

CABINET

Meeting held on Tuesday, 23rd July, 2024 at the Council Offices, Farnborough at 5.30 pm.

Voting Members

Cllr Gareth Williams, Leader of the Council and Finance Portfolio Holder
Cllr Sophie Porter, Deputy Leader and Community & Residents Portfolio Holder

Cllr Abe Allen, Enabling Services Portfolio Holder
Cllr Jules Crossley, Policy, Climate & Sustainability Portfolio Holder
Cllr Keith Dibble, Development & Economic Growth Portfolio Holder
Cllr Christine Guinness, Regeneration & Property Portfolio Holder
Cllr Becky Williams, Neighbourhood Services Portfolio Holder

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 **6th August, 2024**.

6. DECLARATIONS OF INTEREST –

Having regard to the Council's Code of Conduct for Councillors, the following declaration of interest was made:

| Item No. | Member | Interest | Reason |
|-----------------|-------------------|----------------------------|---|
| 11 | Cllr Keith Dibble | Personal and non-pecuniary | Partner employed as Senior Administrator for student lettings at the University of the Creative Arts. |

7. MINUTES –

The Minutes of the meeting of the Cabinet held on 4th June, 2024 were confirmed and signed by the Chairman.

8. MEDIUM TERM FINANCE STRATEGY 2024-25 TO 2027-28 UPDATE AND 2023-24 BUDGET OUTTURN –

(Cllr Gareth Williams, Leader of the Council and Finance Portfolio Holder)

The Cabinet considered Report No. FIN2411, which set out the Medium Term Financial Strategy (MTFS) update 2023/24 Budget Outturn.

It was noted that Report No. FIN2411, had been the first opportunity for the Cabinet to review and comment on the Council finances and came with the advantage of full visibility of the underlying numbers and realistic assumptions. The Report contained a wealth of detail which set out the Council's financial position, which required urgent attention and focus from the Council's leadership.

The Cabinet were being asked to note much of the detail in the report, approve the proposals and make recommendations to the Council, but it was also noted that actions were in place to address the issues with a detailed action plan being drafted. The action plan, which would be closely monitored by the Leader, senior Councillors and the executive team, would include action to reduce the Council's level of debt. Upgraded processes would also be put in place so that Members received transparent and insightful reporting of the Council's financial plans, to enable them to fulfil their role of scrutiny.

During discussions the Cabinet noted the importance of monitoring risk and ensuring issues arising were addressed in a timely manner. With regard to savings, it was noted that impacts on services provided would be limited where possible.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to:
 - (a) the approach and timetable to identifying the required revenue savings, as set out in Report FIN2411;
 - (b) the use of capital receipts strategy, as set out in the Report;
 - (c) the proposed reprofiling of the capital receipts income target and resulting £1.6m drawdown of reserves, as set out in the Report;
- (ii) **RESOLVED** that approval be given to:
 - (a) the write-off of the commercial property lease debt described in Report No. FIN2411;
 - (b) the 2023/24 reserve movements as represented by the transfers summarised in Report FIN2411, resulting in unaudited usable revenue reserves of £20.8m and a separate £2m working balance;
 - (c) the proposed strategy to drawdown reserves to finance the projected deficit, as set out in Report FIN2411;
 - (d) the establishment of a cross-party Cabinet Working Group to be known as the "Financial Recovery Working Group" with the primary role of overseeing delivery of the Financial Recovery Plan; and
- (iii) **NOTED:**
 - (a) the 2023/24 unaudited budget outturn returning £1.245m surplus to reserves, which may change with further due diligence and audit, be updated at the October Council;
 - (b) the revenue budget carry forward schedule and capital slippage, as set out in Report FIN2411;

- (c) the 2024/25 financial year review of performance against budget to date on key budget items, as set out in Report FIN2411, and that the Cabinet will receive a full in-year financial position in September;
- (d) the Section 151 Officer assessment that the minimum working balance of £2m remains adequate;
- (e) the sensitivity analysis of the budget deficit with respect to key assumptions and delivery of the savings plan;
- (f) the update to significant risks within the MTFS period;
- (g) the progress made to date on the financial resilience plan approved on 22 February and the CIPFA Financial Resilience Report;
- (h) the intention to address issues affecting the Council's financial position raised by the MTFS update, the CIPFA Financial Resilience Report and the Peer Challenge through a new detailed "Financial Recovery Plan"; and
- (i) that a further update would be provided to Cabinet in September and the Council in October.

