

CABINET

14 February 2018

Attendance:

Councillor Horrill -	<i>Leader and Portfolio Holder for Housing Services (Chairman) (P)</i>
Councillor Humby -	<i>Deputy Leader and Portfolio Holder for Business Partnerships (P)</i>
Councillor Ashton -	<i>Portfolio Holder for Finance</i>
Councillor Brook -	<i>Portfolio Holder for Built Environment (P)</i>
Councillor Godfrey -	<i>Portfolio Holder for Professional Services (P)</i>
Councillor Griffiths -	<i>Portfolio Holder for Health & Wellbeing (P)</i>
Councillor Miller -	<i>Portfolio Holder for Economy & Estates</i>
Councillor Warwick -	<i>Portfolio Holder for Environment (P)</i>

Others in attendance who addressed the meeting:

Councillors Bell, Porter, Prince and Thompson

1. **MINUTES**

RESOLVED:

That the minutes of the previous meeting held on 17 January 2018 be approved and adopted.

2. **PUBLIC PARTICIPATION**

There were no questions asked or statements made.

3. **LEADER AND PORTFOLIO HOLDER ANNOUNCEMENTS**

There were no announcements made.

4. **Q3 2017/18 FINANCIAL AND PERFORMANCE MONITORING**

(Report CAB3007 refers)

Cabinet noted that The Overview and Scrutiny Committee were unable to consider the Report at its meeting on 29 January 2018 due to volume of other business (the Report was deferred until the next Committee meeting scheduled for 26 February 2018).

During discussion of the Report, the following points were made:

- General positive progress against targets was noted;
- Consideration of a revised Constitution was anticipated in May/June 2018 to enable full consideration of the proposed updates.

- Proposals for the renewal of the Environmental Services Contract were under development and the intention to include kerbside glass waste recycling collection was noted.
- The work of the Economic Development Team alongside partner organisations such as the Local Enterprise Partnership (LEP) in supporting businesses across the District was highlighted.
- The Council had been approached by Homes England regarding the new home development opportunities at Knowle.
- The Strategic Director: Resources confirmed that the play area in West of Waterlooville would be fully funded by S106 developer contributions.

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

RESOLVED:

1. That the progress achieved during the third quarter of 2017/18 be noted and the contents of the Report be noted.
2. That a supplementary capital estimate and expenditure of £89,000 in 2017/18 be approved in order to deliver a play area in Newlands Walk, West of Waterlooville. This project is fully funded by S106 developer contributions.

5. **MEDIUM TERM FINANCIAL STRATEGY (MTFS)**
(Report CAB3012 refers)

The Chairman introduced the report and emphasised the challenges facing the Council with reducing Government funding. Business rates would become an increasingly important element of the Council's funding streams and the Council remained interested in taking part in a forthcoming Government pilot scheme. The MTFS had been discussed at The Overview and Scrutiny Committee at its meeting on 26 January 2018 and the Portfolio Holder for Finance had agreed to investigate further a number of matters raised.

At the invitation of the Chairman, Councillors Porter, Bell and Thompson addressed Cabinet and their comments are summarised below.

Councillor Porter:

- Regarding the proposals to transfer HRA garages to the Council's General Fund, queries relating to the ongoing cost of maintaining garages and the importance of use for storage purposes (particularly for residents of flats where storage or larger and/or outdoor items might be limited).
- In relation to the proposals to establish a Housing Company, the possibility of purchasing ex-Council homes should be investigated. In addition, the possible implications of some areas of the District falling within the South Downs National Park and its Local Plan.

Councillor Bell:

- Recognised the benefits of previous Council garage sites being utilised for new Council homes where appropriate but also the importance of their use in providing additional storage.
- Support for the Smart City proposals and the possibility of utilising mobile apps to provide information for residents and visitors.

Councillor Thompson:

- Concern that the Strategy did not include a detailed plan going forward over the MTFS period and in particular include measures to address the predicted budget shortfall.
- Concern about the level of savings that would be generated by the digitalisation proposals.
- A request for more information on how the Strategic Asset Purchase Scheme (SAPS) monies were being used.

