outcomes for our community. We will be **collaborative** in our working, and are **proud** to work for and with others to represent the best interests of our unique and special place. We will be **open** in our approach and with our plans to deliver our aims and priorities.

You can read how we are delivering these aims in our Delivery Plan newforest.gov.uk

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Delivery of the Corporate Plan to 2020

The New Forest Area – “Special and Unique”

The New Forest is an area of southern England which includes one of the largest remaining tracts of unenclosed pasture land, heathland and forest in the heavily populated south east of England. It covers south-west Hampshire and extends into south-east Wiltshire and towards east Dorset. It is a unique place of ancient history, fascinating wildlife and stunning beauty. Originally being a royal hunting preserve.

Most of the New Forest (206 square miles) is within the local government administrative area of **New Forest District Council** (290 square miles). Within the district there are 145 square miles of Crown land, managed by the **Forestry Commission**.

The New Forest is a thriving working forest that has prospered for nearly 1000 years. Many of the agricultural practices conceded by the Crown in historical times to local people are still retained. Principal of these is the depasturing of ponies, cattle, pigs and donkeys in the Open Forest by authorised local inhabitants known as Commoners. These unique agricultural commoning practices are administered by The **Verderers**.

The district council was created on 1 April 1974 and was a merger of the borough of Lymington, New Forest Rural District and part of Ringwood and Fordingbridge Rural District. The district is one of the most populated in England (176,462) not to be a unitary authority and within its boundaries there are 37 active **Town and Parish Councils**.

Operating within the heart of the district council area is the **National Park Authority**. National Park status was awarded in 2005 to the New Forest and immediate surrounding area in recognition of the many qualities that the New Forest holds. Planning development within this area is the sole responsibility of the National Park Authority. In other service areas most notably employment and tourism (13.5 million visitors) there are shared responsibilities and close collaborative working with the district council. Approximately 70% of the population of the district live outside of the New Forest Park Authority area in a number of medium sized towns. To the south and east of the district border there lies 40 miles of coastline.

The broad range of responsible organisations and community groups that exist means that the council needs to work very collaboratively with and in the community to deliver solutions.

Based in the district area there are over 8,000 businesses, 89% of which are micro in size employing fewer than 10 people. Self-employment in the district area is relatively high at 13% and unemployment is consistently lower than in the rest of the country. Leisure, tourism and marine along with their associated supply chains are significant employment and economic sectors within the district. The council works closely with, and in support of, the New Forest Business Partnership and the New Forest Tourism Association.

The nature of local business means that average earnings are also low with 60% of the working population earning less than the UK average. This, and the high average house price (£315,000; some £93,000 above the county average), results in significant cross commuting between those who work in the forest but can't afford to live there, and those who can afford to live within the district but work elsewhere. The district council area is located between the two major urban employment conurbations of Southampton and Bournemouth.

The very special nature of the New Forest makes it an extremely attractive place to live; both for those in work and those wishing to retire (21% of the population is over 65). Housing development is made more difficult by many of the natural constraints of the area.

Housing and particularly affordable housing for local people is a particular problem given the background to the district. The district council does still manage its own housing stock (5,044 properties) and there are in excess of 4,000 people on the housing waiting list.

District Council – Finance and Resources

The history and geography of the New Forest has led to the district council not being a major landowner. Other than the housing stock, fixed assets owned by the council are relatively few. In terms of funding district council visible services, the finances of the council are heavily dependent upon the central government financial regime of grant funding and council tax.

Within the district area towns and parish councils are significant providers of local services, mainly open space and recreational services. In total they levy a precept of over £4.8 million, 26% of the district council's net budget requirement.

The council historically has invested significantly in the provision of five health and leisure centres throughout the district. This originated as a collaborative arrangement with all five being on existing school sites. Alterations to schools management arrangements in recent years have led to changes in the relationship.

The provision of locally delivered good visible services has always been a high priority of the council. Services have been developed to meet specific local needs. For example, the refuse and recycling service still operates a weekly service using plastic sacks. Residents' satisfaction is high with this service which operates effectively.

Key Measures

The information below gives an indication of the current position in some of the priority areas.

	2014/15	Average last 5 years
Helping local business to grow		
• Number of businesses engaged in the Economic Development programme	385	295
• Number of visits to Brand New Forest website	21,800	17,167
Providing more homes		
• Total Planning permissions granted	587	322
• Total number of additional homes	150	191
• Number of affordable homes built	21	37
• Total applicants on the homesearch register	4,287	5,112
Delivering visible service outcomes		
• Percentage of household waste sent for reuse, recycling and composting	29.8%	30.3%
• Residual household waste per household	512.2kg	511.5kg
• Health and Leisure visits	1.597million	1.556million
• Council Tax (Band D)	£155.76	£155.76

Key Issues looking forward

In 2016 the Council's overall budget spending will have reduced by 15.8% since 2010 due to central government austerity measures.

Over the next four years the government have indicated a level of central funding that will require a further 11.7% reduction in the budget from that in 2016 (Appendix). Any future plan must address this major challenge.

	2010/11	2016/17	2019/20
Government settlement funding & council tax budget support	£23.4M	£19.7M	£17.4M
% reduction	-	15.8%	11.7%

The review of the Local Plan will necessarily see a major change in what the future district area will look like, with a likely substantial increase in planned housing numbers per annum from the current approval level of approximately 200.

Our demographics will further change with those over 65 predicted to increase by 27,900 making up 36% of the population by 2037 (currently 25%).

Vision and Priorities 2016 to 2020

With an understanding of the complex nature of the New Forest the council will work to deliver a vision that:

Secures a better future for the people and place of the New Forest district by:

- Supporting local business to prosper for the benefit of the people within the community
- Assisting the wellbeing of the people who live and work within the district
- Protecting the special and unique local character of the New Forest district

To help support the achievement of this vision the priorities will be to:

- Help local business to grow and prosper
- Provide more homes for local people
- Deliver visible service outcomes that are valued by the people in the community
- Protecting the local character of the place

The delivery of these priorities will require that the council's actions are:

- Underpinned by effective and efficient management of resources, specifically addressing the reduction in net expenditure required by the Medium Term Financial Plan to 2020.
- Developed through collaboration with the community and other local organisations

