

Ask for Jo Williams  
Direct Line: 01258 484042  
E-mail: jowilliams@north-dorset.gov.uk

23 March 2006

**TO ALL MEMBERS OF THE COUNCIL**

Dear Member

**COUNCIL MEETING**

Your attendance is requested at a meeting of North Dorset District Council to be held on **Friday 31 March 2006 at 10.00am** in the Council Chamber, Nordon, Salisbury Road, Blandford Forum for the transaction of the following business.

Yours sincerely



**Elizabeth Goodall**  
Chief Executive

**Lunch will be provided for Councillors**

**A G E N D A – OPEN TO THE PRESS AND PUBLIC**

**1. APOLOGIES**

**2. PUBLIC QUESTION TIME**

*Fifteen minutes will be set aside to allow members of the public to ask questions relating to the work of the Council. (If no questioners are present at this point, the meeting will proceed to the next item.)*

**3. DECLARATIONS OF INTEREST**

*Councillors and Officers are reminded of their obligations under the Codes of Conduct to declare any personal or prejudicial interests.*

#### 4. MINUTES

To confirm the minutes of the meeting of the Council held on 9 March 2006, (previously circulated), as a correct record.

#### 5. CHAIRMAN'S NOTICES AND URGENT BUSINESS

#### 6. TOWN AND PARISH BOUNDARY REVIEW

To consider a report by the Solicitor to the Council advising Members of the results of the second consultation process in relation to the whole district and seeking the views of Full Council on the final recommendations to the Office of the Deputy Prime Minister (ODPM) on the Town and Parish Boundary Review.

##### **Recommendations:**

1. To consider the draft recommendations made on 3<sup>rd</sup> February 2005 in relation to the District apart from Blandford, to consider any representations during the subsequent consultation period together with the advice of the Political Management Panel (PMP) and to determine whether to confirm those recommendations with or without modifications for submission to the ODPM.
2. To consider the recommendations made on 28<sup>th</sup> October 2005 in relation to Blandford and its environs, to consider any representations made during the subsequent consultation period together with the advice of the PMP and to determine whether to confirm those recommendations with or without amendments for submission to the ODPM.

#### 7. PRIVATE SECTOR HOUSING STRATEGY

To consider a report by the Policy Manager - Housing and Community Safety advising of revisions and updates to the Private Sector Housing Strategy in the light of recent legislation.

**Recommendation:** That Council approves the updated version of the Private Sector Housing Strategy.

***The Private Sector Housing Strategy 2006-08 Document was circulated to Members with the Cabinet Agenda for 16 March 2006. Please bring that document with you to the Council Meeting. Additional copies are available from Democratic Services.***

#### 8. TAXI TARIFF INCREASE

To consider the report of the Licensing Officer detailing the recommendation of the Licensing and Orders Committee that the taxi tariff be increased.

**Recommendation:** To approve the Taxi Tariff increase as recommended by the Licensing and Orders Committee and as detailed in Appendix 1 to the report.

## 9. TREASURY MANAGEMENT STRATEGY

To consider the report of the Financial Services Manager seeking Council's approval for the 2006/07 Treasury Management Strategy.

**Recommendation:** That Members approve the Treasury Management Strategy for 2006/07 and the Treasury limits for 2006/07 as itemised in the Report.

## 10. CABINET REPORT

The Leader of the Council to present a report on Cabinet activities during February and March 2006 (attached). Members may question individual Cabinet members on the contents of this report.

## 11. MOTIONS

## 12. GENERAL QUESTION TIME

Members may question any Chairman or Cabinet Member on any matter, providing the Chairman agrees that it relates to the North Dorset district. *Members are encouraged to submit their questions in writing in advance to Democratic Services.*

## 13. EXCLUSION OF PRESS AND PUBLIC

The public and press may be excluded from the meeting during consideration of the next item on the grounds that it involves the disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

### **AGENDA – EXEMPT ITEM (PUBLIC AND PRESS EXCLUDED)**

Whilst generally encouraging the press and public to attend our meetings, there are certain items which we consider in private because of their personal, confidential or contractual nature. The item set out below comes into one of these categories.

## 14. 15-17 STATION ROAD, GILLINGHAM

To receive the report of the General Manager (Development and Resources) – Corporate Policy Officer. **(Report attached for Members and officers only).**

**DATE OF NEXT MEETING**

**Friday 28th April 2006**

**NORTH DORSET DISTRICT COUNCIL**

**MEETING GROUP**                      **Council**

**Date of Meeting:**                      31st March 2006

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**REPORT TITLE:**                      **TOWN AND PARISH BOUNDARY REVIEW**

**Portfolio Holder:**                      None

**Report by:**                              SOLICITOR TO THE COUNCIL

<b>Purpose of Report:</b>	To advise Members on the results of the second consultation process in relation to the whole district and to seek a final recommendation to the Office of the Deputy Prime Minister (ODPM) on the Town & Parish Boundary Review
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**Statutory Authority:**                      Local Government & Rating Act 1997

**Financial Implications:**                      Within budgets

**Consultations required/  
undertaken:**                              Chairman of Political Management Panel, Chief Executive,  
Public Consultation

**Recommendations:**

3. To consider the draft recommendations made on 3<sup>rd</sup> February 2005 in relation to the District apart from Blandford, to consider any representations during the subsequent consultation period together with the advice of the Political Management Panel (PMP) and to determine whether to confirm those recommendations with or without modifications for submission to the ODPM.
4. To consider the recommendations made on 28<sup>th</sup> October 2005 in relation to Blandford and its environs, to consider any representations made during the subsequent consultation period together with the advice of the PMP and to determine whether to confirm those recommendations with or without amendments for submission to the ODPM.

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## **BACKGROUND AND REASON DECISION REQUIRED**

1. Work on the review of Town and Parish boundaries has been on-going since 2004. Members will recall that the process required the District Council to conduct an initial consultation, during which views and ideas could be put forward by Town and Parish Councils or the public. Those representations were then considered, in two parts, each resulting in a draft recommendation from the District Council. One related to Blandford and its environs, the other to the rest of the District. These draft recommendations were then consulted upon. It is the results of these second consultations which are to be considered by Members together with the advice of the PMP, with a view to making final recommendations to the Office of the Deputy Prime Minister. The ODPM will then consider those recommendations and decide whether or not to make an order giving effect to the changes which the Council has suggested. In the case of any change affecting a ward boundary, the ODPM will refer it to the Electoral Commission.
2. As referred to above, due to the complexity of the proposals that have been submitted by Blandford Town Council, the process was split into two. When the initial consultations were reported to Cabinet on 3<sup>rd</sup> February 2005, it was decided to make a draft recommendation in respect of all parts of the District save those affected by the Blandford Town Council proposals. A decision was made to consult in more detail on the Blandford proposals which were to be considered at a later date. Subsequently, the Market Research Group from Bournemouth University conducted a survey of the residents of Blandford and those affected by the proposals from surrounding parishes. The results of this consultation were reported to Council on 28<sup>th</sup> October 2005 when draft recommendations were made.
3. By way of reminder, the Report to Cabinet on 3<sup>rd</sup> February 2005 in relation to the first draft recommendations is attached at Appendix A. The Report to Council on 28<sup>th</sup> October 2005 in relation to the Blandford proposals, including a plan is attached at Appendix B.
4. Copies of written responses in relation to the first draft proposals are deposited in the Members Room for inspection. The consultation responses are summarised at Appendix C.
5. Copies of the responses in relation to the second consultation relating to the Blandford proposals are also deposited in the Members Room for inspection. The consultation responses are summarised at Appendix D. Maps showing the draft proposals, including any suggestions from PMP are available from Democratic Services and will be provided in the Council Chamber at the meeting.
6. Members are reminded that the Local Government and Rating Act 1997 together with Government Guidance thereon sets out general considerations to be taken into account when deciding recommendations to ODPM. There are also specific criteria which must be considered. These are that any proposed changes must firstly reflect the identities and interests of local communities and secondly secure effective and convenient Local Government. An extract from the Guidance setting out these considerations is attached at Appendix E.