In response, the Chairman confirmed that a commitment had been made at The Overview and Scrutiny Committee to bring further information on future proposals as soon as appropriate to do so. . She welcomed support for Smart City proposals and confirmed that the Council would learn from experiences of other local authorities in introducing increased digitalisation of council services.

The Chairman noted comments regarding the future use of garages and stated that a further review of garage costings and rental incomes, including stock condition, would be undertaken. She would investigate the query in relation to the Housing Company and the South Downs National Park.

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

RESOLVED:

1. That the medium term financial strategy be approved as set out in the report.
2. That the financial projections shown in Appendix A of the report be noted.

6. **TREASURY MANAGEMENT STRATEGY 2018/19**
(Report CAB3013 refers)

Cabinet noted that the report had been considered by The Overview and Scrutiny Committee at its meeting on 29 January 2018 (Report OS190 refers).

The Corporate Head of Resources drew Members' attention to minor corrections to the Report's recommendations which were agreed as set out below.

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

RECOMMENDED:

1. **THAT THE TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS) AND ANNUAL INVESTMENT STRATEGY FOR 2018/19 (AND THE REMAINDER OF 2017/18) BE AGREED INCLUDING:**
 - **ANNUAL BORROWING STRATEGY 2018/19 (SEE PARAGRAPH 13 OF THE REPORT);**
 - **PRUDENTIAL INDICATORS 2018/19 TO 2020/21 (SEE APPENDIX C OF THE REPORT);**
 - **MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT (SEE APPENDIX D OF THE REPORT).**

2. **THAT AUTHORITY BE DELEGATED TO THE SECTION 151 OFFICER, WHO IN TURN DELEGATES TO HAMPSHIRE COUNTY COUNCIL'S DIRECTOR OF CORPORATE RESOURCES, AS AGREED IN THE SERVICE LEVEL AGREEMENT, TO MANAGE ALL COUNCIL INVESTMENTS (OTHER THAN THE HIGH YIELD INVESTMENT PORTFOLIO) ACCORDING TO THE RISK ASSESSMENT PROCESS IN THE INVESTMENT STRATEGY AS APPROPRIATE.**

3. **THAT ON AN ANNUAL BASIS REGARDING MIFID II REGULATION, THE ELECTIVE PROFESSIONAL STATUS OF THE COUNCIL IS MAINTAINED, AND THAT, IN ELECTING FOR PROFESSIONAL CLIENT STATUS, IT ACKNOWLEDGES AND AGREES TO FORGO THE PROTECTIONS AVAILABLE TO RETAIL CLIENTS ATTACHED AT APPENDIX E TO THE REPORT.**

7. **CAPITAL STRATEGY**
(Report CAB3014 refers)

Cabinet noted that the Strategy had been considered by The Overview and Scrutiny Committee at its meeting on 29 January 2018 (Report OS191 refers). The Chairman emphasised that the programme included a significant amount of investment which would be funded from different sources, including borrowing.

At the invitation of the Chairman, Councillors Porter and Prince addressed Cabinet as summarised below.

Councillor Porter:

- The Opportunities column of the Risk Management table of the report could be further explored and its contents expanded. For example, the “Reputation” section should include some mention of the potential impact to the Council of various proposed capital schemes.
- The Capital Programme was heavily weighted towards 2018/19 of the 10 year period;
- Proposals for future costs of the existing Leisure Centre should be included;
- The detailed recommendation 2 of the report should have been included in a separate Cabinet report as it was not part of a Strategy document.

Councillor Prince:

- Concern that focus on expenditure on projects in 2018/19 (for example the new Leisure Centre) could compromise other projects (such as Station Approach and Central Winchester Regeneration) which were not specifically included in the Strategy.

The Chairman stated that she would ask Councillor Ashton to respond to Councillor Prince’s point directly. Suggestions for improvements to the risk section of the report would be considered further. It was highlighted that it was not appropriate for the Strategy to include speculative expenditure for projects that had not yet been approved.

