

## NOTICE OF MEETING

**Meeting:** CABINET

**Date and Time:** WEDNESDAY, 7 MARCH 2018, AT 10.00 AM\*

**Place:** COUNCIL CHAMBER, APPLETREE COURT,  
LYNDHURST

**Telephone enquiries to:** Lyndhurst (023) 8028 5000  
023 8028 5588 - ask for Jan Debnam  
Email: [jan.debnam@nfdc.gov.uk](mailto:jan.debnam@nfdc.gov.uk)

### **PUBLIC PARTICIPATION:**

\*Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or
  - (b) on individual items on the public agenda, when the Chairman calls that item.
- Speeches may not exceed three minutes. Anyone wishing to speak should contact the name and number shown above.

**Bob Jackson**  
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA  
[www.newforest.gov.uk](http://www.newforest.gov.uk)

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

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## AGENDA

### **Apologies**

#### **1. MINUTES**

To confirm the minutes of the meeting held on 7 February 2018 as a correct record.

#### **2. DECLARATIONS OF INTEREST**

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

**3. PUBLIC PARTICIPATION**

To note any issues raised during the public participation period.

**4. ANTI-MONEY LAUNDERING POLICY (Pages 1 - 18)**

To update the Council's Anti-Money Laundering Policy to reflect recent changed in legislation.

**5. PROPOSAL FOR IMPROVED WORKING WITH THE NEW FOREST NATIONAL PARK AUTHORITY (Pages 19 - 26)**

To consider a proposal for improved working arrangements with the National Park Authority.

**6. VACANCY ON THE DISTRICT COUNCIL - MILFORD DISTRICT WARD (Pages 27 - 28)**

To be advised of arrangement for filling the vacancy.

To:

**Councillors**

Mrs D E Andrews  
J E Binns  
Mrs J L Cleary  
M R Harris

**Councillors**

E J Heron (Vice-Chairman)  
J D Heron  
Mrs A J Hoare  
B Rickman (Chairman)

CABINET – 7 MARCH 2018

PORTFOLIO: FINANCE, CORPORATE  
SERVICES AND IMPROVEMENT

## **ANTI-MONEY LAUNDERING POLICY UPDATE**

### **1. PURPOSE OF THE REPORT**

1.1 To consider changes to the Council's Anti-Money Laundering Policy.

### **2. REVIEW**

2.1 The existing Anti-Money Laundering Policy has been updated and the revised version included at Appendix 1. The only relevant change (other than the updating of legislation references) is the proposed increase to the capital limit where the Council will request evidence of a customer's identity in line with Due Diligence procedures.

2.2 The existing policy sets a limit of £2,000 whereby if a customer pays in excess of this amount the Council will comply with Due Diligence procedures and request evidence of identity from the customer. It is suggested that the local limit be increased to £4,000 before Due Diligence procedures apply.

2.3 The limit of £4,000 will be sufficient considering the course of ordinary business for the New Forest District Council.

2.4 A Procedure Note (Appendix 2) and Reporting Form (Appendix 3) will be made available to the relevant customer facing teams, once the updated policy has been approved.

### **3. FINANCIAL IMPLICATIONS**

3.1 None

### **4. CRIME AND DISORDER IMPLICATIONS**

4.1 There are no direct crime and disorder implications arising from this report, however these legislations do relate to potential criminal activity.

### **5. ENVIRONMENTAL IMPLICATIONS**

5.1 None

### **6. EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 None

## 7. PORTFOLIO HOLDER'S COMMENTS

- 7.1 It is important to review policies to ensure that they are relevant, up-to-date and enable the Council's business to be carried out efficiently and effectively. The proposals in this report deliver on these objectives.

## 8. RECOMMENDED:

- a) That the Cabinet approves the new Anti-Money Laundering Policy, as attached to this report, to go live following approval on 7 March 2018; and
- b) That the current delegation under the Proceeds of Crime Act 2002, Terrorism Act 2000 and Money Laundering Regulations 2007 (as amended) to the Executive Head to be the officer nominated to receive disclosures about money laundering/terrorist financing activity within the Council be updated to delegate this power to the S151 Officer, to reflect the revised policy (and also the 2017 legislation).

