

CABINET

Meeting held on Tuesday, 18th January, 2022 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr D.E. Clifford, Leader of the Council

Cllr Marina Munro, Planning and Economy Portfolio Holder

Cllr A.R. Newell, Democracy, Strategy and Partnerships Portfolio Holder

Cllr M.L. Sheehan, Operational Services Portfolio Holder

Cllr P.G. Taylor, Corporate Services Portfolio Holder

Cllr M.J. Tennant, Major Projects and Property Portfolio Holder

An apology for absence was submitted on behalf of Cllr K.H. Muschamp.

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **31st January, 2022**.

52. DECLARATIONS OF INTEREST –

Having regard to the Council's Code of Conduct for Councillors, no declarations of interest were made.

53. MINUTES –

The Minutes of the meeting of the Cabinet held on 14th December, 2021 were confirmed and signed by the Chairman.

54. COUNCIL TAX SUPPORT SCHEME 2022/23 –

(Cllr Diane Bedford, Chairman of the Council Tax Support Task and Finish Group)

The Cabinet considered Report No. FIN2206, which set out the work carried out by the Council's Council Tax Support Task and Finish Group in respect of potential changes to the Council Tax Support Scheme. The Chairman welcomed Cllr Mrs. D.B. Bedford, Chairman of the Council Tax Support Task and Finish Group, who was attending to report on the Group's recommendations.

The Council Tax Support Task and Finish Group had met on 17th August, 2021, 6th October, 2021 and 25th November, 2021 to consider its recommendations to the Cabinet. The Group had considered the on-going impact of Covid-19 and had paid specific attention to a number of matters during its deliberations and these were set out in paragraph 2 of the Report. Having considered all relevant factors, the Group recommended that no changes should be made to the Council Tax Support Scheme for 2022/23, except for the usual alignment with Housing Benefit rates in the calculations. This would mean that the minimum contribution would remain at 12%. Additionally, it was recommended that a fundamental review of the Scheme should be carried out in early 2022/23.

The Cabinet expressed gratitude to the Council Tax Support Task and Finish Group for its work in producing these recommendations.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that the current Council Tax Support Scheme for working age customers be retained for 2022/23, with the usual alignment to Housing Benefit Rates; and
- (ii) **RESOLVED** that:
 - (a) the Council Tax Support Task and Finish Group be authorised to undertake a detailed review of the Council Tax Support Scheme, to be carried out early in 2022/23 and to take into account the continuing impact of the Covid 19 pandemic and the increasing cost of the scheme and its local impact on scheme recipients and other local Council Tax payers; and
 - (b) the deliberations and considerations of the Council Tax Support Task and Finish Group in arriving at its recommendations, as set out in Report No. FIN2206, be noted.

55. **APPOINTMENT OF DIRECTORS - FRIMLEY4 BUSINESS PARK, FRIMLEY –**
(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Report No. PETS2202, which set out a proposal to appoint new Directors for Frimley Business Park Management Limited.

Members were reminded that the Council had purchased part of the Frimley4 Business Park in April, 2019. Currently, the Council's Head of Property, Estates and Technical Services and the Council's Service Manager – Property and Estates were nominated Directors of the Business Park's management company. The current Head of Property, Estates and Technical Services postholder was about to leave the employment of the Council and, as the Service Manager – Property and Estates was responsible for the management of the asset, it was felt that both of the Council's Directors should be replaced.

The Cabinet RESOLVED that the appointment of the Council's Corporate Manager – Legal and the Council's Head of Service responsible for the Property and Estates function as Directors of the Frimley Business Park Management Limited company be approved.

56. **FIRST HOMES INTERIM POLICY STATEMENT –**
(Cllr Marina Munro, Planning and Economy Portfolio Holder)

The Cabinet considered Report No. EPSH2204, which set out a proposed new Rushmoor First Homes Interim Policy Statement.

Members were informed that the policy would help the Council to provide certainty to developers as to how the Council would implement first homes through the planning

system. The Report set out the details of the interim scheme and it was explained that this would be considered through the Local Plan process in due course.

The Cabinet expressed support for this policy, which would help first time buyers to get onto the housing ladder at a reduced price.

