



New Forest
DISTRICT COUNCIL

Council Meeting Agenda

13 July 2015



SUMMONS

To All Members of the Council

You are hereby summoned to attend a meeting of the District Council to be held in the Council Chamber, Appletree Court, Lyndhurst on Monday, 13 July 2015, at 6.30 pm



Dave Yates
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

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

AGENDA

Apologies

1. **MINUTES** (Pages 1 - 10)

To confirm the minutes of the meeting held on 18 May 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. **CHAIRMAN'S ANNOUNCEMENTS**

4. **LEADER'S ANNOUNCEMENTS**

- 5. REPORTS OF COMMITTEES AND CABINET (Pages 11 - 32)**
- | | |
|--|------------------------|
| Audit Committee | 26 June 2015 |
| General Purposes & Licensing Committee | 12 June & 26 June 2015 |
| Cabinet | 3 June 2015 |

6. RECRUITMENT OF CHIEF EXECUTIVE (Pages 33 - 34)

7. QUESTIONS UNDER STANDING ORDER 22

8. QUESTIONS TO PORTFOLIO HOLDERS UNDER STANDING ORDER 22A

To ask questions of Portfolio Holders. Questions received will be tabled at the meeting. (Members are reminded that questions must be submitted to the Chief Executive or to the Head of Legal and Democratic Services by not later than noon on Friday 10 July 2015.)

9. MEETING DATES FOR THE 2016/17 MUNICIPAL YEAR

RECOMMENDED:

That meetings be held on the following Mondays at 6.30pm:-

16 May 2016 (Annual meeting, already agreed)
11 July 2016
5 September 2016
17 October 2016
5 December 2016
20 February 2017
10 April 2017
15 May 2017 (Annual Meeting)

10. MEMBERSHIP OF COMMITTEES AND PANELS

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

11. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

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Agenda Item 1

18 MAY 2015

NEW FOREST DISTRICT COUNCIL

Minutes of a meeting of the New Forest District Council held in the Council Chamber, Appletree Court, Lyndhurst on Monday, 18 May 2015

- * Cllr Mrs M D Holding (Chairman)
- * Cllr Mrs A J Hoare (Vice-Chairman)

Councillors:

- * A R Alvey
- Mrs D E Andrews
- W G Andrews
- * P J Armstrong
- * G C Beck
- * Mrs S V Beeton
- * Ms R Bellows
- * Mrs S M Bennison
- * J E Binns
- * G R Blunden
- * D A Britton
- * Mrs D M Brooks
- * Mrs F Carpenter
- * Mrs L D Cerasoli
- * S J Clarke
- * Mrs J L Cleary
- * I C Coombes
- * Ms K V Crisell
- * S P Davies
- * A H G Davis
- * W H Dow
- * Ms L C Ford
- * R L Frampton
- * A T Glass
- * L E Harris
- * M R Harris
- * D Harrison
- * J D Heron
- * E J Heron

Councillors:

- Mrs P Jackman
- * M J Kendal
- * Mrs E L Lane
- * Mrs P J Lovelace
- * B D Lucas
- * Mrs A E McEvoy
- * A D O'Sullivan
- * J M Olliff-Cooper
- * N S Penman
- * A K Penson
- * D M S Poole
- * L R Puttock
- * B Rickman
- * W S Rippon-Swaine
- * Mrs A M Rostand
- * D J Russell
- * Miss A Sevier
- * M A Steele
- * M H Thierry
- * Mrs B J Thorne
- * D B Tipp
- * D N Tungate
- * A S Wade
- * R A Wappet
- * J G Ward
- * Mrs C V Ward
- * M L White
- * C A Wise
- * Mrs P A Wyeth

*Present

Apologies:

were received from Cllrs Mrs Andrews, W Andrews and Mrs Jackman.

Officers Attending:

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

The Chairman of the Council, Cllr Mrs Holding, in the Chair.

1 ELECTION OF CHAIRMAN

Cllr Mrs Holding moved that Cllr Mrs Hoare be elected Chairman of the Council for the ensuing municipal year. The motion was seconded by Cllr Mrs Wyeth.

RESOLVED:

That Cllr Mrs Hoare be elected Chairman of the Council to continue in office until her successor becomes entitled to act as Chairman at the next annual meeting of the Council.

Cllr Mrs Hoare took the chair and made the declaration of acceptance of office, which was formally witnessed by the Chief Executive.

Cllr Mrs Holding invested the Chairman with the Chain and Badge of Office and a bouquet of flowers, and presented Mr Hoare, the Chairman's consort, with a gift.

On behalf of employees, the Chief Executive congratulated the Chairman on her election.

The Chairman thanked members of the Council for electing her as Chairman.

2 VOTE OF THANKS TO CLLR MRS HOLDING

The Chairman moved a vote of thanks to the outgoing Chairman, Cllr Mrs Holding.

The Chairman, in paying tribute to Cllr Mrs Holding, said that Cllr Mrs Holding had been held in high esteem by colleagues and residents alike during her term as Chairman. She had proved to be excellent ambassador for the New Forest, and had worked tirelessly to ensure that the New Forest was well represented and showcased.

The motion was seconded.

Members spoke in support of the motion. They said that Cllr Mrs Holding, with the support of her husband, had worked very hard during her year in office and had been very successful in her charitable fundraising. She had represented the people of the New Forest District in an exemplary manner, attending a large number of events both within and outside the District, and had been a great ambassador for the Council.

Other members referred to the commitment and hard work displayed by Cllr Mrs Holding during her time in office.

The Chief Executive thanked Cllr Mrs Holding for her tireless work during her year as Chairman.

RESOLVED:

That the thanks and best wishes of the Council be recorded to Cllr Mrs Holding for her service during her term of office as Chairman of the Council.