9. **SWIMMING POOL SUPPORT FUND GRANT TO FUND ENERGY IMPROVEMENT WORKS AT ALDERSHOT POOLS –**
(Cllr Becky Williams, Neighbourhood Services Portfolio Holder)

The Cabinet considered Report No. OS2440 which set out details of a grant received by the Council from Sport England's Swimming Pool Support Fund (SPSF)

It was noted that the funds from the SPSF grant had already been received by the Council and the purpose of the item was to formally approve the acceptance of the funds. The funding had been granted to fund solar panels and pool covers at the Aldershot Pools and Fitness Centre to improve the energy efficiency of the existing facility.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to the addition of £208,350 into the 2024/25 Capital Programme funded by the SPSF; and
- (ii) **RESOLVED** that approval be given to the acceptance of the grant to fully fund the purchase of two swimming pool covers and the installation of photo voltaic panels at Aldershot Pools and Fitness Centre be approved.

10. **COUNCIL PROPERTY AND ESTATES - WORK PROGRAMME RESOURCE REQUIREMENT AND FUTURE CAPITAL COMMITMENTS –**
(Cllr Christine Guinness, Regeneration and Property Portfolio Holder)

The Cabinet considered Exempt Report No PG2420, which provided an update on key activities to be undertaken by the Council's Property and Estates team during

the remainder of the current financial year.

The Report identified the need for additional building surveyors to resource the delivery of the current work programme and the requirement for the use of capital contributions to enable lettings across the Council's current and future estate.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that £1.025m of capital receipts be allocated to enable the necessary capital contributions/works to enable letting of commercial units at Union Yard, Meads and across the wider portfolio, subject to the consideration and approval of individual business cases by the Cabinet; and
- (ii) **NOTED:**
 - (a) the current work programme of the Property and Estates team associated with the Financial Resilience Plan, management of the Council's commercial and regeneration estate and mobilisation of and post practical completion works at Union Yard, Aldershot, and
 - (b) the appointment of an additional Building Surveyor resources to support the work programme as set out in the Report, to be funded from a mix of existing budgets.

11. UNION YARD - MOBILISATION OF ASSET AND REVISED COMPLETION SCHEDULE –

(Cllr Christine Guinness, Regeneration and Property Portfolio Holder)

The Cabinet considered Report No. REG2404, which set out an update on the mobilisation and practical completion of the Union Yard scheme in Aldershot.

Members were informed that the delivery schedule had been revised further, with the contractors advising of an additional three week delay due to practicalities around decorating the emergency exit stairwell in the student accommodation.

The Cabinet **NOTED:**

- (i) the agreement/contracts entered into by the Council in respect of mobilising the asset ahead of practical completion;
- (ii) the revised completion schedule for the Union Yard scheme and any comments arising for the Union Yard Project Board, and;
- (iii) that contractual matters relating to the revised completion schedule will be considered under a separate report.

12. 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 item to avoid the

disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the item:

| Minute No. | Schedule 12A Para. No. | Category |
|-------------------|-------------------------------|---|
| 13 | 3 | Information relating to financial or business affairs |

**THE FOLLOWING ITEM WAS CONSIDERED
IN THE ABSENCE OF THE PUBLIC**

13. UNION YARD - CONTRACTUAL MATTERS –
(Cllr Christine Guinness, Regeneration and Property Portfolio Holder)

The Cabinet considered Exempt Report No. REG2405, which set out a proposed course of action arising as a result of the delayed handover of the Union Yard scheme from a contractual viewpoint.

The Cabinet RESOLVED that:

- (i) the proposed course of action put forward by the Head of Regeneration and Development in consultation with the Union Yard Project Board with regard the delayed handover be approved, and;
- (ii) the Head of Regeneration and Development, in consultation with the Legal Corporate Manager and the Regeneration and Property Portfolio Holder, be authorised to decide whether to actively pursue or not contractual financial mechanisms available to the Council in the event that they are considered required.

The Meeting closed at 6.33 pm.

**CLLR GARETH WILLIAMS, LEADER OF THE COUNCIL AND FINANCE
PORTFOLIO HOLDER**