7. The details of the draft recommendations upon which the second consultations took place, together with the advice of PMP thereon are set out at Appendix F.
8. In considering these matters, Members are not being asked to reconsider the representations that were made during the first stage of consultation and prior to the making of draft recommendations. The purpose of this exercise is for Members to consider the representations that have now been made during the second stage of consultation in respect of those draft recommendations.
9. Members are asked to pay particular attention to the draft recommendation relating to the settlement of Belchalwell where there is a significant inconsistency between the result of a ballot, as reported by Okeford Fitzpaine Parish Council, and a petition submitted by a number of Belchalwell residents. PMP has decided to advise Council to look again at the possibility of effecting the change that was originally proposed, namely to incorporate Belchalwell within Ibberton Parish Council. The Solicitor to the Council was asked to produce a suggested boundary line for the proposal, should Council decide to adopt this proposal. Following consultation with residents and the affected parishes of Ibberton and Okeford Fitzpaine, the suggested boundary line is set out within the maps referred to above.
10. Members are also referred to the proposal to move Bagber from Sturminster Newton to Lydlinch. This proposal has been strongly supported by individual responses (12), but is opposed by Sturminster Newton Town Council in a detailed letter. Members are asked to read this letter. PMP advise that , having considered the detailed letter of objection from the Town Council, Council should now consider making no change to the boundary.
11. There has been strong opposition from Pimperne Parish Council to both the proposal to incorporate Sunrise Business Park, the allotments and fields and the area including Nutford and Kites Corner within Blandford. In addition, residents of Nutford have indicated strong opposition to the proposals affecting them. Having considered these objections, PMP have advised that the area covering Sunrise Business Park, the allotments and fields should remain with Pimperne. PMP also advises that the area of Nutford should remain within Pimperne and that the additional area which was consulted upon should only go as far as the old railway line. This is shown on the maps referred to above.
12. Members must also be aware of the representations from Blandford Town Council. They ask the Council to reconsider its decision not to adopt the Town Councils comprehensive proposals. Members are asked to read this letter. PMP, having considered the further representations from Blandford Town Council, have advised Council to look again at the proposals relating to the residential parts of Blandford St Mary, within the by pass, along side the current draft recommendation that there be no change. Blandford St Mary Parish Council remains opposed to the proposal. The advice of PMP is shown on the relevant map.
13. Should Council decide to adopt the advice of PMP in this regard, a decision will have to be made in respect of the remainder of Blandford St Mary. The remainder of the parish has only approximately 90 electors. Government guidance suggests that a review such as this should not be looking to create new parish meetings, but the remainder is too small to continue as a parish council. The only viable option would be to group the remainder of the parish with a neighbouring parish council. The

obvious candidate is Charlton Marshall Parish Council. This is the option that the residents of Lower Blandford St Mary have indicated as a preference. Council would need to give a name to such a new grouped parish council. This could be Charlton Marshall and Blandford St Mary Parish Council. As this was not part of the draft recommendations upon which the second consultation took place, Charlton Marshall Parish Council have not had an opportunity to respond to this during the consultation period. A letter has been written to them following the PMP meeting and any response they make to this will be reported to Council at the meeting.

### **CHANGES TO ELECTORAL ARRANGEMENTS**

14. In the resolution of 3<sup>rd</sup> February 2005, Members decided that no changes needed to be made in respect of the first draft recommendations. Members are referred to paragraph 18 of the Report to Council on 28<sup>th</sup> October 2005 relating to the Blandford area. In that paragraph, Members were asked to consider whether, in the light of any proposals made to alter town and parish Boundaries, it was felt necessary to amend electoral arrangements. In light of the changes which Council adopted in its draft recommendations, Council determined that there was no need to make any alterations to electoral arrangements. Unless, in light of the subsequent representations, Members wish to recommend something substantially different from the current draft recommendations, it is not suggested that this is a matter that needs to be reconsidered.
15. Should Council decide to adopt the advice of PMP relating to Blandford St Mary, it will be necessary to make recommendations in relation to electoral arrangements both for Blandford Town Council and the new grouped parish incorporating the remainder of Blandford St Mary.
16. So far as Blandford is concerned, the Town Council, at the meeting in Durweston Village Hall last April, indicated that the residential part of the parish which lies within the by pass has approximately 1000 electors. They proposed that this form a new ward within the Town to be known as Blandford Town Ward and should elect 2 Town Councillors. This would be consistent with the arrangements for the town as a whole.
17. With regard to the new grouped parish, there is no reason to change the arrangements for the part of the new council comprising Charlton Marshall parish. This has approximately 660 electors and elects 7 parish councillors. The other part of the new council, comprising the remainder of Blandford St Mary, has approximately 90 electors and it is suggested should elect 1 parish councillor.

### **DECISION MAKING PROCESS**

18. The starting point for the decision is the existing draft recommendations. Members need to consider whether these should be confirmed, having regard to the representations received during the second periods of consultation and the advice of PMP. At the meeting of Council, the draft proposals in relation to the entire District will be presented in tabular format, addressing each separate draft recommendation which currently exists. It is then suggested that Members should go through each one in turn in order to determine whether the existing draft recommendation should be recommended to ODPM, with or without amendments or rejected. The proposals relating to the land between the Stour Inn and Bryanston Gates should be dealt with at the same time as the consideration of changes to the boundaries of Blandford.

## **COSTS**

19. The costs of the review can be met from existing budgets.

## **OPTIONS**

20. To recommend to ODPM the draft recommendations.
21. To recommend to ODPM the draft recommendations subject to amendments.

## **RISK MANAGEMENT**

22. There are no financial risks associated with the Boundary Review

## **RECOMMENDATIONS AND REASONS**

23. Members are asked to consider the recommendations set out at the beginning of this report in order to meet the requirements of the Local Government and Rating Act 1977 in completing this Town and Parish Boundary Review.

**Author: Stuart Caundle**  
**Solicitor to the Council**  
**Date: 15<sup>th</sup> March 2006**

## **Background Papers**

Consultation responses in respect of the second period of consultation on the Town and Parish Boundary review.

