

REPORT OF CABINET

(Meeting held on 1 June 2016)

1. ANNUAL PERFORMANCE AND PROVISIONAL OUTFURN REPORT 2015/16 (MINUTE 4)

The Cabinet has reviewed the Council's performance and achievements during the last year of the corporate plan for 2012-2016 "Delivering for our communities". The Council's future strategic direction will be set by "Our corporate plan", which was adopted recently and covers the period 2016-2020. With the financial planning process supporting the delivery of the corporate objectives, the Council's financial performance is an important element of the assessment.

The provisional outturn figures show that an overall saving of £1.774 million has been achieved against the General Fund budget of £18.327 million. This is within the context of Council tax having been frozen at £155.76 for a Band D property for 6 years. The General Fund provisional outturn figures, highlighting the sources of the significant variations, are set out in Section 4 of report item 4 considered by the Cabinet. A number of significant savings have been made, notably from the reorganisation of the senior management structure. Additional income has also contributed, including from improved interest returns and the receipt of Government new burdens grant. There has also been improved income generation by the garden waste and cemeteries services and from car parking. The Health and Leisure centres had also improved their trading position by a further £104,000.

The summary of the outturn on the Housing Revenue Account also shows an improvement upon the budget by £573,000. Again, both improved income and reduced costs have contributed. There has been a significant underspend against the budget for repairs and maintenance (£309,000 saving) and bad debt charges were £95,000 lower than expected.

With respect to the capital programme, the additional funding of £3.75 million which was approved earlier in the year to provide further housing acquisitions has been partly offset by savings and the rephasing of other expenditure into future years.

The Council's achievements during 2015/16 are set out in Section 3 of the report in a shortened, bullet point and pictorial format to assist their publication.

The Council's performance against the key organisational indicators for 2015/16 is set out in Section 5 of the report, with most indicators, over which this Council has control, having been met. Those indicators which had not been met, for example affordable housing, were largely due to targets being set at an unrealistic level.

The Cabinet welcomed the proactive approach being taken by the Chief Executive and the new senior management structure which was ensuring that the Council continued to provide high quality services to meet the needs of the local community, while achieving the essential savings that must be made against the Council's budgets.

2. MILFORD ON SEA BEACH HUT REPLACEMENT SCHEME (MINUTE 5)

The Cabinet is recommending that there should be linked supplementary budget approvals to allow the implementation of an enhanced scheme for the replacement of

the 119 beach huts at Milford on Sea which were damaged by the storm of 14 February 2014. The beach huts have now been demolished and all materials removed from the site. The slab, which is an important element of the longer term coast protection measures for the area, has also been replaced. The original budget approved on 6 August 2014 (minute 19 refers) was £1,259,070.

Since that time there has been further research to achieve the best option for the future of this area of the coastline at Milford on Sea, and there has also been a thorough public consultation exercise. This established a preferred option, which includes a number of environmental enhancements, in particular using a fully integrated scheme that incorporates an inhabited roof to the terraced beach huts, allowing uninterrupted views across to the Isle of Wight, along with improved access for all users of the area.

The tender process has now been completed and, in order to implement the fully integrated scheme with environmental enhancements, further, linked, budget allocations are required. Full details of the additional work proposed and the consequent financial implications are set out in Section 3 of Report Item 5 considered by the Cabinet.

The Cabinet considers that it is important to take advantage of this once-in-a-generation opportunity to secure a scheme that will benefit the community and the local economy.

RECOMMENDED:

- (a) That to enable the contract to be awarded to the most advantageous contractor the following two supplementary capital budgets be approved, together, to achieve the integrated scheme as approved following the public consultation exercise:**
 - (i) Original hut replacement scheme - £170,560; and**
 - (ii) Public and environmental enhancements, following public consultation - £861,271 (allowing an offsetting revenue contribution of £70,000 to the scheme)**
- (b) That authority be given to the Executive Head of Operations to award the contract for the construction of 119 beach huts and associated environmental improvements to the most economically advantageous contractor following the recent tender exercise.**

**Councillor B Rickman
CHAIRMAN**