

## **CABINET**

**Thursday, 8 February 2024**

Attendance:

Councillors  
Tod (Chairperson)

Cutler  
Becker  
Learney

Porter  
Thompson  
Westwood

Members in attendance who spoke at the meeting

Councillors Bolton, Godfrey, Horrill and Wallace

Video recording of this meeting

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1. **APOLOGIES**

No apologies were received.

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

There were no changes to the membership of Cabinet bodies to be made.

3. **DISCLOSURE OF INTERESTS**

Councillor Becker declared a pecuniary interest in respect of report CAB3445 as a property owner with a connection to a council sewage treatment works. She left the room during consideration of this report and took no part in the discussion or decision.

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

4. **PUBLIC PARTICIPATION**

Julian Perkins spoke during public participation as summarised briefly below. He stated that he had complained previously to Cabinet in January 2023 regarding the poor condition of the disabled public toilets in Winchester and was advised that a £700k budget had been allocated towards refurbishment. However, on a subsequent visit to the St Maurices Covert toilets in July 2023 he found the facilities in a very poor, unclean condition which he had again reported to the council and he had consequently met the contract manager to discuss his concerns. He requested that improvements be made without further delay and emphasised the importance of this, including because of the number of tourists visiting Winchester.

Councillor Tod responded to the comments made, including advising that the cleaning frequency of St Maurices Covert and Abbey Gardens public toilets had been increased and that improvements to the former were expected to

commence by the end of February. He apologised to Mr Perkins for his experiences to date and agreed to take forward specific comments raised with relevant officers.

5. **MINUTES OF THE PREVIOUS MEETING HELD ON 24 JANUARY 2024**

RESOLVED

That the minutes of the previous meeting held on 24 January 2024 be agreed as a correct record.

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

Councillor Learney announced that eight new glass recycling bins had been installed at St Catherine's park and ride.

7. **WASTE AND RECYCLING STRATEGY**  
(CAB3439)

Councillor Learney introduced the report and set out the recent consultation had demonstrated support for co-mingling of all recyclables and this approach had also been supported by members at the Health and Environment Policy Committee on 22 January 2024. This report set out the proposed strategic direction of waste and recycling services and the preferred method of collection would be advised to the County Council as requested.

Councillor Learney highlighted a correction to recommendation 1 of the report to reference paragraph 11.40, not paragraph 11.45.

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

Councillor Wallace

He highlighted the difficulties for all local authorities due to the delays in decisions by the Government, including on available funding, and queried how much money had been spent investigating different possible scenarios. He raised the following points: a) the risk that using HVO operated vehicles did not reduce the overall carbon footprint; b) what work was being undertaken to support the future provision of electric vehicles; and c) could recycled materials be used in the manufacture of food waste collection bins?

Councillor Bolton

He congratulated the council on the high level of consultation responses and supported the general idea to keep recycling as simple as possible. However he sought assurances that the council would work closely with the county council to achieve the best solution possible. He asked whether there were also plans to reduce the overall amount of waste produced, to improve residents' general understanding of recycling and whether there was a risk of inflated prices charged for HVO.

Councillor Learney, the Head of Programme – Place and the Service Lead – Environmental Services responded to the comments made including confirming discussions were ongoing with the county council and work was underway regarding investigating the infrastructure necessary for a future electric vehicle fleet.

Councillor Learney and officers responded to questions from Cabinet Members, including advising that food waste collection would be introduced by March 2026 but the implementation dates regarding mixed recyclables were dependant on several factors, including the county council's provision of a new materials recovery centre.

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

**RESOLVED:**

That, in respect of the recycling service offered by the city council it be agreed:

1. That as a result of resident feedback and the options appraisal set out in paragraph 11.40 of the report, the preferred option is a co-mingled recycling collection service collecting a wider range of materials and that Hampshire County Council be advised accordingly.

2. To seek to introduce a separate collection of food waste by 31 March 2026 with the Council's current contractor Biffa, including to provide quoted prices for the required food waste collection vehicles.

3. That the Council will pursue the current lowest carbon viable options as a priority for service delivery.

8. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2024/25**  
(CAB3445)

Councillor Becker left the room during consideration of this item and took no part in the discussion or decision.