Appendices to this report are not available electronically, copies can be obtained from Democratic Services.

## AGENDA ITEM 7

### NORTH DORSET DISTRICT COUNCIL

#### COUNCIL

**Date of Meeting:** 31st March 2006

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**REPORT TITLE:** Private Sector Housing Strategy - Update

**Portfolio Holder:** Cllr Whitehead

**Report Author:** Derek Hardy

<b>Purpose of Report:</b>	To consider revisions and updates to the Private Sector Housing Strategy in the light of recent legislation
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**Statutory Authority:** Regulatory Reform Order 2002, Housing Act 2004

**Financial Implications:** Within existing capital programme

**Consultations required/  
undertaken:** Portfolio Holder, Senior Management Team

**Recommendations:** That Council approves the updated version of the Private Sector Housing Strategy.

**Reason for Decision:** To enable the Council to act in accordance with newly implemented legislation.

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#### 1. INTRODUCTION

The Council published its Private Sector Housing Strategy in July 2003. This was followed by a revision in November 2004. The Housing Act 2004 introduced new legislation affecting private sector housing. The updated strategy (circulated with the Cabinet Agenda for 16 March 2006) incorporates amendments and additions to enable the Council to meet its obligations under the new Act.

## 2. HOUSING ACT 2004

Provisions of the Housing Act 2004 which will affect this council are set out below. The implementation date for these provisions is 6 April 2006.

**Part 1 of the Act** replaces the existing housing fitness standard contained in the Housing Act 1985 with the Housing Health and Safety Rating System. It also adapts and extends the powers of enforcement currently available to councils to tackle poor housing conditions.

**Part 2 of the Act** introduces a mandatory scheme to license Houses in Multiple Occupation (HMOs) of a description contained in regulations. It is intended initially to apply this only to the larger higher risk HMOs of 3 or more storeys occupied by 5 or more people. Local housing authorities are given power to extend licensing in their districts to other categories of HMO, subject to carrying out consultation and with the approval of the appropriate national authority.

**Part 4 of the Act** enables local housing authorities to take over the management of long-term empty properties and to bring them back into occupation. Chapter 3 of part 4 also contains provisions on overcrowding in non-licensable HMOs.

## 3. HOUSING, HEALTH AND SAFETY RATING SYSTEM

The Housing Act 2004 introduced a new system for assessing whether houses are healthy and safe to live in. The new Housing Health and Safety Rating System; Version 2(HHSRS) will be used by local authorities when performing their duties of keeping housing conditions in their area under review and responding to enquires or complaints about housing conditions. The new HHSRS uses a risk assessment approach to provide a system (not a standard) to enable risks from hazards to health and safety in dwellings to be removed or minimised.

The HHSRS forms an integral element of the decent homes standard and in combination they aim to improve living conditions for the most vulnerable residents. Although hazards identified under the HHSRS can be remedied by the use of formal action, the other elements of the Decent Homes Standard can not, and local authorities are encouraged to make progress towards achieving the overall Decent Homes Target by other forms of help, assistance and encouragement.

The previous 'fitness standard' that dated back to 1919, failed to deal with many hazards that directly affected health and safety in the home, such as excess cold, falls and fire safety. The new HHSRS addresses all the key issues that affect health and safety, provides an analysis of just how hazardous a property is and

includes evidence and statistical information to assist inspectors in making their judgements.

Councils will have a duty to deal with the most serious hazards (referred to as category 1 hazards) and discretionary powers to deal with those assessed as less serious (referred to as category 2 hazards).

Hazards identified under the HHSRS are legally enforceable and eliminating serious hazards forms a key element of the Government's drive towards achieving its decent homes target.

### **3. MANDATORY LICENSING OF HOUSES IN MULTIPLE OCCUPATION**

Part 2 of the Housing Act 2004 requires that certain types of HMO must be licensed under a national mandatory licensing scheme. Every local authority must make arrangements to implement the regime within their area. Mandatory licensing of HMOs generally includes only those that have 3 or more storeys and 5 or more occupants that make up 2 or more households. The 2002 House Condition Survey and recent local records indicate that there are around 100 HMOs in North Dorset. However, owing to the criteria applied to mandatory licensing it is estimated that it will apply to only three or four HMOs in the North Dorset area. Full details of the proposed Licensing Scheme are set out in the Appendix to the revised Strategy (page 43). As officers will need new delegated powers to implement the licensing scheme a separate report on this issue will be brought to Cabinet on 30 March 2006 prior to the meeting of Council on 31 March 2006.

### **4. EMPTY DWELLING MANAGEMENT ORDER**

Part 4 of the Act introduces Empty Dwelling Management Orders (EDMOs), which allow local authorities to take management control of certain unoccupied dwellings with a view to securing their occupation. The Council has a successful Empty Property Strategy which is continuing to reduce the number of empty properties across the district. The Strategy has resulted in owners taking action – some properties have been sold, others privately rented and some have signed up to the council's private sector leasing scheme. When proposals for EDMOs were consulted upon in 2004 this Council took the view that it would prefer to encourage and assist owners of empty properties to bring their properties back into use rather than introduce enforcement activity. It is proposed, therefore, to continue with this course of action rather than pursue the EDMO option at this time.

## **5. OPTIONS**

Details of the above requirements are set out in the updated Private Sector Strategy. In the case of the HHSRS and HMO licensing the Council has no option but to implement the legislation. The introduction of EDMOs is a power the Council may or may not wish to introduce at this time.

Members can approve the updated Strategy as it is or seek additional amendments to the document.

## **6. COSTS**

Whereas the existing fitness standard was limited in its extent, the new HHSRS is able to assess and act upon almost all housing related hazards. Once the full range of hazards have been identified and rated the Housing Act 2004 possesses a wide range of sanctions which can be implemented to improve housing conditions. It is therefore likely that this new legislation will have considerable resource implications as property inspection times, ratings and remedial action all require increased officer time. In addition as the HHSRS is likely to be more effective at tackling certain poor housing conditions then this may in turn generate more public interest and awareness in the work of the Council in this area.

Although North Dorset District Council possesses only a limited number of HMO's that are subject to mandatory licensing, the initial 'set-up' costs and staff time implications for operating such a scheme are similar to those for a larger urban authority. However once all properties have been initially licensed then the ongoing operational costs for mandatory HMO licensing should be minimal.

## **6. RISK MANAGEMENT**

The Council has new duties under the Housing Act 2004 which it must carry out. The revised Private Sector Strategy sets out those new duties and indicates how the Council will fulfil its requirements. The risk is not having a clear strategy and policies to meet statutory responsibilities. That risk can be managed by agreeing the updated Strategy.

## **RECOMMENDED OPTION AND REASONS WHY**

It is recommended that Council agree the updated Private Sector Strategy in order to fulfil its statutory duties under the Housing Act 2004.