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

RECOMMENDED:

- 1. THE CAPITAL PROGRAMME AND CAPITAL PROGRAMME FINANCING (APPENDICES A AND B TO THE REPORT) BE APPROVED.**
- 2. THAT, IN RESPECT OF THE WINCHESTER SPORTS & LEISURE PARK AND AS DETAILED IN SECTION 11, THE FOLLOWING BE APPROVED:**
 - a) TO TRANSFER UP TO £750,000 REVENUE EXPENDITURE TO CAPITAL AND TO REPROFILE £750,000 OF THE CAPITAL BUDGET ORIGINALLY PROFILED TO 2018/19 TO 2017/18 UNDER FINANCIAL PROCEDURE RULE 7.10; AND**
 - B) EXPENDITURE OF THIS BUDGET BE APPROVED UNDER FINANCIAL PROCEDURE RULE 6.4.**

RESOLVED:

3. That under Financial Procedure Rule 6.4 expenditure for the following budget items be approved:

- a) The Asset Management Plan (£200,000 annually) as detailed in paragraph 10.6.3 of the Report; and
- b) The IMT equipment and software expenditure (£195,000 in 2018/19) as detailed in paragraph 10.7.6 of the Report.

8. **HOUSING REVENUE ACCOUNT (HRA) 2018/19 BUDGET AND BUSINESS PLAN**

(Report CAB3016(HSG) refers)

Cabinet noted that the Report had been considered by Cabinet (Housing) Committee on 31 January 2018 where the recommendations had been supported and the minutes of which were included elsewhere on the agenda (Report CAB3026 refers). The matter had also been discussed at The Overview and Scrutiny Committee at its meeting on 26 January 2018 (Report OS192 refers).

The Chairman thanked members of TACT for their support.

One Member emphasised that the proposals included a reduction in Council house rents whilst ensuring existing housing stock was maintained to a decent standard.

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

RECOMMENDED:

1. **THAT THE 2018/19 HOUSING REVENUE ACCOUNT BUDGET AND THE FINAL FORECASTS FOR 2017/18 AS DETAILED IN APPENDICES 1 AND 2 TO THE REPORT BE APPROVED.**
2. **THAT THE HRA CAPITAL PROGRAMME FOR 2017/18 TO 2027/28 AS SET OUT IN APPENDICES 3 AND 4 TO THIS REPORT BE APPROVED.**
3. **THAT THE PROPOSED FUNDING FOR THE HRA CAPITAL PROGRAMME AS DETAILED IN APPENDIX 5, INCLUDING THE BORROWING REQUIRED FOR 2017/18, BE APPROVED. ALSO, THAT MEMBERS APPROVE THE USE OF FUNDING PREVIOUSLY SET ASIDE FOR THE GOVERNMENT RIGHT TO BUY LEVY TOWARDS THE NEW BUILD PROGRAMME UNTIL SUCH TIME AS ANY NEW**

POLICY ANNOUNCEMENTS ARE MADE.

4. **THAT THE COUNCIL COMMENCES A PROGRAMME OF TRANSFERRING GARAGES FROM THE HRA TO THE GENERAL FUND FROM APRIL 2018 OVER A PERIOD OF FOUR YEARS, THE CONSIDERATION FOR EACH GARAGE SITE TO BE DETERMINED BY INDEPENDENT VALUERS.**
5. **THAT AUTHORITY BE GIVEN TO INCUR CAPITAL EXPENDITURE OF £7.401M FOR THE MAINTENANCE, IMPROVEMENT AND RENEWAL PROGRAMME AS DETAILED IN THE REPORT AND APPENDIX 3 TO THE REPORT, IN ACCORDANCE WITH FINANCIAL PROCEDURE RULE 6.4 (NOTING THAT WITHIN THIS, FOR ANY SCHEMES IN EXCESS OF £100,000 A FINANCIAL APPRAISAL WILL BE APPROVED IN ACCORDANCE WITH THE SCHEME OF DELEGATIONS).**
6. **THAT THE HRA BUSINESS PLAN OPERATING ACCOUNT EXTRACT AS DETAILED IN APPENDIX 6 IS NOTED AND THAT FORECAST WORKING BALANCES ARE APPROVED.**

RESOLVED:

7. That garage rents are increased to £10.32 per week for council house tenants, £13.50 for private garage tenants and leaseholders and £15.60 for City Centre garages with effect from 2 April 2018, the increases broadly in line with RPI of 3.9% as at September 2017.

