

REPORT OF CABINET
(Meeting held on 1 August 2007)

1. LEASED LEISURE EQUIPMENT BUYOUT (REPORT A) (MINUTE NO. 25)

In accordance with Financial Regulations the Cabinet has noted the decision of the Director of Resources, taken as a matter of urgency, to suspend Financial Regulations and to approve the buy out of leased leisure equipment, to enable the health and leisure centres and Dibden Golf Centre to place orders for replacement equipment and minimise disruption.

In 2002/3 the Council entered into 4 leases with separate companies for the acquisition of leisure equipment with a combined purchase cost of £344,000. The equipment is currently located across all 5 Health and Leisure Centres and Dibden Golf Centre. The leases have four expiry dates for return of items of equipment in August/September 2007 and August/September 2009.

For a number of operational reasons officers have recommended that the leases should be bought out. It is now also the policy of the Council to purchase equipment rather than enter into further lease arrangements.

The Director of Resources therefore suspended Financial Regulations (Reg. no. 2.4), in relation to the lease buy out, to ensure the relevant centres could place orders with suppliers for replacement equipment to ensure guaranteed delivery at the most convenient time for them.

RECOMMENDED:

That the decision taken by the Director of Resources to suspend financial regulations, to approve the buyout of the 4 leases with the following financial implications be noted:

- (i) a virement of £30,000 from the Totton sports hall store scheme to the leisure equipment purchase budget;***
- (ii) a 2007/08 supplementary capital estimate of £25,000, to be partly funded from associated equipment sale capital receipts of £12,000;***
- (iii) the inclusion of an additional £49,000 in the post 2007/08 Leisure capital expenditure plans, for items re-phased from 2007/08; and***
- (iv) the reduction of £21,000 in 2007/08 leisure revenue budgets and overall leisure revenue budget reductions of £50,000 by 2010/11.***

2. APPLEMORE HEALTH AND LEISURE CENTRE – ROOFING WORKS (REPORT B) (MINUTE NO. 26)

The Cabinet has agreed that, subject to the funding arrangements being agreed by the Council, the roof repairs to both the sports hall and the pool hall at Applemore Health and Leisure Centre (Option 2 in Report B to the Cabinet) be undertaken as a matter of urgency.

Following a survey by a specialist roofing contractor it is clear that the large flat roof over the sports hall is in need of urgent repair and, if left, would lead to an unscheduled closure of the facilities. The remainder of the roof over the pool hall also requires remedial works but these are less urgent. However, to undertake both areas of work at the same time will be more financially efficient. The work can be part funded by using the budget currently set aside for the New Milton Health and Leisure centre roof. A survey has shown that that roof is fairly sound and will not need repair for the next 3 to 5 years. Members noted that, if the budget is vired for the works at Applemore Health and Leisure centre, then new funding for the New Milton scheme will need to form part of a future expenditure plan bid.

All major sites in the Council's ownership are being surveyed so that a robust planned maintenance programme can be drawn up. This will minimise the risk of unexpected repairs having to be carried out urgently in the future.

RECOMMENDED:

That a supplementary estimate of £61,000 be approved to part fund both the re-roofing of the sports hall and the pool hall at Applemore Health and Leisure Centre, with the remaining £91,000 of the £152,000 costs being covered by virement from New Milton Health and Leisure Centre capital budget allocations (roof repairs £55,000, pool hall lighting £11,000 and pool hall refurbishment £25,000).

3. ST JOHN'S STREET CAR PARK, HYTHE – ADDITIONAL WORKS (REPORT C) (MINUTE NO. 27)

The Cabinet is recommending a supplementary estimate to cover the cost of the additional works necessary for the successful completion of the St Johns Street Car Park, Hythe refurbishment scheme. The local community in Hythe has welcomed the improvements brought about by this scheme. Whilst additional funding has already been agreed for this scheme (detailed elsewhere on this report – Item 6 Financial report.) further unscheduled and unavoidable works are now required.

During excavation, a substantial area of unsound ground has been found below part of the car park. This has required the removal of about 1250 cubic metres of soft material and replacement with an equivalent quantity of granular fill at a cost of £85,870. The unsound ground was not apparent until excavation started. Initially, it appeared that it was an isolated pocket but further excavation revealed that the whole area was affected and required remedial work. The cost of these additional works is £85,870. This figure includes all the contractors costs.

The Cabinet has discussed the advisability of providing greater contingency sums in future capital schemes, and this will be reviewed.

RECOMMENDED:

That a supplementary estimate of £85,870 be approved to cover the cost of additional works necessary for the successful completion of the St John's Street, Hythe car park refurbishment scheme.

