

**REPORT OF CABINET**  
**(Meeting held on 6 July 2016)**

**1. LEADER'S STATEMENT**

The Leader referred to the recent referendum decision that the United Kingdom should leave the European Union. This was causing a considerable amount of turbulence at a National level and, until the situation becomes clearer, it is not possible to evaluate the implications this will have for local government. With respect to devolution, it is unlikely that this option will be withdrawn, but it is possible that there may be some delay, which will allow local authorities to take stock and develop options to bring maximum benefits for their local population. The implications for local authority funding will not become clear until later in the year, most probably through the Chancellor's autumn statement, and will be taken into account in the Medium Term Financial Plan once known.

In the meantime it is important that the Council continues to focus on delivering its own functions, the scope of which is often under-estimated by local residents. Members' attention is drawn to the recently published "Z" cards that set out key facts about the District and also the Corporate Plan.

**2. REVOCATION OF TOTTON AIR QUALITY MANAGEMENT AREA (MINUTE 10)**

The Cabinet has agreed that the Air Quality Management Area in Totton should be revoked. The Air Quality Management Area was declared in June 2005 when monitoring demonstrated that the annual mean air quality standard for nitrogen dioxide in that area was not being met. A number of other air pollutants were also measured or assessed, but were not of concern. Following the declaration of the Air Quality Management Area, an Action Plan was developed, in conjunction with partners, to address the source of the pollution, which was mainly from vehicles, particularly when stopped at the railway crossing in the centre of the town. The scope of the plan had been limited because of the particular constraints associated with maintaining essential routes for pedestrians and vehicles. There had however been some success in encouraging drivers to switch off their engines when queueing at the railway crossing. Improvements in vehicle emission performance had probably also contributed to improving air quality. As a result, there had been no exceedances of the annual mean objective for nitrogen dioxide since the Action Plan was adopted in 2008. In accordance with best practice, as published by Defra, the Air Quality Management Area should now therefore be revoked.

The monitoring of air quality in Totton will continue to ensure that standards do not deteriorate and to reassure the public. The monitoring is by a real-time monitoring station in Junction Road, Totton together with a number of diffusion tubes placed around the town centre.

**3. NEW FOREST DISTRICT (OUTSIDE THE NATIONAL PARK) LOCAL PLAN REVIEW (PART 1) – PUBLIC CONSULTATION ON PLANNING STRATEGY (MINUTE 11)**

The Cabinet has approved the draft of the review of Part 1 of the Local Plan, to cover the period up to 2036, which will now go out to public consultation. Although the current local plan covers the period up to 2026 it pre-dates the Government's National Planning Policy Framework. Consequently, when the Sites and Development Document was subject to public examination this Council had accepted that an early review should be undertaken.

The National Planning Policy Framework has significantly altered the way in which strategic planning for growth is undertaken, in particular boosting the supply of housing to meet the "objectively assessed needs for market and affordable housing in the housing market area". As a consequence, this District must accommodate as much growth as possible without conflicting with the Framework's policies to protect certain areas, for example wildlife and nature conservation sites, the Green Belt and areas subject to flooding. Working with partner agencies where appropriate, a significant amount of research has therefore been undertaken to identify both potential sites for housing and to prioritise the constraints that might be set against that demand. The possible strategic site allocations are set out in paragraph 2.8 of the report. Members were advised that the total allocation should read 6,890, not 7,040 as stated.

The consultation exercise will allow the public the opportunity to respond to the draft proposals and also to put forward alternatives for consideration. To balance the needs of all the local population, the need and aspiration for affordable housing and good quality employment must be balanced against the protection of the special and unique character of the Forest. The consultation period will be extensive, from 15 July to 16 September, to allow the public adequate opportunity to respond. At this stage the public is being asked to respond to potential proposals for inclusion in the Local Plan.

The Cabinet is emphasising the valuable role that can be played by local ward councillors in encouraging local people to take part in this important consultation exercise so that the views and priorities of local people can be reflected in the proposals that are included in the draft local plan that is brought forward for further consultation and eventually progressed through to public examination. Members are particularly requested to ensure that any e-mails that they receive on this issue are forwarded to the Planning Policy team to ensure that all comments received, through whatever route, are taken into account.