**Author:** Derek Hardy, Policy Manager (Housing & Community Safety)

**Date:** 2 March 2006

**Background papers:** Housing Act 2004, Private Sector Strategy

**Contact details:** 01258 484041, [dhardy@north-dorset.gov.uk](mailto:dhardy@north-dorset.gov.uk)

## AGENDA ITEM 8

### NORTH DORSET DISTRICT COUNCIL

#### FULL COUNCIL

**Date of Meeting:** 31 March 2006

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**REPORT TITLE:** TAXI TARIFF INCREASE

**Portfolio Holder:** None.

**Report Author:** Licensing Officer

<b>Purpose of Report:</b>	To enable Council to consider the recommendation of the Licensing and Orders Committee that the taxi tariff be increased.
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**Statutory Authority:** Town Police Clauses Act 1847, Local Government (Miscellaneous Provisions) Act 1976

**Financial Implications:** Advertising costs

**Consultations required/undertaken:** Taxi trade have been consulted, the general public will be consulted on publication of the tariff

**Recommendation:** To approve the Taxi Tariff increase as recommended by the Licensing and Orders Committee and as detailed in Appendix 1 to this report.

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#### BACKGROUND AND REASON DECISION NEEDED

1. The taxi trade of North Dorset have requested that the tariff that can be charged be reviewed on a yearly basis.
2. The result of the consultation undertaken with the trade this year has been for a small increase in fares.

3. There have been 2 consultations with the trade and two meetings of the Licensing and Orders Committee where the tariff change has been discussed with representatives of the taxi trade of North Dorset.

## **OPTIONS**

4. To approve the tariff at appendix 1. The tariff would then be advertised for the public to comment on. If any adverse public comments are received the matter will be referred back to the Council.
5. To not approve the tariff and refer the matter back to Licensing and Orders Committee for reconsideration.

## **COSTS**

6. The cost of advertising the tariff.
7. Officer time for the checking of all altered meters.

## **RISK MANAGEMENT**

8. Not allowing the trade to benefit from an increase could adversely affect their businesses.

## **RECOMMENDATION AND REASON**

9. The Licensing and Orders Committee have considered the tariff change twice after consulting and re-consulting the trade. The tariff attached at Appendix 1 is felt to be a fair increase for the trade.

**Author:** Aileen Powell  
**Date:** 7<sup>th</sup> March 2006

**Background papers:** None.

## NORTH DORSET DISTRICT COUNCIL

### LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976 – SECTION 65

### HACKNEY CARRIAGE – MAXIMUM FARES & CHARGES

#### PROPOSED TARIFF FOR 2006

<b>1) Tariff 1:</b>	<b>Day Rate</b> (approximate charge) 0700 hrs to 2200 hrs	<b>£2.98 for the first mile £1.67 per mile thereafter</b>		
<b>Tariff 2:</b>	<b>Unsocial Hours</b> (approximate charge) Hours between 2200 and 0700 hrs daily and all day on Sunday Bank/Public Holidays	<b>£3.97 for the 1<sup>st</sup> mile £2.23 per mile thereafter</b>		
<b>Tariff 3:</b>	<b>Christmas and New Year</b> (approximate charge) i) Between 1800 hrs on 24 <sup>th</sup> December and 0700 hrs on 27 <sup>th</sup> December ii) Between 1800 hrs on 31 <sup>st</sup> December and 0700 hrs on 2 <sup>nd</sup> January	<b>£4.46 for the 1<sup>st</sup> mile £2.50 per mile thereafter</b>		
<b>2)</b>	<b>DETAILED BREAKDOWN</b>	<b>TARIFF 1</b>	<b>TARIFF 2</b>	<b>TARIFF 3</b>
	Initial Charge	£2.00	£2.00	£3.00
	Initial distance	670.47m	189.53m	670.47m
	Initial Time (secs)	3 mins 29	1 mins 3 secs	3 mins 29 secs
	Additional Charge per fare unit	secs	25 p	30 p
	Each additional fare unit (distance)	20 p	180.38m	192.42m
	Each additional fare unit (time- secs)	192.42m 60 secs	60 secs	60 secs
	(Time applies when meter is not registering distance)			

**3) EXTRA CHARGES**

a) For each passenger in excess of two	30p
b) For each article of luggage conveyed outside the passenger compartments of the carriage	30p
c) For each bicycle or perambulator	30p
d) For each animal	30p
e) Soiling the carriage by person	£70.00
f) Soiling the carriage by animal	£15.00
<b><u>NOTE:</u></b> Wheelchairs and similar mechanically operated personal conveyances	<b>No Charge</b>

FOR ANY COMPLAINTS PLEASE CONTACT THE LICENSING DEPARTMENT,  
NORTH DORSET DISTRICT COUNCIL ON 01258 484022

## NORTH DORSET DISTRICT COUNCIL

### COUNCIL

**Date of Meeting:** 31 March 2006

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**REPORT TITLE:** TREASURY MANAGEMENT REPORT

**Portfolio Holder:** Councillor P Webb

**Report Author:** Financial Services Manager

<b>Purpose of Report:</b>	Seek Councils approval for 2006/07 Treasury Management Strategy
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**Statutory Authority:** Local Government and Housing Act 1989  
Local Government Act 2003

**Financial Implications:** As set out in report

**Consultations required/  
undertaken:** Portfolio Holder Finance

**Recommendations:** That Members approve the Treasury Management Strategy for 2006/07 and the Treasury limits for 2006/07 as itemised in the Report

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## TREASURY MANAGEMENT STRATEGY STATEMENT

### Introduction

1. The Council has customarily considered an annual Treasury Strategy Statement under the requirement of the CIPFA Code of Practice on Treasury Management. The 2003 Prudential Code for Capital Finance in local authorities introduced requirements for the manner in which capital spending plans are to be considered and approved, and in conjunction with this, the development of an integrated treasury management strategy.

The Prudential Code requires the Council to set a number of Prudential Indicators, certain of which replace the borrowing/variable interest limits previously determined as part of the strategy statement, whilst also extending the period covered from one to three years. This report does therefore incorporate the indicators to which regard should be given when determining the Council's treasury management strategy for the next 3 financial years.

The suggested strategy for 2006/07 in respect of the following aspects of the treasury

management function is based upon the Financial Services Manager views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy covers:

- the current treasury position;
- prospects for interest rates;
- treasury limits in force which will limit the treasury risk and activities of the Council;
- the investment strategy;
- the requirements of the prudential Code for Capital Finance in Local Authorities.

### **Treasury Limits for 2006/07 to 2008/09**

2. It is a statutory duty under S.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit".

The Council must have regard to the Prudential Code when setting their Affordable Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax/rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements. The affordable borrowing limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

Should Members choose to vary the capital programme when they review it later in the financial year, this will require a revision to the authorised borrowing and operational boundaries for the 2007/08 financial year.

### **Prudential Indicators for 2006/07 – 2008/09**

**These are the indicators required by the Prudential Code**

**Indicators for affordability**

#### **CAPITAL EXPENDITURE**

<b>Estimates of Capital Expenditure*</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	1400	3240	6109	1958

These are the projected outturn figures for 2005/06 and the capital expenditure agreed in principle by Council on 9 March 2006.