Effective and Efficient Management of Resources - Key Delivery Actions

During 2016-17

Review		Success Measure	Portfolio Responsibility	
ECONOMY, HOUSING & PLANNING	E.1	Local Plan <i>Local plan consultation and draft submission for adoption</i>	More homes Economic growth	Planning & Transportation
	E.2	Housing Strategy <i>Review the delivery of affordable housing in terms of realistic aspirations of the Council and recent changes in the planning system. Assess the existing constraints and take into account the emerging new Government policy advice. Progress through the local plan review</i>	More homes Economic growth	Housing & Communities
	E.3	Supporting Local Business <i>Review the realistic aspirations of the Council in what it wishes to achieve and consider the mechanism for achieving this. Progress through the local plan review to support vibrant localities</i>	Economic growth	Leader's
	E.4	Building Control <i>Service delivery review of the Building Control service. Consider the sustainability of the existing arrangements and assess alternatives such as multi-authority joint service provision or a joint (arm's length) local authority trading company</i>	Lower costs More efficient and effective working	Planning & Transportation
	E.5	Tourism <i>Review the way in which the council engages with the Tourism industry and the delivery of the service</i>	Lower costs More efficient and effective working	Leader's
GOVERNANCE & REGULATION	G.1	Procurement <i>Conclude the review of procurement with the implementation of centre led arrangements and a move towards a procurement partnership</i>	Procurement partnership More efficient and effective working	Finance & Efficiency
	G.2	Environmental Health <i>To review all aspects of the delivery of Environmental Health functions (to include Environmental Protection and Commercial)</i>	More efficient and effective working	Environment
	G.3	Community Safety <i>Review the Council's involvement in community safety (having regard to the Council's statutory responsibilities)</i>	More streamlined, focused and meaningful outcomes	Housing & Communities

OPERATIONS	O.1	Waste & Recycling - Determine strategy in line with the county wide Project Integra review - Review of bring sites to rationalise costs	Improved service delivery Lower costs More efficient and effective working	Environment
	O.2	Health & Leisure Centres Set financial targets and scope service delivery review to challenge existing arrangements and maximise outcomes for the council and the customer in the longer term	Lower costs More efficient and effective working	Health & Leisure
	O.3	Pest Control Review of pest control to determine future strategy and operation	More efficient and effective working	Environment
	O.4	CCTV/Alarm Monitoring Service delivery review to challenge existing arrangements and maximise outcomes for the council and the customer	Lower costs More efficient and effective working	Housing & Communities
	O.5	Enforcement Activity (Streetscene) Identify opportunities for joining up enforcement activities of visible officers	Lower costs More efficient and effective working	Environment
	O.6	Health & Safety Review arrangements for Health & Safety advice across the Council in light of the management restructure	More efficient and effective working	Leader's
	O.7	Crematorium Review potential opportunities for a New Forest crematorium	Community asset Income generation	Leader's
RESOURCES	R.1	Digital Service Delivery Review of ICT to support greater digital service delivery (having regard to the work of Fit for the Future)	Improved service delivery Lower costs Increased skills	Finance & Efficiency
	R.2	Pay & Reward To determine a fit for purpose pay & reward strategy related to performance and productivity (having regard to the work of Fit for the Future)	Recruit & retain the right people and respond to national changes in pay	Leader's
	R.3	Building Works Service delivery review to challenge existing model and maximise outcomes for the council and the customer, including optimising revenue potential and ensuring efficiency and effectiveness of the department	Lower costs More efficient and effective working	Finance & Efficiency
	R.4	Property Services Review of operations and strategy	Improved service delivery	Finance & Efficiency
	R.5	Customer Strategy Transform the management of demand through digital customer services and engagement (having regard to the work of Fit for the Future)	Improved service delivery Lower costs More efficient and effective working	Finance & Efficiency

Looking Forward 2017-20

Action	Portfolio Responsibility
Accommodation Strategy & Back Office Activity <i>Develop an accommodation strategy to include operational sites to meet the future needs of the organisation and review back office activity in light of the reorganisation</i>	Finance & Efficiency
Modern Working <i>Modernise the way of working to ensure a reduction in costs (having regard to the work of Fit for the Future)</i>	Leader
Tax & Benefits <i>Review in light of changes arising from Universal Credit implementation</i>	Finance & Efficiency
Local Plan Adoption <i>Full adoption of the Local Plan 2018</i>	Planning & Transportation
Coastal <i>Ongoing identification and review of coastal schemes and funding arrangements</i>	Environment
Working with Community Groups <i>Review financial support and partnership working with community groups</i>	All

APPENDIX 1

Medium Term Financial Plan

Funding

	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Business Rates Baseline	3,628	3,658	3,730	3,840	3,963
Business Rates Tariff Adjustment				-	612
Revenue Support Grant	2,964	1,765	724	92	-
Settlement Funding Assessment	6,592	5,423	4,454	3,932	3,351
New Homes Bonus	1,935	2,196	2,196	1,400	1,300
Other Grants exc Council Tax Freeze	195	-	-	-	-
Total Grant	8,722	7,619	6,650	5,332	4,651
Business Rates Surplus	722	900	800	800	800
Total Resources	9,444	8,519	7,450	6,132	5,451
Cumulative Reduction <i>% Reduction</i>		925 9.8	1,994 21.1	3,312 35.1	3,993 42.3
Council Tax	11,013	11,204	11,459	11,720	11,987
Total Funding	20,457	19,723	18,909	17,852	17,438
Cumulative Reduction <i>% Reduction</i>		734 3.6	1,548 7.6	2,605 12.7	3,019 14.8

APPENDIX 2

Medium Term Financial Plan

Summary of Estimated Budget Movements

	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Budget Requirement 2015/16	20,457	20,457	20,457	20,457
Pay & Prices Analysis				
Pay Award 1%	240	245	245	250
Increments	172	174	176	178
Pension Contributions	102	110	110	110
NI/living wage/contingency (note 1)	-	-	250	100
Apprentice Levy		125	-	-
Prices (fuel, energy & mtce)	115	120	120	125
	629	774	901	763
Cumulative Pay & Prices	629	1,403	2,304	3,067
Ongoing Savings Analysis				
Town & Parish Council Grant	- 100	- 100	-	-
Interest Earnings	- 285	- 100	-	-
Reduction in Asset & Equipment Resources	- 500	- 200	-	-
Beach Hut Income	-	44	-	-
Ongoing savings/budget pressures	2	46	-	-
Senior Management Review	- 480	-	-	-
	- 1,363	- 398	-	-
Cumulative Savings	- 1,363	- 1,761	- 1,761	- 1,761
Budget Requirement	19,723	20,099	21,000	21,763
Total Funding Available (Appendix 1)	19,723	18,909	17,852	17,438
Estimated Cumulative Shortfall	-	- 1,190	- 3,148	- 4,325

CABINET: 3 FEBRUARY 2016

PORTFOLIO: FINANCE & EFFICIENCY/ALL

MEDIUM TERM FINANCIAL PLAN / ANNUAL BUDGET 2015/16

1. INTRODUCTION

- 1.1 On 7 October 2015 and 6 January 2016 the Cabinet considered a number of issues that would affect the Annual Budget for 2016/17. This was supported by the Medium Term Financial Plan, based on the Provisional Local Government Finance Settlement figures which had been received in late December 2015. Details of the Final Local Government Finance Settlement for 2016/17 are yet to be received but are not expected to change materially from the provisional figures.
- 1.2 In accordance with the Council's Financial Strategy this report sets out final proposals for:
- The General Fund Net Budget Requirement for 2016/17
 - A level of Council Tax for 2016/17
 - The Medium Term Financial Plan
 - The General Fund Capital Programme for 2016/17
- 1.3 As the budget setting process is not an executive function the proposals agreed by the Cabinet will become recommendations for consideration by the Council at their meeting on 22 February 2016.

