

Decisions taken by the Cabinet on Thursday, 17 February 2022

Agenda Item No	Topic	Decision	Reasons	Alternative Options
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Part A – Items considered in public

A6	Housing Revenue Account (HRA) Budget 2022/23	<p><u>That it be recommended to Council* :-</u></p> <ol style="list-style-type: none"> 1. That the 2022/23 Housing Revenue Account budget be approved, as detailed in Appendices 1 and 2 to report CAB3334. 2. That the 10 Year indicative HRA capital programme be approved as set out in appendices 3 and 4 of the report. 3. That capital expenditure in 2022/23 of £9.289m be approved for the Maintenance, Improvement and Renewal programme as 	<p>Report CAB3334 requests approval for the proposed HRA revenue budget for 2022/23, as detailed in Appendices 1 and 2 of the report.</p> <p>The report also requests approval for the capital programme budget proposal for 2022/23 and 10 year plan to 2031/32. These figures are detailed in Appendices 3 and 4, taking account of the funding shown in Appendix 5.</p> <p>The report also proposes a 3.1% increase in rent (1% lower than the national Government formula), together with an additional revenue investment of</p>	<p>The option to have a nil increase in rents was also modelled. The impact of no increase would have a cumulative detrimental impact over the life of the plan. Modelling demonstrated that the proposed HRA 30 year business plan would not be financially viable nor financially sustainable in such a situation, with negative working balances from year 18. The net NPV cost to the HRA in today's prices over the 30 years would be a loss of £29.027m. The lost income could theoretically fund 152 new affordable homes. This option has therefore been</p>
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		<p>detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4</p> <p>4. That the proposed indicative funding for the HRA Capital Programme be approved, as detailed in Appendix 5.</p> <p>5. That the HRA Financial Plan operating account extract, including annual working balances be noted, as detailed in Appendix 6 of the report.</p> <p>6. That the proposal to fund £0.300m new initiatives around the Housing White Paper – “The charter for social housing residents” be supported and additional resources be invested in the</p>	<p>£0.300m in HRA services and £0.500m in HRA repairs and maintenance in 2022/23, as detailed within the report.</p> <p>The proposed HRA Business plan 2021/22 to 2050/51 was reported to Cabinet in December, and this confirmed that the HRA Business plan was both viable and sustainable. A summary extract of the 30 year revenue operating account is included in Appendix 6.</p>	<p>discarded as being unviable.</p> <p>The option to increase council rents by the permitted national guideline increase of 4.1% was also considered and rejected. The majority of council landlords and registered providers have kept with the higher increase in recognition of this being a key measure for funding long term business plans and of the several years of national rent reductions which reduced the cost of social housing compared to market housing.</p> <p>The impact of a 4.1% increase would have been to generate additional financial headroom that could have allowed sufficient funds to finance an additional 58 new affordable homes and the</p>

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		<p>capacity of the new homes delivery team, the decent homes team and Neighbourhood/Estate Management.</p> <p>7. That the proposal to increase the revenue funding for planned and reactive repairs by £0.500m to reflect both increased budget pressures and the cost of delivering an improved void standard to properties prior to letting be supported.</p> <p>8. That a rent increase of 3.1% from April 4th 2022 for Social and Affordable housing within the HRA be approved.</p> <p>9. That a cap on service charges for 2022/23 for</p>		<p>lower increase will cost the HRA £7.5m over the life of the current plan. In addition, because the Government imposed real reductions of 1% between 2016-17 and 2019-20, the average annual increase in rents over the last 10 years would have still have been only 1.9%. It should be noted that a decision to set a rent lower than CPI+1% has no beneficial impact to residents in receipt of benefits or universal credit. All support payments are adjusted to reflect rent decisions up to the maximum of CPI+1% and the Government anticipate registered landlords setting rents in accordance with the national policy.</p> <p>However the decision still means that the HRA is</p>

