

CABINET

Tuesday, 21 November 2023

Attendance:

Councillors
Tod (Chairperson)

Cutler
Becker
Learney

Porter
Thompson
Westwood

Members in attendance who spoke at the meeting

Councillors Godfrey, Horrill, Lee and Wallace

[Video recording of this meeting](#)

1. **APOLOGIES**

There were no apologies received.

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

There were no changes of membership to be made.

3. **DISCLOSURE OF INTERESTS**

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

Councillor Becker declared an interest in respect of item 9 (report CAB3432) as a private householder connected to one of the council's sewage treatment works. She took no part in the discussion or decision on recommendation 9 of the report.

4. **PUBLIC PARTICIPATION**

Ian Tait spoke regarding reports CAB3433 and CAB3432 and David Chafe (TACT) also spoke regarding CAB3432. Their comments are summarised under the relevant minutes below.

5. **MINUTES OF THE PREVIOUS MEETING HELD ON 17 OCTOBER 2023**

RESOLVED:

That the minutes of the previous meeting held 17 October 2023 be agreed as a correct record.

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

Councillor Learney announced that a revised park and ride bus timetable with more frequent buses had been introduced for the Christmas period in order to reduce travel to the City Centre during this busy time of year.

Councillor Thompson announced that the second Jobs and Opportunities Fair would take place on 23 November 2023. She also highlighted the latest opportunity for applications to the Rural England Prosperity Fund with further information available on the Grants section of the council's website [here](#).

7. **59 COLEBROOK STREET - REFURBISHMENT AND CONVERSION TO SHARED ACCOMMODATION FOR THE USE OF UKRAINIAN AND AFGHANISTAN GUESTS**
(CAB3433)

Councillor Westwood introduced the report emphasising the demand for single occupancy accommodation for Ukrainian and Afghan guests, particularly with the lack of guarantee for government funding for host families beyond April 2024. The proposal also offered a good investment for the council in the longer term.

Ian Tait spoke during public participation as summarised briefly below. He considered that the capital sum required to refurbish the property appeared excessive given that it had only been empty for a few years and had been used as a house in multiple occupation (HMO) prior to this. He suggested it might offer better value to sell the property and buy an alternative house. He mentioned examples of other council owned properties that had remained empty for a number of years and expressed concern that the council was not effectively managing its assets and its approach lacked consistency.

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

Councillor Lee

He welcomed the proposal to provide temporary shared accommodation, recognising the need. He asked what the refurbishment standard would be? He also requested that Cabinet consider changing the procurement requirements generally to specify refurbishment products with a lesser carbon impact.

Councillor Horrill

She welcomed the proposal to make additional accommodation available. However, she suggested that the council's approach to HMOs appeared to be inconsistent, mentioning another council owned property in Eastgate Street. In addition she queried the council's proposals for a newly renovated property at 163 The Broadway which she believed was currently empty. She also requested clarification regarding the provision for ongoing repairs of 59 Colebrook Street.

Councillor Westwood responded to the points raised above. It was clarified that the council also owned the freehold of the sites surrounding 59 Colebrook Street and it was not therefore considered financially prudent to sell one property in

isolation. The refurbishment would be undertaken to EPC 'C' standard in line with the "fabric first" retrofit programme. Councillor Westwood noted Councillor Lee's request for a change to the procurement rules for further consideration outside of the meeting. He advised that Barnes House was considered under report CAB3432 below and would make further enquiries regarding the other two properties mentioned by Councillor Horrill.

The Strategic Director responded regarding the provision for repairs which was set out in Appendix 1 to the report and also clarified that decisions on different properties were taken in order to ensure the best return to the council on its assets. The Strategic Director also advised that the property 163 High Street was in the process of being let.

Councillor Westwood responded to questions from Cabinet Members.

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

RECOMMENDED (TO COUNCIL):

1. **That a capital budget of £610,000 to refurbish 59 Colebrook Street to provide temporary homeless accommodation be approved, funded by £250k grant from HCC, £206k grant from LAHF, and £154k of prudential borrowing.**

RESOLVED:

That subject to Council approval of the budget:

2. That capital expenditure of up to £610,000 be approved to refurbish 59 Colebrook Street to provide temporary homeless accommodation.

3. That authority be delegated to the Strategic Director (responsible for Housing) to approve the tender evaluation model.

