

## REPORT OF CABINET

(Meetings held on 14 January and 3 February 2010)

### 1. **COMPREHENSIVE AREA ASSESSMENT (REPORT A – 14 JANUARY 2010) (MINUTE NO. 57)**

The Comprehensive Area Assessment (CAA) is a new way of assessing how well local public services, working together, are meeting the needs of the people they serve. The Area Assessment covers all of Hampshire and is available to the public on a new joint website [oneplace.direct.gov.uk](http://oneplace.direct.gov.uk).

Within Hampshire the assessment looked at how well local public services are tackling the major issues. In arriving at its judgement, an independent assessment was undertaken of each public service body, including local councils, health, police and fire and rescue.

Each body is assessed to find out how well public money is being used and services are being delivered to local people, this is known as the organisational assessment. The Organisational Assessment combines information and scores on two issues – how good services are (the 'managing performance' assessment) and how the organisation is using its resources (the 'Use of Resources' assessment).

Overall, the position was positive for Hampshire and, in particular, NFDC were mentioned for their work on positive carbon reduction and Brand new Forest.

The Cabinet was pleased to note that the individual assessment for the New Forest District Council shows that it is providing good value for money and is performing well and was above the norm for England as a whole. In particular there were positive comments in terms of low crime rates, and successfully addressing anti-social behaviour. The Assessment also said that the Council is effective in supporting local businesses through the recession.

Members agreed that the Council continually strives to meet local needs in a cost-effective manner and they were proud that the Council's services had been so highly-rated.

### 2. **ANNUAL AUDIT AND INSPECTION LETTER 2008/09 (REPORT B – 14 JANUARY 2010) (MINUTE NO. 58)**

Each year the Council receives an Annual Audit and Inspection Letter that summarises the work undertaken by the Audit Commission and the District Auditor for the preceding year.

The purpose of this report is to provide Members with an external overview of performance for the year and to raise any significant issues that require particular attention. At their meeting on 14 January, the Cabinet received a presentation from the Auditors who commented in detail on each specific area.

The Cabinet was pleased to note that the Audit Commission gave an unqualified opinion on the Council's financial statements on 30 September 2009. During the audit two significant issues were identified but these had been dealt with and had not impacted on the Council's ability to fund services, or the revenue required from Council Taxpayers. The Council continues to maintain the good standards that the Audit Commission has come to expect.

The Audit Commission has also given an unqualified opinion on the Council's use of Resources Assessment (UoR). This was particularly pleasing as the new UoR assessment framework was more demanding and broader in scope than previously.

The UoR assessment framework provides for a scored judgement for each of the Key Lines of Enquiry. For the six of the eight Key Lines of Enquiry that the Council has been scored on in 2009 they have achieved a level 3 (out of 4) 'good' judgement in six of them, and a level 2 (out of 4) 'adequate' judgement in the remaining two.

In terms of 'Managing Finances', overall the Council has performed well and has exceeded the requirements of the Audit Commission's guidance. The Council's corporate planning and service planning is good as is the Green Audit/sustainability work that has been undertaken.

For 'Governing the Business', the Council's procurement arrangements are robust and there is a good understanding of the local market place. The overall performance management of the Council is good although a clearer strategy is needed in terms of data quality. In terms of 'Managing Resources' the Cabinet noted that for 2009 this has been entirely focussed on workforce planning. Whilst, the Council meets the minimum requirements, the Audit Commission is aware of ongoing improvement works and will be looking, in 2010, for the impact of those.

Overall, the Council continues to perform well, and compares well with other District Councils nationally. The Council has done well to maintain its position as a high performer, especially as the assessments in 2009 have been harder than previously. The Council continues to operate an economic, efficient and effective service providing good value for money.

### **3. WORKFORCE STRATEGY 2009-2012 (REPORT C – 14 JANUARY 2010) (MINUTE NO. 59)**

The Cabinet has agreed a revised Workforce Strategy for the Council. The aim of the workforce strategy is to set out the Council's approach and plans for people management. It is the framework which will provide the future direction of all Human Resource activity within the Council. This will be done by detailing the kind of employer the Council now needs to be and outlining its plans on how it intends to get there. As such it represents a significant step forward in the way human resource management is to be focused, prioritised and delivered in the Council.

The workforce strategy has been shaped by the views of employees, through an employee survey and various focus groups; the Industrial Relations Committee and the Corporate Overview Panel. The strategy details the council's priorities for the next 3 years including high level actions.

The new strategy has a greater emphasis on planning the Council's workforce and improving performance, but still retains the important commitment to developing the workforce for now and for the future.

**4. FINANCIAL REPORT – OUTTURN PROJECTION BASED ON PERFORMANCE TO DECEMBER 2009 (REPORT A – 3 FEBRUARY 2010) (MINUTE NO. 67)**

Following consideration of the Council's budget performance for the first 9 months of 2009/10 on a portfolio and committee basis the Cabinet has agreed revised General Fund, Capital Programme and Housing Revenue Account budgets, as shown in Report A to them.

A General Fund budget of £22.668 million for 2009/10 was agreed by the Council in March, which has since been amended to £22.477m in line with the items reported to Cabinet on 4 November 2009. The total of new commitments since then amount to £179,000. This is offset by positive variations totalling £295,000, resulting in a net improvement reported for this period of £116,000. In addition grant income of £229,000 from the Local Public Service Agreement (LPSA) grant is anticipated in the year. The Cabinet noted the detail of the most significant variations.

In relation to Capital expenditure, previously reported variations of £354,000 resulted in a forecast capital outturn of £13.344m. Net variations reported in this period amount to a £1.1m reduction in estimated expenditure. This results in a total decrease for the year to date of £746,000, reducing the projected capital outturn for the year to £12.244m. The most significant factors responsible for the decrease is the reduction of £764,000 in the budget required for Social Housing Grant due largely to current market conditions, revisions to coastal protection schemes (which have no impact on the Council's resources), and a number of rephasings.

The Housing Revenue Account budget for the year originally predicted a surplus of £173,000. However, following a number of variations the HRA budget will now move to a position of having a £61,000 deficit.

The Cabinet is pleased to note that the savings that had been achieved through the Council's ongoing savings and efficiency plan mean that the Council is currently working to a balanced budget.

**5. TREASURY MANAGEMENT STRATEGY (REPORT B – 3 FEBRUARY 2010) (MINUTE NO. 68)**

The Cabinet has considered the Council's proposed Prudential Indicators for 2010/11 – 2012/13 and the expected treasury operations for that period as set out in Report B to them. The detail of the Prudential Indicators will provide a framework for capital expenditure decision making; the Minimum Revenue Provision Policy sets out how the Council will pay for capital assets through revenue each year; the Treasury Management Strategy Statement sets out how the Council's Treasury Service will support the capital expenditure and financing decisions over the three year period and the Investment Strategy sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.

The proposals place the Council in a good position to respond flexibly to any issues.

**RECOMMENDED:**

- (a) ***That the Prudential Indicators and Limits for 2010/11 to 2012/13 contained within Annex A of Report B to the Cabinet (3 February 2010), included within which is the provision to undertake prudential borrowing of £700,000 in support of the local authority housing new build programme, be agreed;***

- (b) *That the Minimum Revenue Provision (MRP) Statement contained within Annex A of Report B to the Cabinet (3 February 2010) which sets out the Council's policy on MRP be agreed;*
- (c) *That the Treasury Management Strategy 2010/11 to 2012/13, and the Treasury Prudential Indicators contained within Annex B of Report B to the Cabinet (3 February 2010) be agreed;*
- (d) *That the Authorised Limit Prudential Indicator be agreed;*
- (e) *That the Investment Strategy 2010/11 contained in the treasury management strategy in Annex B, and the detailed criteria included in Annex B1 of Report B to the Cabinet (3 February 2010) be agreed; and*
- (f) *That the revision to the Council's financial regulations at Annex B3 of Report B to the Cabinet (3 February 2010) to nominate the Corporate Overview Panel to ensure effective scrutiny of the treasury management strategy and policies be agreed.*

**6. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING CAPITAL EXPENDITURE PROGRAMME 2010/11 (REPORT C – 3 FEBRUARY 2010) (MINUTE NO. 69)**

The Cabinet has considered the proposed Housing Capital Programme and Housing Revenue Account budget based on the draft Housing Revenue Account Subsidy Determination for 2010/2011.

The Housing Review Panel considered the detail of the proposals at their meeting on 20 January and they, together with the tenants, through the Housing, Policy and Report Focus Group, support the recommendations.

**RECOMMENDED:**

- (a) *That the Housing Revenue Account budget as set out in Appendix 1 of Annex A of Report C to the Cabinet (3 February 2010) be agreed;*
- (b) *That from 5 April 2010, an average increase in rents of 1.1% from the average 2009/10 rent level, in accordance with rent restructuring guidelines be agreed;*
- (c) *That from 5 April 2010, an increase of 5% in hostel service charges be agreed;*
- (d) *That from 5 April 2010, an increase of 5% in sheltered housing service charges be agreed;*
- (e) *That from 5 April 2010, an increase of 10 pence per week in garage rents (plus VAT for garages let to non-Council tenants) be agreed; and*
- (f) *That a Housing Capital Programme of £9.870m as set out in Appendix 2 of Annex A of Report C to the Cabinet (3 February 2010) be agreed.*

**7. MEDIUM TERM FINANCIAL PLAN AND ANNUAL BUDGET 2010/11 (REPORT D – 14 JANUARY 2010) (MINUTE NO. 60) AND (REPORT D – 3 FEBRUARY 2010) (MINUTE NO. 70)**

At their meeting on 4 November 2009 the Cabinet agreed a budget strategy for 2010/11 within the context of the Medium Term Financial Plan. In light of that agreed strategy, Portfolio Holders have been developing their Plans and undertaking consultation with Committees and Review Panels on the actions and implications proposed.

The Cabinet at their meeting on 14 January considered the feedback to that consultation and looked at the re-assessed budget assumptions in the light of additional information. Portfolio Holders continue their work with Heads of Services to identify where further areas of saving can be achieved, particularly in light of the potential financial position from 2011/12 onwards.

In accordance with the Council's Financial Strategy the Cabinet at their meeting on 3 February considered proposals for the General Fund Net Budget Requirement 2010/11; the General Fund Capital Programme 2010/11 onwards and a level of Council Tax for 2010/11.

Currently, to achieve a balanced budget, a 2% increase in Council Tax is proposed that will equate to an increase of £3.05 per band D property per year. There remains a serious level of financial uncertainty nationally. Whilst the Council has already achieved total sustainable savings of almost £4m, without damaging frontline services, work will need to continue on the savings and efficiency plan with a view to eliminating budget shortfalls that are currently predicted for future years.

***RECOMMENDED:***

- (a) That site licence fees and service charges at Stillwater Park be increased by 1.9%;***
- (b) That a General Fund Net Budget Requirement of £23,103,780 be agreed;***
- (c) That a Band D Council Tax of £155.76 be agreed; and***
- (d) That a General Fund Capital Programme for 2010/11 of £4.925m be agreed.***

**8. CONSULTATION ON DRAFT NATIONAL POLICY STATEMENT FOR PORTS (REPORT E – 3 FEBRUARY 2010) (MINUTE NO. 71)**

The Cabinet has agreed a response to a consultation on a draft National Policy Statement for Ports.

The Planning Act 2008 provides for decisions on nationally significant infrastructure projects to be made by a new Infrastructure Planning Commission (IPC). National Policy Statements will be the primary consideration in all IPC decisions. Members noted that it is therefore important to comment fully on draft statements before they are finalised. The draft National Policy Statement on Ports is of particular relevance to the Council given the likely future proposals for Dibden Bay.

The Cabinet looked in detail at the four key issues for the Council in formulating its response. They agreed that the document raises serious concerns, in particular relating to the apparent redefinition of alternatives that need to be considered, where a port development proposal will have a significant adverse impact on internationally designated nature conservation sites. Members agreed that the National Policy Statement for Ports should have full regard to the relevant EU legislation and regulations. There is no justification for departing from the national policy position basis in the 2004 Secretary of State's decision that rejected the port development at Dibden Bay.

The response to the Secretary of State for Transport will comprise the following points:

- (i) Objection to the over-emphasis on a market-led approach to providing (excess) additional port capacity, given that this could in some locations directly conflict with other national and international policy;
- (ii) Seek a more locationally-specific national policy, that will result in port capacity being provided at the most appropriate locations:
  - where avoidance of damage to international designations will meet the requirements set out in EU legislation;
  - where the impacts on local communities and other interests will be minimised;
  - where it is clear that the necessary related infrastructure (rail, road etc) can be provided at least cost and with the least damaging impacts;
  - where the implications of related dredging and channel capacity issues between alternative locations have been properly considered; and
  - where wider issues have also been properly taken into account including the impact of port development at alternative locations on the Government's policy to minimise CO2 emissions.
- (iii) Strongly object to the apparent redefinition of relevant alternatives for consideration under the European Union legislation and regulations, as compared with the position taken by the Secretary of State in the 2004 Dibden Bay decision;
- (iv) Support the statements that cumulative impacts can rule out a port development proposal, but seeking strengthening of the guidance on individual impacts having regard to other national policy; and
- (v) Support the statement that the aim of the National Policy Statement is not to consent to port developments which would previously have been refused, but urging that this statement of government policy should be included within the main National Policy Statement rather than included in the Habitats Regulations document.

**9. COMMUNITY ENGAGEMENT FRAMEWORK (REPORT F – 3 FEBRUARY 2010)  
(MINUTE NO. 72)**

The Cabinet has agreed a Community Engagement Framework for the New Forest District. One of the Sustainable Community Strategy flagship projects was the establishment of a common Community Engagement Framework for the New Forest District. The framework has been developed by the Local Strategic Partnership (LSP) through its Active Communities Community Action Network.

The framework establishes shared values and principles for partners to work to, to provide for better quality engagement with communities, avoid duplication of effort and make better use of resources across agencies. Part of the project is the development of a Community Engagement Toolkit designed to help practitioners across the agencies in the Partnership in their task to inform, consult, involve and empower communities. This will give access to tools, techniques and forums which will be particularly useful in helping achieve better engagement with hard to reach groups.

The Council has a lead role in bringing about effective engagement in the district and leading the LSP to produce more efficient and effective ways of working between partners without undue bureaucracy.

**Cllr B Rickman  
CHAIRMAN**

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