

REPORT OF CABINET

(Meeting held on 6 August 2003)

1. ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY (REPORT A) (MINUTE NO. 30)

In March 2003 the Government issued guidance relating to the allocation of resources for the 2004/05 financial year – ‘the Single Capital Pot’. The objective of the Single Capital Pot is to enable the Government to encourage a clear and transparent process in the allocation of resources that promotes strategic planning and good performance, whilst striking a balance between local decision-making and national priorities. The intention behind the approach is to permit local authorities to make some decisions about their own priorities.

As part of the broader initiative to ease the plan burden on local authorities, the requirement to submit capital strategies and asset management plans to GOSE have been relaxed for those authorities such as NFDC whose submissions in 2002 were assessed as good. However, the guidance indicates that local authorities are still expected to continue to produce these strategic documents for their own purpose, and particularly as an integral part of the new prudential system of capital finance.

It is however still necessary to submit key statistical information on asset numbers, value and condition and local property performance indicators. This data will be used to inform and support decisions about local authority investment needs and priorities in future spending reviews. Once the new prudential system for capital finance is introduced, the capital strategy will become an integral part of the annual expenditure planning process.

The Asset Management Group are continuing with the programme of reviewing the Council’s assets and the initial review will be completed by the end of the year.

RECOMMENDED:

- (a) *That the basis for allocation of resources through the single capital pot for 2004/05 be noted;*
- (b) *That the Asset Management Plan and Capital Strategy for 2003 be agreed; and*
- (c) *That the performance indicators included within the Asset Management Plan for submission to GOSE be approved.*

2. HOMELESSNESS STRATEGY (REPORT B) (MINUTE NO. 31)

The Homelessness Act 2002 placed a new statutory duty on local housing authorities to carry out a review of homelessness within their district and formulate a strategy to tackle homelessness problems.

The Cabinet has considered a draft Homelessness Strategy together with a review of homelessness that provided context and informed the development of the strategy. Much of the work detailed is already being carried out by the Council, but the Strategy has provided a means of drawing together current initiatives. The main issue in the New Forest is the lack of affordable housing and to make any significant impact on the housing problem there would need to be a considerable increase in the supply of affordable housing.

The Cabinet recognised that there would be difficulties to overcome in securing capital finance and identifying suitable building land to enable more affordable homes to be provided. However, one of the four major objectives of the Heart of the Forest was to tackle the shortage of affordable housing in the District, and the Council was committed to finding resources to achieve this objective. Officers, members and partners would be considering how the action plan could best be delivered, and bids would be made through the expenditure planning process for funds to achieve particular aims identified in the strategy.

The Cabinet agreed that the homelessness strategy as attached at appendix 1 to report B to the Cabinet be approved.

3. FINANCIAL REPORT FOR THE PERIOD APRIL 2003 TO JUNE 2003 (REPORT E) (MINUTE NO. 34) AND INSURANCE PREMIUMS (REPORT C) (MINUTE NO. 32) AND DISTRICT LOCAL PLAN SUPPLEMENTARY ESTIMATE (REPORT D) (MINUTE NO. 33)

The Cabinet has considered a number of reports detailing the forecast budget variations of all portfolios and committees from the approved original estimates for 2003/2004.

District Local Plan

Objections to the reviewed policies of the District Local Plan are due to be heard at a public inquiry, starting on 16 September 2003. Originally at the commencement of the review a bid was made for £200,000 in 2002/2003 to meet the full costs of the preparation of the Local Plan including a public local inquiry. This was subsequently revised through the expenditure plan process to bids of £75,000 in 2003/2004 and £50,000 in 2004/2005.

However, during further expenditure plan discussions it was agreed that this budgetary provision should be used to cover the costs incurred by the Council at the National Park inquiry rather than making a separate expenditure plan bid at that time.

The Local Plan fund balance at 1 April 2003 totalled £121,325.43. The revised costs of taking the revised District Local Plan through public inquiry to adoptions is estimated at £201,000. The Cabinet are therefore recommending that a supplementary estimate of £80,000 be agreed to fund the balance. Any further costs will be presented through the expenditure plans process.

Insurance Premiums

Following a tendering exercise the Council's insurance brokers recommended that all of the Council's insurance should be placed with Zurich Municipal on a long term agreement for three years with an option to extend to five years if required.

There are a very limited number of companies willing to tender for the business and the considerable increase in premiums being demanded has meant that the original budget has proved insufficient. The Cabinet is therefore recommending that a supplementary estimate of £68,000 (general fund) and £41,000 (housing revenue account) be agreed to meet the increased premiums.