4. That authority be delegated to the Strategic Director (responsible for Housing) to appoint the preferred contractor(s) following a competitive procurement process.

5. That authority be delegated to the Service Lead (Estates): to enter into all relevant agreements, to negotiate the contractual agreements and see them to completion to enable the conversion and refurbishment contract to be executed.

8. **GENERAL FUND BUDGET OPTIONS & MEDIUM-TERM FINANCIAL STRATEGY**
(CAB3430)

Councillor Cutler introduced the report including outlining TC25, the council's organisation-wide transformation programme to seek out and to deliver

transformational changes to the way services are provided to save £3m a year within 3 years.

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

Councillor Wallace

He believed it would have been preferable if the report had been considered by the Scrutiny Committee prior to Cabinet. He also highlighted the lack of inclusion of the council's nature emergency declaration despite the commitment to include consideration in all future plans. He asked the following questions: a) whether it was still the intention for the garden waste collection service to be cost neutral; b) queried the apparent proposal to freeze car parking charges; c) requested a more detailed analysis of projected waste collection costs; d) requested evidence of the ability of the TC25 programme to deliver the significant savings required.

Councillor Godfrey

He did not have confidence that the proposals currently available within the TC25 programme would be sufficient to address the predicted budget deficit and asked when councillors would be supplied with more information regarding the programme? He believed it would be unwise to rely on increased government grants to address the budget deficit. He considered that there appeared to be a focus on increasing council reserves rather than seeking new sources of income. He welcomed the action to reduce business rate spending on empty buildings but considered much more needed to be done to address the budget situation.

Councillors Cutler and Tod responded to the points raised above, including emphasising that this report was a part of the budget process and that both Scrutiny Committee and then Cabinet would consider the final budget proposals prior to submission to Council in February 2024.

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

RESOLVED:

1. That the assumptions set out in section 13 of the report and the projections set out in Appendix A of the report be noted.
2. That the Medium-Term Financial Strategy be approved as set out in sections 13 to 17 of the report.
3. That a detailed budget be prepared for consideration by Council in February 2024 based on the assumptions set out in this MTF; final spending review announcements; and including the following options:
 - a. That, in relation to Greener Faster and carbon reduction priorities:
 - i. £200,000 per annum be included for the carbon reduction measures on waste and recycling vehicles to enable the change to HVO fuel (as set out in paragraph 15.2 of the report).

- ii. £1,400,000 per annum (less assumed 80% government funding) be included to expand recycling services to include food waste collections (as set out in paragraph 15.2 of the report).
 - iii. £400,000 per annum be included to implement other changes to the collection of recyclables (as set out in paragraph 15.2 of the report).
 - iv. £500,000 be reduced in the annual waste income budget to reflect proposed changes to the Hampshire Inter Authority Agreement on waste (as set out in paragraph 15.2 of the report).
- b. That, in relation to the council's TC25 digital transformation programme:
- i. £100,000 per annum be included for the support and coordination of digital channel shift work across the council's services.
- c. That, in relation to services:
- i. An additional £100,000 per annum be included to fund the increased external audit fees.
 - ii. NNDR budgets be reduced by £177,000 per annum to reflect the reduced liability on corporate properties.
 - iii. An additional £20,000 per annum be included to fund the increased costs of temporary accommodation.
- d. That, in relation to service income annual budgets, amendments be made as follows, in response to revised estimates (see also paragraph 15.3 of the report):
- i. Building control fees reduced by £100,000
 - ii. Land charges income reduced by £100,000
 - iii. Legal services reduced by £50,000
 - iv. Pest control reduced by £50,000
 - v. Garden waste service income increased by £90,000
 - vi. Car parking income increased by £100,000
- e. That Council Tax will increase in line with the Government referendum limits (currently a maximum of 2.99% for a Band D property).
- f. That the annual contribution to the IT reserve be increased by £100k to support critical infrastructure and the digitalisation theme of the transformation programme.
- g. That a Future of Waste and Recycling reserve of £1m is established (using funds from the Major Investment Reserve) to support the implementation of the new recycling offer for residents.

4. Due to the inflationary increase in the Waste Collection contract cost, approve a corresponding September 2023 CPI rate increase to Garden Waste subscriptions with effect from March 2024, resulting in charges increasing to £45 for small bins and £69 for large bins (but maintaining the concessionary price at £29).

