

CABINET

18 February 2016

Attendance:

Councillor Godfrey -	<i>Leader (Chairman) (P)</i>
Councillor Weston -	<i>Deputy Leader and Portfolio Holder for Service Delivery (P)</i>
Councillor Read -	<i>Portfolio Holder for Built Environment (P)</i>
Councillor Byrnes -	<i>Portfolio Holder for Local Economy (P)</i>
Councillor Horrill -	<i>Portfolio Holder for Housing Services (P)</i>
Councillor Miller -	<i>Portfolio Holder for Estates</i>
Councillor Pearson -	<i>Portfolio Holder for Environment, Health & Wellbeing (P)</i>

Others in attendance who addressed the meeting:

Councillors Simon Cook, Izard, Laming, Power, Tait and Thompson

Mr D Chafe (TACT)

Others in attendance who did not address the meeting:

Councillors J Berry, Hiscock and Hutchison

1. DISCLOSURE OF INTERESTS

Councillor Godfrey declared a disclosable pecuniary interest in respect of agenda items due to his role as a County Council employee. However, as there was no material conflict of interest, he remained in the room, spoke and voted under the dispensation granted on behalf of the Standards Committee to participate and vote in all matters which might have a County Council involvement.

2. MEMBERSHIP OF CABINET COMMITTEES ETC – ST JOHN’S WINCHESTER CHARITY

Cabinet noted that at its meeting on 2 December 2015, it was agreed that Council not make a nomination to one of its three nominated trustee positions on St John’s Winchester Charity to enable the Charity to select someone with suitable experience from the wider community. The Charity has since informed the Council that it has not been able to change its formal scheme of governance in time to enable this, but it has found a suitable candidate: Judith Rich OBE. The Charity has therefore requested that the Council formally nominate Judith Rich to be a nominated trustee.

Cabinet also noted that in the future, once the governance scheme had been revised, the usual preference of St John's Winchester Charity would be that the Council would nominate a serving Member with appropriate skill sets to the position allocated for a Council nominee in the new scheme.

At the invitation of the Chairman, Councillor Tait (a current nominated trustee to the Charity) endorsed the nomination of Judith Rich. He stated that Ms Rich had an extensive CV within the charitable field and significant involvement already examining future governance arrangements at the Charity.

Cabinet agreed to the following for the reasons outlined above.

RESOLVED:

That Judith Rich OBE be appointed as a nominated trustee to St John's Winchester Charity.

3. **PUBLIC PARTICIPATION**

Patrick Davies spoke regarding Report CAB2755 and his comments are summarised under the relevant minute below.

4. **LEADER AND PORTFOLIO HOLDER ANNOUNCEMENTS**

The Chairman reported that it was the last Cabinet meeting that Stephen Whetnall (Chief Operating Officer) and Alexis Garlick (Chief Finance Officer) would be attending before they both left the Council. On behalf of Cabinet, he thanked both officers for their excellent service to the Council over the years.

The Chairman announced that the Government had recently indicated that it would be a requirement of any devolution of powers to the Hampshire and Isle of Wight authorities that an elected Mayor be introduced. However, the authorities had invited the Government to reconsider this position as an elected Mayor was not considered appropriate for the area.

Councillor Weston reported that the Council's Twitter site had been verified by Twitter and had nearly 10,000 followers, offering a valuable means of communication.

5. **BUDGET AND COUNCIL TAX 2016/17**

(Report CAB2763 refers)

MINUTE EXTRACT FROM WINCHESTER TOWN FORUM HELD 20 JANUARY 2016

(Report CAB2778 refers)

Cabinet noted that Report CAB2763 had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration to enable the

Report to be considered prior to The Overview and Scrutiny Committee and Council.

The Chairman stated that since the budget was last considered at Cabinet, the Department for Communities and Local Government (DCLG) had announced the final finance settlement for 2016/17. The provisional settlement proposed a 42.5% reduction on the current year, but additional transitional grant and rural support grant had been made available, which resulted in a reduction of approximately 34% in 2016/17 (which equated to approximately £600,000). This change was reflected in the above Report.