2. OVERVIEW

- 2.1 The Council's financial strategy for 2016/17 is to:
1. deliver efficiencies and savings which protect frontline services provided in the community;
 2. support ongoing investment in services through the use of its reserves;
 3. ensure that reserves are available during the period of the Medium Term Financial Plan to safeguard frontline services from future budget reductions; and
 4. balance the needs of service users and council taxpayers.

The budget set out in this report is in line with this strategy.

3. MEDIUM TERM FINANCIAL PLAN – GENERAL FUND BUDGET

- 3.1 Details of draft anticipated available resources and Portfolio spending requirements were set out in Appendices to the January Cabinet report. Subsequent to that report the full budget allocation process has now been completed and individual Portfolio budgets updated. The updated budgets, together with the other changes that have been identified since the January meeting of the Cabinet (and detailed in the following paragraphs) are included in Appendices 1 and 2 of this report.

3.2 General Fund Budget 2016/17

3.2.1 In the report to the January meeting of the Cabinet a shortfall of £483,000 was identified against the 2016/17 budget. This has now been addressed from:

- (a) Further savings arising from the Senior Management Review, which have increased by £180,000 to £480,000.
- (b) The proposed budget resources for the Planned Maintenance and Replacement Work Programme for 2016/17, as set out in Appendix 3, will be reduced by £300,000.

3.3 Planned Use of Reserves

3.3.1 Proposals for new Business Development schemes and for Third Party Grants, totalling £405,000, of which £389,000 will be charged to the General Fund, are set out in Appendix 4. These schemes are subject to approval in recommendation 10.1 of this report but have been included in the Portfolio figures in the other Appendices. In accordance with the Council's strategy, the General Fund element of these investments will be funded from reserves and is not part of the base budget.

3.4 To assist the Council through a transitional period of organisational change it is likely that further resources will be required in the coming year, for example for investment in new ICT and for the delivery of ongoing efficiencies. This will be subject to a further report during the year. Funding for these developments will, in the first place, be met from identified ongoing savings and then from the use of reserves, when approved by Members during the year.

3.5 The improved financial position detailed in paragraphs 3.2 - 3.4 means that the 2016/17 budget is balanced without a need to draw on reserves.

3.6 Summary of 2016/17 Proposals and Medium Term Plan

3.6.1 The General Fund net budget requirement for 2016/17 will be £17.528 million (Appendix 5), a reduction of £799,000 on the 2015/16 budget requirement.

3.6.2 The Band D Council Tax will be £158.88, an increase of £3.12 from 2015/16 and the cost to be met from council taxpayers will be £11.063 million after taking into account Collection Fund performance.

3.6.3 The Medium Term Plan summary set out in Appendix 1 provides an outlook of potential future years' budgets. On the basis of continued austerity and difficult economic conditions it is clear that Council services will need to continue the process of review to identify further savings and efficiencies.

4. GENERAL FUND CAPITAL PROGRAMME AND CAPITAL RESOURCES

- 4.1 The Council's proposed General Fund Capital Programme for 2016/17 totals £4.133 million and is detailed in Appendix 6. It has been developed within the context of limited levels of funding.
- 4.2 A range of Prudential Indicators needs to be approved prior to the start of each financial year. Indicators for the Treasury Management function and the Investment Strategy for 2016/17 to 2018/19 were considered by the Audit Committee on 22 January 2016 and have been recommended to the Council for approval. The indicators in Appendix 7 of this report relate to the Council's proposed capital programme. The Cabinet is asked to consider the indicators and recommend them to Council for approval.

5. COMMITTEE AND CORPORATE OVERVIEW PANEL COMMENTS

- 5.1 The General Purposes and Licensing and Planning Development Control Committees have both considered their draft budgets and have no comments to make on the proposals.
- 5.2 The Budget Task & Finish Group presented its report to the Corporate Overview Scrutiny Panel on 21 January 2016.
- 5.3 The Corporate Overview and Scrutiny Panel have adopted the Task and Finish Groups recommendations that:
- A strategic review of Health & Leisure is undertaken to fully investigate potential future models for delivery and their associated health benefits both to the health of the community, and to the Council's finances. This should include income generation and investment considerations.
 - A strategic review of housing is undertaken to fully appraise future and alternative delivery options.
 - A strategic plan of reviews for all back office services, exploring service delivery models and the opportunity to provide services for other public or private organisations in a move to more commercial income generation, exploiting in-house expertise should be developed.
 - Alternatives to Council Bed & Breakfast provision by the Housing Service should be explored in an effort to control rising costs.
 - The fees and charges for Keyhaven River moorings are urgently revisited to increase net income, to better balance supply and demand.
 - The process for awarding annual revenue grants is again reviewed to identify possible savings, but also to ensure greater transparency, and the consideration of alternative options in the case of larger grants e.g. CAB.
 - The Group supports the proactive identification of land and provision of a crematorium within the New Forest, for the benefit of residents.
 - The timing of future Budget Task & Finish Groups is considered to improve its effectiveness and ensure the most accurate and up to date information is available to assist in the budget setting process.
 - The Group also supports (in particular) the future and ongoing work of:
 - The Coastal protection Task & Finish Group in identifying funding for projects;

- The CCTV Task & Finish Group in identifying additional income streams;
- A Task & Finish Group reviewing customer access and more economical methods of service delivery (channel shift opportunities); and
- Environment Services in rationalising recycling 'bring sites', the long term strategy for controlling the costs of glass recycling, and would encourage inclusion of 'Bottom Ash' in recycling figures to more accurately reflect the efforts of the Council and New Forest residents.

6 RISK ASSESSMENT

- 6.1 The budget for 2016/17 is based upon best estimates, but there still remains a great many uncertainties, particularly surrounding the impact of the new arrangements with Business Rates and the continuing uncertain economic climate.
- 6.2 To manage this financial risk, the Council already provides regular budgetary control reports to the Cabinet and has General Fund Reserves of £2.036 million, which are available to support service budgets during the continuing uncertain times. In addition, it is estimated that there will be an unallocated balance of £8.6 million in the Asset Management Fund as at 31 March 2016. Within this overall context, the budget as now presented to Cabinet is considered to be a robust and deliverable financial plan.