8. That the Corporate Head of Housing, in consultation with the Strategic Director (Resources), Leader and Portfolio Holder for Housing Services, be given delegated authority to make adjustments within the overall Maintenance, Improvement and Renewal programme as set out in Appendix 3 to the report, including the flexibility to substitute projects and re-balance expenditure within and between the different elements/schemes in order to meet operational needs, changing priorities and commitment targets, with any changes being reported to Committee at the earliest opportunity.

9. **GENERAL FUND BUDGET 2018/19**

(Report CAB3011 refers)

Cabinet noted that the Report included the Winchester Town Forum budget which had been considered at the Forum meeting on 24 January 2018. In addition, the matter had been considered at The Overview and Scrutiny Committee at its meeting on 26 January 2018 (Report OS188 refers).

The Chairman highlighted key elements of the proposed budget, including the proposed below inflation increase in Council Tax of 2.9%
Cabinet agreed to the following recommendation to Council for the reasons set out above and outlined in the Report.

RECOMMENDED:

- 1. THAT THE LEVEL OF GENERAL FUND BUDGET FOR 2018/19 BE AGREED AND THE SUMMARY AS SHOWN IN APPENDIX A BE RECOMMENDED.**
- 2. 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 £927,735 BE TREATED AS SPECIAL EXPENSES UNDER SECTION 35 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RESPECT OF THE WINCHESTER TOWN AREA (APPENDIX D REFERS).**
- 3. THAT THE COUNCIL TAX FOR THE SPECIAL EXPENSES IN THE WINCHESTER TOWN AREA AT BAND D FOR 2018/19 BE INCREASED TO £67.17.**
- 4. THAT THE BALANCE ON THE COLLECTION FUND FOR DISTRIBUTION TO THIS COUNCIL, CALCULATED IN JANUARY 2018 OF £67,332 FOR COUNCIL TAX, BE APPROVED.**
- 5. THAT THE LEVEL OF COUNCIL TAX AT BAND D FOR CITY COUNCIL SERVICES FOR 2018/19 BE INCREASED TO £138.92.**
- 6. THAT THE COUNCIL TAX REQUIREMENTS PER PARISH AREA, LISTED IN APPENDIX E OF THE REPORT BE NOTED.**
- 7. THAT ADDITIONAL ONE-OFF PROJECT BUDGETS OF £0.915M OVER 2018/19 AND 2019/20, AND A SUPPLEMENTARY BUDGET ESTIMATE OF £0.035M IN 2017/18 BE APPROVED, TO BE FUNDED BY THE FORECAST 2017/18 GENERAL FUND REVENUE UNDERSPEND OF £1M.**
- 8. THAT A PROJECT BUDGET OF £0.25M TOWARDS MOVEMENT STRATEGY OUTCOMES BE APPROVED, TO BE FUNDED FROM THE COMMUNITY INFRASTRUCTURE**

LEVY EARMARKED RESERVE.

- 9. THAT IT BE NOTED THAT FEES AND CHARGES HAVE BEEN REVIEWED TAKING INTO CONSIDERATION BENCHMARKING, RUNNING COSTS AND INFLATION.**

10. PROPOSED GRANT ALLOCATIONS FOR 2018/19

(Report CAB3010 refers)

Cabinet noted that the report had been considered at Winchester Town Forum at its meeting on 24 January 2018 where the recommendations had been agreed.