The Chairman drew Members' attention to matters relating to Business Rate retention, as outlined in Paragraph 3.7 of the Report. Previous Council forecasts had been negatively affected by an increase in valuation appeals and the Council had been required to make significant provision for a likely reduction in Business Rate income of approximately £3 million. This was reflected in the Report which also took a prudent approach to estimates for future years.

As a result of changes to the Rate Support Grant, Business Rate retention and the New Homes Bonus, Cabinet were proposing an increase in Council Tax of approximately £5 per annum, as set out in the Report's recommendations. Work would continue on ways to reduce the Council's expenditure. The current numbers and skills of the Council's workforce were being examined and the possibility of employing temporary staff to support the Projects Team in delivery of schemes would be examined. The Chairman reported that currently no increase in Members' Allowances was proposed for 2016/17. However, a review would be undertaken later in 2016, following the reduction in the number of Councillors from 57 to 45 in May 2016 and any changes in roles.

The Chairman stated that it was not yet known the impact of any devolution deal on the future retention of business rates.

The Chief Finance Officer drew Members' attention an Addendum with revisions to the Report which had been circulated at the meeting. Since the Report was issued, the figures relating to the Collection Fund had been updated to reflect the accounting timing for annual adjustments relating to the financial years 2014/15 and revised estimate 2015/16. The overall net effect for the period was £76,415 favourable which resulted in a higher Major Investment Reserve balance. The revised recommendations were circulated, together with revised pages of the Report, indicating revisions as tracked changes. The Chairman accepted the Addendum as a late item which was necessary to enable the Budget and Council Tax for 2016/17 to be considered. The Chief Finance Officer advised that consequential amendments would be required to various Appendices and revised copies of these, together with a revised report, would be submitted to The Overview and Scrutiny Committee and Council.

In response to questions, the Chief Finance Officer confirmed that payment of precepts to parishes was made in two tranches, as set out in the guidelines. Half was paid in the first week of April with the balance paid before the end of September.

With regard to Appendix A of the Report, one Member queried what measures would be undertaken to reduce the risk to the Council highlighted in Risk Number CR3 (Programme Management and Major Projects). The Chairman stated that the possibility of employing additional temporary specialist staff would be examined, together with consideration of the financial models for delivery of each project. The Chief Executive advised that the capacity of teams, together with the Council's overall capacity, was also addressed in Report CAB2779 which would be considered later in the meeting.

In response to questions, the Chief Executive advised that following the departure of the Active Welfare Officer, the Council had adopted its usual approach to vacancy management.

At the invitation of the Chairman, Councillor Thompson addressed Cabinet and, in summary, stated that the Liberal Democrat Group would have taken a different approach to the budget by being more ambitious and not allocating so much to reserves. She believed that the Council could have invested in Solar PV Panels and achieved returns on this investment. In addition, she criticised the decision to fund £150,000 of improvements to the Casson Block from the Town Access Plan funds as she believed these funds were essential to seek traffic management improvements to raise air quality in the Town area. Finally, she expressed concern that the budget did not include provision for improving scrutiny or public consultation which were both highlighted in the Independent Review report.

In response to questions, the Chief Finance Officer advised that there was not much detail available from the Government regarding the offer of a four year settlement (to 2019/20). The Chairman noted that a four year settlement might allow the Council more certainty but that it would be required to develop an 'efficiency plan' to be submitted along with the application.

Cabinet noted that the recommendations of the Winchester Town Forum at its meeting on 20 January 2016 (Report CAB2778 refers) had been taken into account in Report CAB2763. The Chairman requested that the Forum consider ways in which it could reduce expenditure in future years.

The Chief Finance Officer confirmed that due to timing, it had not been possible to consider the impact of the Report CAB2780's proposals on the proposed purchase of Milford House and Gordon Watson House (elsewhere on this agenda) on either the Council's Budget and Treasury Management Strategy. It was necessary that this be considered prior to The Overview and Scrutiny Committee and Council and an additional recommendation was agreed to this effect.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE REVISED ESTIMATE FOR 2015/16 BUDGET AS SET OUT IN PARAGRAPH 2 BE APPROVED.

