



New Forest
DISTRICT COUNCIL

Council Meeting Agenda

10 July 2017



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, 10 July 2017, at 6.30 p.m.



Bob Jackson
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 - 4)

To confirm the minutes of the meeting held on 15 May 2017 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. REPORT OF AUDIT COMMITTEE (Pages 5 - 16)

To consider the report of the Audit Committee dated 23 June 2017.

6. REPORT OF GENERAL PURPOSES & LICENSING COMMITTEE (Pages 17 - 20)

To consider the report of the General Purposes & Licensing Committee dated 9 June 2017.

7. REPORTS OF THE CABINET (Pages 21 - 22)

To consider the reports of the Cabinet dated 3 May and 5 July 2017 (to follow).

8. QUESTIONS

Under Standing Order 22.

9. 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 Executive Head of Governance and Regulation by not later than noon on Friday 7 July 2017.)

10. MEETING DATES FOR THE 2018/19 MUNICIPAL YEAR

RECOMMENDED:

That meetings be held on the following Mondays at 6.30 p.m.:-

14 May 2018 (Annual meeting, already agreed)
9 July 2018
10 September 2018
15 October 2018
10 December 2018
25 February 2019
15 April 2019
20 May 2019 (Annual Meeting)

11. MEMBERSHIP OF COMMITTEES AND PANELS

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

12. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

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Agenda Item 1

15 MAY 2017

NEW FOREST DISTRICT COUNCIL

Minutes of a meeting of the New Forest District Council held in the Council Chamber, Appletree Court, Lyndhurst on Monday, 15 May 2017

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
- * Mrs A J Hoare

Councillors:

- * Mrs M D Holding
- * 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

Officers Attending:

R Jackson, Miss G O'Rourke, C Read, Mrs R Rutins and Ms M Stephens

Apologies:

Cllrs Mrs Beeton, Coombes, Kendal and Mrs Rostand.

The Chairman of the Council, Cllr Beck, in the Chair

1 ELECTION OF CHAIRMAN

Cllr Beck moved that Cllr Mrs Ward be elected Chairman of the Council for the ensuing municipal year. The motion was seconded by Cllr O'Sullivan.

RESOLVED:

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

Cllr Beck invested the Chairman with the Chain and Badge of Office.

The Chairman thanked members of the Council for electing her as Chairman. She said that she looked forward to the year ahead and felt proud to be serving the Council and its residents.

2 VOTE OF THANKS

The Chairman moved a vote of thanks to the outgoing Chairman, Cllr Beck. The Chairman, in paying tribute to Cllr Beck, said that he had been held in high regard by colleagues and residents alike during his term as Chairman and had formed key relationships, most notably with the military. He had proved to be an excellent ambassador for the New Forest, and had served the Council with determination, enthusiasm and vigour.

The motion was seconded.

Members spoke in support of the motion. They said that Cllr Beck had worked very hard during his year in office and had been extremely successful in his charitable fundraising. He had represented the people of the New Forest District very well and had been a great ambassador for the Council.

Other members commented on the events of the past year, and the popularity of the Chairman. In particular members referred to the success of the Ceremony held to bestow the Freedom of the District on the 17 Port and Maritime Regiment, Royal Logistic Corps.

Members commended Cllr Beck for his tireless work throughout the year to raise funds for his charities and thanked him for his commitment and enthusiasm.

The Chief Executive expressed thanks on behalf of all employees of the Council, to Cllr Beck for his commitment.

RESOLVED:

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

Cllr Beck thanked members for their kind wishes. He said that it had been a great privilege to serve as Chairman of the Council. He had thoroughly enjoyed his time in office. Cllr Beck announced that his fundraising had been very successful and he thanked all those who had helped and supported him in raising funds.

Representatives from First Opportunities and New Forest Disability Advice Service were in attendance at the meeting and gratefully received cheques from Cllr Beck.

