

REPORT OF CABINET

(Meeting held on 10 July 2003)

1. PROVISIONAL FINAL ACCOUNTS (REPORT A) (MINUTE NO. 16)

Under the Audit and Accounts Regulations 1996, Local Authorities are required to adopt their final accounts within six months of the financial year to which they refer. The General Purposes and Licensing Committee will consider a copy of the Council's consolidated final accounts in September 2003.

While work continues on the closedown process, the Cabinet has considered the provisional outturn position on the General Fund, Housing Revenue Account, Capital Programme and Commercial Services.

The Cabinet noted that the overall saving from the original estimate on the General Fund is £342,000. The General Fund balance at 31 March 2002 was £2.036m, which equates to 10.8% of the 2002/2003 net operating budget, which is broadly in line with the level set out in the financial strategy.

The Council, during the year received reimbursement of £1.08m of business rate plus interest, following a successful appeal against the recreation centres rateable values, dating back to 1990. These monies will be held in reserves until allocated through the normal expenditure plan processes.

The overall saving on the Housing Revenue Account from the original estimate is £527,000, although approximately £100,000 of this relates to slippage on environmental enhancement works, which will now be incurred in 2003/04. The estimated balance on the Housing Revenue Account at 31 March 2003 is £2.276m.

The estimated trading surplus for New Forest Commercial Services is £155,000. The balancing transfer from Commercial Services to the General Fund will be in the region of £80,000. Historically, Commercial Services has maintained its own reserve and the budgeted transfer from Commercial Services to the General Fund has drawn on the reserve and not been based on recent annual surpluses. In 2001/2002 a number of the Council's reserves including Commercial Services were consolidated within the General Fund balance. As the budgeted transfer of £180,000 for 2002/2003 was based on the historic reserve position, the actual transfer of £80,000 is £100,000 less than budgeted for.

The total actual capital expenditure for 'Other Services' for 2002/03 was £2.955m which was an under spend of £1.406m from the last approved budget. A major item contributing to this under spend was slippage of £522,000 in the Coastal Monitoring budget.

The total actual expenditure for the Housing Capital Programme for 2002/03 was £4.332m which is an overspend of £454,000 from the last approved budget. The Cabinet noted that this was mainly due to £524,000 of expenditure on Social Housing Grant having been brought forward from 2003/04 to maximise grant reimbursement from the Housing Corporation before changes were implemented.

In general the Cabinet was pleased to note that the overall underspend on the General Fund was now less than ½ % of the gross budget. There was still a level of slippage on the Capital programme and the Cabinet agreed that there was a continuing need for budgets to reflect spending more accurately.

2. MILFORD SEAFRONT: CAPITAL SCHEME (REPORT B) (MINUTE NO. 17)

The implementation of a scheme to refurbish key elements of the seafront at Milford-on-Sea has been an aspiration in the Council's Coastal Management Plan for some time. There has been extensive consultation on a scheme drawn up by independent consultants against a brief devised in close liaison with the Parish Council. An informal working group has been developing proposals.

The Cabinet has agreed that a scheme to renovate the promenade at Milford be supported and a project management system be established within the PRINCE structure. The Project Board will include representation at both parish and district level. The Cabinet will consider, as part of the budget process, a more detailed report complete with a funding plan.

The seafront at Milford is one of the most visited sections of the coast. It is also the one location that offers the potential to cater for increased use by local people and visitors alike.

3. PARKING FOR DISABLED PEOPLE IN COUNCIL CAR PARKS (REPORT C) (MINUTE NO. 18)

From October 2004 all organisations providing goods, facilities or services will be required by the Disability Discrimination Act (DDA) to make reasonable adjustments to physical features to overcome barriers for people accessing their services. As a provider of car parking (amenity, short stay, long stay, housing, recreation and own offices) the Council has a legal duty to comply.

The Council's own supplementary planning guidance provides recommended minimum standards for parking for disabled people in car parks and guidance has also been issued by the Department of Transport.

In February this year a survey was undertaken and disabled users of car parks were invited to identify practical issues and comment on the council's proposals for improvements to car parks. These consultations have helped in the production of a proposed target standard for this Council's car parking.

In considering the proposals the Cabinet noted concerns expressed by the tenants' representatives. The tenants had already faced a reduction in the budget for Environmental Improvements for 2003/2004 and were now concerned that the works proposed under the DDA would take priority over other improvements. They also said that some of areas where it was proposed to provide car parking for disabled people were inappropriate. The Cabinet agreed that the tenants' representatives should be consulted further on the detail of the proposals in housing areas.