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		<p>all tenants at £5.00 per week be approved.</p> <p><i>*NB recommendations to Council are not subject to call-in.</i></p>		<p>financially viable and that the 30 year business plan remains sustainable with general reserve levels above HRA minimum balances.</p>
A7	General Fund Budget 2022/23	<p>1 That a contribution of £200k to the Community Grants Reserve be approved, funded from the forecast surplus in 2021/22, to reduce the immediate impact of planned grant reductions over the next three year period of the programme 2022/23 to 2024/25.</p> <p>2 That the 2021/22 contributions of £250k to the Asset and Property reserve and £200k to the Parking and Access reserve be reinstated to support future investment</p>	<p>Report CAB3335 sets out the detailed General Fund Budget for 2022/23, reflecting the impact of the one year spending review announcement and a range of budget proposals.</p>	<p>Consideration has been given to not increasing Council tax in 2022/23.</p> <p>However, it should be noted that the Government settlement and additional resources allocated to the Council is a one year announcement and forecasts still indicate increasing deficits in future years and therefore this cannot be recommended.</p> <p>The proposals set out in report CAB3335 do result in increasing base budget costs in future years.</p>

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		<p>and maintenance programmes, funded from the forecast surplus in 2021/22.</p> <p>3 That an increase to fees and charges of 3% for sessions at the Winchester Sport and Leisure Park and Meadowside Centre be approved, as set out in Appendix F of CAB3335.</p> <p><u>That it be recommended to Council*:</u></p> <p>4 That the level of General Fund Budget for 2022/23 be agreed and the summary as shown in Appendix A be approved.</p> <p>5 That the additional year of New Homes Bonus Allocation be used to fund</p>		<p>Consideration has been given to not taking forward the proposals in light of this. However, they are considered to be essential to support the delivery of the Council Plan. A strategic budget review is planned for 2022 as set out in the Medium Term Financial Strategy (CAB3318 refers). Consideration has also been given to transferring the New Homes Bonus allocation for 2022/23 to reserves to mitigate against future deficits. However, it is recommended that this funding be used to support specific one off projects which make a positive contribution to the Council Plan as set out in the report.</p>

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		<p>the following proposals:</p> <ul style="list-style-type: none"> a. Increased provision for Local Council Tax Support, with £100,000 additional one off provision to the Council's Hardship Fund b. £450k to fund essential maintenance work to Monuments and Historic Assets c. Low Carbon Transport - £250k to fund trials of low carbon bin lorries and/or buses operating existing Council services d. £40k to fund the installation of bike storage and other measures to support the promotion of cycling and walking e. £150k to fund feasibility work to 		

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		<p>prepare for the implementation of a food waste trial collection system in 2023.</p> <p>f. £185k to fund the cost of additional city and market town centre cleansing, the maintenance and replacement of street furniture (litter bins, seats, bollards bin stores etc) and also to fund an increased emphasis on fly tipping (additional clearance, surveillance and promotion)</p> <p>g. £25k to support work to embed the principles of the Council’s “City of Sanctuary” commitments and to</p>		

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		<p>review the diverse needs of communities across the district.</p> <p>h. £100k to fund fixed term IT staff to develop council systems to meet the requirements of flexible/agile working</p> <p>6 That the investment proposals set out in section 13.4 of report CAB3335 be supported, including:</p> <p>a. To reinstate the annual contribution of £250k to the Asset and Property reserve to support future investment and maintenance of council assets</p> <p>b. To increase the annual revenue contribution to the</p>		

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		<p>Parking and Access reserve by £200k per annum to support the implementation works set out in the annual Parking investment programme</p> <p>c. Increasing the annual staffing budget by £175k per annum from 2022/23 to create additional capacity in the Legal Services, Communications and Economic Development teams</p> <p>d. Increasing the annual staffing budget by £60k per annum from 2023/24 to create additional capacity in the Strategic Planning team</p> <p>e. An increase in the budget for annual audit fees of £30,000</p>		