3 APPOINTMENT OF VICE-CHAIRMAN

It was moved by Cllr Wise and seconded by Cllr Mrs Thorne that Cllr Kendal be appointed Vice-Chairman of the Council for the ensuing municipal year.

RESOLVED:

That Cllr Kendal 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.

4 MINUTES

RESOLVED:

That the minutes of the meeting held on 10 April 2017 be signed by the Chairman as a correct record.

5 DECLARATIONS OF INTEREST

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

6 CHAIRMAN'S ANNOUNCEMENTS

The Chairman announced that her two chosen charities for the year would be First Opportunities and It's Your Choice.

First Opportunities was an independent charity providing therapeutic play and education for babies and young children with special needs.

It's Your Choice was a charity which provided free and confidential information, advice, support and counselling for young people aged 12-25 in the New Forest area.

7 LEADER'S ANNOUNCEMENTS

The Leader of the Council announced that there would be no changes in Cabinet Portfolios or Portfolio Holders. Cllr E Heron would remain Deputy Leader of the Council.

The Leader of the Council thanked all officers involved in the recent Hampshire County Council elections. The efficiency and professionalism with which the Council

ran the election, polling stations and the count through the night was evident and he was confident that the Council's part in the upcoming general election would be delivered extremely well. He applauded the staff involved for their efforts.

8 ALLOCATION OF SEATS TO POLITICAL GROUPS

RESOLVED:

That the report be received and noted.

9 MEMBERSHIP OF COMMITTEES AND PANELS

RESOLVED:

That the following changes to the membership of Committees and Panels be agreed: -

- (i) That Cllr Clarke be appointed to serve on the Community Overview & Scrutiny Panel in place of Cllr Mrs Lovelace;
- (ii) That Cllr Penson be appointed to serve on the Corporate Overview & Scrutiny Panel in place of Cllr Mrs Rostand;
- (iii) That Cllrs Davies and Mrs Jackman be appointed to serve of the General Purposes & Licensing Committee in place of Cllrs Penson and Mrs Ward;
and
- (iv) That Cllr Glass be appointed to serve on the Planning Development Control Committee in place of Cllr Mrs Ward.

CHAIRMAN

REPORT OF AUDIT COMMITTEE

(Meeting held on 23 June 2017)

1. TREASURY MANAGEMENT OUTTURN REPORT 2017/18 (MINUTE NO. 6)

The Committee has considered the annual treasury management outturn report for 2017, together with the proposed revisions to the Council's prudential indicators for 2017/18 to 2018/19 that relate to the treasury management function.

The report set out the performance of the treasury management function during 2016/17, the effects of the decisions taken and transactions executed in the past year. The Committee was pleased to note that the Council had complied with all of the prudential indicators set in its Treasury Management Strategy.

The Committee was made aware of some key influences on the economy, including the EU referendum, the US presidential election, the effect on inflation, sterling, bank rates, economic activity, financial markets and credit outlook.

As at 31 March 2017, the Council had £144.1m of borrowing and £62.0m of principal invested. The Council's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing. However the Council would be looking to borrow up to a further £12m to part-finance direct commercial property investment in both 2018/19 and 2019/20.

The Committee noted that the Council's General Fund's Capital Financing Requirement (CFR) is forecast to increase by £13.2m in the period to 31 March 2019; this is principally to allow for the potential of direct commercial property investment. The updated prudential indicators attached as Appendix 1 take this revised CFR into account. The Council's Housing Revenue Account CFR is currently expected to reduce by £4.1m per year from 2017/18, as instalments of the HRA settlement become due for repayment.

The main objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.

The report to the Committee outlined investment activity in 2016/17. The Council's average cash balances were £70.1m during the year and interest earned for the year was £0.670m, giving an average yield of 0.96% (in comparison to 0.91% in 2015/16).

RECOMMENDED:

That the revised prudential indicators for 2017/18 – 2018/19 as set out in Appendix 1 to this report be approved.