Cllr Mrs Holding thanked members for their kind wishes. She said that it had been a great privilege to serve as Chairman of the Council. She had thoroughly enjoyed her time in office. Cllr Mrs Holding thanked in particular colleagues she had met

over the last year, who had made her time as Chairman enjoyable. She also thanked those who had helped organise her civic day, which had provided an invaluable opportunity to showcase the New Forest.

Cllr Mrs Holding thanked colleagues and officers for helping to raise funds for her charities, the Hampshire and IOW Air Ambulance, the Nalder Benevolent Fund and Oakhaven Hospice. Representatives from the Hampshire and IOW Air Ambulance and the Nalder Benevolent Fund were in attendance and gratefully received cheques from Cllr Mrs Holding. The Chairman had raised £7,918 for her two charities. In addition the goods donated as part of the Oakhaven spring clean appeal had an estimated value of £10,000.

3 APPOINTMENT OF VICE-CHAIRMAN

It was moved by Cllr O'Sullivan and seconded by Cllr Mrs Ward that Cllr Beck be appointed Vice-Chairman of the Council for the ensuing municipal year.

RESOLVED:

That Cllr Beck be appointed Vice-Chairman of the Council to hold office until immediately after the election of the Chairman at the next annual meeting of the Council.

Cllr Beck made the declaration of acceptance of office, which was formally witnessed by the Chief Executive. The Chairman invested Cllr Beck with his badge of office and presented the Vice-Chairman's consort, Mrs Beck, with flowers.

4 APPOINTMENT OF LEADER OF THE COUNCIL

It was moved by Cllr E J Heron and seconded by Cllr Glass that Cllr Rickman be appointed Leader of the Council.

RESOLVED:

That Cllr Rickman be appointed Leader of the Council for the four year period until May 2019.

5 MINUTES (PAPER A)

RESOLVED:

That the minutes of the meeting held on 13 April 2015 be agreed as a correct record.

6 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all members to the first Council meeting of the four year term, following the elections on 7 May. She particularly welcomed the 18 new members joining the Council for the first time. She was sure that returning councillors would be happy to assist their new colleagues. The Chairman announced that her charities for the year would be Oakhaven Hospice and the Firefly Orphanage in Kathmandu.

The Chairman explained that whilst her second charity was not a local charity, given the two recent catastrophic earthquakes in Nepal and the devastation that these had caused, she felt it appropriate to raise funds in support of the children who had lost families and homes as a result of these tragic events. She hoped that other members would support her in her fundraising for both charities.

7 LEADER'S ANNOUNCEMENTS

The Leader of the Council thanked the Returning Officer, the Deputy Returning Officer and the staff who had assisted in the elections on 7 May for their hard work particularly in light of the extra demands in the electoral process this year.

8 APPOINTMENT OF DEPUTY LEADER, NUMBER AND CONTENT OF PORTFOLIOS AND APPOINTMENT OF PORTFOLIO HOLDERS

The Leader of the Council informed the Council that:

(a) He had appointed Cllr E J Heron as Deputy Leader of the Council and Vice-Chairman of the Cabinet;

(b) The Portfolio Holders were:-

Leader's Portfolio – Cllr Barry Rickman

Environment – Cllr Sophie Beeton

Finance and Efficiency – Cllr Jeremy Heron

Health and Leisure – Cllr James Binns

Housing and Communities – Cllr Jill Cleary

Planning and Transportation – Cllr Edward Heron

and that the content of each portfolio would be as set out below.

1) Leader's Portfolio - Portfolio Holder Cllr Barry Rickman

- Corporate Plan and Financial Strategy
- Communications and Community Engagement
- Employment and Tourism
- Human Resources
- Performance and Risk Management
- Equality and Fairness
- Emergency Planning
- Political and Management Structures

2) Environment – Portfolio Holder Cllr Sophie Beeton

- Refuse Collection
- Street Cleaning
- Abandoned Vehicles
- Cemeteries

- Coastal Protection and Drainage Issues
- Environmental Health Services
- Grounds Maintenance
- Public Conveniences
- Recycling
- Sustainability Co-ordination
- Open Spaces

3) Finance and Efficiency – Portfolio Holder Cllr Jeremy Heron

- Asset Management/Property Services
- Council Tax and Benefits
- Customer Services
- Financial Services
- Information and Communications Technology
- Legal and Democratic Services

4) Health and Leisure – Portfolio Holder Cllr James Binns

- Leisure Services
- Children and Youth Matters
- Health and Wellbeing (other than Environmental Health)
- Older Persons' Matters

5) Housing and Communities – Portfolio Holder Cllr Jill Cleary

- Housing Strategy
- Housing Service Delivery
- Crime and Disorder
- Improvement Grants

6) Planning and Transportation – Portfolio Holder Cllr Edward Heron

- Planning Strategy/Policy
- Development Plans
- Building Control
- Local Land Charges
- Transportation and Car Parking
- Highways Matters
- Listed Buildings and Conservation

RESOLVED:

That the Head of Legal and Democratic Services be authorised to make any consequential changes to the Constitution arising from the above.

9 REPORT OF THE RETURNING OFFICER (REPORT B)

RESOLVED:

That the report of the Returning Officer be received and noted.

10 POLITICAL REPRESENTATION ON COMMITTEES**RESOLVED:**

That appointments be made to committees and panels in accordance with the principles for the allocation of seats to political groups as set out in Section 15 of the Local Government and Housing Act 1989, except in those cases where it is decided, without any member voting against, not to apply the principles of proportionality.

11 APPOINTMENT OF COMMITTEES AND PANELS (REPORT C)**RESOLVED:**

That the following members be appointed to the Committees/Panels.

