

**1 FEBRUARY 2012**

**NEW FOREST DISTRICT COUNCIL**

**CABINET**

Minutes of a meeting of the Cabinet held at Appletree Court, Lyndhurst on Wednesday, 1 February 2012.

- p Cllr B Rickman (Chairman)
- p Cllr E J Heron (Vice-Chairman)

**Councillors:**

- p Mrs D M Brooks
- p Mrs J L Cleary

**Councillors:**

- p F P Vickers
- p C A Wise

**In Attendance:**

**Councillors:**

- p Mrs D E Andrews
- p G C Beck
- p Mrs S Bennison
- p A T Glass
- p C J Harrison
- p Miss A Hickman
- p Mrs A J Hoare
- p Mrs P Jackman

**Councillors:**

- p Mrs M E Lewis
- p Sqn Ldr B M F Pemberton
- p J Penwarden
- p L R Puttock
- p Mrs A M Rostand
- p Mrs C Ward
- p J G Ward
- p P R Woods

**Also In Attendance:**

Mr M Ackerman and Mrs A Murphy, Housing Policy and Report Focus Group Representatives

**Officers Attending:**

D Yates, R Jackson, J Mascall, D Brown, Miss J Debnam, Miss G O'Rourke, R Millard and Ms D Staples

**60. MINUTES.**

**RESOLVED:**

That the minutes of the meeting held on 4 January 2012 be signed by the Chairman as a correct record.

**61. DECLARATIONS OF INTEREST.**

There were no declarations of interest made by any members in connection with an agenda item.

**62. PUBLIC PARTICIPATION.**

No issues were raised during the public participation period.

**63. THE CORPORATE PLAN 2012/16 – DELIVERING FOR OUR COMMUNITIES (REPORT A).**

Further to Minute 23 (7 September 2012), the Cabinet considered minor revisions to the Corporate Plan 2012-16, to take account of the comments received in the consultation process. In general terms, the concise format and the content of the Plan had been welcomed.

The Corporate Plan forms the keystone of the Council's performance management system and links into and drives all other plans and processes of this authority. Members were advised that the performance management system was being revised to make sure that it linked into the new Plan and was transparent to Members, employees and the public. Clear links would be provided within the internal and external websites to demonstrate how this high level strategy was being implemented. Publication of the Plan would be mainly through electronic means, with the number of hard copy versions kept to a minimum. Consequently the cost of publication would be met from existing budgets.

***RECOMMENDED:***

***That the new Corporate Plan for 2012/16, Delivering for our Communities, as set out as Appendix 1 to Report A to the Cabinet, be approved.***

Action: Beccy Drummond

**64. THE MEDIUM TERM FINANCIAL PLAN – ANNUAL BUDGET 2012/13 (REPORT B).**

Members considered the latest position with the Medium Term Financial Plan and, within this context, the General Fund net budget requirement for 2012/13, the Council Tax for 2012/13 and the General Fund capital programme for 2012/13 onwards.

There had been a number of developments since the Cabinet had been advised, in November 2011 (Minute 38 refers), of a budget gap of £195,000. Together, the identified variations meant that the Council could set a balanced budget, for the second consecutive year, and also that the revenue contribution to capital could be increased by £400,000, supported by the New Homes Bonus.

The General Fund net budget requirements were set out in Appendix A(i) to Report B. The net requirement for 2012/13 was £19.595 million, a reduction of £809,000, or 4%, on the 2011/12 budget requirement. This meant that the Band D Council Tax would remain unchanged from 2011/12, at £155.76.

The budget proposals had been scrutinised by a Task and Finish Group of the Corporate Overview and Scrutiny Panel in what was generally seen as a constructive development.

The Employee Side's comments were also reported.

Members welcomed the proposed investment of £115,000 as the first of 3 instalments (total £344,000) from this Council towards the cost of installing super fast broadband in the District. The project was being led by the County Council, with local authority funding needed to match a grant from Broadband Delivery UK.