2. AUDIT COMMITTEE ANNUAL REPORT – 2016/17 (MINUTE NO. 13)

The report attached at Appendix 2 summarises work carried out by the Audit Committee during the 2016/17 municipal year.

The Chartered Institute of Public Finance and Accountancy (CIPFA) 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 Council.

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

**CLLR A D O'SULLIVAN
CHAIRMAN**

Attachments: Appendix 1
Appendix 2

PRUDENTIAL INDICATORS 2016/17

The Local Government Act 2003 requires the Council to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure

The Council's planned capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2016/17 Approved £m	2016/17 Revised £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
General Fund	4.1	6.4	4.2	7.9	20.4
HRA	16.6	13.4	13.9	15.4	21.3
Total Expenditure	20.7	19.8	18.1	23.3	41.7
Capital Receipts	1.3	3.0	4.4	3.0	3.0
Grants	1.6	2.4	1.4	3.9	3.3
Reserves	2.5	2.0	-	4.5	12.4
Revenue	13.7	10.6	10.5	9.1	9.1
Developers Contributions	0.8	0.4	0.7	0.9	0.4
Borrowing	0.8	1.4	1.1	1.9	13.5
Total Financing	20.7	19.8	18.1	23.3	41.7

Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Approved £m	31.03.17 Revised £m	31.03.17 Actual £m	31.03.18 Estimate £m	31.03.19 Estimate £m
General Fund	3.5	3.5	3.3	4.0	16.5
HRA	144.6	144.6	144.6	140.5	136.4
Total CFR	148.1	148.1	147.9	144.5	152.9

The General Fund CFR is forecast to rise by £13.2m over the next two years as capital expenditure financed by debt outweighs resources put aside for debt management, but the HRA CFR will fall by £8.2m as the first instalments of the Self Financing Settlement borrowing are repaid.

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Forecast £m	31.03.17 Revised £m	31.03.17 Actual £m	31.03.18 Estimate £m	31.03.19 Estimate £m
Borrowing	144.1	144.1	144.1	139.8	147.5

Total debt is expected to remain below the CFR during the forecast period.

The actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt, below.

Operational Boundary for External Debt

The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt.

Operational Boundary	2016/17 Approved £m	2016/17 Revised £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
Borrowing	163.1	163.0	144.1	159.4	167.8

Authorised Limit for External Debt

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Approved £m	2016/17 Revised £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m
Borrowing	178.1	178.0	144.1	174.4	194.8

The increase in authorised limit for external debt for 2018/19 is reflective of the total potential borrowing as a result of the Council's approved Commercial Property Investment strategy.

Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Approved %	2016/17 Revised %	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %
General Fund	0.6	0.6	0.1	0.8	2.3
HRA	0.0	0.0	0.0	0.0	(0.2)

In 2018/19 it is estimated that the ratio of financing costs to Net Revenue Stream for the HRA will be -0.2%. This reduction reflects the decrease in interest payable on the HRA loan, due to the commencement of repayment of principal from 2017/18.

Adoption of the CIPFA Treasury Management Code

The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition in February 2002 and complies with all revisions of the Code.

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AUDIT COMMITTEE – 23 JUNE 2017
COUNCIL – 10 JULY 2017

AUDIT COMMITTEE ANNUAL REPORT - 2016/17

PURPOSE OF THE REPORT

This report summarises the work carried out by the Audit Committee during 2016/17.

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's good practice recommends that an annual report is produced setting out the work that the Audit Committee has undertaken during the preceding year.

MEMBERSHIP

The Membership of the Committee is as follows:

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

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.newforest.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**
- **Counter Fraud**

HOW IS THE COMMITTEE SUPPORTED?

INTERNAL AUDIT

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

EXTERNAL AUDIT

The External Audit Function is 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 2015/16 (Statement of Accounts)

The Committee approved the Council's statutory annual financial report, which included six Statements of Account:

- (a) Comprehensive income and expenditure statement
- (b) Movement in reserves
- (c) Balance sheet
- (d) Housing Revenue Account
- (e) Collection fund (two separate accounts)
- (f) Cash flow statement

The report also gave details of the general fund budget, capital programme reserve, net receipts from business rates and identified savings.

