

6 DECEMBER 2017

NEW FOREST DISTRICT COUNCIL

CABINET

Minutes of a meeting of the Cabinet held in the Council Chamber, Appletree Court, Lyndhurst on Wednesday, 6 December 2017

* Cllr B Rickman (Chairman)

* Cllr E J Heron (Vice-Chairman)

Councillors:

* Mrs D E Andrews

* J E Binns

* Mrs J L Cleary

Councillors:

* M R Harris

* J D Heron

* Mrs A J Hoare

*Present

In attendance:

Councillors:

W G Andrews

P J Armstrong

Mrs S M Bennison

G R Blunden

Mrs F Carpenter

S J Clarke

S P Davies

Ms L C Ford

A T Glass

Councillors:

L E Harris

A K Penson

L R Puttock

Mrs A M Rostand

D N Tungate

Mrs C V Ward

M L White

C A Wise

Officers Attending:

R Jackson, Miss G O'Rourke, C Read, Mrs M Sandhu, A Bethune, Miss J Debnam, Mrs S Hamilton, Ms S Mullins, Mrs R Rutins, A Smith, R Stevens and Mrs K Williams

Apologies:

None were received.

44 MINUTES

RESOLVED:

That the minutes of the meeting held on 1 November 2017 be signed by the Chairman as a correct record.

45 MEMBERSHIP

The Leader was pleased to welcome Cllrs D E Andrews, Hoare and M Harris to their first meeting of the Cabinet as Portfolio Holders.

46 DECLARATIONS OF INTEREST

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

47 PUBLIC PARTICIPATION

No issues were raised in the public participation period.

48 CORPORATE PEER CHALLENGE - FEEDBACK REPORT

The Cabinet received the feedback report from the Peer Review Group that had visited the Council in October.

The Peer Review Group had spent 4 days on site, undertaking extensive research to focus on the 5 subject areas on which the Council had sought feedback. The Group had made 8 key recommendations:

- a) Develop the strategic framework with underpinning action plans to deliver the Council's vision for the broader district area;
- b) Align the Medium Term Financial Plan and investment strategies within that strategic framework;
- c) Consider alternative models for delivery through options appraisals and the use of external expertise to most effectively achieve the Council's objectives;
- d) Invest in the ICT infrastructure to leverage change;
- e) Engage with staff and managers in developing the future direction of travel for the Council;
- f) Review levels of decision making to empower managers and staff to deliver;
- g) Review the requirements for more formal engagement arrangements with the National Park Authority including, to be fully effective, a review of current appointments to the National Park;
- h) Prepare a robust and sound Local Plan, in a realistic but timely way.

Further details were set out in the feedback report which was appended to Report Item 4 to the Cabinet. Members were advised that the next step would be for the Council to develop an action plan and it was intended that this would be presented to the Cabinet early in 2018. The report, action plan and the Council's position statement would be published on the Council's website.

It was noted that a follow-up visit should take place between 12 and 24 months after the initial visit by the Peer Review Group.

RESOLVED:

That the content of the Corporate Peer Challenge Feedback Report and the intention to develop an action plan in response be noted.

49 REVIEW OF PARLIAMENTARY CONSTITUENCY BOUNDARIES

The Cabinet was advised that, following an initial consultation process in 2016, the Boundary Commission had published revised proposals for changes to the Parliamentary constituency boundaries. The proposals that affected the New Forest District were set out in Report Item 5 to the Cabinet and Appendix 2 to the report.

It was noted that the proposals achieved an electorate of 71,289 for New Forest West and 72,750 for New Forest East, which was within the required 5% of the "electoral quota" of 74,757. The Cabinet recalled that it had already been accepted that the retention of 2 constituencies self-contained within the New Forest District was not viable.

RESOLVED:

That, as the current position of two self-contained Parliamentary Constituencies covering New Forest District cannot be maintained under the new rules, no objection be raised to the revised arrangements proposed by the Boundary Commission for the New Forest East and New Forest West Parliamentary Constituencies.

50 COUNCIL TAX REDUCTION SCHEME 2018/19

The Cabinet considered the local Council Tax Reduction Scheme to apply from 1 April 2018. Potential amendments to the current scheme had been considered by a task and finish group appointed by the Corporate Overview and Scrutiny Panel.

