

## **REPORT OF CABINET**

**(Meetings held on 1 June and 6 July 2011)**

### **1. FINANCIAL REPORT – PROVISIONAL OUTTURN FOR 2010/11 (REPORT A – 1 JUNE 2011) (MINUTE NO. 7)**

The Cabinet has considered and agreed the provisional projected 2010/11 outturn positions for the General Fund, the Housing Revenue Account and the Capital Programme.

In a continuing difficult economic position the Council has, at year end, still managed to achieve a balanced budget. A number of the income variances will continue to have an impact in future years. Members are pleased to note that the financial position of the Council's Health and Leisure Centres is improving and overall the portfolio savings are in line with expectations.

The Government has recently published comparison cost statistics for Councils in England giving comparable spend per head of population. New Forest District Council is amongst the lowest at £830 per head with the average in the country being £1017 per head. The Cabinet is of the view that this indicates that the Council is 20% more efficient than others.

### **2. INSTALLATION OF SOLAR PHOTOVOLTAIC (PV) ON THE COUNCIL'S CIVIC ESTATE AND HOUSING STOCK (REPORT B – 1 JUNE 2011) (MINUTE NO. 8)**

The Cabinet has agreed, subject to the recommendation below, to proposals for the installation of Solar Photovoltaic (PV) panels on the Council's civic estate and social housing using the financial incentives available through the Feed In Tariffs (FITs) and the Renewable Heat Incentive (RHI).

The FIT was introduced by the Government in April 2010 to promote widespread uptake of a range of small scale renewable and low carbon electricity generation technologies. It is fixed for 25 years and is inflation linked. The FIT is payable by electricity suppliers for electricity generated through small scale low carbon generators (whether or not such electricity is exported to the national grid) and an export tariff payable where such electricity is exported to the grid.

For the Civic Estate it is proposed to install Solar PV on the roofs of Appletree Court and the Town Hall, Lymington by 31 March 2012. These two locations provide the best opportunities for investment and will be regarded as pilot schemes with a view to extending the technology to other sites in the future.

For the Housing stock it is proposed to explore further the potential for entering into an arrangement with a Solar PV provider for the free fit, supply and maintenance of the panels for a share of the Feed in Tariff. Consideration will also be given to the broader environmental agenda.

The FIT income and electricity savings for Appletree Court and Lymington Town Hall amount to £17,065 p.a. (£426,642 over the 25 year period). For the housing stock, assuming about 30% of the Council's housing stock (1560 properties) is suitable a potential income of several million pounds over the 25 year period is possible for no investment by the Council.

The carbon debt of manufacturing the panels (the amount of CO2 emitted during the manufacturing of the panels) is approximately 7 years. The potential reduction in CO2 p.a. is significant. Preliminary estimates suggest that for a scheme to retrofit solar PV on 30% of the housing stock (1560 properties) will result in 1,335 tonnes saved p.a. (20 – 40,000 tonnes over the 25 year period)

An assessment of what solar PV on Appletree Court and Lymington Town Hall would save in terms of CO2 shows an annual saving of 16 tonnes (400 tonnes over the 25 year period). This provides a good opportunity to demonstrate the Council's commitment to support schemes that benefit the environment whilst at the same time producing financial savings.

The Cabinet has agreed that a project board be set up to oversee the implementation of these projects and that delegated authority be given to the Executive Directors in consultation with the portfolio holders for Environment, Finance & Efficiency and Housing & Communities to agree contracts that achieve the best financial return to the Council, benefits to the tenants and the environment.

The proposals represent a measured approach to developing a renewable energy programme that can contribute to a range of the Council's objectives. Solar PV retrofit on the Council's civic buildings and housing stock offers realistic opportunities to make a difference in the short, medium and long term.

**RECOMMENDED:**

***That provision of £150,000 to fund the installation of Solar PV schemes at Appletree Court and Lymington Town Hall for implementation by 31 March 2012 be agreed.***

**3. DIBDEN GOLF CENTRE SERVICE REVIEW – PROCUREMENT OPTIONS  
(REPORT C – 1 JUNE 2011) (MINUTE NO. 9)**

The Cabinet has considered options for the future management arrangements of the Dibden Golf Centre.

The financial performance of Dibden Golf Centre has significantly worsened in recent years. An operating revenue surplus of £365,000 in 2003/04 has fallen to just £119,000 in 2009/10 and is unlikely to improve in future years. Members noted that the overall cost to the council tax payer was now in the region of £67,000 taking into account the overheads required centrally to support the centre.

As part of the Council's efficiency programme an in house review was undertaken at Dibden in order to seek ways to improve financial performance. The scope of that efficiency review has subsequently been extended to include an investigation of the options for a partnership with the private sector.

In order to gauge possible market interest in such an arrangement the Council has undergone a "soft market test" and has employed the services of a specialist golf management consultant Smith Leisure Associates to assist in that process. A range of companies have shown considerable interest in the opportunity at Dibden.

The Cabinet has considered an evaluation of a number of options in the light of the Council's current and ongoing financial service objectives and have agreed that the sale of the freehold or a long lease hold should not be considered further. They have also agreed that as continuation of the in-house provision will require new management arrangements which will add cost initially and is unlikely to deliver the

level of benefit of an external partnership, this option should also not be considered further.

The Cabinet is of the view that a medium term lease/management contract arrangement at an annual rent that will minimise the risk to the Council is an appropriate way forward. To this end they have agreed that potential partners be formally identified through an EU tender process to secure the future on going provision of golf at Dibden. In line with the Council's Standing Orders as to Contracts, a specialist golf advisor will be appointed to assist in managing the tender process with the final detail of the tender being agreed by the relevant Portfolio Holder. The proposed date of implementation for the new arrangements will be 1 April 2012.

The options for the future management arrangements, as proposed by the Cabinet and detailed above, would be considered by the Community Overview and Scrutiny Panel.

#### **4. REPRESENTATION ON OUTSIDE BODIES (REPORT A – 6 JULY 2011) (MINUTE NO. 14)**

Following the Council's quadrennial elections the Cabinet has agreed appointments to the outside bodies on which the Council is currently represented as detailed in Appendix 1 to Report A to them.

As part of the Council's monitoring of representation on outside bodies all appointed representatives are required to produce a brief written report as and when appropriate, but at least once a year, for publication on the Councillors' area of ForestNet.

#### **5. MEDIUM TERM FINANCIAL PLAN - BUDGET UPDATE 2011/12 (REPORT B – 6 JULY 2011) (MINUTE NO. 15)**

The Cabinet has been updated with regard to the Medium Term Financial Plan in respect of issues affecting the 2011/12 budget, including the carry forward from 2010/11; the progress on Workstreams and Government Grant allocations.

Members were reminded that a General Fund budget of £20.404 million for 2011/12 was agreed by the Council in February. Subsequently an additional £38,000 has been added to that as a result of budgets carried forward from 2010/11. Some re-phasing has also occurred and that together with significant savings arising from the workstream savings programme has identified a further £172,000 of savings. The updated General Fund Revenue budget requirement now stands at £19.982m.

Members noted that some re-phasing has also taken place in the Council's Capital Programme and that now stands at £20.166m.

The Cabinet is also pleased to endorse the contract for the major refurbishment works to the North Milton Estate. The work will ensure that all Council owned properties on the estate meet the Decent Homes Standard.

**Cllr B Rickman  
CHAIRMAN**