9. **HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND BUDGET
OPTIONS**
(CAB3432)

Councillor Westwood introduced the report and emphasised the proposals to invest in homes to support the aim of going “greener faster” in addition to reducing heating bills for tenants so as to address the cost of living crisis.

Councillor Becker declared an interest in respect of item 9 (report CAB3432) as a private householder connected to one of the council’s sewage treatment works. She took no part in the discussion or decision on recommendation 9 of the report.

Ian Tait and David Chafe (TACT) spoke during public participation as summarised briefly below.

Ian Tait

He reiterated his comments made at the Cabinet Committee: Housing on 14 November regarding a request that the council seek to purchase land in order to build a new council house estate. He queried the high build cost for new homes quoted in the report when the council was currently buying homes for significantly less than this in Whiteley. He also believed that using Section 106 provisions did not increase the overall number of new homes being provided.

David Chafe (TACT)

He thanked Councillor Westwood, the Strategic Director and officers for assisting TACT in understanding the proposals included in the report. A full TACT meeting would be held in due course in order to provide a formal response in time for consideration of the HRA Business Plan and Budget at Cabinet in February 2024.

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

Councillor Wallace

As for CAB3430 above, he believed the report should have been considered at Scrutiny Committee prior to Cabinet. He asked the following questions: a) the implications of the proposed increase in debt to turnover ratio set out in Appendix 1 of the report; b) requested more information on how the £30m spend on retrofit would be spent; c) the implications of the new strategy to buy affordable homes; d) requested a specific standard be stipulated on reduction to energy costs; e) requested further detail on the consultation proposed in relation to sewage treatment works; f) whether the proposed rent increases had been reviewed with TACT and the Citizens Advice Bureau; g) what percentage increase was anticipated for service charges.

Councillor Horrill

She agreed with Councillor Wallace that the report should have been considered at Scrutiny Committee prior to Cabinet. She asked the following questions: a) did the commitment to provide 1000 new homes include new build and rural schemes? b) requested more specific reference to the ongoing maintenance of

existing properties; c) asked for reassurance that the increased rent levels for the newer more energy efficient properties would not be applied to existing properties? d) what types of HRA properties were being considered for sale? e) requested further information regarding the proposals to move to full cost recovery for private connection to the council's sewage treatment works.

Councillor Westwood responded to the points raised above, including confirming that the new higher rent proposal would not be applied to tenants living in existing properties but only to those in new build programme properties. The Strategic Director also responded to comments made regarding the rationale for disposal of a small number of assets.

Cabinet (with the exception of Councillor Becker) agreed an amendment to recommendation 9 of the report to request that the proposals be subject to consultation, the terms of individual leases and a review of costs. This was agreed as set out below.

With the exception of Councillor Becker who took no part in the decision on resolution 9 only, Cabinet agreed to the following for the reasons set out in the report and outlined above.

RESOLVED:

1. That the draft HRA Business 30-year Plan for 2023-24 to 2052-53 metrics shown in Appendix 1 of the report be noted.
2. That the budget options outlined within the report be approved.
3. 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 £5.625m a year and £45m in total.
4. 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 noted.
5. 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 12.3 - 12.6 of the report).
6. 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 noted.

7. That it be noted that a revenue savings target of £400k over two years has been set to assist with bridging the forecast gap in financing future capital expenditure.

8. That the disposal in principle of Barnes house in 2024-25 be approved, and in addition two strips of land with one 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.

9. That subject to consultation, the terms of individual leases and a review of costs, the move to full cost recovery for private connections of the council's sewage treatment works be approved and note that this will include transitional protection and be achieved within a five-year timeframe.

10. **FUTURE ITEMS FOR CONSIDERATION BY CABINET**

Councillor Cutler reported on two additional items for consideration by him at the Cabinet Member Decision Day on 4 December 2023 (neither were key decisions):

- a) Jane Austen 250 year memorial statue
- b) To consider and note the draft minutes from The Scrutiny Committee held 22 November in relation to reports CAB3430 and CAB3432.

RESOLVED:

That, with the addition of the above items, the list of future items as set out in the December 2023 forward plan be noted.

The meeting commenced at 9.30 am and concluded at 11.50 am

Chairperson