The Cabinet RESOLVED that

- (i) the adoption of the Rushmoor First Homes Interim Policy Statement, as set out in Report No. EPSH2204, be approved; and
- (ii) the Head of Economy, Planning and Strategic Housing, in consultation with the Planning and Economy Portfolio Holder, be authorised to make amendments to the Interim Policy Statement to reflect any relevant changes to national policy and guidance or case law.

57. REVENUE BUDGET MONITORING REPORT P2 2021/22 –
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Report No. FIN2201, which set out the anticipated financial position for 2021/22, based on the monitoring exercise carried out during October and November, 2021. Members were informed that the Covid-19 pandemic had continued to have a widespread impact on local authority budgets, particularly in relation to a significant loss of income from services and an uncertain income recovery during the current financial year. It was noted that the forecast focussed on the immediate financial pressures that had been identified and that further analysis would be undertaken on the Medium Term Financial Strategy and Savings Plan to inform the budget setting process for 2022/23. A summary of the general risks and uncertainties faced by the Council at this time was included in the Report.

The Cabinet RESOLVED that

- (iii) the latest revenue forecasts and financial impact on reserve balances, as set out in Report No. FIN2201, be noted; and
- (iv) the additional transfers from earmarked reserves, as set out in paragraph 7.4 of the Report, be approved.

58. CAPITAL PROGRAMME MONITORING AND FORECASTING REPORT P2 2021/22 –
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet received Report No. FIN2202, which provided the latest forecast regarding the Council's Capital Programme for 2021/22, based on the monitoring exercise carried out during October and November, 2021. The Report advised that the original Capital Programme for 2021/22, which had been agreed by the Council on 25th February, 2021, had totalled £38.510 million. Table 1 of the Report set out the reconciliation of budget changes since then, along with the projected actual capital expenditure for 2021/22. It was noted that projects of major financial significance to the Council in the Capital Programme included the regeneration projects in Aldershot town centre and Farnborough Civic Quarter and the

replacement of cremators at the Aldershot Crematorium. Members were advised that, of the approved capital budget of £41.297 million, only £14.580 million was forecast to be spent by the end of 2021/22. In noting this variance, it was explained that the programme contained large and complex projects that required proactive monitoring to ensure any delays or variations in cost were clearly understood and communicated to assess the implications for the Council.

The Cabinet RESOLVED that the latest Capital Programme position, as set out in Tables 1 and 2 of Report No. FIN2202, including the proposed slippage of £26.893 million, be noted.

59. **RECOMMENDATIONS FROM BUDGET STRATEGY WORKING GROUP 2021/22–**
(Cllr Paul Taylor, Chairman of the Budget Strategy Working Group)

The Cabinet considered Report No. FIN2204, which set out recommendations from the Council's Budget Strategy Working Group in respect of the strategic financial issues that the Group had worked on throughout the year. The Chairman welcomed Cllr J.B. Canty, who had requested to address the Cabinet on this issue.

Members were reminded that the Corporate Services Portfolio Holder (Cllr P.G. Taylor) was the Chairman of the Group, which had met five times during the current financial year and had one further meeting for the year, scheduled for March, 2022. The Group had considered many matters during the year, including the strategic options around the Council's revenue and capital budget setting for the forthcoming financial year and ongoing impact of Covid-19 on the Council's financial position. The Group had formulated a number of recommendations to the Cabinet and details of these were set out in the Report.

The Cabinet heard from Cllr Canty, who had been a member of the Budget Strategy Working Group during the previous year. Cllr Canty expressed support for the recommendations from the Group, as set out, and went on to express some personal observations on how the Council might address the financial challenges it faced over the coming years. Cllr Canty was thanked for his input.

The Cabinet expressed gratitude to the members of the Budget Strategy Working Group for their work in producing these recommendations.