7. CRIME AND DISORDER, ENVIRONMENT AND EQUALITY & DIVERSITY

- 7.1 There are no specific implications arising directly from this report.

8. EMPLOYEE SIDE COMMENTS

- 8.1 Regular discussions are continuing with the employees' side on all aspects of the budget that impact upon staff.

9. PORTFOLIO HOLDER COMMENTS

- 9.1 Year on year the development of a financial strategy, that combines protecting front line services and prudent management of reserves, becomes a more challenging task. The proposals set out in this paper once again deliver for the residents of the New Forest and I would thank the officers for the work they have done.

10. RECOMMENDATIONS

Cabinet is asked to recommend to Council that:

- 10.1 There is a General Fund Net Budget Requirement in 2016/17 of £17,527,980, as set out in Appendix 5 to this report, including the Business Development and Third Party Grant schemes set out in Appendix 3.

- 10.2 The site licence fees and service charges at Stillwater Park be increased by 0.8%, in line with RPI inflation;
- 10.3 The Band D Council Tax for 2016/17 shall be £158.88;
- 10.4 The General fund Capital Programme for 2016/17 of £4.133 million, as set out in Appendix 6 to this report, be approved.
- 10.5 That each of the Prudential Indicators, the Limits for 2016/17 to 2018/19 and the Minimum Revenue Provision Policy Statement, as set out in Appendix 7 to the report, be approved and adopted.

For Further Information Contact:

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E-mail: bob.jackson@nfdc.gov.uk

Background Papers:

MTFP Reports – Cabinet October 15/
Jan 16

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APPENDIX 1

Medium Term Financial Plan

Funding

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APPENDIX 2

Medium Term Financial Plan

Summary of Estimated Budget Movements

	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Budget Requirement 2015/16	20,457	20,457	20,457	20,457
Pay & Prices Analysis				
Pay Award 1%	240	245	245	250
Increments	172	174	176	178
Pension Contributions	102	110	110	110
NI/living wage/contingency (note 1)	-	-	250	100
Apprentice Levy		125	-	-
Prices (fuel, energy & mtce)	115	120	120	125
	629	774	901	763
Cumulative Pay & Prices	629	1,403	2,304	3,067
Ongoing Savings Analysis				
Town & Parish Council Grant	- 100	- 100	-	-
Interest Earnings	- 285	- 100	-	-
Reduction in Asset & Equipment Resources	- 500	- 200	-	-
Beach Hut Income	-	44	-	-
Ongoing savings/budget pressures	2	46	-	-
Senior Management Review	- 480	-	-	-
	- 1,363	- 398	-	-
Cumulative Savings	- 1,363	- 1,761	- 1,761	- 1,761
Budget Requirement	19,723	20,099	21,000	21,763
Total Funding Available (Appendix 1)	19,723	18,909	17,852	17,438
Estimated Cumulative Shortfall	-	- 1,190	- 3,148	- 4,325

Medium Term Financial Plan

Planned Maintenance and Replacement Work	Budget 2016/17 £'000's	Budget 2017/18* £'000's	Budget 2018/19* £'000's
<u>Asset Management Group</u>			
Health & Leisure Centres	462		
Depots	119		
Office Accommodation	217		
Other Property Including Open Space	95		
Car Park Maintenance	65		
Previously approved project retentions	17		
	975		
<u>ICT Strategy</u>			
Replacement Programme	125		
Existing Systems Developments (One-Off)	60		
Existing Systems Developments (Recurring)	85		
	270		
<u>Equipment Replacement</u>			
Health & Leisure Equipment Replacement	208		
Vehicles & Plant <£10k	23		
	231		-
<u>Operational Vehicles</u>			
Deferred Expenditure	1,149		
<u>Additional Requirement</u>	200		
Less: Proportion allocated to HRA	- 123		
Less 15/16 Programme rephased (Reserves)	- 2		
Total Programme	2,700	2,500	2,500

* Programmes will be developed within the agreed financial parameters

Medium Term Financial Plan

Business Development and Third Party Grants	Budget 2016/17 £'000's	Budget 2017/18 £'000's	Budget 2018/19 £'000's
<u>Assets</u>			
Public Conveniences Refurbishment	250	205	
2015/16 Scheme Retentions	12		
	<hr/> 262	205	-
<u>ICT Projects</u>			
In cab Technology(one off)	10		
Extend Mobile Working infrastructure	10		
Digital Services Provision	25		
Security Hardware and Software	10		
Recurring costs from above schemes	41		
	<hr/> 96	-	-
Less Allocation to HRA/Other	-	16	
	<hr/> 80	-	-
<u>Community Grants - Health & Leisure (Building Projects)</u>			
New Schemes	12		
Previously Approved	35	10	
	<hr/> 47	10	-
Total	<hr/> 389	215	-

**NEW FOREST DISTRICT COUNCIL
GENERAL FUND REVENUE BUDGET SUMMARIES
SUMMARY OF NET BUDGET REQUIREMENTS WITH FINANCE**

	2015/16 Budget	2016/17 Gross Expenditure	2016/17 Income	2016/17 Budget	
	£,000	£,000	£,000	£,000	
PORTFOLIO REQUIREMENTS					
Environment	9,356	11,698	-2,473	9,225	
Finance and Efficiency	5,001	51,383	-46,501	4,882	
General Purposes and Licensing Committee	533	928	-394	534	
Health and Leisure	3,194	9,019	-6,165	2,854	
Housing and Communities	1,837	4,344	-2,319	2,025	
Leader's	553	763	-246	517	
Planning and Transportation	834	4,551	-4,305	246	
Planning Development Control Committee	1,136	1,745	-618	1,127	
	22,444	84,431	-63,021	21,410	
Asset Rental Income	-2,031	0	-2,029	-2,029	
Contribution to/(from) Earmarked Revenue Reserves	-893	86	-392	-306	
NET PORTFOLIO REQUIREMENTS	19,520	84,517	-65,442	19,075	
Contributions to Town and Parish Council Tax	200	100	0	100	
Minimum Revenue Provision	1,052	1,149	0	1,149	
Interest Earnings (Net)	-315	0	-600	-600	
New Homes Bonus	-1,935	0	-2,196	-2,196	
Other Grants	-195	0	0	0	
GENERAL FUND NET BUDGET REQUIREMENTS	18,327	85,766	-68,238	17,528	
COUNCIL TAX CALCULATION					
Budget Requirement	18,327	85,766	-68,238	17,528	
Less:					
Settlement Funding Assessment					
Revenue Support Grant	-2,964	0	-1,765	-1,765	
Business Rates Funding Target	-3,628	22,383	-26,041	-3,658	
	-6,592	22,383	-27,806	-5,423	
Locally Retained Business Rates	-722	702	-1,603	-901	
Estimated Collection Fund Surplus	-235	0	-141	-141	
COUNCIL TAX	10,778	108,851	-97,788	11,063	0
TAX BASE NUMBER OF PROPERTIES	69,194.00			69,632.30	
COUNCIL TAX PER BAND D PROPERTY	£155.76			£158.88	
GENERAL FUND BALANCE 31 MARCH	£1.5M - £2M			£1.5M - £2M	