<b>Estimates of Capital Financing Requirement</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	(6599)	(4139)	2690	5367

This figure is an estimate of the Council's borrowing requirement over the period 2006/07 to 2008/09. The measurement is the difference between the Council's balance sheet value for fixed assets and its capital reserves. If the requirement is negative (shown in brackets), then the reserves are greater than its asset base and the Council can spend reserves on Capital. If the figure is positive, then the Council has insufficient capital reserves to fund capital expenditure and will have to borrow. The pattern of capital expenditure approved in principle by Council indicates that borrowing will be required in 2007/08.

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financing Costs</b>			
Interest payable with respect to borrowing		61	241
Interest and investment income	N/A	(538)	(414)
Minimum Revenue Provision	0	54	161
<b>Net Financing Costs</b>	N/A	(423)	(12)

Interest earned from cash flow management has not been included in the calculation of interest and investment income

<b>Ratio of financing costs to revenue stream</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Financing Costs		(423)	(12)
Net Revenue Stream	6404	6653	6912
	N/A	N/A	N/A

This represents the cost of financing expressed as a % of the Council's revenue stream. The net revenue stream is the amount the Council raises from local taxpayers, plus the formula grant.

<b>Incremental impact on Council tax</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Additional Council Tax Band D Level required to finance the capital programme	5.58	10.42	3.31

This has been calculated by estimating the loss of investment interest and the cost of borrowing which will be brought about by the implementation of the proposed capital

programme. The interest rate used in the calculation is 4.5% per annum

### EXTERNAL DEBT (Affordable Borrowing Limit)

Authorised Debt	2005/0 6	2006/0 7	2007/0 8	2008/0 9
	£'000's	£'000's	£'000's	£'000's
	£	£	£	£
	2000	4500	7000	10000

#### The authorised limit for external debt

The increase in 2006/07 over the 2005/06 authorised limit is the recognition of the risk that should there be any failure or delay in the direct debit payments for Council Tax during a month; this could lead to a short term (few days) borrowing requirement, in the region of £3.5 million. The increases in later years allow for borrowing for capital expenditure.

Operational Boundary	2005/0 6	2006/0 7	2007/0 8	2008/0 9
	£'000's	£'000's	£'000's	£'000's
	£	£	£	£
	1800	3500	6200	9000

The operational boundary focuses on day to day treasury management and is the means by which an authority manages its debt to remain within the self imposed authorised limit.

### INDICATORS OF PRUDENCE

Maturity structure of new fixed rate borrowing during 2006/07 (as Council is debt free this indicator does not apply)	Upper limit	Lower limit
Under 12 months	N/A	N/A
12 months and within 24 months	N/A	N/A
24 months and within 5 years	N/A	N/A
5 years and within 10 years	N/A	N/A
10 years and above	N/A	N/A

The indicator is not applicable, as the authority is debt free.

### Treasury Management

	2006/07
Fixed Interest Rate Exposure	£'000's
	£
Interest payable on borrowings at fixed rates	0
Less	
Interest receivable on investments that are at fixed rates	692
<b>balance</b>	<b>(692)</b>

The Council has no exposure to fixed interest rates of borrowing

<b>Variable Rate Exposure</b>	<b>2006/07</b>
	<b>£'000's</b>
	<b>£</b>
Interest payable on borrowings at variable rates	0
Less	
Interest receivable on investments at variable rate	258
<b>Balance</b>	<b>(258)</b>

The Council has no exposure to variable rates of borrowing

<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
	10400	10,400	8,450	6,500

This is based on an assumption that no more than 65% of Council's investments should be held for a period greater than 364 days.

It is not envisaged that the Council's day to day borrowing will have any impact on the levels of Council Tax.

## **Prospects for Interest Rates and Economic Background**

### **Economic Outlook and Interest Rate Forecast: Arlingclose: (Feb 2006)**

	<b>Mar-06</b>	<b>Jun-06</b>	<b>Sep-06</b>	<b>Dec-06</b>	<b>Mar-07</b>	<b>Jun-07</b>	<b>Sep-07</b>	<b>Dec-07</b>	<b>Mar-08</b>
<b>Repo (Base) Rate</b>									
Central case	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.50	4.50
Risks		+0.25		-0.25	-0.25	-0.25			
<b>1-yr LIBID</b>									
Central case	4.50	4.40	4.25	4.25	4.25	4.50	4.60	4.75	4.75
Risks		+0.10	+0.10			-0.25			
<b>5-yr gilt</b>									
Central case	4.25	4.25	4.25	4.30	4.30	4.40	4.55	4.70	4.70
Risks	-0.10	-0.10	-0.10	-0.25	-0.25	-0.25			
<b>10-yr gilt</b>									
Central case	4.30	4.30	4.30	4.40	4.40	4.55	4.55	4.55	4.55
Risks	-0.10								
<b>20-yr gilt</b>									
Central case	4.30	4.35	4.40	4.45	4.45	4.50	4.50	4.50	4.50
Risks	-0.10			-0.10	-0.10	-0.10			

- Long-term inflation expectations remain well contained by 'globalisation'. CPI inflation has retreated back to the MPC's 2% target.
- The tone of the February Inflation Report suggests both inflation and growth would need to come in discernibly lower for the MPC to consider a rate cut. Arlingclose believes growth will undershoot and will pave the way for a rate cut this year.

- **The US Fed Funds Rate will increase by 0.25% at the March meeting to 4.75%, but thereafter could be close to the end of the rate tightening cycle.**

### **Assumptions:**

The repo rate was cut by 25bp to 4.5% at the MPC's August 2005 meeting. Thereafter, In the UK

- Growth prospects halved to 1.75% for 2005, recovering to only to 2% to 2.5% in 2006, the budgetary shortfall being made up through higher gilt sales.
- The Bank of England's February Inflation Report forecasts above-average growth whilst inflation is expected to remain close to the 2% target over the 3 year forecast period.
- Price data is benign with CPI at 1.9%.
- Hopes of a consumer recovery seem premature. Retail Sales showed just an annual increase of 1.3%.
- Consumers are cautious as affordability is stretched by higher debt costs and energy price hikes.
- Housing activity shows a return to moderate trend growth rather than a sustained acceleration.
- Pay settlements have remained flat and energy related increases have not fed through into higher earnings growth – the latter a concern for the MPC.
- Liability matching by UK pension funds has driven the sharp fall in gilt yields at the longer end of the curve and is likely to remain a feature for some time.

### US and Eurozone

- International economies are relatively buoyant. But the US housing market is showing signs of slowing. Annual CPI is 3.4% and above average earnings growth of 3.3%. With the savings rate low and potential further Fed rate hikes, there is uncertainty over sustained spending growth in the US.
- In the Eurozone, the risks are that growth disappoints but inflation remains a worry. An increase of 0.25% in the ECB rate in March remains a possibility.

*\* Globalisation is the ability to move, with relative ease, production to countries/ regions with low costs or where there is excess capacity to absorb production without a substantial increase in costs.*

### **3. The Investment Strategy will be:**

- To provide security by investing with appropriately rated counter-parties.
- To provide stability in returns by investing in cash instruments.
- Up to 20% of the portfolio may be invested in "forward positions", which will provide the Council with the ability to take advantage of any favourable short term volatility in interest rates before the maturity of investments

Investments will be made in accordance with the Approved Investments Regulations (1990), and with the institutions identified in the Council's investment list approved as part of the Treasury Management Policy Statement.