Councillor Westwood introduced the report and highlighted that its contents had been previously considered at Cabinet Committee: Housing on 5 February and Scrutiny Committee on 6 February 2024. He drew attention to the points raised by the former and it was noted that the draft minutes from the latter had been circulated to those present at the meeting.

Councillor Westwood addressed all of the comments raised by Scrutiny Committee, including clarifying the following:

- a. Confirmation of the ongoing commitment to the provision of new homes in rural areas, as previously agreed as part of the Housing Strategy, and this would be demand led.

- b. With regard to Barnes House, the report sought agreement to dispose *in principle* but this would be considered further as part of the forthcoming review of temporary accommodation.
- c. With regard to the 80% rent strategy for new homes, this would be implemented only if the homes met the agreed energy efficiency requirements and would also include service charges.

At the invitation of the Leader, David Chafe (TACT) confirmed that TACT supported the proposed rent increase of 7.7% and thanked officers and councillors for their time in offering a clear and understandable explanation of the proposals.

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

#### Councillor Wallace

In relation to both this report and the General Fund budget (CAB3444), he drew attention to the council's declaration of a nature emergency and whether Cabinet would commit to the council investigating adopting corporate natural capital accounting. He also queried whether the council could influence new housing providers to consider whole life carbon and nature based construction techniques in build and product selections.

#### Councillor Horrill

She asked whether Cabinet would agree to accept the comments raised by Scrutiny Committee in full and recommend to council accordingly? She queried the timescale for the review of service charges and the consultation proposed. She requested confirmation that no housing assets would be disposed of until the temporary accommodation review had concluded. She requested that a specific commitment to both providing rural housing and to clarify the 80% rent level be added to the recommendations.

Councillor Westwood responded to comments made, including confirming that all the comments made by Scrutiny Committee could be supported. He drew attention to the presentation received at the Cabinet Committee: Housing on 5 February regarding the selection of materials for the retrofit programme. He confirmed that the review of the service charges would be undertaken by September 2024. He reiterated comments made earlier regarding the disposal of Barnes House only being agreed in principle at this stage, but highlighted if it was not sold, the council would need to consider other properties to dispose of in order to balance the budget. He emphasised that the commitment to provide affordable housing in rural areas was part of the agreed Housing Strategy, but that a specific reference could be made in the report's recommendations if required. Cabinet agreed to this suggestion with additional wording added to the end of recommendation 8 as set out below.

The Chief Finance Officer and Section 151 Officer advised that all councils followed a prescribed accounting framework but the suggestion regarding corporate natural accounting could be investigated further. Cabinet Members also highlighted the existing commitments in place, such as in relation to Biodiversity Net Gain.

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

**RECOMMENDED (TO COUNCIL):**

- 1. That the HRA Financial Plan operating account extract, including annual working balances be noted, as detailed in Appendix 6 of report CAB3445.**
- 2. That the 2024-25 Housing Revenue Account budget be approved as detailed in Appendices 1 and 2 to the report.**
- 3. That the 10-year indicative HRA capital programme be approved as set out in appendices 3 and 4 of the report.**
- 4. That capital expenditure in 2024-25 of £18.649m for the Maintenance, Improvement and Renewal programme be approved as detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4.**
- 5. That the proposed budget in 2024-25 for new homes of £15.524m be approved as detailed in Appendix 4 of the report subject to individual scheme approvals.**
- 6. That the proposed indicative funding for the HRA Capital Programme be approved as detailed in Appendix 5 of the report.**
- 7. That the proposed additional investment in the council housing stock of £30m over the next eight years to 2030-31 to retrofit properties on a fabric first basis to help improve their energy efficiency and reduce energy costs for tenants be noted. This additional annual investment brings the total annual investment here to £5.6m a year and £45m in total (see paragraph 12.5 of the report).**
- 8. That the proposed strategic change in direction moving from a plan based upon direct delivery of new homes to one based upon a mixture of actively acquiring s106 affordable housing directly from developers alongside future development with grant funding and using Right to Buy resources be approved (see paragraph 13.7 of the report), including the continuing commitment to rural housing, including through rural exception sites.**
- 9. That the current financial viability assessment for new build be noted and that at present all potential development sites based on current assumptions evaluated this year have not been assessed as being financially viable within the existing viability model (see paragraphs 13.1-13.10 of the report).**
- 10. That the proposed move to 80% market rent to help improve the viability of new homes development and to mitigate the**

increasing cost of delivery be approved (see paragraph 13.5 of the report).