The Cabinet has agreed, subject to the approval of the recommendations below, that the revised General Fund budget as set out in Appendix 1 to report E; the revised capital expenditure as set out in Appendix 2 to report E and the revised Housing Revenue Account as set out in Appendix 3 to report E be approved.

RECOMMENDED:

That the following supplementary estimates be approved:

- ***£68,000 (general fund) for additional insurance costs;***
- ***£30,000 in lieu of reduced road adoption income;***
- ***£100,000 in lieu of reduced land charges income;***
- ***£80,000 for local plan costs;***
- ***£154,000 for Housing Revenue Account variations as detailed in report E to the Cabinet.***

4. FINANCIAL STRATEGY (REPORT F) (MINUTE NO. 35)

The Cabinet considered a proposed financial strategy that was intended to provide a clear framework for members to consider future expenditure plan and budget proposals. The proposed strategy has been set against the context of the four key priorities in the Heart of the Forest.

The draft general fund forecast at Appendix 1 to report F to the Cabinet was purely indicative and should not be regarded as a forecast of likely Council Tax levels in future years.

Forthcoming changes at both local and national level were expected to affect the strategy, and the Council would need to consider these when their effect became known. Examples were proposals to change Council Tax discounts for second homes; proposed abolition of current controls on local authority borrowing and replacement by a Prudential Code; proposals in the Rural White Paper seeking to give Parish and Town Councils improved roles in quality of life issues, and a new budget consultation process being undertaken by Hampshire County Council using focus groups. Reports on these issues would be brought to members once further details were known.

Low interest rates meant that investment income was very low at present, although there was a possibility that this situation would improve towards the end of the financial year. However the budget placed little emphasis on investment income.

In terms of consultation arrangements for this Council the Cabinet are of the view that it would be advisable to wait until the conclusion of the County Council consultation process before evaluating the most appropriate way forward.

RECOMMENDED:

- (a) That the Financial Strategy as detailed in paragraph 9 of Report F be approved;**
- (b) That the timetable for the expenditure planning and budget setting process as detailed in paragraph 10 of Report F be approved;**
- (c) That an evaluation of the way forward in terms of consultation be taken after the completion of the process currently being undertaken by the County Council;**
- (d) That the principle of the additional income raised by the reduction in the discount for second homes being allocated to the Local Strategic Partnership in order to tackle some of the priorities that are highlighted within the Community Strategy be approved; and**
- (e) That the majority of the £1m rates refund be held in reserves until such time as the details of the Prudential Code have been evaluated and a strategic view of the way forward established.**

5. RECREATION CENTRE MEMBERSHIP SALES – A PARTNERSHIP OPTION (REPORT G) (MINUTE NO. 36)

The Council has been approached by two companies who market the benefits of a range of membership packages to potential users of local authority leisure centres.

The recent benchmarking progress report identified a clear gap between the levels of membership sales generated by the private sector when compared to the Council's recreation centres. The private sector employ large numbers of dedicated sales staff working with substantial marketing budgets in order to generate income. Members recognised the value of the Council's Recreation Centres to the general community. It was important that these high quality facilities, which were available to all sections of the community at affordable prices, were properly marketed.

Attracting new customers would benefit both those individuals and the community as a whole, and provide a return on the investment the Council has made in the Centres in recent years. The Cabinet has therefore agreed to use the two companies, on a pilot basis, at Applemore and Totton Recreation Centres to market the benefits of a range of membership packages to potential users of local authority leisure centres with a view to the most successful company being awarded a contract for the other three Recreation Centres. The Council will benefit from a share of the income generated and there will be no direct financial risk.

6. PROJECT INTEGRA BUSINESS PLAN (REPORT H) (MINUTE NO. 37)

This Council along with all other local authorities in Hampshire, is a member of Project Integra, which is a partnership that seeks to achieve an integrated approach to waste management in Hampshire.

The Cabinet considered the proposed 2003/2004 Business Plan for Project Integra (a copy of which is available in the Members' Room), which must be agreed annually by all the constituent authorities.

The membership of Project Integra has direct financial implications for the Council. The Business Plan includes the proposed method of funding of the Project Integra Executive and Waste Management Projects. A change to the method of funding now provides for an increased membership fee but permits member authorities to retain their share of income from the sale of recyclables from the materials recycling facility. The Cabinet welcomed this change, as it would advantage those authorities that recycled the most.