The Corporate Overview and Scrutiny Panel, based on the recommendations of the task and finish group, had concluded that the current scheme should be amended, particularly to reflect changes to benefits at a national level. It was not however intended to alter the minimum contribution of 10% of the Council Tax payable. The proposed changes were:

- (i) To disregard in full Bereavement Support Payments in the calculation of Council Tax Reduction, to mirror changes being introduced to Housing Benefit;
- (ii) To reduce from 13 weeks to 4 weeks the period of absence from the Country that is permissible to remain entitled to Council Tax Reduction (exemptions will apply); and
- (iii) To remove the Housing Element of Universal Credit within the calculation of Council Tax Reduction, to prevent the applicable amount for new claimants being inflated compared to existing claimants.

It was anticipated that the budgetary implications for this Council of items (i) and (ii) were minimal, while option (iii) would achieve a saving of around £15,000 per annum.

RESOLVED:

That, in so far as it is empowered to do so by law, the Cabinet agrees that the Local Council Tax Reduction Scheme be amended with effect on 1 April 2018 as follows:

- (i) To disregard in full Bereavement Support Payments in the calculation of Council Tax Reduction, to mirror changes being introduced to Housing Benefit;
- (ii) To reduce from 13 weeks to 4 weeks the period of absence from the Country permissible to remain entitled to Council Tax Reduction (exemptions will apply); and
- (iii) To remove the Housing Element of Universal Credit within the calculation of Council Tax Reduction, to prevent the applicable amount for new claimants being inflated compared to existing claimants.

RECOMMENDED:

That, in so far as it is empowered to do so by law, the Council agrees that the Local Council Tax Reduction Scheme be amended with effect on 1 April 2018 as follows:

- (i) To disregard in full Bereavement Support Payments in the calculation of Council Tax Reduction, to mirror changes being introduced to Housing Benefit;***
- (ii) To reduce from 13 weeks to 4 weeks the period of absence from the Country permissible to remain entitled to Council Tax Reduction (exemptions will apply); and***
- (iii) To remove the Housing Element of Universal Credit within the calculation of Council Tax Reduction, to prevent the applicable amount for new claimants being inflated compared to existing claimants.***

51 COUNCIL TAX SUPPORT SCHEME - PROSECUTIONS AND PENALTIES POLICY

The Cabinet considered the policy for prosecutions and penalties that should be applied in respect of fraudulent claims for assistance under the local Council Tax Reduction Scheme. Whereas, historically, the Council had only been able to claim back monies that had been claimed fraudulently, it was now possible to impose penalties to act as a deterrent.

RESOLVED:

- (a) That the Council Tax Support Scheme Prosecutions and Penalties Policy, as attached as an Appendix to Report Item 7 to the Cabinet, be approved; and
- (b) That the Benefits Manager and Corporate Fraud and Compliance Officer be given delegated authority to make decisions under the policy.

52 THE COUNCIL TAX 2018/19 - SETTING THE TAX BASE

The Cabinet considered the Council Tax Base to be used for the calculation of Council Tax in 2018/19.

RESOLVED:

That, in so far as it is empowered to do so by law, the Cabinet agrees that:

- (a) The calculation of the Council's tax base for the year 2018/19 be approved; and
- (b) Pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Council as its council tax base for the year 2018/19 be as follows and as detailed in Appendix 1 to Report Item 8 to the Cabinet:

PARISH/TOWN	TAX BASE 18/19
Ashurst & Colbury	926.8
Beaulieu	511.8
Boldre	1066.1
Bramshaw	346.5
Bransgore	1814.5
Breamore	179.2
Brockenhurst	1861
Burley	791.3
Copythorne	1209.3
Damerham	234.9
Denny Lodge	154.8
East Boldre	381.1
Ellingham, Harbridge & Ibsley	606.7
Exbury & Lepe	116.1
Fawley	4548.9
Fordingbridge	2279
Godshill	224.7
Hale	261.4
Hordle	2393.6
Hyde	518
Hythe & Dibden	7390
Lymington & Pennington	7177.4
Lyndhurst	1442.5
Marchwood	2061.2
Martin	197.4
Milford on Sea	2783.3
Minstead	370.3
Netley Marsh	815.6
New Milton	10457.9
Ringwood	5257.3
Rockbourne	164.4
Sandleheath	278.9
Sopley	370.5
Sway	1700.8
Totton & Eling	9373.4
Whitsbury	103.6
Woodgreen	250.8
Whole District	70621.0