The proposed changes to amenity, long and short stay car parks have been programmed over a four-year period to coincide with the Council's existing maintenance budgets. The Cabinet has agreed a supplementary estimate of £20,000 (£15,000 General Fund and £5,000 Housing Revenue Account) for 2003/04 and £20,000 (£15,000 General Fund and £5,000 Housing Revenue Account) to be included in the Expenditure Plan for the Next 3 years (04/05 – 06/07) to fund these initiatives.

Work has already started on office car parks as part of a two-year programme again using existing budgets. The changes to 'housing' car parks will be met from the housing revenue budget. Recreation centre parking arrangements only require minor changes and these can be met from existing budgets.

The improvement of parking facilities for the disabled will lead to a decrease in the number of parking bays in Council car parks. This decrease needs to be balanced against the improvement in the quality of life for those disabled residents who cannot currently access amenities. The issue of charging for parking in disabled bays will be considered as part of Traffic Management Scheme review.

4. LIME KILN LANE, HOLBURY – 7 AFFORDABLE DWELLINGS BY WESTERN CHALLENGE HOUSING ASSOCIATION (REPORT D) (MINUTE NO. 19)

The Cabinet noted the detail of urgent action taken by the Director of Resources in accordance with Financial Regulation 2.4 to agree funding totalling £426,057 being allocated to Western Challenge Housing Association to support the provision of 7 affordable dwellings at Lime Kiln Lane, Holbury.

In March 2003 the Council agreed that £426,057 be allocated to this scheme subject to the Government introducing suitable transitional arrangements to cover the abolition of the Local Authority Social Housing Grant (LASHG) reimbursement process. The Government has now announced its arrangements and, to enable the Registered Social Landlord to proceed within the timescale of the original project approval by the Housing Corporation, a decision to confirm the allocation of LASHG was urgently required.

5. FAIRCROSS CLOSE, HOLBURY AND BURNT HOUSE LANE, SOPLEY – DISPOSAL OF LAND FOR AFFORDABLE HOUSING AND THE ALLOCATION OF LOCAL AUTHORITY SOCIAL HOUSING GRANT (LASHG) (REPORT E) (MINUTE NO. 20)

Following recent Government changes in how the Council can treat housing land capital receipts the Cabinet has considered option appraisals for these two sites to determine their best use.

The Cabinet has agreed to the disposal of land at Faircross Close to Hyde Housing Association for £8,000 for the development of 4 affordable homes and to the disposal of land at Burnt House Lane to Hampshire Voluntary Housing Society for £160,000 (with £107,000 recycled as LASHG) for the development of 3 affordable homes.

The Faircross site was originally planned as a garaging and parking area but garages were never built. The site has not been used formally for parking and is currently under grass. The land at Burnt House Lane is currently used as a garage site. Planning permission has been granted for the development of both sites.

The Housing Corporation has allocated capital grant funding for both schemes - £193,000 at Faircross Close and £223,000 at Burnt House Lane.

The Cabinet has also agreed that the total additional monies of £61,000 received from these schemes will be used to fund additional affordable homes elsewhere in the district.

6. AFFORDABLE HOUSING FUNDING (REPORT F) (MINUTE NO. 21)

On occasions where affordable housing has been negotiated through the planning process in conjunction with the granting of permission for market housing, a financial contribution has been agreed in lieu of on-site provision. Currently the Developers' Contributions Fund contains £140,500.

As a result of an audit of the final grant cost of a recently developed affordable housing scheme at Dreamland, Hythe, £38,293 of Local Authority Social Housing Grant (LASHG)/additional spending power has been returned to the Council.

The Cabinet noted that the Government has recently removed the reimbursement process for LASHG. Any grant paid by the Council is no longer reimbursed from the Housing Corporation. Any new schemes approved in 2003/2004 using the Council's remaining spending power will need to be funded from the Council's own resources. Currently, although the Government has set aside resources to reimburse local authorities for lost interest as a result of payment of grant in 2003/2004, from 2004/2005 there will be no refunds of lost interest.

One of the key priorities of the Council is to ensure an adequate supply of affordable housing and the Cabinet has therefore agreed that £140,500 of unallocated developer's contributions together with £38,293 of additional spending power be used to enable the provision of new affordable housing elsewhere in the district.