2. THAT MEMBERS CONSIDER THE LEVEL OF GENERAL FUND BUDGET FOR 2016/17 AND MAKE RECOMMENDATIONS FOR THE FOLLOWING:

	<u>2016/17</u>
	<u>£</u>
<u>General Fund Cost of Services</u>	19,651,632
Deficit on Trading Accounts	400,598
Other Operating Income & Expenditure (Parish Council Precepts)	2,521,258
Financing & Investment Income & Expenditure	(2,361,770)
Adjustments between accounting basis & funding basis under Regulations	(2,335,000)
Appropriations to / (from) other earmarked reserves	(2,073,759)
Collection Fund Adjustment Account deficit	2,377,872
Council Tax Support Grant to Parishes	154,089

<u>Net Budget Requirement (incl. Parish Council Precepts)</u>	<u>18,335,151</u>
<u>Less:</u>	
Non-ring fenced Government Grants	(4,424,744)
Non-domestic Rates Income and Expenditure	(3,927,538)
Capital Grants and Contributions	(500,000)

<u>Council Tax Requirement (incl. Parish Council Precepts)</u>	<u>9,482,869</u>
<u>Comprising:</u>	
Aggregate of Special Expenses (Winchester Town)	842,607
Winchester City Council – General Expenses	6,119,005

<u>Council Tax Requirement for billing authority</u>	<u>6,961,611</u>
Aggregate of Parish Council precepts	2,521,258

Council Tax Requirement (incl. Parish Council Precepts) 9,482,869

3. THAT THE CHANGES PROPOSED TO THE BUDGET BE APPROVED, AS SET OUT IN APPENDIX D.

4. THAT THE CAPITAL PROGRAMME AND FINANCING FOR 2015/16 TO 2020/21 BE APPROVED, AS SET OUT IN APPENDICES E AND G.

5. THAT THE POLICY AS PREVIOUSLY AGREED BY THE COUNCIL ON 14 JULY 1999 (MIN 186 REFERS) BE CONFIRMED TO TREAT ALL EXPENSES OF THE COUNCIL AS GENERAL EXPENSES OTHER THAN THOSE SPECIFICALLY IDENTIFIED AND ITEMISED IN THE WINCHESTER TOWN ACCOUNT. IN CONSEQUENCE OF WHICH THE SUM OF £842,607 BE TREATED AS SPECIAL EXPENSES UNDER SECTION 35 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RESPECT OF THE WINCHESTER TOWN AREA, APPENDIX J.

6. THAT THE COUNCIL TAX FOR THE SPECIAL EXPENSES IN THE WINCHESTER TOWN AREA AT BAND D FOR 2016/17 BE INCREASED TO £63.31.

7. THAT THE BALANCE ON THE COLLECTION FUND FOR DISTRIBUTION TO THIS COUNCIL, CALCULATED IN JANUARY 2016 OF £133,903 FOR COUNCIL TAX, BE APPROVED.

8. THAT THE DEFICIT BALANCE ON THE COLLECTION FUND FOR DISTRIBUTION FROM THIS COUNCIL IN 2016/17, CALCULATED AT 15 JANUARY 2016, OF £2,511,769 FOR BUSINESS RATES BE NOTED.

9. THAT MEMBERS RECOMMEND THE LEVEL OF COUNCIL TAX AT BAND D FOR CITY COUNCIL SERVICES FOR 2016/17 BE INCREASED TO £130.65.

10. THAT PARISH COUNCIL TAXES BE NOTED AS IN APPENDIX K.

11. IN RELATION TO MEMBERS' ALLOWANCES:

A) THAT THE GENERAL INFLATION INDEX IN THE MEMBERS' ALLOWANCES SCHEME BE NOT APPLIED FOR 2016/17.

B) THAT THE INFLATION INDEX FOR 2016/17 FOR COUNCILLOR MILEAGE RATES BE APPLIED, SO AS TO CONTINUE THE LINK TO HMRC MILEAGE RATES, SHOULD HMRC MAKE ANY ADJUSTMENTS.