APPEALS COMMITTEE (20 members)**Conservative (19)****Liberal Democrat (1)****Councillors:**

A R Alvey
 Mrs D E Andrews
 W Andrews
 Mrs S M Bennison
 S J Clarke
 Ms L C Ford
 R L Frampton
 A T Glass
 Mrs M D Holding
 Mrs A E McEvoy
 N S Penman
 L R Puttock
 Mrs A M Rostand
 D B Tipp
 N Tungate
 R A Wappet
 Mrs C V Ward
 C A Wise
 Mrs P A Wyeth

Councillor:

D Harrison

AUDIT COMMITTEE (8 members)**Conservative (8)****Councillors:**

W Andrews
 M R Harris
 J D Heron
 Mrs E Lane
 A D O'Sullivan
 R A Wappet
 John G Ward
 C A Wise

GENERAL PURPOSES AND LICENSING COMMITTEE (15 members)**Conservative (14)****Liberal Democrat (1)****Councillors:**

G C Beck
 G Blunden
 S J Clarke
 Ms L C Ford
 R L Frampton
 A T Glass
 L Harris
 J Olliff-Cooper
 A Penson
 L R Puttock
 N Tungate
 Mrs C V Ward
 J G Ward
 Mrs P A Wyeth

Councillor:

A Wade

INDUSTRIAL RELATIONS COMMITTEE (16 members – Cllrs (8), Employee Side (8))**Conservative (8)****Councillors:**

Mrs D M Brooks
 E J Heron
 J D Heron
 Mrs M D Holding
 M R Harris
 B Rickman
 M Steele
 C A Wise

Substitutes:

J G Ward
 Ms K Crisell

PLANNING DEVELOPMENT CONTROL COMMITTEE (20 members)**Conservative (19)****Liberal Democrat (1)****Councillors:**

Mrs D E Andrews
 P Armstrong
 Mrs S M Bennison
 Mrs F Carpenter
 A Davis
 R L Frampton
 L Harris
 Mrs A J Hoare
 Mrs M D Holding
 A Penson
 W S Rippon-Swaine

Councillor:

D Harrison

Mrs A M Rostand
Miss A Sevier
M H Thierry
R A Wappet
Mrs C V Ward
M White
Mrs P A Wyeth
Vacancy

CORPORATE OVERVIEW AND SCRUTINY PANEL (10 members)

Conservative (10)

Councillors:

A R Alvey
W Andrews
M R Harris
M J Kendal
Mrs A E McEvoy
A D O'Sullivan
Mrs A M Rostand
M Steele
D B Tipp
C A Wise

COMMUNITY OVERVIEW AND SCRUTINY PANEL (10 members)

Conservative (10)

Councillors:

D A Britton
Ms L Cerasoli
I Coombes
Ms K Crisell
S P Davies
A Davis
Mrs P J Lovelace
N S Penman
D J Russell
M White

ENVIRONMENT OVERVIEW AND SCRUTINY PANEL (10 members)

Conservative (10)

Councillors:

P Armstrong
Ms R Bellows
G Blunden
Mrs F Carpenter
Ms L C Ford
A T Glass
J Olliff-Cooper

D Poole
W S Rippon-Swaine
Mrs B J Thorne

Chairman

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REPORT OF AUDIT COMMITTEE

(Meeting held on 26 June 2015)

1. AUDIT COMMITTEE ANNUAL REPORT – 2014/15 (MINUTE NO. 17 – 26 JUNE 2015)

The attached report summarises work carried out by the Audit Committee during the 2014/15 municipal year.

The Chartered Institute of Public Finance and Accountancy (CIPFA) good practice recommends that an annual report is produced setting out the work that the Audit Committee has undertaken during the preceding year, and that it be submitted to the full Council. This is the first of such reports.

It is hoped that this report will help illustrate the breadth of work undertaken, and the assurances it gives, and the Audit Committee is pleased to present it to all members for their information.

**Cllr A D O'Sullivan
Chairman**

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AUDIT COMMITTEE ANNUAL REPORT - 2014/15

PURPOSE OF THE REPORT

The purpose of this report is to summarise the work carried out by the Audit Committee during the 2014/15 Municipal year.

BACKGROUND

The role of the Audit Committee, which was created in 2012, is to provide assurance regarding best practice in the provision of effective corporate governance arrangements.

The Chartered Institute of Public Finance and Accountancy good practice recommends that an annual report is produced setting out the work that the Audit Committee has undertaken during the preceding year. This is the first of such reports.

MEMBERSHIP

The Membership of the Panel has changed slightly following the elections. The current and former members are shown below:

Current Committee Membership

Cllr A O'Sullivan (Chairman)
Cllr J G Ward (Vice-Chairman)
Cllr W G Andrews
Cllr M R Harris
Cllr J D Heron
Cllr Mrs E L Lane
Cllr R A Wappet
Cllr C A Wise

Committee Members in 2014/15

Cllr A O'Sullivan (Chairman)
Cllr Mrs D Andrews (Vice-Chairman)
Cllr M R Harris
Cllr C J Harrison
Cllr D B Tipp
Cllr R A Wappet
Cllr J G Ward
Cllr C A Wise

WHAT DOES THE AUDIT COMMITTEE DO?

The terms of reference of the Audit Committee can be found in Annex 1 to Chapter 13 of the Council's constitution, and at the following link :

<http://www.nfdc.gov.uk/CHttpHandler.ashx?id=17902&p=0>

The Committee meets four times per year in June, September, January and March. In summary, the Committee's purview in the main includes the following elements:

- **Annual Financial Report (Statement of Accounts)**
- **Governance Reports**
- **Internal and External audit activity**
- **Treasury Management**
- **Procurement**
- **Risk Management**
- **Regulatory Framework**
- **Write offs**
- **Counter Fraud**

These are dealt with in more detail later in the report.

HOW IS THE COMMITTEE SUPPORTED?

INTERNAL AUDIT

The Council's Internal Audit function is headed by the Internal Audit Manager who oversees a team of six auditors. The team also provides audit services for partners including the New Forest National Park and two Town Councils and a management service to East Dorset and Christchurch Councils, Purbeck District Council and North Dorset District Council. The Internal Audit Manager reports to the Section 151 Officer (Executive Director) and has access to the Chief Executive and the Chair of Audit Committee.