The Section 151 Officer considered that the accounts reflected that the Council was in a good financial position.

Annual Governance Statement (AGS) 2015/16

The Committee approved the Annual Governance Statement for 2015/16.

The Leader of the Council and the Head of Paid Service (the Chief Executive) were required to sign the AGS and be satisfied that the document was supported by reliable evidence. It was published with the statement of accounts and provided to the external auditor for review.

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:

Assurances Provided by the Internal Auditor

Annual Internal Auditor's Opinion Report 2015/16

The Committee considered the annual report of the Principal Auditor for 2015/16. This included an opinion on the adequacy and effectiveness of the control environment, and the effectiveness of internal audit.

The Committee noted the audit outcomes for 2015/16 as well as other audit work, including work undertaken against the assurance framework.

Based on the work undertaken during 2015/16, the Committee endorsed the opinion of the Principal Auditor that the adequacy of the Council's internal control, risk management and governance systems, and effectiveness of the system of internal control, were in line with Regulation 6 of the Accounts and Audit Regulations 2015.

Progress Against the 2016/17 Internal Audit Plan

The Committee noted regular progress reports made against the 2016/17 audit plan, in particular progress on high priority recommendations.

Internal Audit Charter, Assurance Framework and Internal Audit Plan 2017/18

The Committee reviewed the internal audit plan for 2017/18.

The Committee noted changes to the Audit Plan for 2017/18 as a result of changes to the management restructure. The Principal Auditor will continue to work with officers to align the audits within the audit plan to the service reviews detailed in the corporate plan.

Local Code of Good Governance – The New Framework

The Committee and the Council have recently agreed an amended Local Code of Corporate Governance, which centred on seven new core principles. The Committee will shortly be receiving a report on compliance against the new code.

Assurances Provided by the External Auditor

Audit Results Report 2015/16 (External Auditor)

The Committee noted the External Auditor's Results Report 2015/16. The report, which summarised the findings from the 2015/16 Audit, had considered the Council's financial statements, and appropriate arrangements to secure economy, efficiency and effectiveness in the Council's use of resources.

The External Auditor had reviewed the housing benefits subsidy claim with a total value of £43,088,594. Only two minor errors were identified from samples of HRA cases. The External Auditor has reported that this was a very good result for the Council. It was very rare that councils were given unqualified certification of their returns, which had been the case for NFDC. This was to the credit of the Council's Housing Benefit Team. The Committee congratulated the Team on their excellent performance.

The Committee agreed that the Management Representation Letter should be signed by the Section 151 Officer and the Chairman of the Committee.

External Auditor - Progress Against the 2016/17 Action Plan

The Committee received regular external audit progress reports in 2016/17.

The Committee is aware that from 2018/19 onwards, local authorities will be responsible for appointing their own auditors, and the resulting contract. Selection, appointment and removal of external auditors will take place in 2017. NFDC is part of a national scheme for the independent appointment of auditors for 270 principal authorities in England. The new auditors would take over for the year 2018/19.

External Auditor – Annual Audit Letter

The Committee noted the external auditor's annual audit letter for the year ended 31 March 2016.

The auditors had concluded that the financial statements gave a true and fair record of the financial position of the Council as at 31 March 2016 and of its expenditure and income for the year ended on the same date. The auditors had concluded that other information published with the financial statements was consistent with the Annual Accounts, and that there were proper arrangements in place to secure value for money in the use of the Council's resources.

Other Assurances

The Committee received the following Treasury Management reports:

Annual Out-turn Report 2015/16

The report dealt with the management of the organisation's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. Although the function is operated by Hampshire County Council, on behalf of NFDC, overall responsibility for treasury management remained with this Council. The Committee was pleased to note that cash balances had increased and the out-turn had improved, with borrowing from the previous year decreasing.