The Cabinet NOTED the following recommendations from the Budget Strategy Working Group, that

- (v) the Savings and Transformation Programme be continued to ensure a balanced portfolio of cost management and income generation opportunities to enable the Council to achieve financial sustainability over the medium-term strategy period, with the Budget Strategy Working Group acting as a consultee on the development of the programme, in line with the Group's Terms of Reference, as set out in Appendix A of Report No. FIN2204; and;
- (vi) whilst mindful of the impact on Rushmoor residents, the Council should increase Council Tax by the maximum permissible level of £5, given the inflationary and financial pressures faced by the Council.

60. **MEDIUM TERM FINANCIAL STRATEGY 2022/23 TO 2025/26 - UPDATE –**
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet received Report No. FIN2203, which set out an update on the key factors influencing the preparation of the Council's 2022/23 budget. The Report also provided an update on the Provisional Local Government Finance Settlement.

Members were informed that the Council, along with many other local authorities, continued to face significant financial challenges over the medium term. Risks and uncertainties, particularly around Covid-19, Brexit and the global economy made it difficult for the Council to accurately predict its medium term financial position. The Report set out details of the Spending Review announced by the Government on 27th October, 2021. The Cabinet was informed that would need to ensure that adequate reserves were maintained over the medium term to mitigate the risks identified in the Report.

The Cabinet NOTED the contents of Report No. FIN2203, including the Provisional Local Government Finance Settlement and the financial planning process and associated risks and uncertainties, as set out in Section 7.

61. **EXCLUSION OF THE PUBLIC –**

RESOLVED: That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned items to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the items:

Minute Nos.	Schedule 12A Para. No.	Category
62 and 63	3	Information relating to financial or business affairs

**THE FOLLOWING ITEMS WERE CONSIDERED
IN THE ABSENCE OF THE PUBLIC**

62. **INVESTMENT PROPERTY PORTFOLIO - AGREEMENT OF REVISED RENTAL OFFER –**

(Cllr Martin Tennant, Major Projects and Property Portfolio Holder)

The Cabinet considered Exempt Report No. PETS2201, which set out details of a revised rental offer in relation to a property owned by the Council.

Members were informed that, following a difficult trading period, discussions had taken place with the tenant of one of the Council's retail properties. The Tenant had built up rent arrears since the start of the pandemic. Officers had worked with Lambert Smith Hampton Investment Management (LSHIM), the Council's Asset Managers, and a specialist adviser and had negotiated a revised rental offer that represented a good solution for both the Tenant and the Council.

The Cabinet was supportive of the suggested approach and considered this to be the best available option.

The Cabinet RESOLVED that, having considered the options set out in Exempt Report No. PETS2201, the option agreed in principle with the Tenant, be approved as follows

- (i) a new ten-year lease from 1st September, 2021;
- (ii) a stepped rental basis per annum exclusive, as set out in the Report;
- (iii) a tenant only break option at the fifth year, subject to serving six months' notice and the tenant paying a penalty equivalent to one year's rent;
- (iv) a single upwards only rent review only at the fifth year, based off the stepped rent applicable at that time; and
- (v) a landlord's contribution of £10,000 towards costs, to be netted off against the first quarter's rent.

63. **APPLICATION FOR SECTION 49 REMISSION OF NON-DOMESTIC RATES –**
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

The Cabinet considered Exempt Report No. FIN2205, which set out an application for the remission of non-domestic rates on the grounds of hardship.

Members assessed the application from Dhampus Limited, No. 4 Wellington Street, Aldershot, taking into account the evidence of financial hardship supplied and whether it was in the interests of local taxpayers to subsidise the business. The Cabinet took into account the nature and circumstances of the business and the availability of alternative facilities in the area. The Corporate Services Portfolio Holder and the Council's Principal Revenues and Benefits Officer had examined the application in detail, including subsequent information requested in relation to the company's up to date sales and a future forecast for the success of the business, which was set out in the Report.

The Cabinet RESOLVED that 100% hardship relief be granted to Dhampus Limited for the current outstanding balance for the period from 15th July, 2019 to 31st March, 2020 and for the period from 1st July, 2021 to 31st March, 2022.

NOTE: It was noted that one of the Directors of Dhampus Limited was a member of the Conservative Party but that this had not had a material effect on the decision to grant hardship relief in this case, for which the application had been judged on its merits.

The Meeting closed at 7.48 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL
