

REPORT OF CABINET

(Meetings held on 2 January and 6 February 2008)

1. HOUSING REVENUE ACCOUNT ESTIMATES 2008/09 (REPORT A – 2 JANUARY 2008) (MINUTE NO. 78) AND (REPORT D – 6 FEBRUARY 2008) (MINUTE NO. 88)

At their meeting in January the Cabinet considered and agreed the bases for the preparation of the draft Housing Revenue Account (HRA) for 2008/09 and noted the anticipated impact of the draft Subsidy Determination. They noted the proposed average rent increase of 5%, which was in line with the Government's proposals on rent restructuring, and reflected the policy adopted in the Council's 10 year HRA business plan. Tenants' views were sought on this proposal at the Tenants' Consultative Panel in January.

The Cabinet agreed that the Council should be recommended to raise Hostel and Sheltered Housing service charges by an average of 5%. In Hostels there have been a number of pressures in recent years particularly from the substantial rises in utilities charges. However, whilst the longer term goal is to fully recover costs, the Cabinet agrees that a phased approach as adopted previously should be continued to minimise the immediate cost impact on a vulnerable client group.

Following the review of Supporting People service provision, sheltered housing tenants on decommissioned sites are currently being consulted on whether they wish to continue to use the communal facilities of nearby sheltered housing schemes. In arriving at the average recommended service charge increase of 5%, provision has been made for some reduction in the number of tenants who will continue to pay this charge. The proposed 10% increase in garage rents is in line with current policy.

At their meeting in February, the Cabinet considered the updated Housing Revenue Account estimates with the details of the most recent variations. The proposed average rent increase for 2008/09 remains at 5%.

Members noted that the Tenant's Consultative Group is disappointed at the proposed increase which is above inflation. However, they do understand that this is as a result of the Government rent restructuring guidelines. The Cabinet also noted with concern, that the Housing Subsidy calculations result in the Council being in a negative subsidy position, which means that £7.9m of resources are forwarded to the Government for distribution to other areas with positive subsidy determinations.

RECOMMENDED:

- (a) That Service charges be increased in line with the detailed proposals as set out in Section 2 of Report A to the Cabinet on 2 January 2008;**
- (b) That garage rents be increased by £0.69 per week (plus VAT for garages let to non-Council tenants);**
- (c) That an average increase of 5% in rents for 2008/09, in line with rent restructuring guidelines be approved ; and**
- (d) That the updated budget set out in Appendix 1 to Report D to the Cabinet on 6 February 2008 be approved.**

2. GENERAL FUND REVENUE BUDGET 2008/09 AND CAPITAL PROGRAMME 2008/12 (REPORT B – 2 JANUARY 2008) (MINUTE NO. 79) (REPORT E – 6 FEBRUARY 2008) (MINUTE NO. 89)

Following consideration of the budget in November and December, the Cabinet in January were updated on the work that had taken place since then, the provisional grant settlement and other proposals that will affect the General Fund budget. They agreed amendments to the expenditure plan revenue proposals and capital expenditure proposals subject to committee and review panel comments and final budget considerations. The Finance and Efficiency Portfolio Holder asked committees and review panels to carefully scrutinise the budget proposals again in January as there was still a shortfall of approximately £550,000.

The Cabinet noted that once again the Council is expected to plan a budget without the required information from the Government. Final proposals for concessionary fares are still unknown and could place a huge burden on the council tax payer in the coming year. The Government grant for concessionary fares is £493,000. However, the reimbursement rate has not yet been agreed with bus operators and the amount of user take up will not be known until the end of the year. In view of this the Council will be setting a budget without knowing the full extent of its commitments.

At their meeting in February the Cabinet again considered the draft General Fund revenue and capital budgets for the financial year 2008/09 together with comments from review panels on the proposals. They agreed some additional budget proposals.

The costs arising from the new nationwide concessionary travel scheme are still unknown and the Cabinet agreed that the potential financial impact that the scheme may have on council tax should be detailed in the council tax leaflet sent to all households.

The Cabinet are continuing to re-assess budgeted expenditure with the aim of reducing the council tax increase further without any adverse impact on services. Members hoped to keep the council tax increase to below 4% without cutting frontline services.

RECOMMENDED:

- (a) That site licence fees and services charges at Stillwater Park be increased by 3.9%;**
- (b) That the revised 2008/09 fees and charges schedules for land charges and beach huts, as set out in Appendices 2 & 3 of Report E to the Cabinet on 6 February 2008 be approved;**
- (c) That, subject to further consideration of the financial position that will be reported to Council in February 2008,
 - (i) the General Fund revenue budget be agreed in the sum of £22.384m;**
 - (ii) the Council Tax be set at £150.06 for a band D property; and****
- (d) That the 2008/09 Capital Programme be set at £15.525m.**

**3. POSSIBLE DEVELOPMENT ON THE FURLONG CAR PARK, RINGWOOD
(REPORT C – 2 JANUARY 2008) (MINUTE NO. 80)**

Following consideration of development options for the south west corner of the Furlong Car Park in Ringwood the Cabinet has agreed that no further action will be taken on Options 1, 2 or 3 as set out in Report C to them. However, they have asked officers to explore further a revised Option 4 to secure improved public toilets and a Visitor Information Centre in Ringwood whilst not prejudicing other development options in the vicinity.

Following public consultation there was no clear consensus on a way forward for the development of the Furlong Car Park. The Cabinet were mindful of the need to ensure that any decision that the Council took was based on the views of the people in Ringwood.

Whilst previously, members had supported Option 1 which proposed a mixed use development to include a new retail outlet, a community building and public areas, for a number of reasons this is not now considered the most appropriate way forward.

The Cabinet noted that there is no overwhelming support from the people of Ringwood for Option 1. Nationally, there is increasing pessimism in the economy as a whole, particularly in the commercial property market and this, combined with a rapid growth in internet shopping, places doubt on the future of traditional high street shopping. The Council's own budget is under increasing pressure and savings are still required for 2008/09.

The Cabinet were pleased to note that the town council has carried out a Market Town health check and now has a draft Town Plan for the next 10 - 20 year period. The Cabinet agreed that areas such as Ringwood, Totton and Hythe should be supported to help them to improve but this can only be done with the agreement and support of the local people. In the light of the consultation process and the comments made by residents in Ringwood, the Cabinet agrees that a revised Option 4 to secure improved public toilets and a Visitor Information Centre should be explored. However, in the light of the possibility of the redevelopment of the old cinema site in the town, any refurbishment of areas of the Furlong Car Park should not prejudice any future options.

**4. SUPPLEMENTARY ESTIMATE TO PAY FOR AN AWARD OF COSTS IN AN
APPEAL DECISION RELATING TO THE FORMER WEBBS FACTORY SITE,
BRIDGE ROAD, LYMINGTON – URGENT DECISION BY CHIEF EXECUTIVE
(REPORT D – 2 JANUARY 2008) (MINUTE NO. 81)**

The Cabinet has noted an urgent decision made by the Chief Executive to agree a supplementary estimate to enable an award of costs in an appeal decision to be made.

In accordance with Financial Regulation 2.4 the Chief Executive agreed to a sum of £30,246.86 being paid to cover costs awarded against the Council in an appeal decision relating to the former Webbs Factory Site, Bridge Road, Lyminster.

5. RINGWOOD HEALTH AND LEISURE CENTRE – GYM 816 (REPORT A – 6 FEBRUARY 2008) (MINUTE NO. 85)

The Cabinet has agreed a proposal to convert the current squash court at Ringwood Health and Leisure Centre to enable the existing gym facility to be extended and a new 816 gym to be provided.

In considering the proposal the Cabinet received presentations from representatives of Ringwood Squash Club and Ringwood School.

The first 816 gym was installed at Applemore Health and Leisure Centre and the Council has made a commitment to roll out the 816 programme across the district.

The current fitness suite at Ringwood Health and Leisure Centre is well used and the number of users per station is above the industry average. Members were advised that it is important not to mix the specific provision needed for young people and other specialist groups with normal provision. The business plan for the project gives a pay back within the Council's agreed five year period and a substantial increase in participation rates is projected.

There has been a great deal of consultation over the proposal which has resulted in support for both sides of the argument. However, on balance, the Cabinet agrees that the provision of an 816 gym will benefit both young people and other specialist groups. It will provide choice to enable young people to exercise through means other than competitive or team sports. The new provision, alongside the existing fitness suite, will also give families an opportunity to exercise together.

6. FINANCIAL REPORT – FORECAST FULL YEAR AND ACTUAL FOR THE PERIOD APRIL 2007 TO DECEMBER 2007 (REPORT B – 6 FEBRUARY 2008) (MINUTE NO. 86)

The Cabinet considered the forecast budget variations of all Portfolios and Committees from the approved original estimates for 2007/08 and has agreed a revised general fund budget; a revised capital programme and revised Housing Revenue Account expenditure as detailed in the appendices to Report B to them.

Members noted that in terms of the General Fund it is anticipated that the latest estimated overall outturn position will be a reduction in net expenditure of £18,000 against the original budget, which will be transferred to the Capital Programme reserve. Estimated expenditure on the capital programme is £2.283m less than the last approved budget but this is largely due to rephasings of expenditure into later years. Net expenditure on the Housing Revenue Account is currently predicted to be £606,000 less than the original budget, of which £575,000 is newly reported variations. Principally an £800,000 reduction in capital expenditure financing, due to rephasing, offset by increased General Management costs of £300,000. The Final Accounts Committee on 22 February will consider the Financial Report in greater detail.

RECOMMENDED:

That the following supplementary estimates be approved:-

- (i) £300,000 in respect of HRA General Management costs, principally relating to one-off costs resulting from Central Control/Sheltered Housing Review redundancy and early retirement costs as detailed in Appendix 3 to Report B to the Cabinet;***

- (ii) £90,000 in respect of income shortfalls and employee overspends at health and leisure centres as detailed in Appendix 7 to Report B to the Cabinet; and*
- (iii) £71,000 in respect of additional costs relating to the vehicle and plant replacement programme as detailed in Appendix 5 to Report B to the Cabinet.*

7. TREASURY MANAGEMENT STRATEGY 2008/09 (REPORT C – 6 FEBRUARY 2008) (MINUTE NO. 87)

The Prudential Code for Capital Finance in Local Authorities was introduced with effect from 1 April 2004. It gives the Council greater freedom for future capital investment plans.

Under the Code, the Council must approve, revise and monitor a minimum number of mandatory prudential indicators. The indicators cover the affordability and prudence of capital expenditure, external debt and the Council's treasury and investment strategies for each financial year. These can be supplemented with local indicators if required.

The purpose of the indicators is to provide a framework for capital expenditure decision making. It highlights the level of capital expenditure and the impact of that expenditure on borrowing and investment levels, which will affect the treasury management strategy for future years.

The Cabinet has considered a strategy for the treasury management function of the Council for 2008/09 and noted the detail of the financing of the capital expenditure and the borrowing and investment of funds. Since the Council has withdrawn from the use of external fund managers, performance has improved and the Council are now doing well against the general market.

RECOMMENDED:

- (a) That the prudential indicators as detailed at Appendix 1 to Report C to the Cabinet be adopted; and*
- (b) That the treasury management strategy and the treasury prudential indicators, both as detailed in Appendix 2 to Report C to the Cabinet, be approved and adopted respectively.*

8. HEAVY GOODS VEHICLE OPERATORS LICENSING APPLICATIONS – NOTICE OF MOTION (REPORT F – 6 FEBRUARY 2008) (MINUTE NO. 90)

In accordance with Standing Order 41, the Cabinet considered a Notice of Motion standing referred from the Council meeting on 17 December 2007 regarding the extent of consultation carried out by the Traffic Commissioners prior to considering Heavy Goods Vehicle Licence Applications and the considerations that could be taken into account by their Inspectors prior to a decision being made.

The Cabinet supports the need for additional consultation requirements and the widening of powers available to inspectors in determining applications. Members are particularly concerned at the damage to the environment and traffic safety issues caused by HGV movements to and from licensed sites. The Cabinet has therefore supported the Notice of Motion.

The current legislation means that under the present system the Council cannot effectively raise concerns to support residents' issues regarding proposed licences and in particular off site or highway issues which is very frustrating. However, until such times as the powers of Inspectors are widened, the Cabinet has endorsed the current processes in place in terms of the consultations carried out by the Council and the generally limited input by Council Officers in terms of contesting applications.

Members hope that pressure from local authorities and from the Hampshire and Isle of Wight Local Government Association will lead to a change in the rules that Government Inspectors use when dealing with applications for Site Operators Licences.

9. SUPPLEMENTARY PLANNING DOCUMENT : THE PROVISION OF CAR PARKING SPACE IN RESIDENTIAL DEVELOPMENT (REPORT G – 6 FEBRUARY 2008) (MINUTE NO. 91)

The Cabinet has considered the outcome of the consultation process undertaken on the draft Supplementary Planning Document (SPD) : The Provision of Car Parking Space in Residential Development.

The response to consultation on the draft SPD was mainly supportive with some minor amendments required. The Cabinet has agreed the new SPD, as set out in Annex B to Report G to them, which they believe will enable the Council to offer a more positive approach within the Council's planning policy framework.

**Cllr M J Kendal
CHAIRMAN**

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