C) THAT FURTHER CONSIDERATION BE GIVEN IN THE 2016/17 FINANCIAL YEAR, TO ASKING THE INDEPENDENT REMUNERATION PANEL TO UNDERTAKE A REVIEW OF THE COUNCIL'S MEMBERS ALLOWANCES SCHEME, TO TAKE ACCOUNT OF ANY CHANGES ARISING FROM THE COUNCIL'S GOVERNANCE ARRANGEMENTS FOLLOWING THE REDUCTION FROM 57 TO 45 MEMBERS.

12. THAT THE IMPACT OF THE REPORT CAB2780'S PROPOSALS ON THE PROPOSED PURCHASE OF MILFORD HOUSE AND GORDON WATSON HOUSE (ELSEWHERE ON THIS AGENDA) ON THE COUNCIL'S BUDGET BE REPORTED DIRECT TO THE OVERVIEW AND SCRUTINY COMMITTEE AND COUNCIL, TOGETHER WITH ANY CONSEQUENT CHANGES

RESOLVED:

That the contents of the minute extract from the Winchester Town Forum held 20 January 2016 be noted and the Winchester Town Forum be requested to consider ways by which expenditure could be reduced in future years.

6. TREASURY MANAGEMENT STRATEGY 2016/17
(Report CAB2766 refers)

The Chairman welcomed to the meeting Andrew Bouflower from Hampshire County Council's Investments and Borrowing team.

In response to questions, Mr Bouflower advised that since the previous Strategy, there had been further diversification of the portfolio of investments.

At the invitation of the Chairman, Councillor Power addressed Cabinet and in summary requested that the Strategy be amended to recognise that changes or slippage to the Council's Capital Programme and projects did affect investments and borrowing requirements. Finance requirements should be built into the Capital Investment Programme and be published to improve public understanding and trust. With regard to future proposals for a replacement Leisure Centre, she requested that the project plan be made available to Councillors and the public.

In response, the Chief Finance Officer advised that the Strategy reflected the cash flow predictions of the Capital Budget and Programme. However, it did not take account of delays/failure of projects impacting on the decisions as to types of investment (for example, investing short-term rather than long-term). The Chairman noted that this related to the Council's future management of projects and did not require any change to the Treasury Management Strategy at this stage.

One Member requested that in future years, the "Risk Management Issues" section of the Report be expanded in accordance with the Council's latest approach to recording risk management issues. It was agreed that this section could include the most significant risks. The Chief Finance Officer advised that this could be done and also that the Treasury Management Practices supported the Strategy and this contained a very detailed risk assessment within TMP1.

The Chief Finance Officer confirmed that due to timing, it had not been possible to consider the impact of the Report CAB2780's proposals on the proposed purchase of Milford House and Gordon Watson House (elsewhere on this agenda) on either the Council's Budget and Treasury Management Strategy. It was necessary that this be considered prior to The Overview and Scrutiny Committee and Council and an additional recommendation was agreed to this effect.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE TREASURY MANAGEMENT STRATEGY (TMS) 2016/17 AS SET OUT IN REPORT CAB2766 BE APPROVED AND IMPLEMENTED FROM THE DATE OF THE COUNCIL MEETING, AND ALSO THE FOLLOWING INDIVIDUAL ITEMS AS INCLUDED IN THE TMS:

- **ANNUAL BORROWING STRATEGY 2016/17 (SEE PARAGRAPH 4);**
- **ANNUAL INVESTMENT STRATEGY 2016/17 (SEE PARAGRAPH 5);**
- **PRUDENTIAL INDICATORS 2016/17 TO 2018/19 (SEE APPENDIX C);**
- **MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT (SEE APPENDIX D).**

2. THAT THE TREASURY MANAGEMENT STRATEGY BE KEPT UNDER REGULAR REVIEW TO TAKE ACCOUNT OF ANY CHANGES IN THE CURRENT GLOBAL ECONOMIC SITUATION.