**RECOMMENDED:**

- (a) That site licence fees and service charges at Stillwater Park be increased by 5.6%, in line with RPI inflation;**
- (b) That a General Fund Net Budget Requirement of £19,595,080 be agreed;**
- (c) That a Band D Council Tax of £155.76 be agreed; and**
- (d) That a General Fund Capital Programme for 2012/13 of £6.600m be agreed, including the provision to support the roll out of super fast broadband.**

Action: Bob Jackson

**65. HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL EXPENDITURE PROGRAMME (REPORT C).**

The Cabinet noted that the implications of the new Self Financing System for housing were being investigated by a task and a finish group appointed by the Community Overview and Scrutiny Panel and their recommendations would form part of a report which would be brought to the Cabinet in March. The Council would need to borrow circa £143 million to pay to the Government on 28 March in respect of the Council's housing stock.

The proposed average rent increase of 7.2%, equivalent to £6.05 per property, was higher than the Council might otherwise have liked, but was in accordance with the Department of Communities and Local Government's requirements on rent restructuring. It was proposed to increase the service charge in hostels by 1% to address a current under recovery of costs against that account, to balance the account. The sheltered housing service charge would be reduced by 5%. In addition, garage rents would be increased by 50 pence per week, a 5.8% increase on the current charge of £8.60.

Income on the HRA account for 2012/13 was expected to be £1.036 million higher than the original budget for 2011/12. A breakdown of the variations, and an explanation of each one, was set out in section 3 of Report C. Budgeted expenditure was projected to be £832,000 higher than the approved budget for 2011/12, as set out in section 4.

The initial proposed capital programme for 2012/13 was largely unchanged from the revised 2011/12 level, except for a reduction in expenditure on major projects. There was still some uncertainty in the budgets, but the capital programme could be fully funded for 2012/13 and for the next 2 years.

The tenants' representatives reported that, while the tenants would prefer that the rents did not have to be increased by 7.2%, they recognised that the Council had no option on this matter. The decision to freeze the Council Tax was however welcome.

**RECOMMENDED:**

- (a) ***That the Housing Revenue Account budget as set out in Appendix 1 of Report C to the Cabinet be agreed;***
- (b) ***That from 2 April 2012, an average increase in rents of 7.2% from the average 2011/12 rent level, in accordance with rent restructuring guidelines, be agreed;***
- (c) ***That from 2 April 2012, an increase of 1% in hostel service charges be agreed;***
- (d) ***That from 2 April 2012, a decrease of 5% in sheltered housing service charges be agreed;***
- (e) ***That from 2 April 2012, an increase of 50 pence per week in garage rents (plus VAT for garages let to non-Council tenants) be agreed; and***
- (f) ***That a 2012/13 Housing Capital Programme of £7.757m, as set out in Appendix 2 of Report C to the Cabinet, be agreed.***

Action: Dave Brown and Kevin Green

**66. FINANCIAL REPORT – OUTTURN PROJECTION BASED ON PERFORMANCE TO DECEMBER 2011 (REPORT D).**

The Cabinet was pleased to note that there had been further net positive variations, amounting to £385,000, in the Council's revenue budgets in the third quarter of the year. While £200,000 of this was the release of the provision set aside to cover additional capacity claims under the Concessionary Travel scheme; there had also been an increase of £150,000 in income from the health and leisure centres and, in addition, improved interest rates on investments were expected to generate additional interest earnings of £35,000. The Health and Leisure Portfolio Holder, and other members, congratulated the officers on the efforts that they had made to achieve a significant increase in income.

There were also positive variations in the Capital Programme, largely as a result of the rephasing of transportation schemes funded from developers' contributions (£760,000), although this has been partly offset by the cost of installing photovoltaic panels at Appletree Court and the Town Hall, Lymington, and the allocation of developers' contributions towards open space. It was reported that the final cost of installing the photovoltaic panels was expected to be £75,000 and the officers were congratulated on achieving such a significant reduction against the original estimated cost of £150,000.