GENERAL FUND CAPITAL PROGRAMME AND FINANCING

	Budget 2016/17 £000's	Budget 2017/18 £000's	Budget 2018/19 £000's	Financing
Disabled Facilities Grants	566	566	566	Better Care Fund
Disabled Facilities Grants(NFDC resources)	74	74	74	Hsg Cap Rec
Private Sector Renewal/Home Repairs	102	102	102	Hsg Cap Rec
Social Housing Grant	100	100	100	Hsg Cap Rec
Total Private Sector Housing	842	842	842	
Coast Protection	155	190	687	Grant
Eling Tide Mill	463	9		Grant
Leisure Developers' Contributions	559	40		D Conts
Transport Developers' Contributions	300			D Conts
Beach Huts	430			Licence Holders
TOTAL EXTERNAL RESOURCES	2,749	1,081	1,529	
<u>Previously Approved</u>				
Eling Tide Mill	52	1		
Beach Huts	524			
Major Coastal Project Scheme Development Hurst Spit	50	50		Pre Grant Recovery
TOTAL INTERNAL RESOURCES	626	51	0	
TOTAL CAPITAL RESOURCES PROGRAMME	3,375	1,132	1,529	
Vehicles & Plant (Capital Value)	758	2,034	550	
TOTAL PROGRAMME	4,133	3,166	2,079	

THE CAPITAL PRUDENTIAL INDICATORS 2016/17 – 2018/19

1. CAPITAL EXPENDITURE AND CAPITAL FINANCING REQUIREMENT

- 1.1 Each year the Council approves a programme of capital expenditure. Some of this expenditure will be supported by grants and contributions from the Government and other organisations; the remainder will need to be financed from the Council's own resources. If this expenditure cannot be financed from resources such as capital receipts, capital reserves or from direct revenue contribution there will be an impact on the Council's underlying need to borrow.
- 1.2 This underlying need to borrow is called the Capital Financing Requirement (CFR).
- 1.3 The revenue consequences of capital expenditure funded by borrowing will need to be paid for from the Council's revenue resources. This is called the Minimum Revenue Provision (MRP).
- 1.4 The three year proposed programme is largely funded from existing resources and is therefore only subject to a low level of risk if Government grants and other external contributions turn out to be less than has been estimated.
- 1.5 In 2012/13 the Council borrowed £142.7m to meet the requirements of the HRA reform. The first principal instalment repayment of £4.1m is due in 2017/18.

2. CAPITAL EXPENDITURE

- 2.1 The capital expenditure projections and the CFR are shown below. A more detailed schedule for these projections is included in the main budget report on this agenda.

This is the first prudential indicator and the Council is asked to approve the summary capital expenditure projections below.

Capital Expenditure	2015/16 Revised £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Non-HRA	5,495	4,133	3,166	2,079
HRA	12,733	16,536	10,403	8,150
Total Expenditure	18,228	20,669	13,569	10,229
Financed by:				
Capital receipts	1,326	1,276	1,276	1,276
Capital grants	1,829	1,614	765	1,253
Capital reserves	912	2,495	1,071	0
Developers Contributions	1,216	859	40	0
Revenue	11,683	13,667	8,383	7,150
Net capital financing requirement (CFR)	1,262	758	2,034	550

3. CAPITAL FINANCING REQUIREMENT

- 3.1 Capital expenditure will impact directly on the overall CFR if there is a borrowing requirement (see 2.1 above). Generally any borrowing required to meet the Council's capital expenditure is met by using cash held in reserves, rather than raising loans. This action is the expressed preference of Members and is assumed for the continuing future.
- 3.2 The CFR is reduced by the amount of any provision that is made to repay loan in the future. This provision is known as the MRP.
- 3.4 The cumulative net projections for the CFR at each year-end are shown below. This is the second prudential indicator.
- 3.5 The Cabinet is asked to note the CFR projections below.

Capital Financing Requirement (CFR)	2015/16 Revised £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
CFR - Non Housing	3,899	3,508	4,393	3,794
CFR - Housing	1,897	1,897	1,897	1,897
HRA Settlement	142,704	142,704	138,604	134,504
Total CFR at year end	148,500	148,109	144,894	140,195
Movement in CFR from one year to the next		(391)	(3,215)	(4,699)
For each year the movement in CFR is represented by				
Net Financing Need (The amount of capital expenditure financed by loan)	1,262	758	2,034	550
HRA Settlement	0	0	(4,100)	(4,100)
MRP provision - (The amount by which any loan requirement is reduced)	(1,052)	(1,149)	(1,149)	(1,149)
Movement in CFR	210	(391)	(3,215)	(4,699)

4. MINIMUM REVENUE PROVISION

- 4.1 Where General Fund (excluding Council Housing) capital spend has been financed by loan, and has increased the CFR, the Council is required to make a provision to repay a proportion of the accumulated amount each year. This amount is charged to revenue and is called the Minimum Revenue Provision (MRP). This charge reduces the CFR each year.

CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each financial year. The Council is recommended to approve the following MRP Statement:

“For capital expenditure that has been incurred, and which has given rise to a CFR, the MRP Policy shall be to charge to revenue an amount equal to the depreciation of any asset financed by loan”.

For Council Housing the Council has approved currently a Housing Business Plan that will charge amounts to revenue to ensure that any borrowings are reduced in accordance with the maturity of the debt outstanding.

5. THE COUNCIL’S RESOURCES

5.1 The use of reserves to finance capital expenditure will have an impact on investments unless resources are supplemented each year from sources such as asset sales. The following table shows estimates of year end balances for each resource.

Estimated Year End Resources	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Capital Receipts	5.7	5.4	5.2	4.9
Earmarked Reserves	23.8	21.0	20.5	21.1
Total Core Funds	29.5	26.4	25.7	26.0

6. AFFORDABILITY PRUDENTIAL INDICATORS

The previous sections cover the prudential indicators for capital expenditure and borrowing. This section assesses the affordability of the capital investment plans. These provide an indication of the impact of the capital programme on the Council’s overall finances.

The Council is asked to approve the following indicators:

6.1 Ratio of financing costs to net revenue stream

6.1.1 The net revenue stream for the General Fund is the amount of revenue expenditure which is met from government grant and council tax.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs) against the net revenue stream.

The estimates of financing costs include current commitments and the proposals in this budget report on this agenda.