The authority has an in house officer treasury management team to manage the Council's investment portfolio and cash flow.

The team obtains support from the Council's external treasury advisors.

The external treasury advisors report quarterly to the Council's Treasury Management Panel on the performance of the in-house officer treasury management team.

## **COSTS**

As described in this report.

## **RISK MANAGEMENT**

**Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- if it was felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity, then the portfolio position will be re-appraised with the likely action that investment will be kept short.
- if it was felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates remaining low or weakening, then the Council would opt for longer term lending .

It is not proposed to recommend change in the Council's investment principles of good performance, stability and security, whilst maintaining a return of at least 105% of the benchmark (LIBID rate + 5%).

## **RECOMMENDATION AND REASON**

That Members approve the Treasury Management Strategy for 2006/07 and the Treasury limits for 2006/07 as itemised in the Report.

There is a statutory requirement to set prudential indicators and the CIPFA Code of Practice requires that a statement is made on the Treasury Management Strategy.

**Author:** Barry Marshall  
**Date:** 20 March 2006

**Background papers:**

**CABINET REPORT FOR FEBRUARY/MARCH 2006**

**LEADER'S REPORT – Cllr David Whitehead**

**IMPROVEMENT PLANNING**

At a recent meeting of Team North Dorset, Martin Robinson of the Audit Commission gave an update on his view on the way in which this Council was progressing. He stressed that the CPA update report concentrated on the challenges which the Council still has to meet. He emphasised that his view was that the Council was “progressing well”, particularly in the following areas:

- a) Community leadership
- b) Strategic management
- c) Capacity building and staff morale
- d) Partnership working
- e) Seeking and getting external funding
- f) The ICT programme, and
- g) The Team North Dorset improvement plan process itself

**MEMBERS' MENTORING PROGRAMME**

The first stage of the Members' Mentoring Programme has now concluded. Over the last six months seven Members of Council have been working with mentors from other councils with the aim of enhancing their personal skills at being councillors. It is intended that the programme should be extended into next year to include more backbench Members.

**HM INSPECTOR OF CONSTABULARY'S BASELINE ASSESSMENT OF DORSET POLICE**

HM Inspector of Constabulary has written to the Chief Executive asking for an external perspective on policing in Dorset. In her reply the Chief Executive emphasised that much community consultation in setting priorities and service standards had occurred through the mechanism of the Crime and Disorder Reduction Partnership. As part of the LAA process, we have worked closely with Dorset Police and Crime Reduction Partnership members in establishing relevant local priorities and targets. We have also established local action groups to tackle crime and disorder issues in each of our four community planning areas.

**STEAM FAIR**

Members will have seen from the Press that this Council has been in consultation with the Steam Fair management with a view to taking forward certain of our concerns. We have secured an agreement to the effect that any further temporary gypsy site will be funded, certainly from this Council's point of view, by the Steam Fair. In addition, it is intended that we have a formal gentleman's agreement with the Steam Fair over a number of issues which have caused concern over recent years.

## **LEADERS AND CHIEF EXECUTIVES MEETING**

All the Leaders and Chief Executives of the seven Dorset authorities met at Nordon in late February to discuss matters of mutual interest. A fairly long discussion took place on the Sir Michael Lyons review and the David Miliband consultation on the review of local government. Differing views were expressed by those present as to whether the present system of local government in Dorset was the best that could be achieved, or whether the opportunity should now be taken to achieve something better. Points that were raised during the discussion were:

- a) The debate about city regions makes it likely that Bournemouth and Poole will be similarly affected to County Dorset.
- b) There was a naivety in the civil service about parish councils; they do not offer a meaningful or consistent population or geography on which to plan or deliver services.
- c) There is no guarantee that any new organisation would not cross county boundaries.
- d) 50% of today's elected members would not have been councillors during the local government reorganisation in the 1990's.
- e) Local government reorganisation would be very unsettling for officers.
- f) The core strategy agenda for Dorset remains unchanged by any local government review and you should not be distracted from delivering the best services for Dorset.
- g) In previous reviews, the experience of setting one council against another did not serve the interests of Dorset. There was potential amongst the Leaders and Chief Executives to address the questions raised by Lyons and Miliband agenda. Against this, others would be surprised if we all held the same view.

## **KINGS COURT MEADOW, GILLINGHAM**

Members will have received the notes of the meeting between the Chief Executive, Frontis and the Housing Corporation. You will note that the Housing Corporation has made it clear that they have an expectation that an RSL needs to be aware of the local market and housing need so early discussions with the local authority is important.

Frontis has apologised for not speaking to the Council at an early stage.

Officers at NDDC are inviting Frontis to propose a solution to the problems. In summary, the problems are that:

- Recent activity had shown that, because a considerable number of shared ownership housing had been available, the market was temporarily met.
- The rented properties offered by Frontis did not meet the criteria of "affordable rented", the rents were higher than Housing Association target rents and the properties did not meet Housing Corporation scheme development standards.

The Council will be seeking evidence that Frontis has taken all measures to ensure local need is satisfied before it considers the proposed solutions from Frontis.

Frontis has confirmed that they will be proposing that any remaining Section 106 property, for which there are no applicants, will be sold on the open market. Frontis will be submitting a draft variation document for the Section 106 agreement for consideration by the Council. This will propose that the net proceeds from these Section 106 units are paid either to the Council or to another RSL to fund affordable housing where the need is identified.

Frontis has also recently confirmed that they have completed six sales of shared ownership, with one further expression of interest. They confirm that the six live or work in the district, are registered on the NDDC housing register and/or, bar one, meet North Dorset policy criteria of an income in excess of £17,500. They indicate that one applicant earns less but offers a substantial deposit as a result of inheritance. They have confirmed that any new applicants would be advised to NDDC officers in the proper way.

Frontis has confirmed that they will provide “open books” evidence of sales receipts and costs.

Whilst this is a solution for a particular circumstance in Gillingham at this time, the agreements will be worded in such a way that confirms that this is not an acceptable solution for the delivery of affordable housing. Because of the bulge in the market in Gillingham, it has been appropriate at this time, but it is not anticipated that this will be a repeat situation.

## **PORTFOLIO HOLDERS' REPORTS**

### **COMMUNITY SERVICES – Cllr Michael Roake**

#### **ORGANIC SCHEME**

The presentations to Gillingham Town Council, Motcombe Parish Council and Bourton Parish Council, combined with various road shows outside of the supermarkets in Gillingham throughout February, proved very successful with a tremendous amount of interest and support.

I would like to thank all the officers and staff that helped to make the presentations and the introduction of the scheme a success. As we anticipated, a temporary Waste Reduction Officer has also been available to answer any questions or queries and to explain the scheme to some householders during the process of implementation.

