

REPORT OF CABINET

(Meeting held on 3 August 2016)

1. LEADER'S STATEMENT (MINUTE 18)

Over recent months, the Leader has been engaging with all neighbouring authorities and keeping an open mind to evaluate potential options for the devolution of powers from central government to local authorities. To date however he has not seen any proposals that he considers will bring sufficient benefits in service delivery or value for money for local residents.

The Leader is also aware that the context has changed following the EU referendum and the subsequent major changes to the government which had instigated the proposals. The Leader expects that further clarification about the future direction of the Government's plans on devolution will be received from the new Secretary of State, Sajid Javid, in the autumn and there should not therefore be any rush to any apparent solution before the Government confirms its position.

The Leader is drawing attention to two consultations that have been launched recently that look at the future of local government in Hampshire.

Firstly the consultation by the Solent Devolution Deal, being progressed by the Southampton, Portsmouth and Isle of Wight Unitary Authorities together with the Solent Enterprise Local Enterprise Partnership. This consultation runs until 18 September 2016. The structure does not include any district councils, but this Council, together with others, is listed as possible associate members or observers.

Secondly, the County Council has launched a consultation under the banner "Serving Hampshire" to ask for views on different ways that the County and the 11 district councils could change or be re-organised. The consultation is not in partnership with any of the district councils affected. Options include replacing all 11 district and borough councils with one all-purpose unitary authority. The consultation runs until 20 September 2016.

The Leader, together with other district council leaders, met with the Leader and Deputy Leader of the County Council on 29 July to express concern over the timing of the consultation and also that it would have been better if the consultation had been more collaborative with all councils in Hampshire. It was a shared objective to ensure the best possible local services were provided to all residents, and to provide good value.

These consultations could cause uncertainty in the New Forest community as well as for the Council's own staff. All members are therefore encouraged to look closely at both these consultations. The Chief Executive has sent the necessary internet links to all members and staff.

The Chief Executive has been requested to organise some events early in September, at different locations, to provide the opportunity for the Leader and Chief Executive to answer questions raised by members and staff about these consultations. The Leader will then ensure that a response is made on behalf of the Council, following full consideration by the Council.

In the ensuing debate at the meeting of the Cabinet it was noted that the Chief Executive of Hampshire County Council had attended a recent meeting of the New Forest Association of Local Councils to present the consultation options and to suggest the role that could be played by town and parish councils in the future. This meeting had been well attended by local council representatives and it was hoped that the attendees would encourage their councils to respond to the consultation. District Councillors are also asked to encourage their town and parish councils to respond. To assist the town and parish councils further the internet links on the consultations have been circulated to them and, in addition, consideration will be given to widening the events planned for the Council's members and staff to include representatives of the wider community. It has been suggested that these events may be usefully scheduled for after the events already organised by the County Council.

2. FINANCIAL MONITORING REPORT BASED ON PERFORMANCE TO JULY 2016 (MINUTE 19)

The Cabinet has discussed and noted variations to the Council's budgets that have been identified in the year to date.

There is a net estimated saving of £654,000 against the original General Fund budget which is now projected to be £16.538 million for the year. Full details are set out in section 3 of the report, divided between items from portfolios or committees; asset management items and business development/third party grants. Additional savings have been identified in the close down process for the accounts for 2015/16 that will continue into the future; from the Senior Management Review; and also the Budget Stabilisation Strategy. New budget requirements have also been identified; including the increased grant to the St Barbe's Trust (minute 62, 6 April 2016 refers); and a contribution to Creative England to promote film and television productions in the Forest. There are significant elements of rephasing from 2015/16 in each of these categories and the cost will be met from earmarked reserves.

The Capital Expenditure programme has increased to £24.193 million as a result of additional budget requirements totalling £1.363 million and the rephasing of schemes totalling £2.161 million from 2015/16. Full details are set out in section 4 of the report. This includes the supplementary budget agreed by the Council for works at Milford sea front (Council minute 16, 11 July 2016 refers), funded primarily from 2015/16 underspends, that increased the Capital Programme Reserve. In addition, in February the Council received notification that its grant allocation for Disabled Facilities Grants has been increased by £335,000 to £901,000 for 2016/17. It is therefore proposed to remove the original capital allocation from this Council's funds of £74,000, bringing the total increase in this budget to £261,000; with a consequent increase in revenue expenditure of £33,000 for additional staff to allow the implementation of the increased funding.

To try to reduce the rephasing of both revenue and capital projects the Council will be undertaking a general review which will include working with external contractors to try to establish more realistic timetables for the delivery of these projects, which are often delayed by factors outside the immediate control of the Council.

No variations have yet been identified against the Housing Revenue Account, although slower than expected progress on the maintenance programme might be the subject of an update in the next financial monitoring report.

RECOMMENDED:

That the Disabled Facilities Grants gross capital budget be increased by £261,000.

**Councillor B Rickman
CHAIRMAN**