EXTERNAL AUDIT

Following the recent abolition of the Audit Commission, the External Audit Function is now carried out by Ernst and Young, a multinational professional services firm. Mrs Helen Thompson and Mrs Justine Thorpe are the local Ernst and Young contacts.

ACTIVITY OVER THE PAST YEAR

Annual Financial Report (Statement of Accounts) 2013/14

Perhaps the Committee's most important task is to consider the Annual Financial Report (Statement of Accounts). The Council is required to publish an Annual Financial Report, which shows how money was spent in each financial year. This is a lengthy detailed document including:

- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Cash Flow Statement
- Housing Revenue Account (HRA) Income and Expenditure Statement
- Collection Fund
- General Fund
- Housing Revenue Account

The Committee's role is to consider and approve the Statement of Accounts as a true and fair view of the Council's position. The External Auditor confirmed that the Council had a "clean bill of health" (unqualified opinion) on the Statement of Accounts and for its Value for Money Conclusion.

The Committee was satisfied with the Financial Statement, and in approving it, supported the letter of representation being signed by the Chairman of the Committee and the Section 151 Officer.

Annual Governance Statement (AGS) 2013/14

Under the Account and Audit Regulations 2011, the Council is required to produce an annual governance statement (AGS) following an assessment of its governance framework.

The draft AGS 2013/14 was approved by the Audit Committee in June 2014 and provided to the external auditors for review. Members were reminded of the section in the External Auditor's report concerning the Council's Annual Governance Statement, which confirmed that:

- It complied with the requirements of the CIPFA / SOLACE Delivering Good Governance in Local Government framework; and
- It was consistent with other information that the External Auditor was aware of from their audit of the financial statement.

Members were satisfied with the Annual Governance Statement and indicated their support to it being signed by the Leader of the Council and the Chief Executive as the Head of Paid Service. The Annual Governance Statement 2013/14 is published on the Council's website, ensuring ease of access.

ASSURANCES

To enable the Committee to agree the Statement of Accounts and the AGS (above), the following assurances were provided to the Committee during the year, as set out below:

(a) Assurances Provided by the Internal Auditor

1. Internal Audit - Progress Reports Against the Approved risk based Audit Plan

The Committee received reports at every meeting detailing progress against the internal audit plan. Issues highlighted throughout the year included:-

- Partnership working on fraud initiatives
- Collaborative bank and insurance procurement initiatives
- Work to comply with new procurement regulations
- Audit activities and levels of assurance for various areas
- Progress on high priority recommendations

2. Annual Internal Auditor's Opinion Report 2013/14

The Committee considered the Internal Auditor's opinion on the adequacy and effectiveness of the control environment and reviewed the effectiveness of internal audit.

The key areas of the report were

- The Internal Audit Manager's opinion on the adequacy and effectiveness of the Council's control environment. The control environment is defined by the approved Assurance Framework.
- Matters to be considered for inclusion within the Annual Governance Statement
- The performance and effectiveness of Internal Audit
- Conformance against the Public Sector Internal Audit Standards (PSIAS)

Based on the work undertaken by Internal Audit during 2013/14 the Committee supported the opinion of the Internal Audit Manager that:

- Arrangements were in place to ensure there was an adequate and effective control environment
- Overall systems for managing risks, complying with governance requirements and having good internal control arrangements continued to be effective. Agreed policies and regulations had been complied with in the majority of cases.

The Committee confirmed that the annual report and opinion and the level of assurance over the adequacy of the Council's internal control, risk management and governance systems as stated in the report be accepted and that the effectiveness of the internal audit function was in line with the Account and Audit Regulations 2011.

3. Internal Audit Charter, Assurance Framework and Internal Audit Plan 2015/16

The Committee considered the Internal Audit Charter, Assurance Framework and Internal Audit Plan for 2015/16. The Internal Audit Manager explained that additional resources were being allocated for fraud and transformational projects in the forthcoming year.

4. Review of the Local Code of Good Governance – Annual Report of the Monitoring Officer and Internal Audit Manager 2013/14

The Committee considered the actions arising from the review of compliance with the Council's Code of Good Governance for the financial year 2013/14.

Members supported the Monitoring Officer's and Internal Auditor's conclusion that the Council was able to have confidence in the effectiveness of its governance arrangements, which was illustrated by the few and relatively minor areas identified for improvement.

(b) Assurances Provided by the External Auditor

1. External Audit Plan 2013/14

The Committee received the External Auditor's Audit Plan for 2013/14, which was intended to provide the Committee with a basis to review the External Auditor's proposed audit approach and scope for the audit in accordance with legislation and guidance.

The report gave an overview and covered the following areas:

- Financial statement risks
- Economy, efficiency and effectiveness
- The audit process and strategy
- A note on the independence of the External Auditor in the process
- Fees
- Required information to be provided to the Audit Committee

Regular progress reports were received by the Committee.

2. External Audit Progress Report 2014.

The Committee received the External Auditor's overview of their 2013/14 audit and an outline of their plans for the 2014/15 audit.

No significant risks had been identified in respect of the value for money assessment. The overall audit was proceeding as planned, and as usual, much of the work would be undertaken between September and November.

3. Local Government Audit Committee Briefing

The Committee regularly received from the External Auditor the Local Government Audit Committee Briefing, which contained government and economic news, accounting, auditing and governance, and an update on regulation.

4. Certification of Claims and Returns Annual Report 2013/14

The Committee received the External Auditor's Certification of Claims Annual Report for 2013/14. Local Authorities routinely claimed large sums of public money in grants and subsidies from Central Government and other bodies and those grant-paying bodies required certification from an auditor.

No issues had been found in connection with the returns. In common with many other authorities, the Council had received a qualification letter. The number of changes in circumstances meant there was always a high risk of human error, but NFDC had a good track record compared to other authorities in this regard.