On behalf of the Portfolio Holder for Estates, Councillor Godfrey introduced the report and welcomed the continued support offered to various voluntary organisations. Cabinet noted that the Council also offered valuable support to voluntary organisations in terms of advice.

The Corporate Head of Resources highlighted a correction to Recommendation 2 of the recommendations to Winchester Town Forum to replace the post Assistant Director (Economy & Communities) with Corporate Head of Engagement.

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

RESOLVED:

That, subject to the Council's approval of the Budget and Council Tax for 2018/19:

1. The proposed allocations totalling £762,500 for the financial year 2018/19 set out in Appendix 1, be approved;
2. The Corporate Head of Housing be given delegated authority to determine the exact figure to be made available in Core Grants to Winchester Churches Nightshelter for 2018/19, in consultation with the Portfolio Holder for Housing;
3. The total allocation of £71,000 set out in the report for Project Grants and Small Grants be approved, and authority be delegated to the Corporate Head of Engagement in consultation with the Portfolio Holder for Local Economy to determine the apportionment of funds between these two grants programmes in order to ensure effective deployment of the budget;
4. Authority be delegated to the Corporate Head of Engagement in consultation with the Portfolio Holder for Economy &

Estates to determine awards of Project Grants up to a value of £5,000 from 2018/19 onwards;

5. A total allocation of £25,000 (including an allocation of £5,000 from the Economy & Arts budget) be approved, to continue delivery of apprenticeship and access to work support grants, and small business grants;

6. Authority be delegated to the Corporate Head of Engagement to determine the final apportionment of funds between the programmes referenced in Recommendation 4 and 5 above in order to ensure effective deployment of the budget;

7. An allocation of £10,000 from the Economy & Arts budget to be approved to continue delivery of the cultural grants programme in 2018/19;

8. A grant of £45,000 for Winchester Shopmobility be made available from the Community Transport budget in 2018/19.

9. A full review of grants and grant allocations be undertaken in 2018 to enable Cabinet to consider and direct the objectives and outcomes to be achieved by the Council's grant giving budgets.

11. **SOLENT RECREATION MITIGATION PARTNERSHIP (BIRD AWARE SOLENT) – DEVELOPER CONTRIBUTIONS FOR A NEW MITIGATION STRATEGY**

(Report CAB3017 refers)

Councillor Brook introduced the Report and emphasised that the proposals had been praised by PUSH (Partnership for Urban South Hampshire) and demonstrated a good example of partnership working.

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

RESOLVED:

1. That the City Council endorses the Solent Recreation Mitigation Strategy and agrees to seek financial contributions in accordance with the Strategy for all relevant residential developments in the southern parishes of the District (within 5.6 kilometres of the Special Protection Areas of the Solent) unless it can be demonstrated that a development can provide satisfactory mitigation by other means;

2. That financial contributions received by the Council are transferred to the Solent Recreation Mitigation Partnership in order to implement the mitigation measures set out the Strategy; and

3. That the sliding scale of developer contributions set out in the Solent Recreation Mitigation Strategy are revised annually in line with the Retail Price Index.

12. **MINUTES OF THE CABINET (LEISURE CENTRE) COMMITTEE HELD 16 JANUARY 2018**

(Report CAB3026 refers)

Cabinet agreed to the following for the reasons outlined in the Report.

RESOLVED:

That the minutes of the Cabinet (Leisure Centre) Committee held 16 January 2018 be received (as attached as Appendix A to the minutes).

13. **MINUTES OF THE CABINET (HOUSING) COMMITTEE HELD 31 JANUARY 2018**

(Report CAB3026 refers)

Cabinet agreed to the following for the reasons outlined in the Report.

RESOLVED:

That the minutes of the Cabinet (Housing) Committee held 31 January 2018 be received and the recommendations contained therein be agreed (as attached as Appendix B to the minutes).

14. **FUTURE ITEMS FOR CONSIDERATION**

RESOLVED:

That the list of future items, as set out in the Forward Plan for March 2018, be noted.

The meeting commenced at 4.30pm and concluded at 5.55pm

Chairman