11. That a revenue savings target of £400k over two years to assist with bridging the forecast gap in financing future capital expenditure be approved (see paragraph 14.2 of the report).

12. That the disposal in principle of Barnes house in 2024-25 be approved, and in addition the disposal of £0.500m of surplus HRA property per year over the next eight years to generate additional capital receipts to help fund the increased investment requirement over these years be approved (see paragraph 14.3 of the report).

13. That the average formula rent increase for 2024-25 for all affordable and social housing of 7.7% based on the September 2023 CPI figure of 6.7% +1% be approved (see paragraphs 15.1-15.4 of the report).

14. That the proposed move from RPI+0.5% to CPI+1% for existing council shared owners in the HRA from 2024-25 onwards, as well as in all future HRA shared ownership leases be approved. Note that the impact of this in 2024-25 will be a reduction in rent rises this year from 9.4% to 7.7% (see paragraph 15.4 of the report).

15. That a 7.7% increase in tenant service charges in 2024-25 be approved (see paragraph 15.5 of the report).

16. That consultation on the move to full cost recovery from 2025-26 for both private and tenant connections of the council's sewage treatment works be approved and it be noted that this will include transitional protection and be achieved within a nine-year timeframe, but subject to a further report in Autumn 2024 (see paragraphs 15.7-15.12 of the report).

17. That it be noted that officers are currently beginning a review of the current Housing IT management system with a view to evaluating whether it is still fit for purpose or needs to be replaced, as well as beginning work on the re-procurement of the repairs and maintenance contract. The Business plan provides for this to happen over the following two years at a provisional one-off cost of up to £2m (see paragraph 12.10 of the report).

18. That it be noted that the draft HRA Business 30-year Plan is viable and sustainable and has the capacity to support the council's ambitious delivery of 1,000 new affordable homes over the next 10 years. The proposed plan provides sufficient funds over the life of the plan to still deliver over 1,500 new affordable homes in total.

Councillor Cutler introduced the report and highlighted that its contents had been previously considered at Scrutiny Committee on 6 February 2024 and the draft minutes from this meeting had been circulated to those present.

At the invitation of the Leader, Councillor Godfrey addressed Cabinet as summarised briefly below.

He acknowledged that the budget was generally in line with the Medium Term Financial Strategy and the cautious approach being taken as there was no indication of government settlement levels beyond March 2025. However, he believed the council was overstating its financial difficulties due to the level of reserves. He noted that the TC25 savings announced to date were due mainly to increases in fees and charges and queried when further details regarding the required £2.4m savings per annum would be available. As had been raised at Scrutiny Committee, he queried the proposed increase in building control fees and requested further information regarding the financial impact of reducing the long-term empty property criteria from two years to one.

The Chief Finance Officer and Section 151 Officer confirmed that the information requested regarding the change in the empty property criteria would be available for the Council meeting on 22 February 2024. She advised that the current council tax collection rate was 99.1%.

Councillor Cutler responded to comments made above and also the comments made by Scrutiny Committee, including clarifying the following:

- a. The reasons for the proposed decision in connection to building control fees included consideration of wider issues surrounding continuation of the service.
- b. The amount proposed for the exceptional hardship fund was considered to be sufficient but it could be reviewed if necessary during the course of the next year.
- c. Providing examples of recent additional government and other body grants that had been received which were outside of the core budget process.

The Chief Finance Officer and Section 151 Officer advised that since the report had been published further government instructions had been received regarding the use of the additional 4% Funding Guarantee income stipulating that it should be used in the creation of efficiency savings. Consequently, the proposal to use the funds for a reserves in relation to the delivery of a food waste collection service be removed (previously recommendation 2.e of the report) and instead the £130,000 be allocated to the transitional reserve to invest in the TC25 transformation programme. This was agreed as set out in new recommendation 5.c below.