### For further information contact:

**Name:** Alan Bethune

**Title:** Head of Finance

**Tel:** 023 8028 5588

**E-mail:** [alan.bethune@nfdc.gov.uk](mailto:alan.bethune@nfdc.gov.uk)

### Background Papers:

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017



**ANTI-MONEY LAUNDERING POLICY**

## **ANTI-MONEY LAUNDERING POLICY**

### **1.0 INTRODUCTION**

- 1.1 Legislation concerning money laundering, namely the Money Laundering, Terrorist Financing & Transfer of Funds Regulations 2017, the Proceeds of Crime Act 2002 and the Terrorism Act 2000 broadened the definition of money laundering and increased the range of activities caught by the statutory framework. As a result, the obligations impact on areas of local authority business and they require local authorities to establish internal procedures to prevent the use of their services for money laundering or terrorist financing.

### **2.0 SCOPE OF THE POLICY**

- 2.1 This Policy applies to all employees, contractors, suppliers and agency staff of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing the Council from being exposed to criminal activity through money laundering. The Policy sets out the procedures which must be followed.
- 2.2 Further information is set out in the accompanying **Procedure Note**. Both the Policy and the Procedure Note sit alongside the Council's Whistleblowing Policy.
- 2.3 Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedures.

### **3.0 WHAT IS MONEY LAUNDERING?**

- 3.1 Money laundering is the process of transforming the proceeds of crime and corruption into seemingly legitimate assets. It can also be defined as "a process that makes money with an illegal origin appear legal so that it may be used".
- 3.2 It is a criminal offence for legitimate businesses to fail to report suspicions of money laundering activities. The following are offences under the legislation:
- failing to make a disclosure to the designated Money Laundering Reporting Officer (MLRO) as soon as is practicable, information obtained in the course of carrying out business which gives rise to reasonable grounds for knowing or suspecting a person may be engaging in money laundering.
  - an MLRO fails to disclose to the National Crime Agency as soon as practicable that they know or suspect, or have reasonable grounds to know or suspect, as a result of information disclosed to them, that a person may be engaging in money laundering activities.
  - Tipping Off: If a person knows or suspects that another person's suspected involvement with money laundering is under investigation or in contemplation of investigation and discloses that an investigation into a money laundering offence is being contemplated and that disclosure is likely to prejudice any investigation which might be conducted.
  - Prejudicing the investigation: A person knows or suspects that a money laundering investigation has or is about to be commenced in respect of another

and he makes a material disclosure to any other person which is likely to prejudice the investigation, or interferes with relevant material.

#### **4.0 WHAT ARE THE OBLIGATIONS ON THE COUNCIL?**

##### 4.1 Organisations conducting “relevant business” must:

- appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of suspected money laundering activity (their own or anyone else’s);
- Implement a procedure to enable the reporting of suspicions of money laundering;
- apply customer due diligence measures in certain circumstances
- maintain record keeping procedures.

4.2 Not all of the Council’s business is “relevant” for the purposes of the legislation. It is mainly, the carrying on of statutory audit work, the provision to other persons of accountancy services by way of business, the provision of advice about the tax affairs of other persons by way of business or the participation in financial or real property transactions. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the Council; therefore, all staff are required to comply with the reporting procedure set out in Section 8.

#### **5.0 WHAT IS THE IMPACT ON THE COUNCIL?**

5.1 Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. The **Procedure Note** gives practical advice and this Policy sets out how any concerns should be raised.

5.2 Whilst the risk of the Council contravening the legislation is very low, the consequences are extremely serious; therefore ***it is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation.***

#### **6.0 MONEY LAUNDERING REPORTING OFFICER**

6.1 The officer nominated to receive disclosures about potential money laundering activity within the Council is the Council’s Section 151 Officer, who can be contacted as follows:

Alan Bethune  
Section 151 Officer  
New Forest District Council  
Appletree Court  
Beaulieu Road  
Lyndhurst  
SO43 7PA  
Telephone: 02380 285588  
[Alan.bethune@nfdc.gov.uk](mailto:Alan.bethune@nfdc.gov.uk)

In the absence of the MLRO, please contact the Executive Head for Governance and Regulation, Grainne O'Rourke on 02380 285588, [grainne.orourke@nfdc.gov.uk](mailto:grainne.orourke@nfdc.gov.uk).

