

CABINET

Tuesday, 15 November 2022

Attendance:

Councillor Tod (Chairperson)	– Leader and Asset Management
Councillor Ferguson	– Deputy Leader and Cabinet Member for Community and Housing
Councillor Gordon-Smith	– Cabinet Member for Service Quality
Councillor Learney	– Cabinet Member for Climate Emergency
Councillor Power	– Cabinet Member for Finance and Value
Councillor Porter	– Cabinet Member for Place and Local Plan
Councillor Thompson	– Cabinet Member for Business and Culture

Others in attendance who addressed the meeting:

Councillors Godfrey, Horrill and Wallace

Others in attendance who did not address the meeting:

Councillors Achwal, Batho and Clear

David Light and Lyn Mellish (TACT)

Apologies for Absence:

Councillors Becker

[Full audio recording and video recording](#)

1. **APOLOGIES**

Apologies were received as noted above.

2. **MEMBERSHIP OF CABINET BODIES ETC.**

There were no changes to Cabinet bodies to be made.

3. **DISCLOSURE OF INTERESTS**

Councillors Tod and Porter both declared personal (but not prejudicial) interests in respect of various agenda items due to their roles as County Councillors.

Councillor Thompson declared an interest as a Board Member on the Hampshire Cultural Trust.

4. **PUBLIC PARTICIPATION**

There were no questions asked or statements made.

5. **MINUTES OF THE PREVIOUS MEETING HELD ON 18 OCTOBER 2022**

RESOLVED

That the minutes of the previous meeting held on 18 October 2022 be agreed as a correct record.

6. **LEADER AND CABINET MEMBERS' ANNOUNCEMENTS**

The Leader announced that he had responded in support of the joint letter from the Leaders of Hampshire County Council and Kent County Council expressing their concern about the current financial crisis facing local government.

Councillor Ferguson announced that the council had organised a cost-of-living summit to take place on 22 November which would involve various partners to coordinate efforts.

As this was the last Cabinet meeting he would be attending before his retirement from the council, the Leader expressed his thanks to Richard Botham, Strategic Director and Section 151 officer, for his committed, professional and high-quality work over many years working at the council. Cabinet and other members present all joined in to express their thanks and good wishes.

7. **GENERAL FUND BUDGET OPTIONS & MEDIUM TERM FINANCIAL STRATEGY**
(CAB3374)

Councillor Power introduced the report and emphasised that the ongoing volatile national economic situation would result in difficult decisions having to be made by the council.

At the invitation of the Leader, Councillors Godfrey and Wallace addressed Cabinet as summarised briefly below.

Councillor Godfrey

He believed that in the face of the national economic uncertainty and the unlikelihood of additional government grants being forthcoming, there was little information in the report about how the budget deficit would be addressed. He disputed the benefits of the proposed expenditure of the Transitional Reserve to support a council wide transformation challenge programme. He considered that the council should focus on generating more income and highlighted the lack of progress on major projects in his view.

Councillor Wallace

He welcomed the thorough analysis in the report and the proposals to ensure the continuation of services for residents. He requested further clarification regarding the base assumptions used, for example in relation to contractual, future staffing costs and increasing utility costs. He also requested information on the reasons for the reduction in reserves between April 2022 and March 2024.

Councillor Power and the Strategic Director and Section 151 officer responded to the comments made, including providing further reassurance about the sensitivity analysis undertaken, the base assumptions adopted and the proposals included in the report to address the budget deficit. The Strategic Director also provided further details about the proposed future and previous use of reserves.

The Strategic Director clarified that some further information about the Government's proposals would be available following the Autumn Statement announcement on 17 November, however it was likely that the level of detail required to prepare the 2023/24 budget would not be provided until the end of December 2022.

Due to her interest as Hampshire Cultural Trust board member, Councillor Thompson took no part in the discussion or vote on resolution 11 as set out below.

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

RESOLVED:

1. That the projections set out in Appendix A of the report be noted and the proposal that the Exceptional Inflation Reserve be used if required to address the forecast deficit for 2023/24 be supported.