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

**RECOMMENDED (TO COUNCIL):**

**1. That the level of General Fund Budget for 2024/25 be agreed, and recommend the summary as shown in Appendix A of report CAB3444.**

**2. That the Greener Faster and carbon reduction investment proposals set out in section 14 of the report be approved, including:**

- a. £200,000 per annum for the carbon reduction measures on waste and recycling vehicles to enable the change to HVO fuel.**
- b. £1,400,000 per annum (less assumed 80% government funding) to expand recycling services to include food waste collections.**
- c. £400,000 per annum to implement other changes to the collection of recyclables.**
- d. £250,000 reduction in the annual waste income budget to reflect proposed changes to the Hampshire Inter Authority Agreement on waste.**

**3. That in relation to the Cost of Living focus of the Council Plan, the following be approved:**

- a. In the absence of any government funded scheme, the allocation of up to £100,000 from the Cost of Living / Living Well reserve to wholly or partially fund a local Council Tax Support Fund for 2024/25 in accordance with section 19 of the report.**
- b. Extending the council tax Exceptional Financial Hardship Fund, with the remaining balance of 2023/24 funding (£38,000 as at Jan 2024), to 2024/25 to support any council tax payers experiencing exceptional hardship, regardless of whether they are in receipt of Council Tax Reduction.**
- c. A discretionary 7.7% cap for 2024/25 on the annual increase in rent for Partnered Home Purchase scheme property owners, in line with the increase in social and affordable rents to existing tenants and for shared owners in the HRA.**

**4. That in relation to the council's Homes for All priority the following be approved:**

- a. an additional £20,000 per annum contribution to the New Burdens Reserve to support the Preventing Homelessness Strategy, including funding the increased costs of providing temporary accommodation for homeless households where required.**
- b. to reduce the long term empty property period from 2 years to 1 year, of the 100% council tax premium which applies to all unoccupied and unfurnished property.**

**5. That in relation to the council's TC25 transformation programme the following be approved:**



- a. The £607,000 of immediately recognised TC25 savings set out in section 13 of the report be reassigned to contributions to the Transitional Reserve for 2024/25 and 2025/26 to support the delivery of the wider transformation programme.
- b. A new budget of £100,000 per annum for the support and coordination of digital channel shift work across the council's services.
- c. The transfer of the £130,000 of additional 4% Funding Guarantee income to the transitional reserve to invest in the TC25 transformation programme.

6. That the unavoidable budget growth of £100,000 per annum to fund increased external audit fees be approved.

7. That savings in corporate property budgets for Non Domestic Rates (NNDR) of £177,000 to reflect reduced liabilities be approved.

8. That service income annual budgets be amended as follows, in response to revised estimates:

- a. Building control fees reduced by £100,000
- b. Land charges income reduced by £100,000
- c. Legal services reduced by £50,000
- d. Garden waste service income increased by £90,000
- e. Car parking income increased by £100,000

9. That the sum of £1,273,758 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 of the report.

10. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2024/25 be increased by the maximum allowed under the referendum limit of 2.99% combined between the town and district.

11. That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2024 of £118,152.14, be approved.

12. That the level of Council Tax at Band D for City Council services for 2024/25 be increased to £159.36, an increase of £4.07 reflecting an average Council tax increase of 2.6%.

13. That the new Council Tax Reduction scheme income bands (set out in appendix E of the report) that ensure claimants continue to receive the same level of support after the increase in Universal Credit from April 2024 be approved.

10. **CAPITAL INVESTMENT STRATEGY 2024-2034**  
(CAB3443)

Councillor Cutler introduced the report and highlighted that its contents had been previously considered at Scrutiny Committee on 6 February 2024 and the draft minutes from this meeting had been circulated to those present.

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

Councillor Wallace

He requested additional information regarding the business case for the proposed allocation of £485,000 for the refurbishment of the guildhall. He also asked for an update regarding the plans for the old river park leisure centre (RPLC).