## 7.0 DISCLOSURE PROCEDURE

### Reporting to the Money Laundering Reporting Officer:

- 7.1 All payments to the Council accepted in cash that exceed £4,000 should be reported to the MLRO using the Money Laundering Report Form. Evidence of the customer's identity should also be taken.
- 7.2 Where you know or suspect that money laundering activity is taking or has taken place, or you become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO by using the Money Laundering Report Form. **The disclosure should be within "hours" i.e. at the earliest opportunity of the information coming to your attention, not weeks or months later. Should you not do so, then you may be liable to prosecution or internal disciplinary procedures.**
- 7.3 Your disclosure should be made to the MLRO using the instructions in the attached **Procedure Note and Money Laundering Reporting Form**. The report must include as much detail as possible, for example:
- full details of the people involved (including yourself, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc
  - full details of the property involved and its whereabouts (if known)
  - full details of the nature of their/your involvement
  - if any suspicions have been discussed with anyone else
  - the types of money laundering activity involved:
  - the dates of such activities, including:
    - whether the transactions have happened, are ongoing or are imminent
    - where they took place
    - how they were undertaken
    - the (likely) amount of money/assets involved
  - why, exactly, you are suspicious – the MLRO will require full reasons along with any other available information to enable them to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering. This will enable them to prepare their report to National Crime Agency, where appropriate and you should also enclose copies of any relevant supporting documentation
- 7.4 Once you have reported the matter to the MLRO you must follow any directions they may give you. **You must NOT make any further enquiries into the matter yourself**, any necessary investigation will be undertaken by National Crime Agency. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 7.5 Similarly, **at no time and under no circumstances should you voice any suspicions** to the person(s) whom you suspect of money laundering, even if National Crime Agency has given consent to a particular transaction proceeding, without the specific consent of the NCA or MLRO; otherwise you may commit a criminal offence of "tipping off".



- 7.6 Do not, therefore, make any reference on a customer's file to a report having been made to the MLRO – should the customer exercise their right to see the file, then such a note may tip them off to the report having been made and may render you liable to prosecution or disciplinary action. The MLRO will keep the appropriate records in a confidential manner.

**Consideration of the disclosure by the Money Laundering Reporting Officer:**

- 7.7 The Money Laundering Reporting Officer will send a report to the National Crime Agency if there are sufficient grounds of suspicion or knowledge of money laundering.
- 7.8 The MLRO will evaluate the report and any other available internal information they think relevant. They must consider the following when determining reasonable grounds:
- does the reported conduct fall within that which is potentially criminal?
  - Is the reported individual suspected of having gained proceeds of money laundering?
  - what factors and information led to the suspicion or knowledge of money laundering?
  - review other transaction patterns and volumes
  - the length of any business relationship involved
  - the number of any one-off transactions and linked one-off transactions
  - any due diligence information held and undertake such other reasonable inquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to NCA is required.
- 7.9 Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether, there is actual or suspected money laundering taking place, or there are reasonable grounds to know or suspect that is the case.
- 7.10 Where the MLRO does so conclude, then they must disclose the matter as soon as practicable to National Crime Agency in the prescribed manner.
- 7.11 In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to National Crime Agency.
- 7.12 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they shall mark their report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- 7.13 All disclosure reports referred to the MLRO and reports made to the National Crime Agency must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

**8.0 CUSTOMER DUE DILIGENCE PROCEDURE**

- 8.1 Where the Council is carrying out certain 'regulated activities', (regulated activity is defined as the provision 'by way of business' of: advice about tax affairs; accounting services; treasury management, investment or other financial services; audit services; legal services or estate) then extra care needs to be taken to check the

identity of the customer or client – this is known as carrying out ‘Customer Due Diligence’. The situations where Customer Due Diligence is required are outlined below. Customer Due Diligence consists of:

- identifying the client and verifying the client’s identity on the basis of documents, data or information obtained from a reliable and independent source
- identifying the beneficial owner (where they are not the client) so that we are satisfied that we know who the beneficial owner is, including, in the case of a legal person, trust or similar legal arrangement, measures to understand the ownership and control structure of the person, trust or arrangement, and
- obtaining information on the purpose and intended nature of the business relationship.

8.2 Where customer due diligence is required, staff in the relevant Service/Unit of the Council must obtain satisfactory evidence of the identity of the prospective client, and full details of the purpose and intended nature of the relationship/transaction, as soon as practicable after instructions are received. The Regulations regarding customer due diligence are detailed and complex, but there are some simple questions that will help you decide if it is necessary:

- Is the service a regulated activity (see above)
- Is the Council charging for the service i.e. is it ‘by way of business’?
- Is the service being provided to a customer other than a UK public authority?

If the answer to any of these questions is ‘no’ then you do not need to carry out customer due diligence.

**Please note that unlike the reporting procedure, the Customer Due Diligence Procedure is restricted to those employees undertaking regulated activities (e.g. Finance and Legal Services).**

8.3 If the answer to all these questions is ‘yes’ then you must carry out customer due diligence before any business is undertaken for that client. If you are unsure whether you need to carry out customer due diligence then you should contact the MLRO. Where you need to carry out customer due diligence then you must seek evidence of identity, for example:

- Checking with the customer’s website to confirm their business address;
- Conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
- Seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.