Mid-Year Monitoring Report 2016/17

The Committee received the mid-year monitoring report for 2016/17. Investments had been in line with the Treasury Management Strategy. The Committee noted that reductions in the base rate would reduce yield from investments.

Strategy for 2017/18

Members supported the introduction of a larger investment limit (up to £20m) applicable but not limited to pooled property and equity fund investments in order to improve the flexibility of the investment portfolio, and better utilise the forecast underlying cash balance available for long term investment.

Final Accounts 2015/16 - Bad Debts Write Off

The Committee received a report, detailing total bad debts written off during the financial year 2015/16, in accordance with the Code of Practice for write offs approved by the Cabinet.

The total bad debt write off for 2015/16 was £645,221 (a reduction on 2014/15), which represented 0.26% of the total income collected by the Council. An updated Code of Practice for Write-Offs was adopted following the management restructure.

Procurement Rules, Regulations and Contract Standing Orders - Waivers 2015/16

The Committee noted the waivers to the Council's procurement rules, regulations and contract standing orders approved during the financial year 2015/16.

There were 36 applications for waivers against the procurement rules during the year, the total value of which was £786,280. This compared with 46 applications submitted during 2014/15 totalling £1,513,303. The number of waivers had decreased due to the implementation of a more robust procurement process.

Summary Strategic Risk Register

The Committee has approved a revised strategic risk register.

The introduction of the new Corporate Plan for 2016-2020 necessitated a review of the strategy. The new strategy recognised that Government funding remained the overriding risk. Proposed actions to mitigate these risks were set out in the report, which included service plans and working with partners to achieve Council objectives.

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 members look forward to continuing their work with the support of officers and external partners.

**CLLR A O'SULLIVAN
CHAIRMAN**

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REPORT OF GENERAL PURPOSES AND LICENSING COMMITTEE

(Meeting held on 9 June 2017)

1. PROPOSED CHANGES TO PAY BANDS 1 - 4 (MINUTE NO. 7)

In recognising the valuable contribution that employees make to the work of the Council, a review of the lowest pay bands has been undertaken. As a result a minimum hourly rate of £8.00 per hour to be implemented at the earliest opportunity is recommended. This is 0.50p higher than the national minimum wage of £7.50 for over 25s.

The proposed new bands will be introduced on a phased basis, starting on 1 July 2017 with full implementation by 1 April 2018. Transitional arrangements are proposed to ensure no individual is any worse off. Any anomalies will be avoided by payment of a lump sum from 1 July 2017 to compensate for this situation.

The full year cost of the proposals will be £181,000. Provision of £60,000 has been made in the 2017/18 budget, meaning an additional £25,000 will be required in the current year. The medium term financial plan 2018/19 has provision for £100,000 so an additional £81,000 will be required in that year's budget.

The Employee Engagement Panel at their meeting on 1 June 2017 welcomed the proposal.

RECOMMENDED:

- (a) ***That the proposed new pay bands 1 – 4 attached as Appendix 1 to this report be approved and implemented on a phased basis; and***
- (b) ***That additional expenditure of £25,000 be authorised in the current financial year and that additional provision of £81,000 be made in the Medium Term Financial Plan 2018/19 for this purpose.***

**CLLR S J CLARKE
CHAIRMAN**

Attachment: Appendix 1

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Adjust bands 1-4 according to new scales, implement transitional arrangement from 01/07/2017 and achieve 3 points in each band from 01/04/2018