5. Audit Results Report 2013/14 (External Auditor)

The Committee noted the External Auditor's results report for 2013/14. This included:

- Financial statements
- Value for money
- Whole of Government accounts
- Audit Certificate

The report set out the results of the audit and included audit risks and assurances against these. The External Auditors were able to give an unqualified opinion of the accounts and value for money statement. There were no objections from members of the public. No issues had been identified for arrangements for financial resilience and the authority was undertaking longer term financial planning.

6. External Auditor's Annual Audit Letter

The Committee received the Annual External Auditor's Audit Letter, which set out findings on financial statements, the Annual Governance Statement, and conclusions on the economy, efficiency and effectiveness of the Council and its use of resources. There were no major issues of concern.

(c) **Other Assurances**

1. Treasury Management Strategy Annual Outturn and Monitoring

The Committee received the Treasury Management Annual Outturn Report for 2013/14, including the performance of the treasury function and recommended updates to the 2014/15 investment strategy.

Although overall responsibility for treasury management remained with the Authority, the delivery of the treasury management function for NFDC transferred to the Finance Service of Hampshire County Council in March 2014.

The Executive Director (Finance) felt that the new arrangements overseen by Hampshire County Council had resulted in a greater diversity of investment opportunities and better rates of return as well as better security of the District Council's funds and more favourable long-term opportunities. It was noted that Winchester City Council would be joining the Hampshire County Council investment arrangements shortly, in the same way that New Forest District Council had.

NFDC's investment holding was £55.4m at 31 August 2014, which was over £12.9m (30%) higher than the same time last year.

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

The Committee noted the related Investment Strategy.

The Executive Director felt the working relationship developed with County Council partners over the last 12 months was good and was already producing improved results.

2. Final Accounts 2013/14 Bad Debts Write Off

The Committee received a report on the total bad debts written off during the financial year 2013/14, which was approved in accordance with the Code of Practice for Write-Offs approved by the Cabinet.

The total bad debt write-off for 2013/14 was £781,232, compared with £780,304 in 2012/13. This represented 0.3% of the total income collected. Write-offs in any financial year often refer to debts incurred over a number of previous years.

There appeared to have been a rise in Council Tax and NNDR write-offs, although the overall total had not changed greatly due to reductions in other areas.

The Committee would continue to monitor this issue with regular reports.

3. Procurement Rules, Regulations and Contracts Standing Orders – Waivers 2013/14

The Committee noted the waivers to the Council's procurement rules, regulations and contract standing orders during the financial year 2013/14.

4. Banking Contract Update

The Committee received an update on a change to the Council's banking arrangements, following a joint procurement exercise with five other councils. As a result, the Council changed from the Co-Operative Bank to Lloyds Bank with related savings. Project progress reports would be made to the Committee as required.

5. Insurance Procurement Hampshire District and Borough Councils

Members noted progress throughout the year on a collaborative insurance procurement initiative.

The collaborative arrangements with the 11 other Hampshire authorities came to an end in March 2015, so that the contracts with Zurich ended at that time. New contracts to a number of different insurers were awarded in March 2015. NFDC's annual spend was currently £660,000. There were opportunities for the Council to realise potential savings through self-insurance, depending on the level of risk it was prepared to accept, including through the housing stock. At present the Local Government insurance market was limited, giving the previous provider, Zurich Municipal, considerable leverage on pricing. It was hoped that these collaborative arrangements would encourage other companies to come into the market and increase competition.

Members were pleased to note that this initiative had saved the Council £45,000 per annum.

6. Strategic Risk Register

The Committee received a report on the revised Strategic Risk Register. The current register summarised the significant risks to the delivery of the Corporate Plan and the proposed actions of the Portfolio Holders to mitigate against these risks. A mid-year Governance follow-up report includes progress against actions arising from the Strategic Risk Register.

7. Regulation of Investigatory Powers Act (RIPA) – Annual Report

The Committee receives an annual report on the Council's activities under the Regulation of Investigatory Powers Act 2000. Details were given of the constraints of the legislation and procedures. No RIPA authorisations had been sought within the Council since 2011.

WORK PROGRAMME

The Committee regularly reviews its Work Programme and considers its future training requirements.

CONCLUSION

In partnership with the External Auditors, and with the support of Officers, the Audit Committee has concluded that it has provided robust and effective independent assurance on a wide range of risk and internal control issues, thereby making a valuable contribution to the Council's corporate governance arrangements.

The Committee was pleased to note a number of significant improvements over recent years which underline the Council's commitment to improving financial governance arrangements. Within the Annual Governance Statement are a number of recommended actions for continuous improvement which the Committee will continue to monitor.

The Council has worked with its partners on Insurance Procurement and Treasury Management, as well as collaborative work on fraud and changes to its banking arrangements. All of these measures have resulted in considerable savings and other financial and organisational benefits.

The Committee members look forward to continuing their work over the next four years with the support of officers and external partners.

REPORT OF GENERAL PURPOSES AND LICENSING COMMITTEE

(Meetings held on 12 and 26 June 2015)

1. DISMISSAL AND DISCIPLINARY PROCEDURES - STATUTORY CHIEF OFFICERS (MINUTE NO. 9 – 12 June 2015)

The Government has amended the requirements for the processes that must be followed before one of the Council's three "statutory officers" (the Chief Executive, the Monitoring Officer and the Chief Finance Officer) can be disciplined or dismissed.

The new requirements remove the need for a (paid) Designated Independent Person (DIP) to be appointed to investigate and report to the Council on any allegations of misconduct. They remove the mandatory requirement for the appointment of a DIP, and the initial steps of any potential disciplinary action are no longer prescribed.

Instead, the new Standing Order simply requires a decision on dismissal of one of the statutory officers to be taken by the full Council, which must consider:

- (a) any advice, views or recommendations from an Independent Panel (this Panel must include the Independent Persons appointed by the Council to consider complaints about Councillors, or if they do not accept an invitation to join the Panel, an independent person(s) appointed for the same purpose by another authority)
- (b) the conclusions of any investigation into the proposed dismissal and
- (c) any representations from the officer concerned

The Industrial Relations Committee has considered and supported the proposals, and the Committee makes the recommendation below.