6.1.2 The net revenue stream for the Housing Revenue Account is the amount of revenue expenditure, arising from the capital programme, which is met by rents.

6.1.3 The following table shows the cumulative incremental effect of the estimated financing cost, against the estimated net revenue stream. This assesses the increase in the cost of borrowing to the revenue account.

An example is set out below: 2016/17

General Fund Financing cost	£122,000	=	0.6%
General Fund Net Revenue Stream	£19,724,000		

6.1.4 The estimates of financing costs include current commitments and the proposals in this budget report.

	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non - HRA	0%	0.6%	0.2%	0.1%
HRA (inclusive of settlement)	0%	0%	(0.5%)	(0.5%)

For the HRA the reduction in 2017/18 reflects the reduction in interest costs due to the first instalment of loan repayment relating to the 2012/13 HRA settlement.

6.2 Estimates of the incremental impact of capital investment decisions on the Band D Council Tax

6.2.1 This indicator shows the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The indicator shows the impact on the Council Tax of the revenue implications of the capital programme in isolation from any other expenditure that may generate a revenue charge.

	Proposed Budget 2016/17	Forward Projection 2017/18	Forward Projection 2018/19
Change to Council Tax - Band D	1.59%	0.94%	1.01%
Change to Council Tax cost year on year	£2.47	£1.49	£1.62

6.3 Estimates of the incremental impact of capital investment decisions on housing rent levels

6.3.1 The Council has adopted the Government's rent policy/guidance. As such the capital programme has no impact on rent levels.

6.3.2 The indicator below shows the cost of proposed changes in the housing capital programme, as recommended elsewhere on this agenda, expressed as a change in weekly rent levels if the Government's rent policy/guidance had not been adopted.

	Proposed Budget 2016/17	Forward Projection 2017/18	Forward Projection 2018/19
Change to Weekly Housing Rent levels	£7.63	(£20.07)	(£4.63)

6.3.3 The reduction in 2017/18 reflects the current proposed reduced capital programme as resources are switched to finance the first HRA settlement loan repayment.

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CABINET – 3 FEBRUARY 2016

RESIDENT INVOLVEMENT DEVELOPMENT DAY- 22 JANUARY 2016

HOUSING REVENUE ACCOUNT BUDGET AND HOUSING PUBLIC SECTOR CAPITAL EXPENDITURE PROGRAMME 2016/17

1 INTRODUCTION

- 1.1 This report sets out a proposed Housing Revenue Account (HRA) budget and a proposed Housing Public Sector Capital Programme for 2016/17. The Cabinet is required to recommend budgets for consideration by the Council at their meeting on 22nd February 2016.
- 1.2 The budgets for 2016/17 are the fifth year of the HRA self financing system. The first £4.1 million instalment of principal repayment of the settlement loan is due to be made in 2017/18 and will reduce the spending resources available in that year.
- 1.3 The proposed budgets for 2016/17 were considered by tenants at the Resident Involvement Development Day on 22 January 2016. Comments from the group will be presented orally at the Cabinet meeting.
- 1.4 The proposed HRA budget is attached as **Appendix 1**.

2 KEY ISSUES

- 2.1 Members are asked to consider a number of financial issues for 2016/17.
- 2.2 **Housing Rents**
 - 2.2.1 The report identifies a rent reduction of 1% in line with the Government's current requirement.
 - 2.2.2 It is proposed that average weekly rents are reduced to £100.96 for 2016/17. The actual reduction would vary by property, but would amount to an average reduction of £1.02 per week.
- 2.3 **Hostels – Service Charges**
 - 2.3.1 The primary aim when reviewing and setting the service charge for hostels is to ensure that relevant costs are fully recovered from those who benefit from them. It is proposed that current service charge levels are increased by 2.0% as this follows government guidance and aims to fully recover the costs incurred.
- 2.4 **Older Persons' Support Service – Service Charges**
 - 2.4.1 The primary aim when reviewing and setting the service charge for Older Persons' Support Service tenants is to ensure that relevant costs are fully recovered from those who benefit from them. It is proposed that current

service charge levels are increased by 2.0% as this follows government guidance and aims to fully recover the costs incurred.

2.4.2 As with rents, the service charge payable by individual users varies according to their property and other factors, such as whether utilities costs are included and the level of service received.

2.5 Garage Rents

2.5.1 It is proposed that garage rents remain unchanged at the current weekly level of £10 (£10 plus VAT for non-HRA tenants) as this appears to maximise income at an acceptable fee.

3 HRA INCOME 2016/17

3.1 Estimated total income for 2016/17 is £53,000 lower than the original budget for 2015/16. The income variations from the 2015/16 approved budget are set out below:

	£000	Paragraph
Dwelling Rents	63	3.2
Non Dwelling Rents	28	3.3
Service Charges	(29)	3.4
Other Income	(9)	3.5
Total	<u>53</u>	

3.2 **Dwelling Rents £63,000** – The proposed budget for 2016/17 includes the £266,000 effect of the 1.0% rent reduction proposed in paragraph 2.2, but the reduction is offset by the anticipated ongoing impact of current 2015/16 rent income estimates, which are £203,000 higher than the original 2015/16 budget. This is due to an improvement of circa 25% in vacant property turnaround times, the re-letting of dwellings at Cranleigh Paddock and a general increase in income due to a greater number of properties than was budgeted for.

3.3 **Non Dwelling Rents £28,000** – This income is derived from garages and rents of other housing land. The decrease reflects the current 2015/16 rent income estimates, which are less than the original budget due to increased garage voids arising from less demand or deliberate decisions not to let, in order to facilitate new development.

3.4 **Service Charges (£29,000)** – Service charges are set in order to cover the costs incurred. This increase principally reflects the proposed increases set out in paragraph 2.3.

3.5 **Other Income (£9,000)** – This is principally due to increased income arising from the administration element deducted from capital receipts from Right to Buy Sales.

4 HRA EXPENDITURE 2016/17

4.1 The budgeted expenditure for 2016/17 is £1.409 million higher than the approved budget for 2015/16. The major variations are set out below:

	£000	Paragraph
Reactive Maintenance	241	4.2
Supervision and Management/Rent, Rates, Taxes and other charges	(18)	4.3
Capital Financing Costs	2	4.4
Contribution to Capital Supporting Housing Strategy	1,184	4.5
Total	1,409	

4.2 **Reactive Maintenance £241,000** – The reactive maintenance budget has been increased by £51,000 to take account of inflationary increases. In addition £190,000 of staffing costs that had previously been shown in supervision and management costs will in future be added as oncosts to the costs of individual jobs and therefore appear as part of reactive maintenance expenditure.