The requirement for customer due diligence applies immediately for new customers and should be applied on a risk sensitive basis for existing customers.

In the Council, details of proposed transactions are usually, as a matter of good case management practice, recorded in writing in any event and proposed ongoing business relationships are usually the subject of Agreements (legally binding agreements entered into between the Council and third parties) or other written record which will record the necessary details.

8.4 There is also an ongoing legal obligation to check the identity of existing clients and the nature and purpose of the business relationship with them at appropriate times. Opportunities to do this will differ, however one option is to review these matters as part of the ongoing monitoring of the business arrangements, as is usually provided for in the Agreement or other written record. The opportunity should also be taken at these times to scrutinise the transactions undertaken throughout the course of the

relationship (including, where necessary, the source of funds) to ensure they are consistent with your knowledge of the client, its business and risk profile. Particular scrutiny should be given to the following:

- complex or unusually large transactions;
- unusual patterns of transactions which have no apparent economic or visible lawful purpose; and
- any other activity particularly likely by its nature to be related to money laundering or terrorist financing.

**8.5 *If satisfactory evidence of identity is not obtained at the outset of the matter then generally the business relationship or one off transaction(s) cannot proceed any further and any existing business relationship with that client must be terminated.***

## **9.0 ONGOING MONITORING AND RECORD KEEPING PROCEDURES**

9.1 Each Service Unit of the Council conducting regulated business must monitor, on an ongoing basis, their business relationships in terms of scrutinising transactions undertaken throughout the course of the relationship (including, where necessary, the source of funds) to ensure that the transactions are consistent with their knowledge of the customer, its business and risk profile.

9.2 The Council must also maintain records of:

- customer identification/verification evidence obtained (or references to it), and
- details of all regulated business transactions carried out for customers for at least five years from the end of the transaction/relationship. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.

9.3 The precise nature of the records is not prescribed by law however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the customer and the relevant transaction and recording the source of, and in what form, any funds were received or paid. In practice, the Service Units of the Council will be routinely making records of work carried out for customers in the course of normal business and these should suffice in this regard.

9.4 All disclosure reports referred to the MLRO and reports made to the National Crime Agency must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

## **10.0 TRAINING**

10.1 The Council will take appropriate measures to ensure that all employees are made aware of the law relating to money laundering and will arrange targeted, ongoing, training to key individuals most likely to be affected by the legislation.

## **11.0 RISK MANAGEMENT AND INTERNAL CONTROL**

11.1 The risk to the Council of contravening the anti-money laundering legislation will be assessed on a periodic basis and the adequacy and effectiveness of the Anti-Money

Laundering Policy, Guidance and procedures will be reviewed in light of such assessments.

- 11.2 The adequacy and effectiveness of, promotion of, and compliance by employees with, the documentation and procedures will also be monitored through the Head of Legal Services.

## **12.0 CONCLUSION**

- 12.1 The legislative requirements concerning anti-money laundering procedures are lengthy, technical and complex. This Policy has been written so as to enable the Council to meet the legal requirements in a way which is proportionate to the very low risk of the Council contravening the legislation.
- 12.2 Should you have any concerns whatsoever regarding any transactions then you should contact the MLRO.

## **13.0 REVIEW OF THE POLICY**

- 13.1 The Policy will be subject to review every three years.

## **NFDC ANTI-MONEY LAUNDERING PROCEDURES**

### **INTRODUCTION**

Money Laundering is the process by which criminally obtained money or other assets are exchanged for 'clean' money or other assets leaving no obvious link to their criminal origins.

This could affect NFDC in the following areas:

- Right to buy payments
- Purchases of Council assets such as land and buildings
- Payment of Council Tax or NNDR
- Payment of Housing Benefit Overpayments

### **TRAINING**

The Council will train you if you are an employee who may come into contact with people involved in money laundering or terrorist financing, so that you are aware of the legislation and your personal responsibilities.

The Council will also train you in how to recognise and deal with transactions that may be related to money laundering or terrorist financing.

Particular topics include;

- The law regarding money laundering offences
- The businesses policy and procedures relating to prevention of money laundering
- Identification and 'know your customer' procedures
- Recognition and handling of transactions
- Internal reporting
- Record keeping

This training should be repeated at least every two years.