The Cabinet remained aware of the need to continue the work to lower expenditure across the Council in order to achieve a balanced budget for next year.

**RESOLVED:**

- (a) That the revised outturn forecasts and the potential impact on the Authority's revenue budget, as set out in paragraph 3.4 of Report D to the Cabinet, and on the capital budget, as set out in paragraph 4.1 of Report D, be noted; and
- (b) That the detailed variations reported in Appendices A and B of Report D to the Cabinet be noted.

**67. TREASURY MANAGEMENT STRATEGY (REPORT E).**

The Cabinet noted that the need for the Council to borrow £143.4 million on 28 March 2012 to pay to the Department of Communities and Local Government, in respect of the new Self Financing Housing system, would be a major factor in the Council's finances over the coming months.

The Cabinet considered the main prudential indicators for 2012/13 – 2014/15, as attached as Annex A to Report E. In accordance with The Prudential Code for Capital finance in Local Authorities, the Cabinet also considered the Minimum Revenue Provision Policy, the Treasury Management Strategy Statement for the period 2012/13-2014/15 and the Investment Strategy.

**RECOMMENDED:**

- (a) *That the Prudential Indicators and Limits for 2012/13 to 2014/15 contained within Annex A of Report E to the Cabinet, including the Authorised Limit prudential indicator, be approved;*
- (b) *That the Minimum Revenue Provision (MRP) Policy Statement contained within Annex A of Report E to the Cabinet, which sets out the Council's policy on MRP, be approved;*
- (c) *That the Treasury Management Strategy 2012/13 to 2014/15, and the treasury Prudential Indicators contained within Annex B to Report E to the Cabinet be approved;*
- (d) *That the Investment Strategy 2012/13 contained in the Treasury Management Strategy set out in Annex B to Report E to the Cabinet, and the detailed criteria included in Annex B1 to Report E, be approved; and*
- (e) *That the Executive Director may, in consultation with the Finance and Efficiency Portfolio Holder and in accordance with delegated powers, make the final decisions on the amount to be borrowed in respect of the Housing Revenue Account settlement and the maturity profile of the debt which is most beneficial to the Council.*

Action: Bob Jackson

**68. DIBDEN GOLF CENTRE – FUTURE OPERATION AND MANAGEMENT (REPORT F).**

The Cabinet received the report of the Community Overview and Scrutiny Panel on the future operation and management of the Dibden Golf Centre, following extensive investigations and a competitive tendering process, which were overseen by a task and finish working group appointed by the Panel.

Of the two potential partners who went through to the final evaluation process, Mytime Active outscored Mack Trading on both the technical and financial criteria of the evaluation. The financial evaluation was set out in the confidential Appendix to Report F. The Mytime Active bid also contained a variant bid which opened the opportunity for further significant capital investment in the golf centre in the future, if the business case was positive, and planning consent obtained. The core bid provided for the development of this variant bid to the stage of planning approval.

The Cabinet was advised that the risk assessment of the likely financial position anticipated that the bid from Mytime Active represented a financial benefit to the Council of between £816,000 and £1,281,000 over 5 years.

The Employee Side's comments were reported to the Cabinet.

The Cabinet was satisfied that the proposed arrangement would bring benefits to the Council, the golf centre, the players, and also the staff. The partnership would allow this valuable asset to achieve more of its potential.

***RECOMMENDED:***

- (a) That the bid by Mytime Active for the future management and operation of Dibden Golf Centre be accepted; and***
- (b) That the Executive Director, in consultation with the Finance & Efficiency and Health & Leisure Portfolio Holders, the Head of Legal & Democratic Services and the Head of Leisure Services be authorised to finalise the details of the arrangements between the parties and to enter into all necessary legal documentation to give effect to the decision in (a) above, subject to the financial parameters set out in Appendix A to Report F to the Cabinet***

Action: Bob Millard.

CHAIRMAN