SCP	Hourly Rates			BAND 1			BAND 2			BAND 3			BAND 4		
	01/04/2017	01/07/2017	01/04/2018	01/04/2017	01/07/2017	01/04/2018	01/04/2017	01/07/2017	01/04/2018	01/04/2017	01/07/2017	01/04/2018	01/04/2017	01/07/2017	01/04/2018
22	£11.0916	£11.0916	£11.0916										£21,399	£21,399	£21,399
21	£10.7781	£10.7670	£10.7670										£20,794	£20,773	£20,773
20	£10.5033	£10.4519	£10.4519										£20,264	£20,165	£20,165
19	£10.1312	£10.1460	£10.1460							£19,546	£19,575	£19,575	£19,546	£19,575	
18	£9.7761	£9.8490	£9.8490							£18,861	£19,002	£19,002	£18,861		
17	£9.4247	£9.5608	£9.5608							£18,183	£18,446	£18,446			
16	£9.2433	£9.2809	£9.2809						£17,906	£17,833	£17,906				
15	£9.0204	£9.0093	£9.0093					£17,382	£17,382	£17,403					
14	£8.8198	£8.7456	£8.7456				£17,016	£16,873	£16,873						
13	£8.6384	£8.4897	£8.4897		£16,379	£16,379	£16,666	£16,379							
12	£8.4814	£8.2412	£8.2412		£15,900	£15,900	£16,363								
11	£8.2574	£8.0000	£8.0000		£15,434	£15,434	£15,931								
10	£8.1025						£15,632								
9	£7.8397			£15,125											
8	£7.7329			£14,919											
7	£7.6510			£14,761											
6	£7.5981			£14,659											

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REPORT OF CABINET

(Meeting held on 3 May 2017)

1. COMMUNITY HOUSING FUND (MINUTE 74)

This Council has agreed the process through which to spend the money that has been secured from the government under the Community Housing Fund, in total amounting to £976,387. This is in recognition of the high proportion of second homes in the District and also that this Council has demonstrated that it has developed proposals to implement such a scheme. The Fund will provide £60 million per annum, nationally, in capital and revenue support. Initially funding is directed to local authorities who will build capacity within local groups and provide initial support for projects.

The criteria for community led housing are:

- That the community must be integrally involved in key decisions throughout the process;
- Community groups play a long term role in ownership, management or stewardship of the homes;
- Benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.

The retention of these properties, in perpetuity, to meet the needs of local people should overcome the problems caused by concerns about rural housing schemes being subject to right to buy legislation. It is understood that, in some rural settlements, landowners are prepared to donate land for this purpose, provided the housing can be secured for local people in perpetuity.

A full time, 2 year temporary post will be funded to promote and develop community housing fund projects to parish and town councils and other community groups with an interest in community led housing. In addition, grants and loans will be available for set up costs, professional fees etc; and to provide seed corn funding for community led housing projects. An application process will need to be developed, together with assessment criteria and funding tiers. This process will assist bids to be made for further government funding, paid directly to the community based project, following the first year in which funding is directed through local authorities.

This Council will need to work closely with the National Park Authority to ensure that all communities across the District that wish to benefit from this scheme, can do so.

Members have welcomed an initiative that could secure low cost housing, for local people, in perpetuity, in settlements in the District.

2. INDEPENDENT REMUNERATION PANEL (MINUTE 75)

The Cabinet has decided to appoint an Independent Remuneration Panel to review the Members' Allowances Scheme, as required by the Local Authorities (Members' Allowances) (England) Regulations 2003. The Terms of Reference of the Independent Remuneration Panel are attached as Appendix 1 to Report Item 5 to the Cabinet.

The Cabinet considered whether to re-appoint the current Panel, or to amend the membership. The experience and expertise offered by each of the current Panel members is summarised in Report Item 5 to the Cabinet. It has been decided that it would be timely to bring new perspectives to this issue. An appointments process will be initiated to recruit the members of the Panel. The appointments process will be agreed by the Executive Head of Governance and Regulation in consultation with the Leader of the Council and the Chairman of the Corporate Overview and Scrutiny Panel.

In addition to reviewing this Council's Members' Allowances Scheme, town and parish councils will be offered the opportunity for the Panel to review their schemes. Any local council taking advantage of that offer will be expected to meet the costs involved.

**COUNCILLOR B RICKMAN
CHAIRMAN**