

4 JANUARY 2017

NEW FOREST DISTRICT COUNCIL

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, Appletree Court, Lyndhurst on Wednesday, 4 January 2017

* Cllr B Rickman (Chairman)

* Cllr E J Heron (Vice-Chairman)

Councillors:

Mrs S V Beeton

* J E Binns

Councillors:

* Mrs J L Cleary

* J D Heron

*Present

In attendance:

Councillors:

Mrs D E Andrews

W G Andrews

Mrs S M Bennison

G R Blunden

Mrs F Carpenter

S J Clarke

S P Davies

A T Glass

Councillors:

L E Harris

M R Harris

D Harrison

Mrs A J Hoare

Mrs A M Rostand

M A Steele

Mrs C V Ward

M L White

Officers Attending:

R Jackson, C Elliott, Miss G O'Rourke, C Read, Mrs M Sandhu, A Bethune, Miss J Debnam, Mrs S Hamilton, Mrs R Rutins and D Willis

Apologies

Apologies for absence were received from Cllr Mrs Beeton.

44 MINUTES

RESOLVED:

That the minutes of the meeting held on 7 December 2016 be signed by the Chairman as a correct record.

45 DECLARATIONS OF INTEREST

No declarations of interest were made by any member in connection with an agenda item.

46 PUBLIC PARTICIPATION

No issues were raised in the public participation period.

47 MEDIUM TERM FINANCIAL PLAN 2017 ONWARDS

The Cabinet was advised that the Government's Autumn Financial Statement had significant implications for the Council's budgets. Although the 4 year guarantee for formula funding had been honoured there had been a significant reduction in the amount of New Homes Bonus that the Council would receive in 2017/18, with £726,000 being diverted to pay for adult social care. The amount of New Homes Bonus received by the Council had been projected to decrease from 2018/19, but in addition to bringing that reduction forward by one year, the bonus payment would also be reduced in each succeeding year.

The 3 yearly actuarial review of the Hampshire Pension Fund had identified that, in addition to the already budgeted increase in the fixed element, there was also a need to increase the employer rate by 1% per annum over the next 4 years. A summary of the additional budget requirement was set out in paragraph 4.4 of Report Item 4 considered by the Cabinet and had been built into the latest budget assumptions.

The Cabinet was updated on the revised funding and budget assumptions that had been incorporated in the Medium Term Plan, as set out in sections 5 and 6 of Report Item 4.

Despite the significant last minute reduction in New Homes Bonus, sufficient adjustments had been possible to achieve a balanced budget for 2017/18, as set out in Appendix 2 to Report Item 4 considered by the Cabinet.

Members were reminded that, in order to achieve the savings necessary over the last 3 years there had been a significant reduction in the number of employees, by around 50 full time equivalents (6% of the workforce). A full summary of the financial implications of the decisions taken was set out in the Council's Annual Financial Report. Work was continuing on a number of service reviews, in addition to the budget stabilisation strategy, with the emphasis remaining on achieving efficiencies while protecting front line services.

The proposed Asset Maintenance and Replacement programmes and capital programme were set out in Appendices 3 and 4 of Report Item 4 considered by the Cabinet. The programme had been supported by the Corporate Overview and Scrutiny Panel (minute 35, 16 December 2016 refers) and the Cabinet was also requested to indicate their support in order that preparatory work could start. It was noted that General Fund Reserves would be used to support the Capital and Asset Maintenance and Replacement Programmes, as set out in section 9 of the report.

In response to concerns raised by Members, they were advised that representations would be made to Government about the difficulties faced by local authorities when significant elements of funding were removed, as had been the case this year, even though there had been a promise of greater stability through entering into the guaranteed deal for formula funding. In addition, this area faced significant additional difficulties in attracting New Homes Bonus as a result of the constraints on development imposed by the National Park, which covered a significant proportion of the area. This was one factor which led to this area receiving less funding support per head of population than others.

RESOLVED:

- (a) That the emerging draft Medium Term Financial Plan 2017-2019, as set out in Report Item 4 considered by the Cabinet, be approved to form the basis of the Council's 2017/18 General fund Budget that will be reported in February 2017; and
- (b) That the commencement of the initial preparatory works with regards to the 2017/18 Asset Maintenance and Replacement and Capital programmes be approved.