We have also noticed that, as a result of the various presentations undertaken in the run up to the implementation of the Organics scheme, there has been an increased public awareness not only of organics but also of recycling. There appears to be a significant increase in the amount of dry recyclables collected in the area, which has resulted in over 550 additional green recycling boxes being requested by residents who previously did not participate in recycling.

## LEISURE CENTRE

Work to repair the lift at Sturminster Newton Leisure Centre is in hand and it will be back in service by 31 March 2006.

## CUSTOMER FACILITIES – Cllr Graham Carr-Jones

### AVIAN INFLUENZA

Avian Influenza (AI) is a highly infectious viral disease that can probably infect most species of birds. The most recent cases reported by the press and media concern the 'H5N1' strain of the virus. Some strains of the virus can affect people and the H5N1 is among them, although it should be stressed that this is extremely uncommon. The disease has been reported in poultry and wildfowl across the Far East and more recently Europe, most recently in southern France, although at this time there are no reports of any incidents of the disease in the UK.

It is understood that the human incidents of the disease reported so far have arisen through close association between the affected person and infected birds, rather than through incidental or accidental contact with infected wild birds. There is no evidence to suggest any risk of human infection with avian flu arising from eating poultry meat.

DEFRA (Department of the Environment, Food & Rural Affairs) has assessed the risk of the virus being introduced into the UK as **increased, but remains low**. Contingency plans have been made at governmental and regional level and, in the event of an outbreak among birds in Britain, various control measures will immediately be put in hand, if not already introduced. A mandatory register of poultry flocks (>50 birds) has been established, in order that information might be disseminated quickly to appropriate persons. People with flocks of less than 50 birds are also invited to register; details can be found on the DEFRA website as the lead authority on animal health matters, via the Animal Health Inspectorate at County Hall, or (as a last resort) from the Environmental Health Service here at Nordon.

Anyone finding dead birds is advised not to handle them for general reasons of health protection, in addition to avian flu precautions. Wild birds do of course die in the wild and may be found anywhere; a single dead wild bird is generally not a matter of concern. The DEFRA guidance advises that the public should call the DEFRA helpline (08459 33 55 77) if they find –

- One or more dead swans, ducks or geese or
- More than three dead birds of the same species, or
- More than five dead birds of different species in the same place.

Callers will be asked to provide details of the finding and location. The DEFRA guidance also advises that not all birds reported to the DEFRA helpline will be collected for testing. Where bird carcasses aren't collected, it will be the responsibility of the owner/manager of the land to arrange for disposal of the carcasses.

Currently, there are no general restrictions on the movements of poultry or poultry carcasses or meat, by-products, eggs, waste materials (e.g. manure) due to the low level of threat of avian flu within the UK.

## **CUSTOMER CONTACT UPDATES**

### **Telephone contact**

The recent implementation of the Organic recycling scheme in Gillingham has seen the Customer Contact team reach its peak in calls received for a single day (993 on 27<sup>th</sup> February). There has been a consistently high number of enquiries regarding this scheme and the Contact team, as well as the Operations team, Conservation and Recycling should be congratulated for dealing with the excessive number of calls. In fact there were 3,663 (or 51%) more calls received by the Customer Contact team for February compared to last year.

The abandonment of calls has risen sharply in the Customer Contact Centre due to the increased number of calls and the timings of the peaks of those calls.

### **Visitors to the Council**

This figure is still growing although the number of visitors to the Cash office has dropped compared to the previous year. This demonstrates that the efforts to promote alternative payment methods are working, as is the publicity surrounding the closure of the Cash office.

### **Website**

The number of visitors has grown dramatically in a year – almost 63% more “hits” on the site than this time last year. Customers now have more payment and reporting opportunities on-line now.

### **Payments**

Whilst Cash office visitor numbers are falling, payments by all other methods are growing and this will be a trend reflected from 1 April when payment via the post office will be implemented.

### **Information in the Community**

Library staff in the four libraries in the district have been trained in the use of NDDC's' website and how customers can now pay on line or report incidents on line. This will be revisited throughout the year and a library FAQs will be provided for staff to help them deal more effectively with any enquiries about our website. The staff have also been informed of the plans for NDDC regarding access to services, the enhanced payment range and the closure of the Cash office.

A summary of contact activity is displayed below:

Month & Trend	Feb-06	Yearly Trend
<b>Type of activity</b>		(+/-)
<b>Foot traffic</b> Main Reception	3468	395
<b>Telephone calls (total)</b>		
Customer Contact Team	10712	3663
Rest of Council	32384	n/a
<b>Answered within 15 seconds (%)</b>		
<b>Customer Contact Team**</b>	<b>89%</b>	n/a
<b>Rest of Council</b>	<b>96%</b>	0
<b>Abandoned Calls</b>		
Customer Contact Team	1286	n/a
Council	1063	n/a
Abandonment Rate (%)		
Contact Team	12%	n/a
Abandonment Rate (%)		
Council	5%	n/a
<b>Website Hits</b>		
Total amount for month	55889	35005
<b>Payments Cash office</b>		
Customers	437	-80
<b>Telephone Payments</b>		
Customer Contact Team - Credit cards	27	12
Customer Contact Team - Debit cards	97	70
Council Tax - Credit Cards	9	1
Council Tax - Debit Cards	73	13
Total customers	206	96
<b>Total Telephone Payments amount (£)</b>	<b>£25,515</b>	<b>£13,546</b>
<b>Internet Payments</b>		0
Number	49	38
<b>IVR</b>		0
Number	65	64
<b>Grand total of all payments</b>	<b>£466,505</b>	<b>£269,416</b>

## SHAFTESBURY TOWN CENTRE ENHANCEMENT SCHEME

There have been a number of communications about this scheme expressing difficulties and problems with the scheme. After consultation with our partners, a letter has been sent as follows:

The scheme has been under discussion and design for two years now and a Steering Group has been guiding the process. The group used considerable amount of information about Shaftesbury in doing its work, including:

- The health check of the Shaftesbury town centre
- The community strategic plan

- The County Council traffic report carried out in April 2003 supported by the Richard Parker consultancy in June 2004
- Dr Redmond's report on three years consultation at Gold Hill Fairs
- The Gillingham/Shafesbury Shows, and a planning 'planning for real' exercise where hundreds of participants voted for their preferences with flags and post it notes

The Working Group guiding the process has included two representatives from the Chamber of Commerce. The Group used the 1968 town plan which was felt to still have relevance for the town. During a period of over two years there were many discussions between the Steering Group and the County Council. The group developed an initial plan, which was assessed by the County Council and rejected on safety grounds. In the light of public opinion, and a proposal from the Chamber of Commerce, the Town Council paid for an independent report on the Steering Group's plan. This was subsequently agreed and, after the report was produced, it was decided to invite a consultant to the next meeting to present the plan to the County Council and discuss how the plan might work.

At the meeting with the County Council on 16 March 2005, the County agreed to follow 90% of the plan, but needed certain conditions to establish a safe way forward in The Narrows. This was supported by the group on the advice of the consultants.