### **IDENTIFICATION**

In the following circumstances the Council must take appropriate steps to confirm the identity of a person or business who is (or who is applying to) do business with the Council;

- where the Officer dealing with the transaction knows or suspects that money laundering is going on; or
- where a one off transaction involves a cash payment by the other person or business of £4,000 or more; or
- where there are multiple cash payments totalling £4,000 or more with the same person or business and which appear to be linked.

You must check and retain evidence of everyone in the chain. This includes when your customer is, or appears to be, acting on behalf of someone else.

**You must complete the Money Laundering Report Form and send it to the Money Laundering Reporting Officer for all cash transactions over £4,000.**

You should:

- Check evidence of ID when you receive the first high value payment
- Retain a photocopy of the evidence (date and sign copy with 'original seen' and photo ID – 'good likeness of applicant')
- Note faxed copies are not acceptable.

Why is the evidence important:

You must be satisfied that your customer is who they say they are by checking evidence of their name and address, non compliance is a criminal offence.

## **FORMS OF IDENTIFICATION EVIDENCE - INDIVIDUALS**

The following combinations of evidence are acceptable:

- Full passport OR full driving licence or
- TWO forms of secondary identification

**Secondary forms of identification may include:**

- Credit cards, bank account statements, or recent official correspondence like telephone or utility bills.

**We must take reasonable steps to satisfy ourselves that the customer is who they claim to be. If the customer refuses to supply sufficient evidence of identity then we will refuse the payment.**

## **GOOD PRACTICE**

It is good practice to try and obtain a date of birth and keep a record of it. Then check to see if the DOB is consistent with the apparent age of the customer.

Check the customers' signature with the signatures on the customers' identification evidence.

## **FORMS OF IDENTIFICATION EVIDENCE - BUSINESSES**

You should consider why the customer is purchasing goods in cash.

Where the customer is a limited company you should identify the individuals you deal with who have authority within that company to move funds and obtain details of the company's:

- Registered number
- Corporate name
- Trading names
- Registered address
- Business activity

All these details should be held in an account file and kept for five years after you finish 'dealing' with the customer.

The Account file should include:

- The name of the customer
- Evidence of identification
- A record of the transaction and
- Copies of disclosures you may have made.

### **APPOINTMENT OF A MONEY LAUNDERING REPORTING OFFICER (MLRO)**

The Council must appoint a nominated officer who is an employee, who solely works in the UK and that is easily accessible during normal working hours to be able to carry out the MLRO's role. The Councils' MLRO is the Section 151 Officer; Alan Bethune.

The role of the MLRO is to be a point of contact for all employees who have queries relating to the regulations or who wish to report a suspicion and to ensure compliance with the relevant provisions of the Money Laundering Regulations 2007. They have responsibility to decide if suspicions should be disclosed to the National Crime Agency (NCA) on the disclosure form as soon as possible. They will also need to decide on what actions to take so to avoid tipping off customers that a suspicion has occurred. The MLRO may need to disclose details to NCA before a transaction is completed.

The MLRO may also:

- Train other staff and give guidance
- Carry out money laundering risk assessments
- Implement anti money laundering controls
- Prepare annual reports on the businesses anti money laundering activity and keep appropriate records
- Monitor business relationships

### **WHAT IS MEANT BY SUSPICIOUS?**

Activity which does not fit with the normal course of business.

#### **Indicators leading to Suspicions:**

- Is checking their identify proving difficult?
- Is there a genuine reason to be paying in large sums of cash?
- Is the customer paying with used notes or in small denominations?
- Is the source of the cash known and reasonable?
- Are there any unusual requests?
- With existing customers is the payment reasonable, consistent and within the normal payment pattern?

Any suspicions should be reported to the Money Laundering Reporting Officer as soon as possible. If suspicion is raised before the transaction is completed report to the MLRO and await consent before completing the transaction. The report should be made in writing.

### **RECORD KEEPING**

In accordance with the Data Protection Act 1998, information should not be held for longer than necessary. However, S.19 Money Laundering Regulations 2007 require that records of a customer's identity, evidence and supporting records in respect of a business relationship or occasional transaction that is the subject of customer due diligence should be kept for 5 years after the end of a business relationship to enable law enforcement to reconstruct business transactions and to provide a clear audit trail of the business we have conducted.

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CONFIDENTIAL  
Report to Money Laundering Reporting Officer  
Reporting of Money Laundering Activity

To: .....  
*[Money Laundering Reporting Officer or Deputy]*

From: .....  
*[insert name of employee, including post title]*

Service Area: .....

Ext/Tel No: .....