RECOMMENDED:

- (a) ***That Standing Orders for General Procedures be amended so as to remove references to a Designated Independent Person under Regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001, and to incorporate the provisions set out in the amended Schedule 3 to the Regulations (Appendix 1 to this report);***

- (b) ***That the following be added to the General Purposes and Licensing Committee's Terms of Reference:***

"Through a Panel of 3 members of the Committee and two Independent Persons appointed under section 28(7) of the Localism Act 2011, to carry out the functions required to be carried out under Schedule 3 to the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended).

The membership of the Panel be determined by the Chief Executive unless the Chief Executive is to be the subject of the Panel's consideration, in which case the membership is to be determined by the Monitoring Officer;"

- (c) *That the disciplinary processes for the statutory Chief Officers prior to the Panel consideration be approved as set out in Appendix 2 to this report.*

2. ELECTORAL REVIEW OF HAMPSHIRE COUNTY COUNCIL (MINUTE NO. 15 – 26 June 2015)

The Local Government Boundary Commission for England (LGBCE) is reviewing electoral arrangements in Hampshire County Council. The review is being undertaken to deliver electoral equality across the county. At present, some county councillors represent many more, or many fewer, electors than others. The review aims to correct those imbalances. This Council, together with other principal authorities and town and parish councils in Hampshire, has been invited to submit views on future County Council electoral divisions. The LGBCE will take into account all representations received during the current consultation (which expires on 3 August), and will then publish draft recommendations. Those draft recommendations will include the number of councillors to be allocated to each district within the county. Final recommendations are expected in April 2016, with new electoral arrangements coming into effect at the local elections in May 2017.

A special meeting of the Committee was held to consider this Council's response. Hampshire County Councillors representing divisions in New Forest District were invited to attend. They reported on draft recommendations being considered by Hampshire County Council – these proved useful to the Committee in arriving at its recommendations set out below.

In its deliberations the Committee was mindful that the LGBCE must, by law, balance the following three criteria:

- To deliver electoral equality where each county councillor represents roughly the same number of electors as others across the county. (In practice, the LGBCE works on the principle that electoral variances of more than 10% are not acceptable).
- That the pattern of divisions should, as far as possible, reflect the interests and identities of local communities.
- That the electoral arrangements should provide for effective and convenient local government.

The Committee heard that, following consultations with Hampshire County Council, the LGBCE is minded to recommend that the size of the County Council should remain at 78, and the Committee bore this in mind in formulating its recommendations.

The law requires that the LGBCE takes into account changes to the number and distribution of local government electors likely to occur within five years following the end of the review. The review is due to be completed in 2016, and therefore the review must be undertaken on the expected electorate in 2021. The 2021 electorate estimates are based on the County Council's 2014-based Small Area Population Forecast (SAPF). The SAPF is a proven forecasting model used consistently throughout the County Council's area for various service planning roles.

The SAPF forecasts a total electoral for New Forest District in 2021 of 142,910, 1,102 more than the 1 December 2014 electorate, but 838 fewer than the electorate at 1 June 2015. The reduction from the current electorate may be explained by the

anticipated increase in single-occupancy dwellings, and the restricted supply of new dwellings, within the District.

The projected 2021 electorate in Hampshire is 1,079,999. Following discussions with Hampshire County Council, the LGBCE has indicated that it is minded to recommend that the total number of members remains at 78. This equates to an average electorate per member of 13,846, which is 766, or 5.9%, more electors per member than currently.

Based on 11 members representing New Forest District, the elector:member ratio in the District in 2021 would be 1:12,992, 6.17% below the county average. There would be significant variances in the divisions within the District, as shown below:

Division	Electorate 1 Dec 2014	Projected electorate 2021	Variance from County average (- = over- represented + = under- represented)
Brockenhurst	11,400	11,302	-18.4%
Dibden & Hythe	14,640	14,371	+3.8%
Fordingbridge	11,417	11,300	-18.4%
Lymington	12,398	13,174	-4.9%
Lyndhurst	12,345	12,875	-7%
Milford & Hordle	13,774	13,877	+0.2%
New Milton	14,037	14,511	+4.8%
Ringwood	11,924	12,227	-11.7%
South Waterside	12,728	12,602	-9%
Totton North	13,012	12,890	-6.9%
Totton South & Marchwood	14,223	13,781	-0.5%

At -6.17%, New Forest District will have the predicted largest over-representation in the County by 2021, followed by Gosport with -6%. On the other hand, it is predicted that Eastleigh will be under-represented by 8.2%; Hart by 6.9%; and Winchester by 4.2%.

The Committee heard that the County Council had adopted a general principle that it was practical and logical for County Councillors in urban areas to represent larger electorates than those in rural areas, because in urban areas the travel distances are less and community facilities are located in a compact area. The County's proposals therefore envisage the urban divisions continuing to have higher electorates. In adopting this position the County Council is relying on the principle outlined in the Commission's guidance "We will look at the geographic size of the ward or division and try to ensure that it is not so large that it would be difficult for a councillor to represent." The County's views accord with those of the Committee, which considered that:

- (a) representation of rural communities was far more difficult and time-consuming than those in urban areas;
- (b) dividing rural communities in order to achieve electoral equality did not meet the LGBCE's criterion of reflecting the interests and identifies of local communities; and

- (c) dividing parishes purely to achieve greater electoral equality did not provide for “effective and convenient local government”, another of the Committee’s criteria.