On 5 April 2005 the Town Council resolved as follows:

*"Town Centre Enhancement – Cllr Thomas introduced the item and asked that the Town Council confirm its decision to adopt the town centre enhancement scheme. It was noted the reduction in traffic was a requirement for the County Council to begin the improvements. It was also noted that town centre enhancement was a long standing scheme which had already suffered one delay. After debate the following resolved with two comments: (a) that the requirements of the carnival are borne in mind, and (b) that the loss of 32 parking spaces in the centre of town are noted.*

**Resolved** that *Shaftesbury Town Council adopt the town centre enhancement scheme agreed by the Town Centre Working Party with DCC to include traffic reduction measures proposed by the closure to through traffic of Coppice Street and Church Hill, Enmore Green."*

During the work and during this last phase, two newsletters were delivered to 13,000 households in and around Shaftesbury. The scheme was also publicised through the media. The plan has been before the public at last year's Gold Hill Fair: the plan was shown in The Guildhall and the Taskforce exhibition unit. It is estimated that around 500 people saw the plans. The overwhelming response reported from that public information stand was "when are you going to get on with it". The County Council plans were also shown at the Gillingham and Shaftesbury Show and very similar comments were made.

Considerable time and resources have been spent in developing a scheme which is believed to achieve what is best for the town's future.

Having read the comments with care, and having consulted with our partners, we believe that there is a fundamental misunderstanding.

In objecting, you appear to be requesting that the scheme be stopped and money be put into parking provision. The Section 106 money and the County Council money have been

agreed for a town enhancement scheme. If the scheme stops, the money will not legally be available to provide car parking; the County Council money would be spent elsewhere in the county on the next priority scheme in their programme and the District would probably have to return the Section 106 money to the developers. The liveability funding also has been awarded for this scheme alone and if it is not completed by March 2007, the funds may have to be awarded to a liveability project elsewhere. It is not just that the money cannot be spent on car parking, it is firmly believed that this enhancement scheme will be to the benefit of residents and traders in Shaftesbury alike. As one resident, quoted in Dr Redmond's report, said "these ideas need guts from the councils to implement but will gain the undying thanks of future Shaftesbury generations".

The enhancement scheme does increase the parking available and the County Council has been flexible in the detail of the scheme with regard to disabled motorists spaces and taxis. Attached is a paper from Dorset County Council which shows how the "Narrows" will be treated. The work will be temporary in the first instance so that the impact can be monitored and the scheme modified if necessary before the permanent scheme is installed.

Obviously it is not possible to please everybody but traders who have been opposed to enhancement schemes in this and neighbouring counties have subsequently found the improvements result in a higher number of pedestrians in the high streets, which has been of benefit to the shops and businesses. At the DAPTC meeting on 8 February 2006, the Mayor of Blandford reported the success of the Blandford scheme for its economic health.

The partners of the improvement scheme all believe that the consultation has been a careful and considered process, which has enhanced the scheme, and that the scheme should proceed.

### **IN-HOUSE SERVICES – Cllr Richard Moyle**

Repair works to the majority of the flat roofs at Nordon are now complete following approval by Cabinet of capital expenditure.

The boilers at Nordon will be replaced with semi-condensing boilers following Cabinet approval of capital expenditure; an order has been raised with a lead-in time of one month.

DDA surveys of all leisure centres and Nordon have been completed and a schedule of costed works and procedures has been prepared to enable a decision by Cabinet.

Following Cabinet's decision, the Council's agent has now negotiated with the owner of a development site adjacent to the Council's car park at Station Road, Stalbridge for a right of access. The negotiation will secure a capital receipt for the Council, which will be agreed in consultation with Portfolio holders (Cllrs Moyle and Webb).

The Cabinet considered a confidential report (16 March 2006) on industrial units at Gillingham and made a recommendation to Council. Agreement in principle has been reached with the landlord and a group of four Members (Cllrs Moyle, Webb, Milsted and Tory) have been informed on reaching a conclusion.

## **FINANCE – Cllr Peter Webb**

### **SOUTH WEST REGIONAL ASSEMBLY – REGIONAL SPATIAL STRATEGY 10 MARCH 2006**

We supported the final draft but left two caveats in place for this District:

- 1) We consider housing development at 320 per annum to be more appropriate to sustaining our communities in a balanced fashion than the 255 allocated (290 for the first ten years).
- 2) We believe a positive funding bias for rural affordable housing is needed to counteract the likely market response to the PUA-centric development emphasis implicit in the RSS. The overall housing allocation was below the sought-for 25,000 per annum in the whole region, at 23,000.

The national picture currently emphasises the same future shortfall position, particularly in the South, with talk of a 50,000 per annum shortfall, which regional plans are not currently planning to fill.

### **SOUTH WEST REGIONAL DEVELOPMENT AGENCY 14 MARCH 2006**

I attended a Renewal/Sustainable Energy regional workshop. All slides are available on the SWRA website. Concerns were expressed about (regional) security of supply and slow progress in meeting renewable energy targets.

## **DISCRETIONARY RATES RELIEF**

This coming year sees the introduction of a new statutory small business relief scheme at 50% relief of non-domestic rates. In addition to that, I have exercised portfolio discretion to give further discretionary relief to a few small sports clubs (cricket, football, boxing) for a year (to be reviewed annually). They will see a reduction in their business rates. The cost to the Council is lower than last year by a few thousand. I have declined to renew the previous discretionary relief for a sizeable golf club, which is in any case too large a concern to qualify for small business rate relief. Post Offices continue to receive the same levels of rate relief under a different statutory provision.

## **RURAL REGENERATION – Cllr Michael Cox**

### **RURAL REGENERATION**

At the next Liveability Board meeting in May, we need to review those projects towards which funds have been allocated but not begun. As all projects need to be substantially completed by March next year, there is a need to review those few major ones and assess the realities of achieving this target. Any unspent from the capital budget at the end of the programme has to be repaid to the ODPM - naturally this would be very disappointing! Any such resulting decision and therefore the freeing up of some capital would mean,

initially, revisiting some of those projects which marginally failed earlier appraisal and of the same community area and almost ready to 'go' - just looking for more funds. Therefore, after the May meeting, the award process may need to continue, but ad hoc, until about September.

It is disappointing that the two town enhancement schemes, to which both Liveability and NDDC part funding is committed, are not yet started. The holdups lie with others!

## **ECONOMIC DEVELOPMENT**

The excellent 'Review of Rural Economy Team Activities undertaken in 2005', which is available in the Members' Room, also incorporates more recent activities particularly for tourism. There is good further progression towards maintaining both TICs: by those actively involved, by communities, businesses and trades, Town and some Parish Councils and NDDC. Having been working closely with EDDC for tourism support and promotion, there is a realistic hope of agreeing a Service Level Agreement where that local authority provides some continuation.

As the People and Places Awards Ceremony was such a success last year, the same will be held in October. The venue and date have been fixed, so providing more time this year for consideration and proposition of nominations.

Unfortunately, I am not able to be at the Business Breakfast on 5th April. The change of venue will provide separate 'breakout' rooms for the smaller group discussions - part of the programme shown to be the most valued and appreciated.