

CABINET

Thursday, 9 February 2023

Attendance:

Councillors
Tod (Chairperson)

Ferguson

Power

Becker

Porter

Gordon-Smith

Thompson

Learney

Members in attendance who spoke at the meeting

Councillors Bolton, Horrill and Wallace

Video recording of this meeting

1. **APOLOGIES**

There were no apologies 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 Thompson declared a personal (but not prejudicial) interest in respect of report CAB3388 due to her role as a board member of the Hampshire Cultural Trust. She remained in the room but took no part in the debate or decision in connection with recommendation 3 (c) of the report.

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**

There were no questions asked or statements made.

5. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED

That the minutes of the previous meeting held on 25 January 2023 be agreed as a correct record.

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

The Leader provided an update on the judicial review in relation to decisions regarding the former Leisure Centre. He announced that Lord Justice Lewison refused permission to appeal to the applicants – rejecting the accuracy and legality of all the claims made and consequently the judicial review process was at an end. The Leader stated that this now unblocked the project and meant that we move forward to the consultation process that the Council and the University promised in November 2021.

Councillor Thompson stated that a Jobs and Opportunities Fair would be held on 24 February 2023 at Winchester Sport and Leisure Park for local businesses and job seekers.

Councillor Thompson also announced the free to attend, Enchanted Garden light event would commence on 11 February in Abbey Gardens, Winchester.

7. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2023/24**
(CAB3387)

Councillor Ferguson introduced the report and drew members' attention to a number of key points therein. With regard to the proposal for a 7% rent increase, she advised that had been discussed with TACT and the indicated rent increase was in line with neighbouring authorities.

At the invitation of the Leader, David Light (TACT) confirmed that the majority of TACT members agreed with the 7% rent increase and also supported the proposal for a discretionary 7% cap on the annual rent increase for shared ownership properties. The continuation of the Welfare Support budget was also welcomed.

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

Councillor Wallace

He welcomed the well organised and presented format of the report and supported its contents.

Councillor Horrill

She also acknowledged the work of the Housing Finance team in producing the report and the involvement of TACT. She requested clarification of the spending plans for the 7% rent increase (as opposed to a 6% increase). She welcomed the proposals to offset the nitrate neutrality requirements but queried whether credits would be available in the future. She requested further clarification of the requirement for an additional 6.2 ftes in the Property Services team and also whether funding for the retrofit programme would be adequate to meet tenants' demands. Finally, she raised a query regarding the homelessness budget line that she had raised at the Scrutiny Committee.

Councillor Ferguson and the Corporate Head of Housing responded to comments made, including explaining that spending plans were set out in section 13.1 of the report and the work already underway and phased work plans on the retrofit programme. The proposed increase in the Property Services team was required to meet the demands of the new Building Safety requirements, together with the aim to take a more preventative approach to housing repairs and maintenance. The Housing Finance Manager answered the query in relation to the homelessness budget.

The Chief Executive provided an update of the matters discussed during consideration of this report at Scrutiny Committee on 7 February 2023 which were noted by Cabinet. The Committee did not forward any issues for the attention of Cabinet.

Cabinet noted an amendment required to recommendation 12 of the report to correct the reference to paragraph 19.5. There were a number of other minor corrections which would be made prior to the report being submitted to Council for approval.

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

RECOMMENDED (TO COUNCIL):

- 1. That the 2023/24 Housing Revenue Account budget be approved, as detailed in Appendices 1 and 2 to the report.**
- 2. That the 10-year indicative HRA capital programme be approved, as set out in Appendices 3 and 4 to the report.**
- 3. That capital expenditure in 2023/24 of £9.530m 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.**
- 4. That the proposed budget in 2023-24 for new homes of £20.518m be approved as detailed in Appendix 4 of the report, subject to individual scheme approvals.**
- 5. That the proposed indicative funding for the HRA Capital Programme be approved as detailed in Appendix 5 of the report.**
- 6. That the HRA Financial Plan operating account extract, including annual working balances, be noted as detailed in Appendix 6 of the report.**
- 7. That the proposal to fund £0.400m for the new initiatives detailed in section 13.1 of the report be supported, which includes funding for additional staff resources to support the actions**

identified and the creation of a new disrepairs claims budget of £0.100m.

8. That it be agreed to continue the provision of the Welfare Support budget of £0.215m and to refocus this on measures to support vulnerable tenants to maintain their tenancies during this period of unprecedented cost pressures.

9. That a rent increase of 7% from April 2023 for Social and Affordable housing within the HRA for existing tenants be approved.

10. That a cap on the average overall increase for tenant service charges in 2023-24 of 7% be approved.

11. That in recognition of the Cost-of-Living crisis, a discretionary 7% cap on the annual rent increase for Shared Owners be approved, in line with the increase in social and affordable rents to existing tenants as opposed to 13.1% increase that would have been applied.

12. That in principle to the HRA funding approximately £3.5m from the unallocated New Homes budget be approved, in order to meet any grant requirements to acquire 17 properties in accordance with the Local Authority Housing Fund (LAHF) grant conditions, as detailed in Section 19.5 of the report.

8. **GENERAL FUND BUDGET 2023/24**
(CAB3388)

As noted above, Councillor Thompson declared a personal (but not prejudicial) interest in respect of the report due to her role as a board member of the Hampshire Cultural Trust. She remained in the room but took no part in the debate or decision in connection with recommendation 3 (c) as set out below.

Councillor Power introduced the report emphasising it was the financial plan to deliver the council plan which was agreed in January.

