

**1 AUGUST 2018**

**NEW FOREST DISTRICT COUNCIL**

**CABINET**

Minutes of a meeting of the Cabinet held in the Council Chamber, Appletree Court, Lyndhurst on Wednesday, 1 August 2018

- \* 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:**

- G C Beck
- Mrs S M Bennison
- Mrs F Carpenter
- S J Clarke
- S P Davies
- Ms L C Ford
- A T Glass
- L E Harris
- A D O'Sullivan

**Councillors:**

- N S Penman
- L R Puttock
- W S Rippon-Swaine
- Mrs A M Rostand
- D J Russell
- M A Steele
- Mrs C V Ward
- M L White
- C A Wise

**Officers Attending:**

Miss G O'Rourke, C Read, Mrs M Sandhu, A Bethune, M Callaghan, Miss J Debnam and Mrs K Williams

**Apologies:**

Apologies for absence were received from Cllr Mrs D E Andrews.

**20 MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 4 July 2018 be signed by the Chairman as a correct record.

**21 DECLARATIONS OF INTEREST**

Cllrs Carpenter, E J Heron, Penman and White – Minute 24.

**22 PUBLIC PARTICIPATION**

No issues were raised in the public participation period.

**23 NEW FOREST SHOW**

The Leader of the Council thanked all those councillors and officers who had supported the Council's presence at the New Forest Show. It had been particularly difficult this year, because of the excessive heat, but the Council had nonetheless been able to disseminate a number of valuable messages to the visitors.

**24 FUNDING OF CENTRE FOR SOCIAL INNOVATION CIC BUSINESS CENTRE, EVERTON**

Cllrs Carpenter, E J Heron, Penman and White disclosed non-pecuniary interests as members of Hampshire County Council which had been approached for match funding. They concluded that there were no grounds under common law to prevent them from remaining in the meeting to speak and in the case of Cllr E J Heron to vote. Cllrs Carpenter, Penman and White did not have a vote.

The Cabinet considered whether this Council should give financial support to the Centre for Social Innovation Community Interest Company which was establishing a business centre to promote the growth and development of small businesses, based in South Efford House at the Otter Nurseries site at Everton. In May 2018 the Enterprise M3 Local Enterprise Partnership had approved a loan of £220,000 to undertake the initial refurbishment of South Efford House, including fitting out shared, co-working and meeting conference accommodation. The Company was now seeking match funding of £75,000 from this Council and from Hampshire County Council for phase 2 of the project. This would establish a seed fund that would help to deliver:

- A skills and talent incubator – a partnership with this Council, Brockenhurst and Totton Colleges to deliver specific skills and apprenticeships to meet the needs of local business. The Business Centre's New Forest Group Training Association would work to overcome the perceived barrier of the apprentice levy and provide an alternative learning model to the traditional university route.
- The provision of resources and facilities – including the recruitment of a Director of Innovation and meeting some of the building costs to establish the Business Centre
- Marketing – to attract targeted businesses and sectors.

The Council's Economic Development Manager had been closely involved in the development of the project which it was considered was capable of driving local economic growth, developing skills in high value sectors and providing much needed flexible employment space. Accordingly, this would contribute to delivering the Council's own vision and corporate priority, "Supporting local business to prosper for the benefit of the local community" and there was notable synergy with the Council's Economic Development Strategy 2018-2023. Members welcomed the support that this initiative would give to developing high value businesses in the local economy and also, very importantly, the promotion of good quality apprenticeships that would encourage young people to train to fill the new jobs, allowing them to live and work in the Forest.

The Cabinet concurred with the view that a number of caveats should be attached to the funding, as set out in paragraph 3.5 of Report Item 4 to the Cabinet.

**RESOLVED:**

That, subject to the caveats set out in paragraph 3.5 of Report Item 4 to the Cabinet, funding of £75,000 to support the Centre for Social Innovation Community Interest Company and its project to develop a Business Centre and associated projects, be approved.

**25 MEDIUM TERM FINANCIAL PLAN 2018 ONWARDS**

The Cabinet was advised of the financial assumptions being used to develop the Medium Term Financial Plan for 2018 and beyond. A summary of the budget projections up until 2022/23 was attached as Appendix 1 to Report Item 5 to the Cabinet. The context included the continuing Fair Funding Review and also the review of the Business Rates Retention Scheme, where the latest information suggested that the formulation would be based on a 75% retention rate, rather than the 50% currently.

All the assumptions were made on a realistic basis on what should be achieved.

The assumptions on the funding available to the Council were set out in section 3 of the report. Business Rates Collection was expected to see overall growth of £1m beyond baseline for 2019/20; and the combined Hampshire Authorities were also working on a bid for a business rate pilot for 2019/20, which could result in additional funding being retained within Hampshire. At present it was assumed that a baseline reset would take place in 2020/21, but in accordance with prudent financial planning, at this time all growth beyond the annual inflation increases had been removed from the assumptions.

By 2019/20 Revenue Support Grant would cease and this Council, in common with some others, was expected to be affected by “negative Revenue Support Grant”, in this Council’s case to the value of £612,000. It was hoped that this would be addressed through the Fair Funding Review.

It was also expect that New Homes Bonus would cease to be a reliable source of funding, and was likely to cease entirely by 2022/23.

Increased costs to the value of £3.2 million had been identified for the next 4 year period, as set out in paragraph 4.1 of the report. This would be partially offset by the savings and income adjustments identified in paragraph 4.2. There would also be new budget requirements for additional staffing in planning and open spaces; and there would be an electoral review of the District.

The forecast budget deficit in each of the forthcoming years to 2022/23 was set out in Section 5 of the report, and would total £1.35 million to 2023. Action to address the deficit was already underway, with a number of reviews and strategy developments needed to maintain the current process. Further details were set out in paragraph 5.5 of the Report.

Investment in 2 capital projects originally reported in February 2018 would continue, with the outline business cases, confirming the level of investment required, currently being produced for submission to the Cabinet in due course. These projects were projected to achieve annual savings to contribute to closing the identified budget deficit.

The timeline for the development and reporting of the Medium Term Financial Plan was set out in Section 7 of the report.

The Cabinet thanked the officers for their hard work to address the continuing reductions in funding, while continuing to provide front-line services within a balanced budget.

**RECOMMENDED:**

- (a) That the revised Medium Term Financial Plan, as outlined in Report Item 5 to the Cabinet and Appendix 1 to that Report be adopted;**
- (b) That the reporting timeline as set out in section 7 of Report Item 5 to the Cabinet be agreed; and**
- (c) That the “Actions Required” as set out in Report Item 5 to the Cabinet, be progressed.**

CHAIRMAN