RECOMMENDED:

That the Project Integra Annual Business Plan 2003/2004 be agreed.

7. LITTER CLEARANCE ALONG DUAL CARRIAGEWAY TRUNK ROADS (REPORT I) (MINUTE NO. 38)

The Environmental Protection Act Code of Practice on Litter and Refuse requires the Council to clear the litter from trunk roads and principal local roads. New changes in health and safety legislation now make this a much more difficult and expensive way for the Council to keep the verges and central reservations clean. Legislation now requires the traffic lane closest to the litter pickers to be closed off when they are working at the edge of a dual carriageway and also to provide crash protection in the form of a barrier between the litter pickers and the moving traffic. These precautions add considerably to the cost but provide a much greater degree of safety for employees.

RECOMMENDED:

That a supplementary estimate of £27,000 in 2003/2004 be approved to clear litter from the dual carriageways and trunk roads in the New Forest and that specific budgetary provision be made in the Council's expenditure plan for 2004/05 and future years.

8. RACE EQUALITY SCHEME AND CORPORATE EQUALITY PLAN (REPORT J) (MINUTE NO. 39)

The Race Relations (Amendment) Act 2000 required all public authorities to adopt a Race Equality Scheme by 31 May 2002. The Scheme was required to show what action the Council would take over a 3-year period to eliminate discrimination and promote equal opportunities.

The Council has a duty to comply with legislation as it affects equal access to employment and services. An Equality Standard has been developed as a tool for Local Government to provide a constructive way of achieving these duties. It introduces a systematic approach to ensure any discrimination barriers that prevent access to services and employment are identified and removed.

There are five levels to the Equality Standard and, if achieved, will mean that the Council has met the requirements of the Race Equality Scheme and future statutory requirements for gender and disability.

The Council is committed to achieving at least Level 1 (commitment to a Comprehensive Equality Policy) during 2003/2004. This will ensure the Council has the mechanisms in place to satisfy legal requirements on equality, could easily comply with them, and could effectively monitor and publicise compliance.

This will require the ongoing commitment of members and senior managers and the integration of equality issues into the Best Value and Service Plan processes. The Council already runs successful diversity awareness courses for employees and this training will continue.

The Council has long been committed to policies that avoid discrimination and promote equality in both access to services and employment. The Council will continue to seek ways in which further improvements in this field, and in the level of awareness of the Council's policies and achievements, could be made.

9. NEW FOREST DISTRICT COUNCIL LOCAL PLAN FIRST ALTERATION – PROPOSALS FOR REGENERATION OF CALSHOT (REPORT K) (MINUTE NO. 40)

The Cabinet considered a report from the Economy and Planning Portfolio Holder seeking confirmation of the Council's commitment to the Local Plan proposals for the regeneration of Calshot village.

The Local Plan proposals were considered to be the best mechanism for attracting sufficient investment to increase the population of Calshot to a sustainable level, to make physical improvements to the area, and to provide the facilities local residents required. Delivery of the proposals would require commitment, substantial investment, and close working with service providers. The first stage of the process would be to defend the Council's position at the Local Plan Inquiry.

The Cabinet has confirmed their support for the policies of the New Forest District Local Plan First Alteration as a means of achieving and securing funding for this regeneration, and have agreed that the Economy and Planning Portfolio Holder should present evidence at the Public Local Inquiry into the New Forest District Local Plan First Alteration in support of the Council's policies for Calshot.

**10. COMPREHENSIVE PERFORMANCE ASSESSMENT (REPORT L)
(MINUTE NO. 41)**

The Cabinet has considered and supported the proposed draft final self assessment, prepared following the CPA Peer Challenge report, and the Council's own proposed assessment of its score under each of the 10 key themes, based on the views of officer and member workshops.

The final self-assessment was drafted in the light of comments received from the Peer Challenge Team that visited the Council in June. The final self-assessment will now be converted into a published document and forwarded to the Audit Commission. Other complementary documents for example "diagnostics" on public spaces and housing were also prepared and will be submitted.

A team of four, appointed by the Commission, will visit the Council in week commencing 29 September, following a preliminary visit on 19 September. This team will be responsible for scoring the Council's performance as falling within one of five categories ranging from excellent to poor.

Overall, the experience with the Peer Challenge Team has been very positive. The Team were impressed by what they found, confirmed known strengths, and made constructive suggestions for ways in which improvements could be made. Work was already beginning to tackle areas for improvement.

**Cllr M J Kendal
CHAIRMAN**