RECOMMENDED:

That, in so far as it is empowered to do so by law, the Council agrees that:

- (a) *The calculation of the Council's tax base for the year 2018/19 be approved; and*
- (b) *Pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Council as its council tax base for the year 2018/19 be as follows and as detailed in Appendix 1 to Report Item 8 to the Cabinet:*

PARISH/TOWN	TAX BASE 18/19
<i>Ashurst & Colbury</i>	<i>926.8</i>
<i>Beaulieu</i>	<i>511.8</i>
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<i>Bramshaw</i>	<i>346.5</i>
<i>Bransgore</i>	<i>1814.5</i>
<i>Breamore</i>	<i>179.2</i>
<i>Brockenhurst</i>	<i>1861</i>
<i>Burley</i>	<i>791.3</i>
<i>Copythorne</i>	<i>1209.3</i>
<i>Damerham</i>	<i>234.9</i>
<i>Denny Lodge</i>	<i>154.8</i>
<i>East Boldre</i>	<i>381.1</i>
<i>Ellingham, Harbridge & Ibsley</i>	<i>606.7</i>
<i>Exbury & Lepe</i>	<i>116.1</i>
<i>Fawley</i>	<i>4548.9</i>
<i>Fordingbridge</i>	<i>2279</i>
<i>Godshill</i>	<i>224.7</i>
<i>Hale</i>	<i>261.4</i>
<i>Hordle</i>	<i>2393.6</i>
<i>Hyde</i>	<i>518</i>
<i>Hythe & Dibden</i>	<i>7390</i>
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<i>Sway</i>	<i>1700.8</i>
<i>Totton & Eling</i>	<i>9373.4</i>
<i>Whitsbury</i>	<i>103.6</i>
<i>Woodgreen</i>	<i>250.8</i>
<i>Whole District</i>	<i>70621.0</i>

53 MEDIUM TERM FINANCIAL PLAN 2018 ONWARDS

The Cabinet was updated on the development of the Medium Term Financial Plan. Since the Cabinet had been last updated in October the Chancellor of the Exchequer had presented his Autumn Statement which had implications for this Council as it included fundamental changes to the operation of the business rates system, and also the suggestion that there would be a competitive bidding process for the various funds that had been announced to support housing. The Local Government Finance Settlement would be announced towards the middle of December; and would be the second year of the 4 year guarantee arrangement in terms of formula funding. The funding assumptions that had been used were set out in Section 4 of report Item 9 to the Cabinet, together with a summary of the latest projected position for 2018/19. The Cabinet was pleased to note that further savings and income additions of £441,000 had been identified since October which had resulted in a balanced budget position for 2018/19.

The financial challenges facing the Council included an identified funding gap of £1.140 million, the introduction of a grants system for statutory duties under the Homeless Reduction Act; and the roll-out of Universal Credit. The Council would respond through the actions already set out in the Medium Term Financial Plan.

The Asset Maintenance and Replacement Programme that had been supported by the Corporate Overview and Scrutiny Panel was set out in Section 6 of the report, and had been set within the £2.3 million General Fund revenue budget, as required. The programme included the second year of the "Protect and Maintain Frontline Services" ICT fund.

A summary of the General Fund Reserves was set out in Section 7 of the report.

The Cabinet's attention was drawn to the recommendations of the Environment Overview and Scrutiny Panel with respect to the charges levied for pre-application advice and other non-statutory services under the Planning Service, as set out in Appendix 2 to Report Item 9 to the Cabinet.

RESOLVED:

- (a) That the emerging draft Medium Term Financial Plan 2018-2022, as set out in Report Item 9 to the Cabinet, be approved to form the basis of the Council's 2018/19 General Fund Budget to be reported to the Cabinet in February 2018; and
- (b) That initial preparatory works commence on the 2018/19 Asset Maintenance and Replacement programme, including approval of the programme budget at high level; and

RECOMMENDED:

That the schedule of fees and charges, as set out in Appendix 2 to Report Item 9 to the Cabinet, be approved to take effect from 1 January 2018.