The Committee was pleased to learn that a County Working Party charged with drawing up recommendations relating to the review is recommending that, notwithstanding the predicted electoral imbalance, New Forest District should continue to have 11 divisions and 11 county councillors. The Committee strongly supports this approach and is firmly of the opinion that special circumstances apply to the New Forest, which make enlarging any of the 11 divisions problematic. These circumstances are set out in the recommendation below, but include the complexities of decision-making due to the existence of the National Park Authority over most of the geographical area of the District, and other bodies such as the Forestry Commission, the Court of Verderers and the Commoners’ Defence Association which have much influence and rights under statute.

The Committee considered some of the undesirable circumstances that apply to the existing Divisions, with some parish and town councils being divided across county divisions, but recognised the difficulties of addressing any of those and therefore makes no recommendations for change.

RECOMMENDATION:

- (a) ***That strong representations be made to the LGBCE to retain the 11 divisions and county councillors for New Forest District Council’s area, for the following reasons:***

(i) While the main criterion of the LGBCE is to ensure electoral equality, it is considered that in large geographical areas such as the New Forest, equal weight should attach to two other LGBCE criteria – reflecting interests of communities and achieving effective and convenient local government. Very large divisions which result from the imposition of electoral equality do not support effective and convenient local government.

(ii) Effective representation of rural communities is more difficult and time-consuming than in urban areas. The Fordingbridge Division, with 13 whole parishes and one ward of another, covering an area of 91.98 sq miles; and the Brockenhurst Division, with 8 parishes and an area of 85.22 sq miles, are examples of this. These divisions are 386% and 350% respectively larger than the average for the county. Extending rural divisions to achieve electoral equality would entail very large geographical expansion, to the extent that it would place unacceptable workloads on county councillors representing those divisions.

(iii) The complexities arising from the existence of the New Forest National Park over a large area of the District and other statutory bodies such as the Forestry Commission and the Court of Verderers, and the consequent division of or effect on decision-making, further complicates “effective and convenient local government”. It places more onerous burdens on councillors representing areas partly or wholly within the National Park.

(iv) Constraints on housing development within the National Park cause difficulty in creating divisions with greater electoral equality in that more development pressure is placed on the areas outside of the National Park. The District has a large, sparsely populated, interior surrounded, particularly to the east and south-west, by more intensive development. Expanding an urban division into the sparsely populated interior would be highly inappropriate.

(v) While the need for the LGBCE to set a point in time on which to base projected electorates to form the basis of their reviews is understood, and while respecting the integrity of the SAPF models, the forecasts on which the current review will rely must be regarded with some caution. The effects of individual electoral registration, introduced in 2014, on the total electorate are still uncertain. In addition, in order to meet national planning guidance, the Council has commenced a review of its Local Plan for the period 2016 - 2036, and new development areas and housing allocations will be considered as part of this process. Given this context of uncertainty over future development levels it would be premature to reduce the County representation.

(b) That the LGBCE be urged not to divide rural parishes across county divisions for the purposes of achieving electoral equality, because this is contrary to the aim of achieving effective and convenient local government.

**Cllr S J Clarke
Chairman**

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SCHEDULE 3

Provisions to be incorporated in standing orders in respect of disciplinary action

1. In the following paragraphs—

(a) “the 2011 Act” means the Localism Act 2011;

(b) “chief finance officer”, “disciplinary action”, “head of the authority’s paid service” and “monitoring officer” have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001;

(c) “independent person” means a person appointed under section 28(7) of the 2011 Act;

(d) “local government elector” means a person registered as a local government elector in the register of electors in the authority’s area in accordance with the Representation of the People Acts;

(e) “the Panel” means a committee appointed by the authority under section 102(4) of the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority;

(f) “relevant meeting” means a meeting of the authority to consider whether or not to approve a proposal to dismiss a relevant officer; and

(g) “relevant officer” means the chief finance officer, head of the authority’s paid service or monitoring officer, as the case may be.

2. A relevant officer may not be dismissed by an authority unless the procedure set out in the following paragraphs is complied with.

3. The authority must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel.

4. In paragraph 3 “relevant independent person” means any independent person who has been appointed by the authority or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the authority considers appropriate.

5. Subject to paragraph 6, the authority must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance with paragraph 3 in accordance with the following priority order—

(a) a relevant independent person who has been appointed by the authority and who is a local government elector;

(b) any other relevant independent person who has been appointed by the authority;

(c) a relevant independent person who has been appointed by another authority or authorities.

6. An authority is not required to appoint more than two relevant independent persons in accordance with paragraph 5 but may do so.

7. The authority must appoint any Panel at least 20 working days before the relevant meeting.

8. Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular—

(a)any advice, views or recommendations of the Panel;

(b)the conclusions of any investigation into the proposed dismissal; and

(c)any representations from the relevant officer.

9. Any remuneration, allowances or fees paid by the authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the 2011 Act."

APPENDIX 2

Level of Employee Being Disciplined	Authority to Suspend	STAGE 1 ORAL WARNING	STAGE 2 WRITTEN WARNING	STAGE 3 FINAL WRITTEN WARNING	STAGE 4 DISMISSAL
Chief Executive	Leader	<p>Recommendation Leader</p> <p>Hearing Member Panel (3 members of Appeals Committee)</p> <p>Appeal Full Council</p>	<p>Recommendation Leader</p> <p>Hearing Member Panel (3 members of Appeals Committee)</p> <p>Appeal Full Council</p>	<p>Recommendation Leader</p> <p>Hearing Member Panel (3 members of Appeals Committee)</p> <p>Appeal Full Council</p>	<p>Recommendation Leader</p> <p>Final Decision Full Council (following appointment of Independent person to investigate and report to Full Council plus views of GP&L Panel)</p>
Executive Directors/Monitoring Officer	Chief Executive	<p>Hearing Chief Executive</p> <p>Appeal Member Panel (3 members of Appeals Committee)</p>	<p>Hearing Chief Executive</p> <p>Appeal Member Panel (3 members of Appeals Committee)</p>	<p>Hearing Chief Executive</p> <p>Appeal Member Panel (3 members of Appeals Committee)</p>	<p>Recommendation Chief Executive</p> <p>Final Decision Full Council (following appointment of Independent person to investigate and report to Full Council plus views of GP&L Panel)</p>

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REPORT OF CABINET

(Meeting held on 3 June 2015)

1. ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN REPORT 2014/15 (MINUTE NO. 5)

The Cabinet has received the Council's Annual Performance report which sets out an overview of the Council's performance and achievements, together with provisional financial outturn positions for the General Fund, Capital Programme and Housing Revenue Account over the last 12 months. Final figures will be presented to the Audit Committee later in the month.