The preparation of a Local Plan is a complex process with the potential for delays through the public examination process. It is however important that an up-to-date plan is in place by 2018 in order that this Council remains in control of development in this area.

**4. TREASURY MANAGEMENT ANNUAL OUTTURN REPORT 2015/2016 (MINUTE 12)**

The Cabinet has reviewed the Council's performance on Treasury Management for the 2015/2016 financial year. While responsibility for treasury management remains with this Council, the County Council's Investments and Borrowing Team has been contracted to manage this operation since 2014. This arrangement allows this Council access to a greater range of investment opportunities, potentially offering better

returns. The report confirms that the Council has complied with all of the prudential indicators set in the Treasury Management Strategy.

The Council has achieved its strategy of maintaining its borrowing and investments below their underlying levels as measured by the Council's Capital Financing Requirement. The majority of the loans held by the Council are a result of the funding of the repurchase of the Council's housing stock in the Housing Revenue Account self-financing settlement in March 2012. The Housing Revenue Account's Capital Financing Requirement will reduce by £4.1 million per year from 2017/18 as repayments are made. There has been no new borrowing during 2015/16, with internal resources having been used to lower the overall treasury management risk by reducing both external debt and temporary investments. Long term debt continues to be managed to reduce costs while retaining certainty over debt repayments.

The Council's investment strategy has been adjusted to reflect the changing risks, increasingly favouring secured investment options or diversified alternatives, while reducing exposure to unsecured bank and building society investments. The Council has complied with its prudential and treasury management indicators.

The Cabinet was advised that the Audit Committee had noted the content of this report at their meeting on 28 June 2016.

## **5. MEDIUM TERM FINANCIAL PLAN 2016 ONWARDS (MINUTE 13)**

The Cabinet has considered the further actions being taken to ensure that the Council continues to deliver a balanced budget within the context of increasing financial constraints.

It is proposed to take advantage of the Government's option to agree the financial settlement up to and including 2019/20 to take advantage of the increased financial certainty this will provide. The Council must publish an efficiency plan to meet the requirements of that option, and this was included as Appendix 1 to report item 7 considered by the Cabinet. This factor, together with the significant changes ahead due to the Business Rate Retention Scheme, mean that the Medium Term Plan now covers the next 3 years, instead of 4 years as previously. A number of assumptions have been made in drawing up the Plan, and these are summarised in section 3 of the report. In essence, the Council's costs are expected to increase by a total of around £2.4 million over the next 3 years. There is also an assumption that Council Tax will increase by £5 per annum per Band D property, based on the allowable increases for 2016/17, and that this allowable level will continue.

Current projections indicate there will be a total budget deficit of £4.074 million to 2020. The staff restructuring undertaken to date, together with additional target savings that will be met through the newly appointed Service Managers, have contributed to the current Budget Stabilisation Strategy. Each Service Manager has been assigned a level of savings that they must achieve for their service area. In addition, a further £500,000 of savings must be achieved by the Service Managers through efficiency reviews. This is likely to close the 2017/18 budget deficit, allowing the Council more time to implement the more major reviews necessary to close the remaining budget deficit. These major service reviews, identified in the Council's Delivery Plan, are expected to contribute a further £1.136 million of savings by 2020.

**RECOMMENDED:**

- a) That the revised Medium Term Financial Plan and efficiency plan, as outlined within Report Item 7 to the Cabinet and Appendix 1 to that report, be adopted;**
- b) That the Government's offer of guaranteed funding levels up until 2020, through the publishing of the efficiency plan as laid out as Appendix 1 to Report Item 7 to the Cabinet, be accepted;**
- c) That the reporting timeline as set out in section 7 of Report Item 7 to the Cabinet be agreed; and**
- d) That the actions and development of plans for options to support the Medium Term Financial Plan, as set out in the Report Item 7 to the Cabinet, be supported.**

**Councillor B Rickman  
CHAIRMAN**