54 CHANGES TO THE 2017/18 TREASURY MANAGEMENT STRATEGY

The Cabinet was advised of necessary changes to the Council's Treasury Management Strategy in response to an increase in the Council's investment balances. As the balances were higher than initially predicted there had been a passive breach of the upper limit on variable interest rate investment exposure. The proposed changes were set out in section 3 of Report Item 10 to the Cabinet.

RESOLVED:

That the changes to the 2017/18 Treasury Management Strategy set out in section 3 of Report Item 10 to the Cabinet be approved.

55 RESIDENTIAL PROPERTY INVESTMENT STRATEGY

The Cabinet considered the implementation of a new strategy for investment in residential property to complement the strategy for investment in business assets that had been considered by the Cabinet on 20 February 2017 (Minute 62 refers). The purpose of the new strategy was to invest in residential property, in particular to purchase privately owned residential properties for letting to private sector tenants; and to develop Council-owned sites to build housing to deliver a range of housing and tenure types. This would make a contribution to closing the identified funding gap in the Council's finances.

Members were advised that the strategy would be implemented through the establishment of a Wholly Owned Company, limited by shares, to acquire, build, hold and manage the properties through a range of subsidiary companies. The Company would have a Board of Directors comprising 2 members of the Cabinet and 2 senior officers. The Company's Memorandum and Articles of Association, business plan and documentation would set out the relationship between the Council and the Company and determine the operational framework.

It was proposed that the investment would be funded through current reserve balances together with loans to the company, on commercial terms, through the Public Works Loans Board. Full details of the financial context for investment were set out in Section 3 of Report Item 11 to the Cabinet.

RECOMMENDED:

- (a) That the Residential Property Asset Investment Strategy attached to Report Item 11 to the Cabinet be approved;**
- (b) That the proposed level of initial investment, as set out Report Item 11 to the Cabinet, be approved;**
- (c) That the Chief Executive, the Executive Head Governance and Regulation, and the S151 Officer, in consultation with 2 Portfolio Holders determined by the Leader of the Council, be authorised to take all decisions in respect of the Strategy, including entering into all necessary contracts and agreements; the setting up of the Wholly Owned Company (and subsidiaries) and related costs, to implement the Residential Property Asset Investment Strategy as set out in Report Item 11 to the Cabinet; and**

- (d) *That the appointment of 2 Cabinet Members and 2 senior officers to the board of directors of the Wholly Owned Company, following its incorporation, be approved such individuals to be agreed by the Chief Executive in consultation with the Leader of the Council.*

56 PAYMENT SERVICES DIRECTIVE

The Cabinet was advised that the Payment Services Directive, incorporated into UK law, would make it illegal for the Council to charge extra for credit or debit card transactions after 13 January 2018. The Council's existing policy of levying a 1.5% fee on credit charge transactions for Housing Rents, Council Tax and Business Rates would therefore be redacted from this date.

RESOLVED:

That the above change to the card charging policy, with effect from 13 January 2018, be noted.

57 OUTSIDE BODY APPOINTMENTS

RESOLVED:

That the following amendments be made to the Council's representation on outside bodies:

Outside Body		Current representative		New Representative
Community First – New Forest		Cllr Mrs D E Andrews		To be appointed
Forest Forge Theatre Company		Cllr Mrs A M Rostand (Deputy: Cllr Mrs C V Ward)		Cllr Mrs C V Ward (Deputy: Cllr W H Dow)
Hampshire Police and Crime Panel		(Deputy: Portfolio Holder for Housing and Communities)		(Deputy: Portfolio Holder for Community Affairs)
Local Government Association Coastal Issues Group		Portfolio Holder for Environment		Portfolio Holder for Environment and Regulatory Services
New Forest Citizen's Advice Bureau		(Deputy: Mrs D E Andrews)		(Deputy: To be appointed)

Project Integra Strategic Board		Portfolio Holder for Environment (Deputy: Portfolio Holder for Planning and Transportation)		Portfolio Holder Environment and Regulatory Services (Deputy: Portfolio Holder Community Affairs)
Safer New Forest Partnership		Portfolio Holder Housing and Communities		Portfolio Holder Community Affairs

CHAIRMAN