Date by which response needed: .....

**REPORTING OF CASH TRANSACTION IN EXCESS OF £4,000**

**Name(s) and address(s) of person(s) involved:**  
*If a company/public body please include details of nature of business*

**Summary of transaction and customers role:**  
*Please include full details e.g. value, source of funds, what, when, where, how. Continue on a separate sheet if necessary*

**REPORTING OF SUSPECTED MONEY LAUNDERING ACTIVITY:**

**Name(s) and address(s) of person(s) involved:**  
*If a company/public body please include details of nature of business*

**Summary of transaction and customers role:**  
*Please include full details e.g. value, source of funds, what, when, where, how. Continue on a separate sheet if necessary*

**Reason for suspicions regarding such activity:**

**Has any investigation been undertaken (as far as you are aware)?**

Yes/No

**If yes, please include details below:**

**Have you discussed your suspicions with anyone else?**

Yes/No

**If yes, please specify below, explaining why such discussion was necessary:**

**Have you consulted any supervisory body guidance re money laundering? (e.g. *National Crime Agency, The Law Society*)**

Yes / No

**If yes, please specify:**

**Do you feel there is a reasonable excuse for the Money Laundering Reporting Officer to not disclose the matter to the NCA? (eg are you a lawyer and wish to claim legal professional privilege?)**

Yes/No

**Please set out below any other information you feel is relevant:**

**Signed: ..... Dated: .....**

***Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence.***

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO

Date Report Received:.....

**CONSIDERATION:**

Action Plan:

**OUTCOME OF CONSIDERATION:**

Are there reasonable grounds for suspecting money laundering activity?  
Yes/No

If there are reasonable grounds for suspicion, will a report be made to the National Crime Agency (NCA)?

Yes/No

If yes, please confirm date of report to NCA:

*[Please complete the details below]*

Details of liaison with the NCA regarding the report:

Name of liaison person

Notice Period: ..... to .....

Moratorium Period: ..... to .....

Is consent required from the NCA to any on-going or imminent transactions which would otherwise be prohibited acts?

Yes/ No

If yes, please confirm full details below:

Date consent received from NCA: .....

Date consent given by you to employee: .....

**If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:**  
*[Please set out any reasonable excuse for non-disclosure]*

**Date consent given by you to employee for any prohibited act transactions to proceed:**

**Signed: ..... Dated:.....**

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**

**CABINET – 7 MARCH 2018**

**PORTFOLIOS: COMMUNITY AFFAIRS,  
FINANCE CORPORATE SERVICES  
AND IMPROVEMENT, LOCAL  
ECONOMIC DEVELOPMENT, PROPERTY  
AND INNOVATION**

## **PROPOSAL FOR IMPROVED WORKING WITH THE NEW FOREST NATIONAL PARK AUTHORITY**

### **1.0 INTRODUCTION**

- 1.1 Since the New Forest National Park Authority came into existence in 2006 shared services have been established, with the District Council and Park Authority each providing services for the other under a range of Service Level Agreements.
- 1.2 With the increasing demands on planning services discussions have taken place between officers to explore opportunities to improve working arrangements.
- 1.3 It was agreed that the Council's Chief Executive would submit a proposal that could be considered by each organisation. A letter setting out the draft proposal is attached as Appendix 1 to this report.

### **2.0 THE PROPOSAL**

- 2.1 The attached letter sets out 3 main areas for consideration. These are:
  - The formal leadership engagement between both organisations
  - Working together
  - Shared services

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1 As set out in the attached letter significant financial benefits could be achieved for both organisations.

### **4.0 CRIME AND DISORDER, EQUALITY AND DIVERSITY AND ENVIRONMENTAL IMPLICATIONS**

- 4.1 Efficiencies and more effective working between the two organisations may achieve many, varied benefits.

## 5.0 RECOMMENDATION

- 5.1 That the Cabinet supports development of the proposal for improved working arrangements with the National Park Authority, as set out in Appendix 1 to this report.

### For further information contact:

Bob Jackson  
Chief Executive  
Tel: 023 8028 5588  
E-mail: [bob.jackson@nfdc.gov.uk](mailto:bob.jackson@nfdc.gov.uk)

### Background Papers:

None

**Chief Executive**
**Executive Head:** Bob Jackson

Alison Barnes, Chief Executive  
 New Forest National Park Authority  
 Lymington Town Hall  
 Avenue Road, Lymington  
 Hampshire  
 SO41 9ZG

My Ref: RJ/db/letters  
 Your Ref:

Date: 23 February 2018

Dear Alison

**IMPROVED WORKING ARRANGEMENTS**

Many thanks for our recent meeting with both our Planning senior management teams. I think it was a very useful meeting in exploring opportunities to see how we could improve working arrangements between our organisations. Following the meeting, I agreed to set out proposals for consideration by the National Park Authority and the Council on areas where I believe improvements could be made for the benefit of our shared community.