2. That, subject to final Government Spending Review announcements in December 2022, any additional grant award (such as continuation of New Homes Bonus) not included in current forecasts be used to fund the forecast deficit before reserves are used.

3. That the Medium-Term Financial Strategy be approved, as set out in sections 22-28 of the report.

4. That an increase to Garden Waste subscriptions with effect from November 2022 be approved in order to achieve cost recovery, resulting in charges increasing to £43 for small bins and £65 for large bins. For residents in receipt of a council tax reduction, to increase the discount from £10 to £15 on the cost of purchasing the green waste service.

5. That, following consultation, parking charges in Zone 1 (City Centre) car parks be subject to an increase in line with inflation (10%) and that charges and weekday charging periods or times for these car parks be extended to include Sundays and bank holidays with new overnight

charging introduced, to be implemented as soon as is practicable. There is no increase to Park and Walk or Park and Ride charging as part of this recommendation.

6. That Sunday on-street parking restrictions within the Winchester Inner Area Parking Permit Zone and on city centre parking meters be added to the Traffic Regulation Order Programme for 22/23. The exact zones to be included will be subject to consultation.

7. That, following consultation, parking charges in “market town” car parks be increased by a 20p flat amount on each chargeable rate; to £2.00 for the daily rate (where charged); and no change to season tickets, to be implemented as soon as is practicable. This change will not apply to the Alresford Station Car Park, where charges were amended recently.

8. That other fees and charges be increased where appropriate in line with the September Consumer Price Index figure (10.1%) to address contractual increases, to achieve cost recovery or to bring a fee in line with the market norm and that the Section 151 officer be authorised, in consultation with the Cabinet Member for Finance and Value and the Cabinet Member responsible for the service, to approve a different fee where appropriate.

9. That £450k of the Transitional Reserve be used to support a council wide transformation challenge programme, incorporating focussed independent reviews of key services over the next 6 months with the clear aim of determining longer term savings or income generation to support the delivery of the Medium-Term Financial Strategy and the Council Plan.

10. That £900k of the existing “Business Rates Retention Reserve” be re-allocated to the “Exceptional Inflation Reserve”.

11. That a detailed budget be prepared for consideration by Council in February 2023 based on the above assumptions, final spending review announcements and including the following options:

- a. That grants to core housing providers totalling £68,000 be funded from the Homelessness Prevention Fund rather than the General Fund base budget
- b. That, in relation to staffing matters:
 - i. in additional “vacancy management” provision of £200k be included
 - ii. an additional £23k per annum be included to fund an additional tree officer to support the delivery of essential works.
 - iii. £250k be included to fund the outcome from a review of salaries and to maintain reasonable parity with neighbouring councils.
- c. That, in relation to the council’s regeneration programme:

- i. as the existing contract for strategic development advice will end in early 2023, £150k is included for the next phase of professional advice needed to assist in preparing for the major decisions we will be bringing forward for regeneration projects
 - ii. £130k is included to fund staffing to support the move into delivery phase for our major regeneration projects from 2023 onwards
- d. that, in relation to services:
- i. the annual transfer to the Asset Reserve be reduced from £250k to £100k in 2023/24 (one year only) and the transfer to the Parking reserve be suspended for one year only
 - ii. an additional £80k per annum be included to address the impact of the “On Street parking” agency ending in 2023
 - iii. an additional £50k per annum be included to fund additional “street scene works”
 - iv. an additional £67k per annum be included to fund essential health and safety related tree works
 - v. £15k per annum for 2 years be included to ensure existing grant funding for the Hampshire Cultural Trust can be maintained
- e. That Council Tax will increase in line with the Government referendum limits (currently a maximum of £5 for a Band D property).

8. **HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND BUDGET OPTIONS**
(CAB3365)

Councillor Tod welcomed to the meeting David Light and Lyn Mellish from TACT who confirmed that they did not wish to make any comments or ask any questions on the report.