3. THAT THE IMPACT OF THE REPORT CAB2780'S PROPOSALS ON THE PROPOSED PURCHASE OF MILFORD HOUSE AND GORDON WATSON HOUSE (ELSEWHERE ON THIS AGENDA) ON THE COUNCIL'S TREASURY MANAGEMENT STRATEGY BE REPORTED DIRECT TO THE OVERVIEW AND SCRUTINY COMMITTEE AND COUNCIL, TOGETHER WITH ANY CONSEQUENT CHANGES.

7. **SILVER HILL: INDEPENDENT REVIEW RECOMMENDATIONS**

(Report CAB2779 refers)

MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE – SPECIAL MEETING HELD ON 10 FEBRUARY 2016

(Report CAB2781 refers)

MINUTES OF THE SPECIAL AUDIT COMMITTEE HELD 10 FEBRUARY 2016

(Report OS140 refers)

Cabinet noted that the Reports CAB2781 and OS140 had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the items onto the agenda as a matter requiring urgent consideration to enable the related minutes of meetings contained therein to be considered alongside CAB2779.

The Chairman stated that he proposed that the recommendations set out in the Independent Review Report be accepted and Cabinet consider how best to move forward and seek ways to improve the Council's work in the future. He noted that both The Overview and Scrutiny Committee and Audit Committee at their special meetings had highlighted that they required additional time in order to properly consider the recommendations. He believed this was a sensible approach as it was necessary to give due consideration and not rush a response. Consequently, he was not proposing that Cabinet make any recommendations to Council at this stage, but await further recommendations from both The Overview and Scrutiny Committee and Audit Committee following further consideration at their forthcoming meetings.

The Chairman reported that Councillor Gottlieb had expressed concern about the comments made in the Independent Review Report about an issue raised with Ms Lloyd Jones that he might have potential conflicts of interest and her suggestion that this needs to be investigated. The Chairman highlighted that Councillor Gottlieb had expressly stated in public meetings that he had no business conflict of interest affecting Silver Hill. It would be very difficult to investigate an unsubstantiated comment arising in the Independent Report and to prove that there was no conflict. However, as Leader, he was happy to re-state that to the best of his knowledge that there was no conflict and to accept Councillor Gottlieb's re-assurances to this effect. In these circumstances, he did not consider there was a need for an investigation and it was important that the Council moves forward.

At the invitation of the Chairman, Councillor Simon Cook (Chairman of The Overview and Scrutiny Committee) provided a brief update on the special meeting held 10 February 2016. He believed that the minutes (as contained within Report CAB2781) gave a good summary of the comments made. The recommendations of the Independent Review Report would be examined again and he commented that the Committee would be asked to consider refining their contents. With regard to a comment in the Review Report regarding professional officers, he believed the question should be whether the Council had sufficient professional officers available. In addition, the

recommendation to review the Council's public consultation strategy was useful (although the criticisms in this area were not all necessarily accepted). He also noted that in her presentation, Ms Lloyd-Jones had accepted that there were additional witnesses she might have interviewed, had time permitted.

It was noted that the minutes of The Overview and Scrutiny Committee should be corrected to include Councillors Byrnes, Read and Weston as being in attendance.

The Chief Executive commented that discussion at the two special Committee meetings had tended to focus on the contents of the Independent Review Report, rather than specifically on its recommendations. Report CAB2779 was intended as a starting point for consideration of these recommendations. However, as it was produced prior to the special meetings, it did not take account of the comments made at these meetings and in particular, the wish of the Audit Committee to take on responsibility for governance matters.

During public participation, Patrick Davies addressed Cabinet and in summary, expressed concern that the Independent Review's Recommendations would become lost between considerations by different meetings. He also alleged that the Conservative Members of The Overview and Scrutiny Committee meeting on 10 February appeared to have statements prepared by other members of the Group, possibly Cabinet, which, if true, undermined the independence of the scrutiny function. He queried what the role of scrutiny would be in this matter?