4.3 **Supervision and Management / Rent, Rates, Taxes and Other Charges (£18,000)** – Supervision and Management costs will reduce by £190,000 due to the switch of some employee costs to the reactive maintenance budget. This budget virement is however offset by additional costs of £172,000, principally due to inflationary increases of £156,000, including changes in National Insurance, and increased dwellings' insurance costs of £20,000.

4.4 **Capital Financing Costs £2,000** – There is a £2,000 increase in the Housing Revenue Account's contribution to the Council's debt and investment management costs.

4.5 **Contribution to Capital Supporting Strategy £1.184 million** – In 2015/16 the full £12.483 million Housing Public Sector Capital Programme was budgeted to be financed from revenue resources. As detailed in Section 7 a larger capital programme is proposed for 2016/17. The maximum resources available from revenue to finance the programme, resulting in a balanced Housing Revenue Account for the year, are £13.667 million. This is £1.184 million more than in 2015/16.

5 HRA RESERVE BALANCE

5.1 The HRA Reserve balance as at 1 April 2015 was £1.014 million. The original 2015/16 HRA budget showed an estimated surplus of £1.462 million. During 2015/16 the following net budget savings totalling £93,000 have occurred or are forecast and will increase the estimated year end surplus to £1.555 million which, in accordance with current policy, will be transferred to the Acquisitions and Development Reserve.

	£000
5.2 Dwelling rent income increase	(203)
Non Dwellings rent - Garages decrease	28
Dwellings insurance cost increase	20
Housing Repairs System Rephasing from 2014/15	30
Grounds Maintenance Equipment Rephasing from 2014/15	17
Revenue funding of Capital Programme	
New build/Acquisitions	2,492
North Milton Project Rephasing	(1,677)
Major Repairs Programme Rephasing	(800)
Total	(93)

5.3 The proposed HRA budget for 2016/17 currently shows a break even position, resulting in no change to reserve balances. The estimated Housing Revenue Account balance at 31 March 2016 and 31 March 2017 will therefore be £1.014 million.

6 CAPITAL PROGRAMME 2016/17

6.1 The proposed Housing Public Sector capital expenditure programme for 2016/17 totals £16.536 million. The detailed programme and anticipated funding is set out below:

	Original 2015/16 £000	Latest 2015/16 £000	Original 2016/17 £000
Proposed Expenditure			
Environmental Enhancements	400	400	300
Major Repairs	5,083	4,283	5,720
New Build / Acquisitions	3,650	6,300	4,000
North Milton New Build	2,720	1,200	2,803
North Milton Env. Enhancements	430	300	1,613
Compton & Sarum New Build	0	41	1,700
Extensions To Property	150	150	150
Older Persons Schemes Alterations	0	0	250
PV Panels Bannister Court	50	50	0
New Build Totton Flats	0	50	0
TOTAL	12,483	12,774	16,536
Funded by NFDC Resources			
Revenue	12,483	12,774	13,667
Capital Receipts	0	0	1,000
Acquisitions and Development Reserve	0	0	1,869
TOTAL	12,483	12,774	16,536

6.2 The proposed capital programme for 2016/17 is £4.053 million greater than the original 2015/16 programme. The increase is mainly due to the inclusion of £1.7 million for a new build development of 35 dwellings at the Compton and Sarum House site in Totton, an additional £1.183 million for the North Milton Environmental Enhancements scheme, an increase of £637,000 in the Major Repairs Programme, an additional £350,000 for property acquisitions and the inclusion of £250,000 for alterations within Older Persons schemes.

- 6.3 The Government introduced changes to the Right to Buy system in April 2012 primarily increasing the discounts to tenants with the intention of stimulating tenant home ownership. This has led to a marked increase in tenant interest regarding purchasing their properties and for 2015/16 RTB sales have continued to be high with 25 properties expected to be sold by the end of the year. However, the Council's new build/acquisition programme should deliver 34 (30 acquisitions and 4 new build flats) new properties in 2015/16.
- 6.4 The capital spending power of the Council is limited by the availability of usable capital receipts, the level of Government Grants or Developers' Contributions, the ability to fund capital expenditure from revenue sources (HRA rents and reserves) or through the use of borrowing.

7 ENVIRONMENTAL IMPLICATIONS

- 7.1 Although the services covered in this report clearly do have an impact on the environment, this report focuses on the financial effect of the proposed HRA budgets and capital programme. There are no direct environmental implications arising from this report.

8 CRIME AND DISORDER IMPLICATIONS

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

9 EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 There are no direct equality and diversity implications arising from this report.

10 TENANTS VIEWS

- 10.1 We are happy with the rent decreases and feel it represents great value for money for all tenants. We are very proud to have been involved in the void project which has helped increase the income collected this year.

We are fully supportive of the increased budget for the capital programme in 2016/17 which will ensure tenants continue to have a high standard of accommodation to live in, while still buying and building more homes for new tenants.

11 PORTFOLIO HOLDER COMMENTS

- 11.1 The recommendations contained in this report conform to the latest Government guidelines.
- 11.2 The fifth year of the self financing regime will provide significant funding for new affordable housing and this will help reduce our current housing waiting list.
- 11.3 The budget proposals will allow us to manage and maintain our existing housing stock to continued high standards and I support the overall proposals contained in the report.

12 RECOMMENDATIONS

That the Cabinet be asked to recommend to the Council:

- i) that the HRA budget as set out in Appendix 1 of this report be agreed;
- ii) that from 4 April 2016, a reduction in rents of 1% from the 2015/16 rent level, in accordance with Government requirements, be agreed;
- iii) that from 4 April 2016, an increase of 2% in hostel service charges be agreed;
- iv) that from 4 April 2016, an increase of 2% in older persons' accommodation service charges be agreed;
- v) that from 4 April 2016, no increase in garage rents be agreed; and
- vi) that a 2016/17 Housing Capital Programme of £16.536m, as set out in paragraph 7.1 above, be agreed.

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Background Papers:

Published documents as referred to within this report.