We both understand that we have different statutory responsibilities but that there are many areas in which our organisations have a common interest. This is not surprising given that 94% (206 square miles) of the National Park Authority area is within the boundaries of the District Council, 71% of the total District.

One of our most important common interests is the community of 35,000 district residents and numerous businesses that operate in our shared area. This community expects and deserves clarity of responsibility, efficiency and effectiveness in how both organisations operate to discharge their responsibilities.

At our meeting I set out three areas where improvements could be made.

**1. The formal leadership engagement between both organisations**

- Since the creation of the National Park Authority with full statutory functions in April 2006 there has been no formal engagement between leading District councillors and Park Authority members to discuss their respective areas of interest and provide an opportunity for improved cooperation and challenge, where appropriate.
- Currently 8 of the 22 members of the National Park Authority are District Councillors. Four are appointed by the District Council and four by the County Council. However, it must be recognised that issues which affect the District Council may affect the National Park Authority in a different way and members have to put the interests of the particular body, on which they are sitting at any given time, first and foremost. Members cannot be reasonably expected to

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represent the views of one organisation when they are present in the other. Members who sit on both authorities need to be mindful of which “hat” they are wearing.

- It is proposed that a new forum is established for NFDC Councillors and NFNPA Members to come together to discuss and agree a strategic approach to ‘big ticket’ items. This includes securing greater formal engagement on areas of common interest i.e. Planning delivery, Health and Wellbeing (Recreation Management), Housing need and Economic Development. As well as bringing about a more formal approach to existing joint working arrangements, building on the successful Duty to Cooperate work at officer level (that has already taken place). This could lead to real and tangible benefits for our wider communities. One example of this could be a Memorandum of Understanding to guide joint working on the delivery of more Affordable Housing in the National Park.
- This would be an additional forum to the engagement which is currently taking place with the Officer Leadership Group which is currently overseeing delivery of the National Park Partnership Plan. This forum involves other partners including Hampshire County Council, Wiltshire Council, Test Valley Borough Council, Forestry Commission, Natural England and the Environment Agency. As I have raised at the group this I believe also needs to develop a democratic engagement to help ensure both support and delivery of the many tasks set out in the Plan.

## **2. Working together**

It is clear that with greater development in the district area over the next 20 years including the progress of the “Green Halo”, that there is the need and opportunity to work more closely together, both formally and informally.

It is envisaged that the areas of closer working together, include the following projects and developments:

- Fawley Power Station and the wider Waterside
- Developments where strategic cross-boundary master planning between both organisations would improve outcomes.
- Joint monitoring for example of air quality (ammonia and acid deposition on the Natura 2000 sites) – an indicator in our local plans
- The creation of a ‘New Forest Habitat Mitigation Strategy’ to manage recreation pressures arising from new development within and outside the National Park (not dissimilar to the strategic approach adopted by the PUSH authorities for the Solent)
- A new joint Supplementary Planning Document on provision and management of SANGs
- Commissioning joint evidence / surveys (some of which has already taken place to good effect in preparing our respective local plans)



- Joint 'locally led' CPD events for NPA & NFDC planning staff (promoting better understanding and sharing knowledge between planning teams).

It is proposed that both organisations should agree to work together in the areas identified (and others that are identified in the future) based on a common interest.

### 3. Shared Services

Services are currently shared, but there remains significant scope for a greater sharing of services in the future. The drivers for sharing services remain economy, efficiency and effectiveness.

To date the following services are shared by the two organisations:

Service	Provider	Value (£)
Human Resources (inc. Payroll)	NFDC	33,486
Finance Support (inc. Audit)	NFDC	34,700
ICT – GIS	NFDC	55,150
ICT – Agresso Support	NFDC	5,800
ICT – Hosting of File Servers	NFDC	5,000
Courier	NFDC	500
Ecology Service	NFNPA	11,200
Ranger Services	NFNPA	39,830
Building Conservation	NFNPA	89,800
Tree Service	NFNPA	110,000

As we move forward, both organisations will be facing the challenges of increased development. The tables below give some key information on the current and anticipated numbers of planning applications and existing numbers of staff:

Annual Planning Applications	NFDC	NFPA
Current	1700	1000
Future	1850/1900*	1100*

\* whilst future application numbers show an increase on current numbers, there will likely to be more significant/major applications following adoption of the respective local plans and the allocation of new housing sites. The complexity of the planning caseload will increase in the foreseeable future for both authorities.