The Chairman expressly denied that The Overview and Scrutiny Committee Members were given prepared statements by Cabinet members. The recommendations within the Review Report were a matter for the whole Council and it was proposed that the relevant Committees and Cabinet would work together to deliver action for the future. He acknowledged that this might take some time, but any suggestion that recommendations would be ignored or lost was not true.

At the invitation of the Chairman, Councillors Thompson and Laming addressed the meeting and their comments are summarised below.

Councillor Thompson welcomed the proposal to accept the Independent Review's Recommendations, but also expressed concern about the manner that Conservative Members appeared to treat the report at the special meeting on 10 February. She requested that a clear timetable for addressing the recommendations should be agreed. It was essential that the Council win back public trust and to do so in must change the way scrutiny was undertaken and become more open and transparent. She was concerned that the responses in 6.1.1 of CAB2779 Appendix 1 appeared to suggest decisions on the future of Silver Hill would be rushed through. In relation to 6.1.2 of the Appendix, she queried whether it was appropriate to give responsibility to the Cabinet (Major Projects) Committee which had only met once. With regard to 6.1.3 she expressed concern that the issue was about

the lack of sufficient professional officer capacity at the Council. With regard to 6.1.8, she believed that how the Council engaged with the public was crucial, and the numbers of public meeting was irrelevant compared to the manner of engagement and response. Finally she questioned why it had taken three years to implement the recommendations of the Peer Review.

Councillor Laming also welcomed Cabinet's intention to accept the Independent Review Recommendations and concurred with comments by Patrick Davies and Councillor Thompson regarding the approach of some Councillors at The Overview and Scrutiny Committee meeting on 10 February. He highlighted that previous recommendations regarding the improvement of the scrutiny process had been prepared by Councillor Simon Cook, but had not received cross-party support.

The Chairman reiterated comments made at the previous Cabinet meeting on 10 February that some decisions on Silver Hill were required in the short term, for example in relation to the Council's put option on a number of properties. However, any decisions on the development of the site in the longer term would not be rushed into. The Council should not seek to make decisions on the future of the site without finding out what Winchester and the market would support. With regard to the response to the Independent Review Report recommendations, Cabinet would respond to recommendations from The Overview and Scrutiny Committee and Audit Committee with a resourced and timed action plan. Recommendations of the Peer Review were considered by The Overview and Scrutiny Committee at the time.

During discussion, Members commented that The Overview and Scrutiny Committee should consider the recommendations contained within CAB2779 and the Independent Review report. It was suggested that the Committee re-examine the fundamentals of the scrutiny process (including pre/post scrutiny) and consider their own future training requirements. Current and future challenges should be fully understood, together with commissioning and procurement policies.

Cabinet then considered the suggested responses to the Review Recommendations as set out in Appendix 1 to CAB2779. Comments made and changes suggested are set out below:

- **Reference 6.1.1** – No change required as it was considered this offered necessary flexibility on long-term consideration of options for Silver Hill and the Leader confirmed that this was the intended approach.
- **Reference 6.1.2** – The use of the Cabinet (Major Projects) Committee to take forward was welcomed. Comments from The Overview and Scrutiny and Audit Committees were also needed.
- **Reference 6.1.3** – The Chairman highlighted that an early response from The Overview and Scrutiny and Audit Committees on this point would be welcomed if Local partnerships' advice was to be sought by April 2016. In addition, there should be an understanding about the limitations of the Council as a relatively small authority. It was proposed that temporary project specialists be engaged, as required.

The Chief Executive advised that at the special meeting on 10 February, Ms Lloyd-Jones had clarified one of the sentences contained within her report and stated that the final sentence of Page 32 of Report should have been preceded by words in italics "*It has been suggested to me that* [N]either the Council, nor its officers, was equipped in skills or experience to have negotiated a successful outcome to this situation."

However, he acknowledged that this did not preclude the requirement to examine capacity issues within the Council.