Councillor Ferguson introduced the report and highlighted that Cabinet was being requested to note the proposals at this stage as Government confirmation regarding possible rent setting ceilings was awaited.

At the invitation of the Leader, Councillors Horrill and Wallace addressed Cabinet as summarised briefly below.

Councillor Horrill

She acknowledged that it was not possible to agree a business plan at this time but welcomed the preparation outlined in the report. However, she queried why the report had not been discussed in another forum to allow wider councillor input, such as the Cabinet Committee: Housing. She raised a number of detailed questions on the proposals outlined in

the report, including querying when the commitment to build new council homes at Passivhaus plus standard had been made?

Councillor Wallace

He queried why some of the assumptions adopted by the council differed between this report and CAB3374 considered above. He suggested that a chart indicating housing asset value alongside borrowing costs would be useful. He also suggested that a future meeting consider in detail the business case for building to the Passivhaus plus standard.

Councillor Ferguson and the Chief Executive responded to comments raised by Councillor Horrill, explaining that due to the significance of the report it had been decided it required consideration by full Cabinet rather than Cabinet Committee and emphasising that the report would also be considered at Scrutiny Committee on 23 November 2022. Councillor Ferguson and the Finance Manager: Housing also provided responses to the detailed queries raised by Councillor Horrill.

As chairperson of the Committee, Councillor Ferguson agreed that the topic of Passivhaus plus homes be considered at a future Cabinet Committee: Housing.

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

RESOLVED:

1. That, in light of the absence of any Government confirmation regarding possible rent setting ceilings and the proposed changes to the rent setting mechanism identified elsewhere within the report, it be noted that at present it is not possible to approve a draft 30-year HRA Business Plan.

2. That the draft HRA Business 30-year Plan for 2022-23 to 2051-52 as summarised in the Operating Account included as Appendix 1 be noted, based upon an assumed 5% rent increase in 2023-24.

3. That the latest forecast 30-year HRA capital investment programme of £1.086m, an increase of £212m on the present plan be noted, subject to the approval of individual schemes; and subject to the final detailed HRA budget and the 10-year Capital Investment Strategy being approved by Council in February 2022.

4. That the impact of different rent assumptions upon the viability of the HRA Business Plan be noted as set out in section 16 of the report and that the final rent decision will be subject to the results of the Government consultation on Rent Ceilings for 2023-24.

9. **RURAL ENGLAND PROSPERITY FUND – INVESTMENT PLAN PROPOSAL (CAB3372)**

Councillor Thompson introduced the report including outlining the consultation that had been undertaken on the proposals. She also highlighted that although

the previous round of proposals had been approved, no funding had yet been received.

Councillor Thompson and the Corporate Head of Economy and Community responded to members' questions on the report.

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

RESOLVED:

1. That the UK Rural England Prosperity Fund (Rural Fund) proposed investment interventions and rank be noted as set out in Table 3 of the report.
2. That the list of interventions and indicative Rural Fund allocation as outlined in Table 4 of the report be noted, to be funded from the Council's allocation of the Rural Fund.
3. That authority be delegated to the Corporate Head of Service: Economy & Communities, in consultation with the Cabinet Member for Business and Culture, to take the necessary decisions and actions required to submit an investment plan and accept the allocation of funds.
4. That authority be delegated to the Corporate Head of Service: Economy & Communities to implement and administer the scheme and all related grant schemes and plans in accordance with the requirements and priorities of the prospectus and fund.
5. That a capital budget of £745,096 to be funded by the Rural Fund be approved.
6. That authority be delegated to the Corporate Head of Service: Economy & Communities, in consultation with the S151 officer, to incur capital expenditure in accordance with the requirements of the Fund.

10. **FUTURE ITEMS FOR CONSIDERATION**

RESOLVED:

That the list of future items as set out in the Forward Plan for December 2022 be noted.

The meeting commenced at 9.30 am and concluded at 11.10 am

Chairperson