## Current Planning Staff

FTE's	NFDC	NFPA
Head of Planning		1
Service Management	2	
Environmental Design	3	
Strategic Planning (Policy)	7.5	3.6*
Development Control	13	6
Enforcement	3.5	3
Planning Administration	7	5
Conservation and Building Design		3.5 (shared resource with NFDC)
Trees		3.5 (shared resource with NFDC)
Other Specialist Services		3**

\* includes Partnerships & Community Officer (limited input to strategic planning work)

\*\* includes other shared services with NFDC (ecology and archaeology)

### Current requirements

There is a need to review & renew existing SLAs for ecology, archaeology, trees, & conservation and to discuss how these will be resourced in order to respond to greater levels of planned development.

There is also a shared need to improve and modernise planning ICT in both organisations. This could include a shared planning/ICT database (as part of procurement of new planning software).

### Current challenges

The District Council is facing significant financial challenges like all other local authorities as central government funding is reduced.

We have experienced difficulties in recruiting planning officers. Local Housing costs make recruitment more difficult at a time when there is greater national demand for planning officers given the Government's housing delivery requirement of 300,000 homes per annum.

### Proposal

The Council's proposal is to create a single managed planning service across the NPA and District Council, with one Head of Service working for both organisations. Both organisations would still be responsible for discharging their statutory responsibilities as they do now. However, they would have a joint Planning Head of Service working across both authorities. With this proposal, staff would still operate from their current locations for their existing employer. The new joint Head of Service would be responsible for staffing matters on Planning in both organisations and attend the Senior/Executive management teams of each organisation, reporting to the respective Chief Executives. It is proposed that the Head of Service's performance would be managed by a Joint Board from both organisations consisting of two members from each

organisation and both Chief Executives. Savings to each organisation of this approach are estimated at £35,000 to £40,000 per annum.

The District Council is firmly of the view that the above proposal would not only meet the aspirations of the community for joined up and efficient delivery of planning services, but also goes a long way in addressing the challenges presented by the current financial climate.

I very much look forward to hearing from the Authority.

Yours sincerely

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Chief Executive

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CABINET – 7 MARCH 2018

### VACANCY ON THE DISTRICT COUNCIL – MILFORD DISTRICT WARD

#### 1. INTRODUCTION

- 1.1 A vacancy has occurred in the Milford Ward of the District Council following the death of Cllr Mrs Sophie Beeton. The ward comprises the MC (Milford 1), MD (Milford 2) and HF (Everton ward of Hordle Parish Council) polling districts.
- 1.2 Cllr Mrs Beeton also served on the Milford Parish Council and a vacancy on that Council also exists.
- 1.3 The Local Government electorate in Milford District Ward is 4,316.

#### 2. ARRANGEMENTS TO FILL THE VACANCIES

- 2.1 The law requires that, when a vacancy in these circumstances arises, notice of the vacancy on the District Council must be given. This was done on Monday 19 February. The law provides further that, if a request for an election to fill the vacancy is made by two or more local government electors for the area, an election must follow. Tentative arrangements have been made for a by-election to be held on 5 April 2018.
- 2.2 The law for filling a vacancy on a Parish Council differs from that applicable to Principal Authorities. For Parish Councils, a request for an election by 10 electors must be submitted within 15 days of the notice of the vacancy being given. If no such request is received, the Parish Council may co-opt a person who would have been qualified to stand for election. If a request for an election in the required terms is received, it is planned to hold the election to the Parish Council on the same day as that for the District Council. The closing date for the receipt of a request for a parish by-election is Monday 26 February.
- 2.3 There are three polling stations in the Milford District Ward - the Milford Village Hall, the All Saints Church Hall and St Mary's Church Hall in Everton. The managers of all three premises have indicated their willingness to make the halls available for use on 5 April, if required. The count will be conducted at the All Saints Church Hall following the close of poll.

#### 3. FINANCIAL IMPLICATIONS

- 3.1 The cost of the by-election, if it is not combined with a Parish Council election, is estimated at approximately £6,500. This cost will be met from existing budgets.

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

- 4.1 There are none.

**5. RECOMMENDATION:**

5.1 The Cabinet is requested to note this report.

**Further information:**  
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**Background Papers:**  
**Published documents**