- **Reference 6.1.4** – The Chairman said that The Overview and Scrutiny Committee should be asked for its views on how to prevent any future suggestion that the Council was hostile to competition. At the invitation of the Chairman, Councillor Simon Cook commented that this might be a question of perception and publicly explaining why it might be preferable in some circumstances to undertake a direct negotiation rather than going out to negotiation.
- **Reference 6.1.5 and 6.1.6** – The Chairman suggested that a register of external advice be maintained and available. The Portfolio Holder should be required to approve any request for expenditure on external advice, subject to a de minimis rule.
- **Reference 6.1.7** – the Chairman suggested that improved use could be made by Councillors of the Council's covalent system. All major projects were now managed through the Project Office.
- **Reference 6.1.8** – the Chairman proposed that The Overview and Scrutiny Committee and Audit Committee consider agreeing a review of the status of all significant exempt reports, especially major projects, after a period of 12 months to ascertain whether they should remain exempt. The expectation should be that such reports would at that point become open, unless there were good reasons to the contrary such as Personnel issues.

To counter points raised about "secret meetings", the Chairman proposed that the diaries of all Cabinet and Corporate Management Team (CMT) be made open (subject to some necessary exceptions which would be clearly stated).

Cabinet noted that a vast amount of information was already available on the Council's website for the public, but it was acknowledged it was sometimes difficult to find. Work was ongoing to improve this and feedback from the public or other Councillors would be welcomed.

- **Reference 6.1.9** – referred to Appendix 2 and 3 of the Report.
- **Reference 6.1.10** – proposed actions noted.
- **Reference 6.1.11** - It was suggested that, subject to resources, quarterly public information sessions be organised, possibly around the District. The Overview and Scrutiny Committee should examine how the Council could improve its communications.
- **Reference 6.1.12** – It was suggested that rather than a review of the whole constitution, The Overview and Scrutiny Committee and Audit Committee should highlight which specific sections required examination. With regard to changes to Committee reports, a balance needed to be struck between giving sufficient information to enable a decision and too detailed reports. Methods of improving Councillors' access to previous Committee decisions could be examined.

- **Reference 6.1.13** – Response noted and highlighted that more Councillors be encouraged to attend training sessions.

With regard to Appendix 2 of the Report, the Chairman suggested that The Overview and Scrutiny Committee be asked to examine the original Peer Challenge report and consider what further actions were required. The Chief Executive advised that he anticipated a new Peer Review would be undertaken later in 2016/early in 2017. That review would be able to consider the Council's response to the Independent Review Report recommendations.

With regard to Appendix 3, the Chairman suggested that The Overview and Scrutiny Committee be requested to schedule a formal review of progress in June/July 2016. A key aspect related to changes on risk management and Audit Committee was urged to continue focussing on work in this area.

At the invitation of the Chairman, Councillor Simon Cook stated that it might be necessary to establish an Informal Scrutiny Group to examine the recommendations in more detail, possibly including input from a Cabinet Member.

Cabinet agreed to the following for the reasons set out above, in the exempt minute and as outlined in the Report.

RESOLVED:

1. That the Independent Review's recommendations be accepted and that Cabinet's initial comments and considerations outlined above be considered by The Overview and Scrutiny Committee and Audit Committee.
2. That the further comments and recommendations made by The Overview and Scrutiny Committee and Audit Committee at their special meetings on 10 February 2016 be noted.
3. That no recommendations be made to Council at this stage on the actions arising from the Independent Review to enable further work and consideration of its contents to be undertaken.

8. WINCHESTER CITY COUNCIL – PAY POLICY STATEMENT 2016-2017
(Report CAB2762 refers)

Cabinet noted the importance of the proposal to further develop a Pay and Reward Policy to enable the Council to attract and retain the appropriate quality of staff.

The Head of Organisational Development confirmed that further to Paragraph 3.3 of the Report, it had been circulated to Personnel Committee Members who had not made any comments on its contents.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

THAT THE PAY POLICY STATEMENT BE APPROVED, AS CONTAINED AS APPENDIX 1 TO CAB2762.

RESOLVED:

That a Winchester City Council Pay and Reward Policy be further developed.