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		<p>7 That the 2022 Council Tax Hardship Scheme allocation of £100,000 and the distribution of this funding as set out in Appendix F be approved; to be administered by the Revenues & Benefits teams under the Service Lead for Revenues & Benefits.</p> <p>8 That the sum of £1,061,591 be treated as Special Expenses under Section 35 of the Local Government Finance Act 1992 in respect of the Winchester Town area as set out in section 16 and Appendix D.</p> <p>9 That the Council Tax for the Special Expenses in the Winchester Town</p>		

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		<p>area at Band D for 2022/23 be increased by 4.5% to £76.71, an increase of £3.30.</p> <p>10 That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2022 of £24,315, be approved.</p> <p>11 That the level of Council Tax at Band D for City Council services for 2022/23 be increased to £151.29, an increase of £3.95 reflecting an average Council tax increase of 2.7%.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>		

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A8	Capital Investment Strategy 2022-2032	<p>1. That, subject to Council approval of the capital programme, IMT equipment and software expenditure (£343,000 in 2022/23) be approved as detailed in paragraph 11.8.7 of report CAB3332.</p> <p>2. That the requirement to ensure Members have the right knowledge and skills to undertake their governance role be noted.</p> <p><u>That it be recommended to Council*:</u></p> <p>3. The Capital Investment Strategy be approved including:</p> <p>a) the Capital</p>	<p>The Capital Investment Strategy sets out the council's capital spending programme and the principles which underpin this in order to deliver the desired priorities as set out in the Council Plan.</p>	<p>The council could elect to have no capital programme at all or to plan for an alternative programme. Both these options have been rejected as the council would no longer be able to meet its objectives.</p>

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		<p>Programme and Capital Programme Financing (Appendices A and B to report CAB3332);</p> <p>b) the Minimum Revenue Provision (MRP) Policy Statement (Appendix E);</p> <p>c) the Flexible Use of Capital Receipts Strategy (Appendix G); and</p> <p>d) the prudential indicators detailed in the report and its appendices.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>		

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A9	Treasury Management Strategy 2022/23	<p><u>That it be recommended to Council*:</u></p> <ol style="list-style-type: none"> 1. That the Treasury Management Strategy Statement which includes the Annual Treasury Investment Strategy for 2022/23 (and the remainder of 2021/22) is approved; 2. That authority is delegated to the Section 151 Officer to manage the council's high yielding investments portfolio and long term borrowing according to the Treasury Management Strategy Statement as appropriate; and 3. That authority is delegated to the Section 	<p>Report CAB3333 sets out the proposed Treasury Management Strategy Statement, including the Annual Investment Strategy for the council for 2022/23.</p> <p>Following the council's declaration of a Climate Emergency in June 2019 the Investment Strategy (Section 16) includes a commitment not to make equity investments either directly or indirectly (via pooled funds) in companies directly involved in the fossil fuel industry.</p> <p>In addition, following changes to the Public Works Loans Board (PWLB) lending criteria which precludes a local authority from borrowing from PWLB for any purpose if it plans to</p>	<p>The Council could elect to bring all treasury management activity back in-house. This option has been rejected as the arrangement with Hampshire County Council's Investments and Borrowing team provides significant resilience and economies of scale.</p> <p>The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in Table 13 as set out in paragraph 20.2 of</p>

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		<p>151 Officer, who in turn discharges this function to Hampshire County Council's Director of Corporate Operations, as agreed in the Service Level Agreement, to manage all council investments (other than the high yield portfolio) and short term borrowing according to the Treasury Management Strategy Statement as appropriate.</p> <p><i>*NB recommendations to Council are not subject to call-in</i></p>	<p>purchase assets primarily for yield, the Borrowing Strategy (section 15) confirms the council has no such plans.</p>	<p>report CAB3333.</p>