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

He requested further details about the council's proposals to deliver its commitments towards reducing carbon emissions. He noted the £250k funding proposals towards "greener faster" but considered this insufficient to meet the carbon net zero target. He asked specifically what was intended to be spent on tackling the climate emergency in 2023/24?

Councillor Power emphasised that every Cabinet Members' budget proposals included measures to reduce the carbon footprint. However, it was only possible to include detailed budgets once clear costs, benefits and funding streams had been identified and secured. As soon as projects had secured monies further details would be provided.

The Chief Executive provided an update of the matters discussed during consideration of this report at Scrutiny Committee on 7 February 2023 which were noted by Cabinet. The Committee did not forward any issues for the attention of Cabinet. However, some minor typographical corrections would be made to the report before it was submitted to Council.

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 2022/23 be agreed, and recommend the summary as shown in Appendix A of the report.**
- 2. That the creation of and transfers to reserves (detailed in section 13.13 of the report) be approved to support the delivery of the key priorities in the Council Plan, including:**
 - a. Greener Faster (£250k)**
 - b. Future of Waste (£500k)**
 - c. Pride in Place (£150k)**
 - d. Digital Transformation (£400k)**
 - e. Regeneration (£300k)**
 - f. Cost of Living/Living Well (£170k)**
 - g. Transitional Reserve (additional £230k)**
- 3. That the Pride in Place investment proposals set out in section 13.5 of the report be supported, including:**
 - a. To increase the regeneration budget by £130k per annum to provide capacity to deliver the council's regeneration programme.**
 - b. To increase the Town Forum bus shelter replacement programme by £10k per annum from 2023/24**
 - c. To freeze the proposed grant funding reductions to Hampshire Cultural Trust and maintain pre-2022/23 funding levels until the end of 2024/25, at a cost of £43k per annum.**
 - d. Extend the current one-off budget funding street scene works under the Pride in Place priority by £50k per annum**
 - e. Increase the tree works budget by £78k per annum to fund ongoing essential works to the Council's trees across the district**
 - f. Increase the Natural Environment and Recreation Team budget by £23k per annum to fund a tree officer post to manage the council's trees.**

4. That the proposed increase to the salary budget of £175k per annum to fund all grades being uplifted by one increment on the existing pay scales be approved, in accordance with Appendix G of the report, to give Winchester a more competitive market position for recruitment and retention of staff.

5. That a discretionary 7% cap for 2023/24 on the annual increase in rent for Partnered Home Purchase scheme property owners be approved, in line with the increase in social and affordable rents to existing tenants in the HRA.

6. That the sum of £1,186,879 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.

7. That the Council Tax for the Special Expenses in the Winchester Town area at Band D for 2022/23 be increased by 5.5% to £80.93, an increase of £4.22.

8. That the surplus balance on the Council Tax Collection Fund for distribution to this Council, calculated in January 2023 of £39,724.63, be approved.

9. That the level of Council Tax at Band D for City Council services for 2022/23 be increased to £155.29, an increase of £4.00 reflecting an average Council tax increase of 2.65%

10. That the new Council Tax Reduction scheme income bands be approved (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 2023.

11. That the distribution of the Government's £150,512 Council Tax Support Fund through a reduction to Council Tax balances be approved, in line with the Government's guidance and additional local criteria, detailed in paragraph 17 of the report.

9. **CAPITAL INVESTMENT STRATEGY 2023-2033**
(CAB3389)

Councillor Power introduced the report which detailed the spending required to deliver the capital spending programme over the next 10 years.

The Chief Executive and Councillor Power provided an update of the matters discussed during consideration of this report at Scrutiny Committee on 7 February 2023 which were noted by Cabinet. The Committee did not forward any issues for the attention of Cabinet.

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:**
 - a) the Capital Programme and Capital Programme Financing (Appendices A and B to the report);**
 - b) the Minimum Revenue Provision (MRP) Policy Statement (Appendix E);**
 - c) the Flexible Use of Capital Receipts Strategy (Appendix G); and**
 - d) the prudential indicators detailed in the report and Appendix F.**

RESOLVED:

1. That subject to Council approval of the capital programme:
 - a) IMT equipment and software expenditure (£120,000 in 2023/24) be approved, as detailed in paragraph 11.8.7 of the report; and
 - b) up to £320,000 of additional expenditure for the demolition of Friarsgate Medical Centre in respect of the overage payable be approved, as detailed in paragraph 11.2.4 of the report.

2. 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 UK Shared Prosperity Fund as detailed in 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.

**10. TREASURY MANAGEMENT STRATEGY 2023/24
(CAB3390)**

The Leader welcomed Andrew Bouflower (Hampshire County Council, Head of Investments and Borrowing).

Councillor Power introduced the report and highlighted the key changes since the previous year. She provided an update of the matters discussed during consideration of this report at Scrutiny Committee on 7 February 2023 which were noted by Cabinet. The Committee did not forward any issues for the attention of Cabinet.

One member raised a query regarding the treatment of community infrastructure levy (CIL) funding received and specifically whether there was any requirement to return unspent monies. The Strategic Director and Monitoring Officer explained that this depended on the decision and agreement made in each case

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 2023/24 (and the remainder of 2022/23) 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 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.**

11. FUTURE ITEMS FOR CONSIDERATION

RESOLVED:

That the list of future items as set out in the Forward Plan for March 2023 be noted.

The meeting commenced at 9.30 am and concluded at 10.45 am

Chairperson