9. **PROPOSED PURCHASE OF MILFORD HOUSE AND GORDON WATSON HOUSE, CHRISTCHURCH ROAD, WINCHESTER (LESS EXEMPT APPENDIX)**
(Report CAB2780 refers)

Cabinet noted that the Report had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration to enable it to be considered prior to The Overview and Scrutiny Committee on 18 February and Council on 25 February 2016.

Councillor Horrill introduced the Report and confirmed that she was supportive of the proposals as set out and the Shadow Portfolio Holders with responsibility for Housing had also indicated their support. The proposed purchase price could be funded from within the Housing Revenue Account (HRA).

In response to questions, the Head of Estates confirmed that there was potential for expansion on the site. Milford House was an attractive and well-maintained property which had not experienced any management issues under its current operation by First Wessex. It had not been possible to access the entire interior of Gordon Watson House and the Council's offer would therefore be subject to survey. £250,000 had been included within the Council's appraisal for expenditure if required.

At the invitation of the Chairman, David Chafe stated that the timing of the report had prevented him from seeking comments from other TACT members. However, on initial consideration of the Report, he was personally content with the proposals.

The Assistant Director (Chief Housing Officer) confirmed that the financial appraisals had been undertaken on the "worst case scenario" in relation to likely changes to housing benefit rules which were expected to take effect from April 2018. Based on this and the current level of units, the appraisal remained very positive.

At the invitation of the Chairman, Councillors Tait and Izard addressed Cabinet and their comments are summarised below.

As a local Ward Member, Councillor Tait confirmed that he was not aware of any issues or problems with the properties current management. As an Observer on the Winchester Housing Trust Board he advised that he had spoken with the Trust Chief Executive who had indicated that they might be interested in acquiring the properties. He highlighted potential issues regarding getting best use from the Section 106 housing monies. However, in general he endorsed the Council's aspiration to retain the properties as they provided an excellent facility.

Councillor Izard confirmed the Liberal Democrat Group's support for the proposals as set out in the Report.

In response to questions, the Chief Finance Officer confirmed that due to timing, it had not been possible to consider the impact of the Report's proposals on either the Council's Budget and Treasury Management Strategy. It was necessary that this be considered prior to The Overview and Scrutiny Committee and Council and an additional recommendation was agreed to this effect.

Cabinet agreed to the following for the reasons set out above and outlined in the report.

RECOMMENDED:

THAT THE REVISIONS TO THE NEW BUILD CAPITAL PROGRAMME SET OUT IN SECTION 5 OF REPORT CAB2780 BE APPROVED.

RESOLVED:

1. That subject to a) the approval of full Council to the revisions to the New Build Capital programme set out in Section 5 of the Report b) the delegated authority to the Head of Estates in Recommendation 2 below, the proposed purchase of the freehold of Milford House and Gordon Watson House be agreed on the terms (and subject to the conditions) detailed in the Report and Exempt Appendix B.
2. That the sources of funding as outlined in the Report and set out in detail in Exempt Appendix B be approved.
3. That the Head of Estates be given delegated authority, in consultation with the Portfolio Holder for Housing and the Assistant Director (Chief Housing Officer), to negotiate a lower purchase price if

the Structural or M&E surveys indicate defects that have not already been taken account of in the valuation.

4. That a further report be submitted to the Cabinet (Housing) Committee in March 2016 to approve the management arrangements for the property.

5. That these changes be reflected in the final Budget and Treasury Management Strategy submitted for approval at Council.

6. That approval be given under Financial Procedure Rule 6.4 to the capital expenditure for the project, as set out in Exempt Appendix B.

10. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Proposed Purchase of Milford House & Gordon Watson House, Christchurch Road, Winchester (Exempt appendices)) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)

11. **PROPOSED PURCHASE OF MILFORD HOUSE AND GORDON WATSON HOUSE, CHRISTCHURCH ROAD, WINCHESTER (EXEMPT APPENDIX)**
(Report CAB2780 refers)

Cabinet considered the content of the exempt appendix which set out the valuation and purchase price information regarding the proposed purchase (detail in exempt minute).

The meeting commenced at 10.00am and concluded at 1.40pm