7. TRAFFIC MANAGEMENT SUPPLEMENTARY ESTIMATE (REPORT G) (MINUTE NO. 22)

In order to introduce car parking charging with effect from 1 January 2004, it will be necessary to undertake a number of essential tasks. Specific administrative requirements such as consultation, surveys and drafting of Traffic Regulation Orders will need to be undertaken and advertising costs incurred. Whilst existing staff will undertake many of these activities it is estimated that consultant's fees of £26,000 will be incurred.

In addition there is the physical work needed such as the installation of ticket machines, design, manufacture and erection of signs and the remarking of car parking spaces as required. The cost of this work is estimated to be £118,000. Operating the new arrangements will incur additional revenue costs in the current year in the region of £75,000. Additional employee resources of two additional car park wardens together with an administrative assistant will be needed to manage the process. The sale and distribution of clocks at the beginning of the charging period will create a short-term peak in workload and some temporary staff will be employed to cover this. This is a high figure due to the initial set up costs.

In addition to this expenditure income will be generated. It is estimated the amount attributable to the 2003/2004 financial year will be in the region of £180,000 (£56,000 from clock sales and £124,000 from ticket sales)

The estimated net cost to introduce car park charging with effect from 1 January 2004 will be £39,000. All of the figures are preliminary and purely for budget setting purposes. Tenders for certain aspects will be invited and variations in costs will be reported should they arise.

RECOMMENDED:

That a supplementary estimate of £39,000 be approved in order to implement the proposals for a scheme of traffic management.

8. HIGHWAYS AGENCY: MANAGEMENT OF TRAFFIC REGULATION (REPORT H) (MINUTE NO. 23)

The Cabinet last year agreed to an offer from Hampshire County Council for the District Council to undertake the traffic regulation function. The Cabinet has now approved the formal agency agreement to enable this to proceed.

The Agreement clearly defines the sections of the relevant Acts that are being delegated and the protocol within which the Agency will be operated. The Cabinet has also agreed to a number of amendments to the delegations of powers to officers that will be necessary in order for the Agency to be managed effectively and efficiently.

The income to support this service will be £101,951, which will pay for the salaries and employment overheads

9. RINGWOOD RECREATION CENTRE LIFT (REPORT I) (MINUTE NO. 24)

The Cabinet has considered proposals that would enable the replacement of the lift at Ringwood Recreation Centre in the current financial year. The lift at Ringwood was installed in 1983 and following an inspection in 1999 it was identified as nearing the end of its useful life. As a result, funding for a replacement had been identified through the expenditure plan process for 2004/2005. However, the lift has become increasingly unreliable with 8 breakdowns in the last year. Its replacement is now considered urgent.

RECOMMENDED

That a virement of £30,000 capital allocation be made from the Marchwood Youth Club capital provision to the budget for the Ringwood Recreation Centre Lift to enable replacement of the lift within the current financial year.

**10. CHANGES TO THE FUNDING OF DISABLED FACILITIES (REPORT J)
(MINUTE NO. 25)**

Disabled Facilities Grants (DFGs) are mandatory where disabled people require adaptations to enable them to occupy their home in a safe and reasonably independent manner. Mandatory DFGs are available to private home owners, tenants and social sector tenants. The current limit set by the Government for mandatory DFGs is £25,000. However, New Forest District Council policy is to grant aid works over £25,000, which are not deemed mandatory, and for which funding is not available from any other source. The Council currently receives a 60% subsidy from the Government for the works over £25,000.

However, the Cabinet noted changes that the Government are introducing, with effect from 18 July 2003, will mean that the Council will no longer receive any subsidy for the works in excess of £25,000.

The Housing Portfolio Holder has said that as a responsible housing authority the Council's primary role is to improve the quality of life for all the residents of the district. The severely disabled, which are those people most likely to require a grant for facilities over £25,000, should not be disadvantaged further by not being able to afford facilities which could improve their quality of life. The Portfolio Holder, supported by the Cabinet and the Housing, Health and Social Inclusion Review Panel, fully endorsed the view that the Council should continue with their current policy of supporting mandatory DFGs over the £25,000 Government threshold in both the public and private sector.

Whilst this course of action would result in the Council having to contribute an additional £60,000, the Cabinet noted that in 2002/03 there was an underspend in the private sector DFG budget of £66,000. If demand were to remain the same this might therefore cancel out the additional funding required to make up the shortfall following withdrawal of Government grant.

**Cllr M J Kendal
CHAIRMAN**