48 STRATEGY PROPOSAL - TO INVEST IN COMMERCIAL PROPERTY

The Cabinet considered whether, in principle, the Council should invest in commercial property as a means of promoting economic development or regeneration; or for income generation. The Council already held 23 such properties that currently achieved a better yield than other investment modes. Other authorities in the region had, over many years, developed considerably more extensive property investment portfolios.

The report set out in detail the factors that must be taken into consideration in deciding whether to acquire further properties and the potential risks involved. The report analysed the financial implications and the opportunities that could be generated through this route.

It was important that any investment strategy was supported by a clear asset management investment strategy document that would be applied when making investment decisions and consequently demonstrate that the Council was acting prudently in the management of its financial affairs. The issues that such a strategy should cover were summarised in section 5 of Report Item 5 considered by the Cabinet.

The potential approach to the purchase and management of commercial property was set out in Appendix 2 to Report Item 5 considered by the Cabinet.

The Cabinet was advised of the views of the Corporate Overview and Scrutiny Panel (Minute 34, 16 December 2016 refers).

RESOLVED:

That the Cabinet approves, in principle, the proposal to invest in commercial property either for the purpose of economic development or regeneration within the District, or for the purpose of income generation for the provision of services, or a mixture of both, and requests that a commercial property investment strategy be developed for further consideration by the Cabinet.

49 MEMBERS' ALLOWANCES - SCHEME TO APPLY FROM 1 APRIL 2017

The Cabinet considered the Members Allowances Scheme to apply from 1 April 2017.

RECOMMENDED:

That the current scheme of members' allowances, with the individual allowances shown therein being increased by 1%, be made as the scheme to apply from 1 April 2017.

50 INDUSTRIAL RELATIONS COMMITTEE - FUTURE ARRANGEMENTS

The Cabinet considered the recommendations of the Industrial Relations Committee that a new Employee Engagement Panel should be established in its place, with revised membership and operating procedures. Meetings would be more informal than those of the Industrial Relations Committee and would include the opportunity for all members of staff to address the Panel, in a session equivalent to the public participation period at other Member meetings. The proposal had been supported by the Employee's side.

The recommendations would also be considered by the General Purposes and Licensing Committee.

RESOLVED:

That, subject to the General Purposes and Licensing Committee also supporting the proposals, the recommendations be approved.

51 THE COUNCIL TAX 2017/18 - SETTING THE COUNCIL TAX BASE

The Cabinet was advised that, subsequent to the Council approving the Tax Base for 2017/18 at its meeting on 12 December 2016 (Minute 41 refers), an adjustment to the Totton and Eling figure was necessary. That figure should increase from 9,148.2 properties to 9,316.4. The whole district figure therefore became 70,155.2 from the originally reported 69,987.

RECOMMENDED:

That in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Council as its tax base for the year 2017/18 be as follows:

PARISH/TOWN	TAXBASE 17/18
Ashurst & Colbury	922.7
Beaulieu	511.2
Boldre	1062.4
Bramshaw	344.8
Bransgore	1816.9
Breamore	181.2
Brockenhurst	1865.8
Burley	780.4

<i>Copythorne</i>	1211.5
<i>Damerham</i>	231.7
<i>Denny Lodge</i>	152.1
<i>East Boldre</i>	382.3
<i>Elingham, Harbridge & Ibsley</i>	605.7
<i>Exbury & Lepe</i>	112.9
<i>Fawley</i>	4534.6
<i>Fordingbridge</i>	2251.5
<i>Godshill</i>	224.7
<i>Hale</i>	260.6
<i>Hordle</i>	2395
<i>Hyde</i>	522.8
<i>Hythe & Dibden</i>	7360.1
<i>Lymington & Pennington</i>	7045.5
<i>Lyndhurst</i>	1444.4
<i>Marchwood</i>	2056
<i>Martin</i>	197.6
<i>Milford on Sea</i>	2787.8
<i>Minstead</i>	366.6
<i>Netley Marsh</i>	814.9
<i>New Milton</i>	10388.1
<i>Ringwood</i>	5225.7
<i>Rockbourne</i>	163.1
<i>Sandleheath</i>	282.6
<i>Sopley</i>	293.1
<i>Sway</i>	1688.9
<i>Totton & Eling</i>	9316.4
<i>Whitsbury</i>	101.5
<i>Woodgreen</i>	252.1
<i>Whole District</i>	70155.2

CHAIRMAN