

REPORT OF CABINET

(Meeting held on 6 April 2016)

1. LEADER'S STATEMENT (MINUTE 59)

The Leader reminded Members that this Council has agreed to take part in discussions on a bid for devolved powers for Hampshire and the Isle of Wight, but will only take part in the final arrangements if the full Council concludes that it would be in the best interests of all of this District. Both the Leader and the Chief Executive have spent a considerable amount of time on discussions on the devolution bid in the interim period.

In discussions with the Government it became clear that any devolution deal would need to meet a number of central government conditions, including that of an elected mayor. The Hampshire and Isle of Wight Authorities had voted overwhelmingly that a directly elected mayor could not be supported and consequently the devolution deal could not progress.

Shortly after this the Treasury hosted a meeting to which some of the Councils in the Solent area (Portsmouth, Southampton, Gosport, Fareham, Isle of Wight, Eastleigh, Havant and East Hampshire) were invited to discuss devolution.

The Leader has now received a letter inviting this Council to attend regular meetings with the Leaders of the Solent devolution bid with a view that they will support this Council joining their proposal. It was understood that the Leaders of Hampshire County Council, Test Valley Borough Council and Winchester City Council had also received such invitations. This Council has also attended meetings with the local authorities in north Hampshire to explore options for future collaboration.

The Leader advised Members that he would continue to take actions for the best interests of the whole District, maintaining a position that kept all options open. It remained the case that no decisions would be taken on any future deals or arrangements without it being a decision of all Councillors.

All those members present indicated their support for this course of action.

2. FINANCIAL MONITORING REPORT – FORECAST OUTFURN (BASED ON PERFORMANCE TO FEBRUARY 2016) (MINUTE 60)

The Cabinet has welcomed further improvements to the Council's financial performance following the latest update covering the 11 month period to February 2016.

With respect to the general fund, further savings amounting to £960,000 have been achieved, while projects to the value of £1.991 million will be rephased to future years. Details of the key variations are set out in Section 3 of the report, and arise from a variety of sources across the various portfolios, with both savings and increased income generation making contributions. As a result of these further variations the forecast total budget for 2015/16 is now £17.259 million, compared to the budget of £18.327 million agreed in February 2015. This allows for expenditure which was rephased into the current year from 2014/15.

With respect to the capital programme, the tendering and procurement process for the vehicle and plant replacement programme has taken longer than expected; while works to the North Milton Estate have been delayed by bad weather, resulting in £950,000 expenditure being rephased. The Housing Acquisitions and Development budget has been increased by a further £1.3 million to allow the purchase of additional properties and to take account of increases in property prices. The net effect is to increase the capital expenditure programme to £18.580 million.

An increased operational surplus against the Housing Revenue Account has also been identified, largely as a result of improvements to the vacant property turnaround times generating an additional £203,000 against the dwellings income budget. The projected annual surplus was now £1.549 million.

4. LAND ACQUISITIONS AND DISPOSALS (MINUTE 61)

The Cabinet has agreed to exchange the Council's land at Cranleigh Paddock, Calpe Avenue, Lyndhurst for land currently in the County Council's ownership at Stocklands, Calmore Drive, Calmore, Totton, with a balancing payment to reflect the difference in value between the 2 properties. The land was identified in plans attached as Appendix 1 to Report Item 5 considered by the Cabinet. In both cases, each authority owns land adjacent to the land they will be acquiring. The market value of the 2 sites and of the works to bring the sites into condition for the exchange has been agreed by the Valuation sections of each authority. Each authority will meet its own transaction costs. It is likely that completion on the exchange will take place in the late summer or early autumn. The sites will both be exchanged with vacant possession.

The County Council has already agreed to the transaction.

The proposed land exchange offers benefits to both authorities. This Council will gain the opportunity to erect additional homes to meet local housing need. Illustrative plans have been prepared that show that there is potential for the development of 20 homes, a mixture of flats and houses, on the Stocklands site. The site has been allocated for residential development in the Council's Local Development Framework and a planning application will be submitted shortly.

5. GRANT APPLICATION FOR ST BARBE MUSEUM AND ART GALLERY, LYMINGTON (MINUTE 62)

The Cabinet is recommending that a capital grant of £65,000 should be paid to the St Barbe's Trust as a contribution towards the cost of an extensive redevelopment scheme at the St Barbe's Museum and Art Gallery in Lyminster.

The St Barbe's Trust has secured a grant of £1.8 million from the Heritage Lottery Fund as a contribution towards the cost of the planned refurbishment of the Museum and Art Gallery. The total cost of the project is £2.345 million, with the Trust responsible for raising the balance from other sources. The building is owned by this Council and leased to the Trust on a peppercorn rent. The Council has awarded a revenue grant of £9,000 to the Trust this year to support their delivery of the museum and art gallery. A revenue grant has been paid to the Trust annually since 2006.

The Trust is seeking a capital grant of £65,000 from this Council, with the grant being paid over a 2 year period. It is understood that the County Council has indicated that they will also pay a grant towards the capital cost. Confirmation of the award of the grant will secure consent from the Heritage Lottery Fund for the project to commence.

The Cabinet has noted that the Trust's business plan projects that the investment will increase visitor numbers and consequently income. In the light of this the Corporate Overview and Scrutiny Panel had questioned whether this Council should continue to pay an annual revenue grant, should this capital investment be made, and this view is supported by the Cabinet.

RECOMMENDED:

- (a) That, should the Trust secure all the other sources of funding necessary for the project to proceed, a capital grant award of £65,000 be made to the St Barbe's Trust through the contribution grant application process as a contribution towards the cost of the planned development project that has attracted funding from the Heritage Lottery Fund; and***
- (b) That should the capital grant be paid, it be agreed in principle that no future revenue support grants shall be paid.***

**Councillor B Rickman
CHAIRMAN**