Councillor Godfrey

He believed that the strategy was largely unchanged over the last five years and expressed a desire for schemes to be delivered faster. He requested an update on the Central Winchester Regeneration (CWR) scheme project. He also queried when proposals for a large energy generation project would be brought forward. Finally he asked whether there was any intention of utilising capital receipts to cover revenue costs (Appendix G of the report refers).

Councillors Cutler, Tod and Learney together with the Chief Finance Officer and Section 151 Officer responded to comments made above and also the comments made by Scrutiny Committee, including clarifying the following:

- a. There was no intention currently to use capital receipts to cover revenue costs.
- b. Any plans to demolish the former RPLC building would be tied in with future proposals for the site.
- c. An update regarding the CWR scheme would be provided at the Cabinet Committee: Regeneration later that day.
- d. Any decisions regarding an energy generation project would need to be taken in conjunction with other partners, such as the County Council.

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

**RECOMMENDED (TO COUNCIL):**

1. **The Capital Investment Strategy be approved including:**
  - (i) **the Capital Programme and Capital Programme Financing (Appendices A and B to report CAB3443);**
  - (ii) **the Minimum Revenue Provision (MRP) Policy Statement (Appendix E of the report);**

**(iii) the Flexible Use of Capital Receipts Strategy (Appendix G of the report); and**

**(iv) the prudential indicators detailed in the report and Appendix F of the report.**

RESOLVED:

2. That subject to Council approval of the capital programme, approves the following capital expenditure in 2024/25:
- (i) IMT equipment and software (£30,000) as detailed in paragraph 11.8.7 of the report;
  - (ii) £191,000 (subject to successful UKSPF funding bid) on Friarsgate Medical Centre interim open space (paragraph 11.2.4 of the report);
  - (iii) Up to £200,000 for essential repairs works to the Weirs (paragraph 11.2.4 of the report)
  - (iv) £40,000 in respect of fees for the replacement of North Walls pavilion (paragraph 11.2.4 of the report); and
  - (v) £485,000 for refurbishment works to the Guildhall to improve fire safety (paragraph 11.2.4 of the report).

3. That the requirement to ensure members have the right knowledge and skills to undertake their governance role be noted and that the ongoing support and training offered to members is continued and enhanced as required.

11. **TREASURY MANAGEMENT STRATEGY 2024/25**  
(CAB3446)

Councillor Cutler introduced the report and highlighted that its contents had been previously considered at Scrutiny Committee on 6 February 2024 and the draft minutes from this meeting had been circulated to those present. The Committee had not raised any comments to be considered by Cabinet.

Cabinet welcomed to the meeting Andrew Boutflower from Hampshire County Council who, together with the Chief Finance Officer and Section 151 Officer, responded to members' questions on the report.

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

**RECOMMENDED (TO COUNCIL):**

**1. That the Treasury Management Strategy Statement which includes the Annual Treasury Investment Strategy for 2024/25 (and the remainder of 2023/24) be approved;**

2. That authority be delegated to the Section 151 Officer to manage the Council's pooled property investment and long-term borrowing according to the Treasury Management Strategy Statement as appropriate; and

3. That authority be delegated to the Section 151 Officer, who in turn discharges this function to Hampshire County Council's Deputy Chief Executive and 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.

12. **TO NOTE THE FUTURE ITEMS FOR CONSIDERATION BY CABINET AS SHOWN ON THE MARCH 2024 FORWARD PLAN.**

Councillor Tod highlighted the new format forward plan which offered a three month view ahead which would improve notice of forthcoming decisions for both councillors and the public.

At the invitation of the Leader, Councillor Horrill addressed Cabinet as summarised briefly below.

She welcomed the new format and requested further information regarding the "Land Transaction" item which was listed to be considered by Cabinet on 14 March 2024.

Councillor Tod explained that this was a standing item which was included in every forward plan to enable an urgent decision to be taken, if required.

**RESOLVED:**

That the list of future items as set out in the March 2024 forward plan be noted.

The meeting commenced at 9.30 am and concluded at 12.20 pm

Chairperson