The Council's direction and priorities were determined by the Corporate Plan that was adopted in June 2012, and performance evaluated against the key performance indicators that had been established. The simplified report format, which was adopted in 2014, includes illustrative summaries of the Council's performance, together with summaries of significant innovations in key activity areas. Members welcomed the use of this illustrative format, which adds interest to the presentation of this material, and allows clearer communication with customers and the Council's staff, who have contributed to the success. The Leader has emphasised the importance of Councillors using this information to demonstrate to the local community how the Council is using the resources that are available to it.

The provisional outturn figures for the General Fund show a saving of £662,000 against the original budget, with a significant proportion of that sum coming from increased income. Similarly, the Housing Revenue Account is showing a provisional improvement of £612,000 against the budget.

The Capital Programme has also seen significant changes, with £1million additional funding having been allocated for housing acquisitions, while the rephasing of non-housing items has led to a saving for this year of £2.121 million.

Overall, the Council's performance and services to its customers has been maintained, despite continuing reductions in central government funding, while maintaining the same level of Council tax for the 6th year in succession. Every opportunity has been taken to secure additional sources of funding as they become available. Nonetheless, the key indicators do demonstrate some of the pressures facing the Council, in particular with respect to homelessness and the provision of affordable homes for local people, which will be a priority under the Corporate Plan that will be developed to direct the Council's activities and priorities over the current 4 year term of office. The Leader has welcomed this Annual Performance report as a useful tool in establishing the current position, from which to develop priorities for the future.

**Cllr B Rickman
CHAIRMAN**

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COUNCIL: 13 July 2015

RECRUITMENT OF CHIEF EXECUTIVE

1. INTRODUCTION

- 1.1 Dave Yates retires from his post as Chief Executive on 31st October 2015. This report outlines the processes that need to be followed to appoint a successor and seeks approval to the way forward.

2. DECISION TO APPOINT

- 2.1 The position of Chief Executive is a permanently established post and funding for a replacement on the same terms and conditions is therefore in place. The post also carries out the statutory functions of the Council's Head of the Paid Service, a role concerned with ensuring that the Council discharges its functions appropriately and has the staff to do so.

- 2.2 The current Chief Executive's pay is £122,370. A pay benchmarking exercise for District Chief Executives has been undertaken using National on-line 'Epaycheck' (99 in data set). The benchmarking information shows an average pay range of £105k-£112k for all district councils. For Hampshire district council Chief Executives, the average pay is £114k. Based on the benchmark data and the size of this authority, it is proposed that the salary set out below is offered, with progression through spinal column points CX1 to CX3, based on the achievement of clear organisational objectives to an excellent standard. These would be assessed by a member panel as proposed in the recommendation below, with spinal column points CX4 and CX5 available in exceptional circumstances:

Spinal column points	Salary
CX1	£104,721
CX2	£107,960
CX3	£111,299
CX4	£114,741
CX5	£118,290

It is proposed that the Chief Executive continues to take on the role of Returning Officer. Returning Officers' allowances are subject to review by the General Purposes and Licensing Committee.

- 2.3 The following options are available to the Council:

Option A – Appoint a new Chief Executive on the terms and conditions agreed from within the existing officer structure, following an internal selection process.

Option B - Appoint a new Chief Executive on the terms and conditions agreed following an external selection process.

Option C – Do not appoint on a like-for-like basis and consider alternatives.

2.4 Members may wish to pursue Option A in the first instance. This reflects the Council's culture in developing staff and offering opportunities for career progression. This will also result in a timely appointment of a successor, with considerable savings on advertisement and external interview processes.

2.5 The Council will ultimately be responsible for approving the successor Chief Executive.

3. SELECTION PROCESS

3.1 On the basis that Option A may be the preferred route, it is necessary to agree a selection process.

3.2 It is proposed that an Appointment Panel consisting of the Cabinet (the Leader and the Deputy Leader of the Council, together with the Portfolio Holders for Finance & Efficiency, Housing & Communities, Environment, and Health & Leisure) and the Opposition Group Leader, supported by the Head of Human Resources. This Panel will make a recommendation to the Council.

3.3 If it is decided not to appoint an existing officer, then the Council will pursue option B or C. A process for this already exists in the Council's Constitution. In those circumstances, the Council will likewise be asked ultimately to approve the successor.

4. EMPLOYEE SIDE COMMENTS

4.1 UNISON has read and noted the contents of the report. We agree with the recommendation of Option A as the preferred selection process, as an internal candidate would understand the unique characteristics of the New Forest area and is likely to have already formed contacts and relationships with both internal and external clients.

4.2 It would also save the Council a significant amount in the costs which would be incurred if the post were to be advertised externally.

5. RECOMMENDATION

5.1 That the Council agrees:

- (a) The new Chief Executive's pay as set out in paragraph 2.2;
- (b) Option A as the preferred selection process;
- (c) The composition of the Appointment Panel for Option A as proposed in paragraph 3.2;
- (d) That the new Chief Executive continues to take on the role of Returning Officer; and
- (e) That a member panel (comprising of the Leader of the Council, plus three other Portfolio Holders to be determined by the Leader) be authorised to review and make decisions on the pay progression of the Chief Executive.

For further information please contact:

Manjit Sandhu
Head of Human Resources
Tel: 023 80285588
87775262 (HPSN onNet)
E-Mail: manjit.sandhu@nfdc.gov.uk

Background Papers

None