4. ANNUAL EFFICIENCY STATEMENT (REPORT D) (MINUTE NO. 28)

The Cabinet has agreed the 'Backward Look' Efficiency Statement for 2006/07 for submission to the Department of Communities and Local Government. The Council is required to submit two annual efficiency statements a year, one looking at proposed actions for the forthcoming year, the other looking back at what has been achieved in the previous year. The Council has for many years operated a four year rolling financial strategy, linked to its Corporate Strategy and fully integrated with the service planning process. This annual process requires the Council to identify efficiency savings, in order to enable the introduction of new initiatives and the management of council tax increases. The Council's expenditure planning/budgeting process is ideally suited for identifying cash backed efficiencies that are incorporated into the detailed budgets and closely monitored during the financial year.

The Council is adopting a strategic approach to efficiency change. This involves building on the existing partnership arrangements that the Council has in place alongside the development of wider consideration of delivery options through the procurement agenda. The Council also aims to use e-technology to its maximum potential. The efficiency target for the authority is £690,000 p.a. giving a total target of £2.07m by 2007/08. This together with efficiencies identified and previously submitted for 2005/06 gives a total identified to date of £1,682,133.

Whilst the various processes for achieving efficiencies in the Council are not only benefiting the residents of the New Forest, the achievements are in excess of the target figures set. However, members agreed that the Council must not be complacent and these savings need to be sustained until the end of 2007/08.

5. CONSULTATION PAPER ON THE INCENTIVES FOR RECYCLING BY HOUSEHOLDS (REPORT E) (MINUTE NO. 29)

The Cabinet has agreed a response to a Government consultation paper on incentives for recycling as detailed in Appendix 1 to Report E to them on 1 August 2007. The consultation paper forms part of the Waste Strategy for England 2007 which was published recently by the Department for Environment, Food and Rural Affairs.

The Government is proposing recycling incentives as a means of promoting recycling and waste minimisation to reduce the amount of household waste going to landfill. This Council has achieved a 30% recycling rate and more than 80% of the residual refuse that is collected goes to the Energy Recovery facility at Marchwood where it is burnt to produce electricity. Because of this there is no great urgency for this Council to introduce a financial incentive scheme.

The consultation paper suggests that local authorities should be given the power to introduce charging schemes for household waste under which the net income gained from charging would be balanced by a corresponding reduction in Council Tax. The Government appears to believe that such an approach will encourage recycling and waste minimisation. If the Government is minded to give local authorities powers to introduce a charging scheme it is essential that there should be no compulsion on local authorities to do so. The costs involved in introducing such a scheme and the administrative complexities of operating it will in practice mean that the potential net savings even for the best recyclers will in all likelihood be insufficient to provide enough of an incentive to change householder behaviour.

While the consultation paper is specifically concerned with incentives for recycling by households, members are firmly of the opinion that steps to tackle waste at source are fundamental to giving householders a real opportunity to reduce their waste.

Waste collection, recycling and waste disposal is a nationwide service. There are already significant variations between systems across the country and these could be further fragmented by the introduction of charging systems.

6. FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2007 – JUNE 2007 (REPORT F) (MINUTE NO. 30)

The Cabinet has considered the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2007/08. Subject to the approval of the recommendations below they have agreed the items set out in Appendix 1 (revised General Fund budget), Appendix 2 (revised Capital programme) and Appendix 3 (Housing Revenue Account) to Report F to them and noted the financial position of Commercial Services.

The total reported variations on the General Fund budget to June 2007 show an estimated decrease in net expenditure of £9,000. The actual expenditure at the end of June is £150,000 below the profiled budget expenditure, but this is more than offset by outstanding commitments of £471,000.

For capital expenditure Other Services (excluding housing) the reported variations show an increase in 2007/08 expenditure of £2,530,000, but excluding items of rephasing, virement, developers' contributions and external funding, there is an increased call on the Council's capital resources of £204,000.

The reported variations on Housing Capital expenditure show an increase in 2006/07 of £284,000 as a result of rephasings from 2006/07. No variations have been reported to date on the Housing Revenue account.

The current Commercial Services budget surplus target on General Fund activities is £22,000 and performance to date shows that no change is required.

RECOMMENDED:

That the suspension of financial regulations by the Director of Resources to approve £101,000 in respect of the St John's Car Park, Hythe refurbishment scheme to be funded through virements of £60,000 from other schemes and a supplementary estimate of £41,000 be noted.

**Cllr M J Kendal
CHAIRMAN**