HOUSING REVENUE ACCOUNT BUDGET

	2015/16 £'000	2016/17 £'000	Variation £'000	Para
INCOME				
Dwelling Rents	-26,380	-26,317	63	3.2
Non Dwelling Rents	-734	-706	28	3.3
Charges for Services & Facilities	-723	-752	-29	3.4
Contributions towards Expenditure	-57	-58	-1	3.5
Interest Receivable	-75	-75	0	3.5
Sales Administration Recharge	-20	-26	-6	3.5
Shared Amenities Contribution	-177	-179	-2	3.5
TOTAL INCOME	-28,166	-28,113	53	
EXPENDITURE				
Repairs & Maintenance				
Cyclical Maintenance	1,472	1,472	0	
Disabled Facilities	509	509	0	
Reactive Maintenance	2,548	2,789	241	4.2
Supervision & Management				
General Management	3,748	3,746	-2	4.3
Special Services	1,228	1,219	-9	4.3
Homeless Assistance	66	62	-4	4.3
Rents, Rates, Taxes and Other Charges	14	11	-3	4.3
Provision for Bad Debt	150	150	0	
Capital Financing Costs	4,486	4,488	2	4.4
Contribution to Capital supporting Housing Strategy	12,483	13,667	1,184	4.5
TOTAL EXPENDITURE	26,704	28,113	1,409	
HRA OPERATING SURPLUS(-)	-1,462	0	1,462	
Transfer to Acquisitions/Development reserve	1,462	-	-	1,462

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CABINET – 3 FEBRUARY 2016

MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2016

1. INTRODUCTION

- 1.1 Allowances paid to members of the Council are set out in the Members' Allowances Scheme. The Council is required annually to make a scheme of members' allowances, which must be published.
- 1.2 The current scheme is available to view at <http://www.newforest.gov.uk/CHttpHandler.ashx?id=28400&p=0>

2. CURRENT SCHEME

- 2.1 The current scheme provides for the annual adjustment of allowances (basic, special responsibility and dependant carers' allowances) by the Local Government staff employees' national pay award annual percentage increase.
- 2.2 The employees' national pay award for 2016/17 is still being negotiated. If an award is made it will automatically, under the terms of the scheme, be backdated to 1 April 2016. No other changes to the scheme are proposed. Indeed, no changes are possible without a recommendation from the Independent Remuneration Panel.

3. FINANCIAL IMPLICATIONS

- 3.1 Provision has been made in the draft 2016/17 budget for the implications of a possible national pay award.

4. ENVIRONMENTAL, EQUALITY & DIVERSITY AND CRIME & DISORDER IMPLICATIONS

- 4.1 There are none.

5. RECOMMENDATION

- 5.1 That it be a recommendation to the Council that the current scheme of members' allowances be made as the scheme to apply from 1 April 2016.

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Background Papers:
Published documents

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CABINET – 2 FEBRUARY 2016

PORTFOLIOS:

DELEGATION OF POWERS TO OFFICERS

1. INTRODUCTION

1.1 The Council operates an extensive scheme of delegation of powers to officers to allow routine business to be completed in a timely and efficient manner. The scheme of delegation of powers to officers needs to be updated to reflect new legislation with respect to anti-social behaviour; and also to respond to the need to revise arrangements for making decisions (including reviews) on community nominations of community assets to be included on the List of Assets of Community Value, following the recent changes to the senior management structure. It would also be helpful to widen the pool of officers authorised to take action under the Criminal Justice and Public Order Act 1994 to remove unauthorised campers.

1.2 The changes to the scheme of delegation of powers are to ensure officers have the necessary delegations to allow them to legally undertake their roles. The new # delegations are set out in Appendix 1 to this report.

2. CRIME AND DISORDER, EQUALITY AND FINANCIAL IMPLICATIONS

2.1 The amendments to the delegation with respect to anti-social behaviour will enhance this authority's ability to respond, in conjunction with other bodies. There are no other implications arising directly from this report.

3. RECOMMENDED

3.1 That the delegation of powers to the officers are agreed.

For Further Information contact:

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Background Papers:

Published documents

Please note: Deletions are shown struck through, additions are shown in bold italics.

AMENDMENT TO EXISTING DELEGATION WITH RESPECT TO COMMUNITY ASSETS.

Cab 17	Localism Act 2011 Sections 87 – 108 and The Assets of Community Value (England) Regulations 2012	To authorise an Executive Director to make decisions on community nominations of community assets to be included on the List of Assets of Community Value and to determine applications for compensation (and to deal with all consequential administrative matters arising from such decisions).	Executive Director <i>Executive Head</i>	Cabinet 54 of 16/1/13
		To authorise the Chief Executive to make decisions in respect of internal reviews following a decision to list a community asset and decisions in respect of compensation (and to deal with all consequential administrative matters arising from such decisions)	Chief Executive, <i>or an Executive Head who was not involved in the original decision.</i>	

AMENDMENTS TO TAKE ACCOUNT OF THE ANTISOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014.

Hsg & Com 6	Crime and Disorder Act 1998, s.1	To apply for an Anti-Social Behaviour Order	Head of Legal and Democratic Services, or Solicitors, or Employed Barrister, in	Cabinet 45. of 7/08/02 Cabinet
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**Hsg and
Com 6**

**Antisocial Behaviour,
Crime and Policing Act
2014**

**To take all necessary
action and exercise all of
the Council's powers under
Parts 1, 2, 4 and 6 of the
Act.**

**(Note: applications to the
Courts only to be made in
consultation with the
Executive Head
(Governance and
Regulations), or employed
Barrister, or Solicitor.**

**To take all necessary
action including the issue
of notices, remedial and
enforcement action as set
out in Part 4 Chapter 1 and
sections 63 and 68 of Part
4 Chapter 2.**

~~consultation with Executive
Director, or Head of Public Health
and Community Safety, or Head
of Housing and Customer
Services, in consultation with the
Chief Officer Hampshire
Constabulary~~

**Chief Executive, or Executive
Head, or Employed Barrister, or
Solicitor.**

**Landlord Services Manager, or
Housing Estates Manager, or
Neighbourhood and Tenancy
Management Officer, or
Environmental Health Manager,
or Senior Environmental Health
Officer, or Environmental
Health Officer, or
Environmental Health
Technician, or Dog Warden, or
Community Safety Manager, or
Community Safety Co-
Ordinator, or Partnership
Intervention Officer, or
Licensing Enforcement Officer.**

~~42. of 4/08/04
Cabinet
117. of 2/02/05~~

Cab Auth 20	Antisocial Behaviour, Crime and Policing Act 2014	To enter premises for the purposes of the Act and to serve notices	Landlord Services Manager, or Housing Estates Manager, or Neighbourhood and Tenancy Management Officer, or Environmental Health Manager, or Senior Environmental Health Officer, or Environmental Health Officer, or Environmental Health Technician, or Dog Warden, or Community Safety Manager, or Community Safety Co-Ordinator, or Partnership Intervention Officer, or Licensing Enforcement Officer.
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AMENDMENT TO DELEGATION WITH RESPECT TO UNAUTHORISED CAMPERS.

Hsg & Com 1	Criminal Justice and Public Order Act 1994 s.77, s.78 and s.79	To issue directions and to serve notices for unauthorised campers to leave land	Head of Public Health and Community Safety, or Executive Head; Environmental Health Manager, or Senior Environmental Health Officers, or Environmental Health Officers, or Community Safety Manager, or Community Safety Co-Ordinator, or Environmental Health Officer, or Landlord Services Manager, or Housing Estates Manager, or Neighbourhood and Tenancy Management Officer	Cabinet 201. of 8/04/02 Cabinet 8. of 4/06/03
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