

REPORT OF CABINET
(Meeting held on 2 August 2006)

1. FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2006 TO JUNE 2006 (REPORT A) (MINUTE NO. 30)

The Cabinet has considered the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2006/07. Subject to the approval of the recommendations below they have agreed the items set out in Appendix 1 (revised General Fund budget) and Appendix 2 (revised Capital programme) to Report A to them and noted the financial position of Commercial Services.

The total reported variations on the General Fund budget to June 2006 show an estimated increase in net expenditure of £97,000. The actual expenditure at the end of June is £296,000 below the profiled budget expenditure, but this is more than offset by outstanding commitments of £485,000.

For Other Services (excluding housing) Capital expenditure the reported variations show an increase in 2006/07 expenditure of £1,232,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is an increased call on the Council's capital resources of £634,000. Of this £574,000 relates to a change in funding of ICT which will result in an equivalent increase in the balance on the Renewals and Replacements reserve.

The reported variations on Housing Capital expenditure show an increase in 2006/07 of £330,000 as a result of rephasings from 2005/06. No variations have been reported to date on the Housing Revenue account.

The current Commercial Services budget surplus target on General Fund activities is £52,000 and performance to date shows that no change is required.

RECOMMENDED:

That the following supplementary estimates be approved:

- (i) an additional £155,000 in respect of Health and Leisure Centres and Dibden Golf Centre;***
- (ii) £60,000 in respect of land drainage expenditure at Lloyd Avenue, Marchwood***
- (iii) £70,000 in respect of urgent boiler replacement costs at Ringwood Health and Leisure Centre***

**2. DISPOSAL OF LAND AT CHURCHILL COURT, NEW MILTON (REPORT C)
(MINUTE NO. 32)**

The Cabinet is recommending the disposal of land at Churchill Court, Davis Field, New Milton to Western Challenge Housing Association to enable the development of 21 affordable homes for general rent and low cost home ownership to be allocated to applicants from the Council's Homesearch register. The financial appraisal attached to Report C to the Cabinet details the reasons for disposal of the land at less than market value.

There is currently a block of 26 sheltered flats on the land. The units became increasingly difficult to let due to the unsatisfactory standards of accommodation and, in 2004 members agreed that the site should be redeveloped for the provision of general needs housing provided by a Registered Social Landlord.

Western Challenge Housing Association have now submitted a planning application to develop 8 x 1 bedroom flats, 4 x 3 bedroom houses and 2 x 4 bedroom houses for general need rent and 5 x 2 bedroom houses and 2 x 3 bedroom houses for shared ownership. The Shared Ownership houses will be affordable and sold as a 40% share.

The Cabinet noted some concern at the limited amount of parking in the area generally and the difficulties that additional housing might bring. However, the local tenants' representative is being consulted on the parking issue and the possibility of additional parking is being considered.

The Crime and Disorder Portfolio Holder raised an issue in relation to anti-social behaviour problems that occur regularly on a footpath that runs to the east of the proposed site. Members noted that the Council is able to influence the design of the properties, particularly in relation to play space for children. Discussion is underway with the local crime and disorder co-ordinators to look at how the specific problems relating to the footpath can be addressed.

It is anticipated that, subject to planning permission, the new homes will be completed by the end of December 2007. The Cabinet is pleased that the Council is able to support the development of socially responsible housing that will enable people to enjoy a better quality of life.

RECOMMENDED:

- (a) That Churchill Court, Davis Field, New Milton is transferred leasehold to Western Challenge Housing Association for a capital receipt of £6,000 per rented unit and £5,000 per shared ownership unit to recompense the Council for the loss of the asset;**
- (b) The capital receipt is 'ring fenced' for the provision of more affordable housing; and**
- (c) The transfer is subject to planning consent being granted to Western Challenge Housing Association to develop the site for affordable housing.**

**3. DISPOSAL OF LAND AT MEYRICK CLOSE, BRANGSORE (REPORT D)
(MINUTE NO. 33)**

The Cabinet is recommending the disposal of land at the Garage site, Meyrick Close, Brangsgore to Western Challenge Housing Association to enable the development of 13 affordable homes for general needs rent and low cost home ownership to be allocated to applicants from the Council's Homesearch Register.

The Council currently owns a small garage site with an adjacent paddock at Meyrick Close. Brangsgore Parish Council has proposed this site as suitable for development for affordable housing. The proposed new homes will comprise 6 x 1 bed flats, 2 x 2 bed houses and 2 x 3 bed houses for general need rent and 3 x 2 bed houses for shared ownership to local people. The Shared Ownership properties will be affordable and sold as a 40% share.

Some concern has been expressed at the displaced parking problems that may occur with the loss of this garage site. However, Members were informed that the parking provision for the development was in accordance with the County Council standards. Each house would have parking for two cars and each flat parking for one car. It was agreed that parking implications generally would be fully examined in all future developments.

Members also noted that each house in the development would have a garden.

RECOMMENDED:

- (a) That the land at Meyrick Close, Brangsgore be transferred leasehold to Western Challenge Housing Association for a capital receipt of £5,000 per unit to recompense the Council for the loss of the asset;**
- (b) That the capital receipt is 'ring fenced' for the provision of more affordable housing; and**
- (c) That the transfer is subject to planning consent being granted to Western Challenge Housing Association to develop the site for affordable housing.**

4. PRIVATE SECTOR LEASING SCHEME (REPORT E) (MINUTE NO. 34)

The Cabinet has agreed to the setting up of a Private Sector Leasing Scheme for a 3 year period to enable the Council to lease property from private owners. During this time the Council will have sole access and nomination rights to the property and pays the owner a monthly fee. The properties will be used to prevent homelessness and discharge duties to applicants who are accepted under the homelessness legislation.

The Council has been operating a Housing Association Leasing Scheme since 1995. The present agreements with housing association partners expire in August 2006.

The Cabinet noted that to provide the service in house would give a consistent service to tenants and private owners. They were of the view that it would improve the service to homeless families. The service would be cost effective and efficient and would provide a seamless service from temporary to permanent housing. It would also provide the opportunity to address tenancy problems at an early stage.

In considering the financial appraisal, the Cabinet noted that the Council will have the ability to charge management fees to cover the costs of service provision. The Scheme must generate sufficient income to cover all costs to the Council (including rent arrears) and reduce the cost of dilapidations. Appointing an external partner to provide a back up service will reduce the risk to the Council if there are future changes to Housing Benefit Regulations or homelessness legislation that could have a detrimental effect to the scheme. The Cabinet has therefore also agreed that the terms of a new Housing Association Leasing Scheme be re-negotiated with an alternative provider(s) who will operate alongside the in-house scheme.

The Cabinet were pleased that the proposals demonstrate the Council continuing commitment to the provision of affordable housing in a variety of ways.

5. DEVELOPERS' CONTRIBUTIONS LLOYD AVENUE, MARCHWOOD – DRAINAGE IMPROVEMENTS (REPORT F) (MINUTE NO. 35)

The Cabinet has agreed proposals to use developers' contributions to fund the construction of suitable drainage works to alleviate property flooding in Lloyd Avenue and Long Lane Marchwood.

The estimated cost of the alleviation works is £60,000, which includes a contingency sum and employee costs for design and site supervision. HCC are to contribute £10,000 for the highway drainage improvements provided by the Scheme. The Cabinet has agreed a supplementary capital estimate of £50,000 for the remainder of the costs to be funded from developers' contributions.

**Cllr M J Kendal
CHAIRMAN**

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