

## REPORT OF CABINET

(Meeting held on 3 April 2013)

### 1. **REVOCATION OF FAWLEY AIR QUALITY MANAGEMENT AREA (REPORT A) (MINUTE NO 70)**

In 2004 monitoring of the air quality in Fawley Village had shown that the 15 minute mean objective for sulphur dioxide (not more than 266µg/m<sup>3</sup> sulphur dioxide on more than 35 occasions each year) was being exceeded on more than the 35 occasions per annum allowed under the consent regime. In response, an Air Quality Management Area was declared in 2005, leading to the development of an action plan in conjunction with the Environment Agency and ExxonMobil, the owners of Fawley Refinery, which is the main source of this pollutant. The company have been very proactive in their response to this problem and have instigated a number of measures to reduce the overall emissions of this pollutant, including the use of lower sulphur fuels in the main boilers and the use of a sulphur dioxide reduction additive on the Cat plant. Further works to improve the efficiency of the sulphur recovery plant should be completed by the end of 2015. In the intervening period the Company has reported regularly to the New Forest Environmental Protection Liaison Committee on their progress and further actions they plan to take.

There have been no monitored exceedances of the 15 minute mean air quality objective since 2006, and in accordance with Government guidance consideration should be given to revoking the Air Quality Management Area. The procedure set by Defra requires extensive consultations with the public, local councillors, businesses, the Environment Agency, Natural England, Fawley Parish Council, neighbouring local authorities and ExxonMobil. These consultations have been carried out. There has been a limited number of responses, all supportive of the proposed revocation. The New Forest Environmental Protection Liaison Committee and the Environment Overview and Scrutiny Panel have both supported the proposed revocation, welcoming the improved air quality that has been achieved through the Company's implementation of the action plan.

Air quality will remain important in the area, with monitoring continuing of sulphur dioxide levels and of other pollutants controlled under the local air quality management process set out in the relevant legislation.

The Cabinet was therefore satisfied that the Air Quality Management Area should be revoked.

### 2. **PROJECT INTEGRA ANNUAL ACTION PLAN 2013-16, REVISED CONSTITUTION AND JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY (REPORT B) (MINUTE NO 71)**

The structure and operation of Project Integra were the subject of a detailed review in 2010, following which negotiations have continued within the waste management partnership to put revised arrangements into place. Agreement is now being sought from each of the partner organisations for the Annual Action Plan to cover the period 2013-2016; the revised Constitution and an updated draft Joint Municipal Waste Management Strategy.

The Annual Action Plan provides the mandate for the Project Integra Board to work on behalf of the partnership, and sets out the projected running costs. The proposed

Action Plan, which was set out as Appendix B to the Report, is in a revised, streamlined format and includes specific targets, allocated responsibilities and timescales. This should improve efficiency and accountability. The projected cost of the activities under Project Integra will be £33,562 in 2013/14, a reduction of nearly £4,000 compared to this 2012/13, with the projected income from recyclable materials at £427,000.

The Constitution needs to be updated to reflect the revised arrangements, which include a reduction in the number of Board meetings and the disbanding of the Project Integra Scrutiny Committee. In future the scrutiny function will be undertaken by the Overview and Scrutiny Panels of each local authority.

The Joint Municipal Waste Management Strategy has also been refreshed to provide the strategic direction of travel for waste management in Hampshire. The Strategy now reflects the current focus in the partnership on value for money, customers, and environmental sustainability. Once this strategy has been approved by all the partners it will be formally adopted by the Partnership. It will then provide the context within which this Council's own Waste Management Strategy can be updated.

**RECOMMENDED:**

***That Council approve***

- (i) the Project Integra Draft Action Plan 2013-2016, as set out in Appendix B to Report B to the Cabinet;***
- (ii) the revised Constitution, as set out at Appendix C to Report B to the Cabinet,; and***
- (iii) the refreshed Joint Municipal Waste Management Strategy, as set out in Appendix D to Report B to the Cabinet.***

**3. PROCUREMENT RULES, REGULATIONS AND CONTRACT STANDING ORDERS (REPORT C) (MINUTE NO 72)**

A fundamental review of the Council's procurement rules, policies, regulations and Standing Order with respect to Contracts has been carried out over the last 18 months, leading to the production of a new, comprehensive document "The Procurement Rules, Regulations and Contract Standing Orders". In addition to bringing all the information needed to guide procurement and contract activity into one place, the opportunity has been taken to align and simplify the financial thresholds for decision making, introduce a gateway review process for procuring goods and services, update the quotation procedures, provide guidance on EU procurement rules and financial agreements, and to provide standardised, updated documents for each key stage in the process. Bringing all the documentation together will make it easier to keep the information up to date, and reduce the scope for outdated material to be used. The proposed new rules, arrangements and documentation have been welcomed by the Finance and Efficiency Portfolio Holder and the Chairman of the Corporate Overview and Scrutiny Panel, who commend them to the Council for adoption.

**RECOMMENDED:**

- (a) *That the Procurement Rules, Regulations and Contract Standing Orders Document, as attached as Appendix A to Report C to the Cabinet, be approved and adopted, to become effective from 1 April 2013;*
- (b) *That the changes to Contract Standing Orders (as part of the Procurement Rules, Regulations and Contract Standing Orders Document) be approved; and*
- (c) *That the Constitution and Scheme of Delegation of Powers to Officers be updated in line with the revised arrangements set out in Report C to the Cabinet.*

**4. MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2013  
(REPORT D) (MINUTE NO 73)**

The Council is required to review, annually, its Members' Allowances scheme. The Cabinet proposes that there should be no change to the current scheme.

**RECOMMENDED:**

*That the current members' allowances scheme be adopted without change as the scheme to apply for the year commencing 1 April 2013.*

**5. APPLICATION FOR FUNDING SUPPORT TO PROTECT LYMINGTON HARBOUR  
(REPORT E) (MINUTE NO 74)**

Although the Lymington Harbour Commissioners undertake a statutory function, they are not able to access funding at preferential rates through the Public Works Loan Board. The Harbour Authority wish to carry out work to secure the long term protection of the harbour, involving the construction of breakwaters, costing £3.24 million. They have requested this Council to take out a loan with the Public Works Loan Board, on their behalf, for a 10 year period, to allow them to access the preferential loan rates available. The Harbour Authority completed phase 1 of the work, costing £1.4 million, in 2010 using a combination of reserves and a £1 million private loan.

The Harbour Authority is self-financing and derives its income from harbour dues, the provision of marine facilities and services and from the rental of a small part of its estate. No grant funding is currently received from either local or national government.

The Council has the legal power to enter into such an arrangement. A number of meetings have been held with the Harbour Authority to carry out the necessary due diligence checks, while the Council's auditors are satisfied that the Authority can service the loan and provide sufficient security to safeguard the Council's interests. The Public Works Loan Board raise no objection to the proposal.

The Cabinet is satisfied that the money will be used to safeguard an important element of the local economy, the local environment and the local community and will be used in the pursuance of a statutory function. On this basis, subject to the provision of suitable security, and the full cost of the arrangements and of the loan being met by the Harbour Authority, the proposed funding can be supported.

**RECOMMENDED:**

- (a) That the principle of making a grant of £3.24 million to the Lymington Harbour Authority, on the basis set out in Report E to the Cabinet, be approved;**
- (b) That the Chief Executive, Executive Director and Head of Legal & Democratic Services in consultation with the Leader of the Council be authorised to finalise the terms of the loan with the Authority, including making appropriate arrangements in respect of securing the loan.**

**Cllr B Rickman  
CHAIRMAN**